

MEDIA RELEASE

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CONSUMERS MUST BE GIVEN A FIGHTING CHANCE AGAINST RISING ELECTRICITY AND GAS BILLS

Consumer Action Law Centre says it's time for the Victorian Government and its energy industry watchdog, the Essential Services Commission, to take real action to help consumers switch and save on their energy bills, after the Commission's yearly report on the industry released this morning showed that both energy bills and the number of Victorians in hardship is rising significantly.

Janine Rayner, Consumer Action's Senior Policy Officer on energy, said that Victoria was still the only state to have de-regulated its energy pricing and trusted in competition to keep prices down and give Victorian consumers a fair go on their bills.

"Victoria's energy retailers have been free to set their own prices since the start of 2009. We have now seen prices go up by an average of a huge 12-16% for households in just the 2009 to 2010 financial year," said Ms Rayner.

"The Commission says that consumers should switch to a cheaper rate and save money on their bills, but consumers can't switch to better deals if they can't find them."

"Its own report confirms that a whopping 50% of the time, Victoria's energy retailers simply ignored their legal duty to give consumers an offer summary on request."

"Consumers are being actively prevented from making informed choices to switch that might help to drive real competition and lower prices, their only option in the de-regulated market, yet the only step the Commission has taken is to write to the retailers, even though this is the same bad result as last year."

An offer summary is a simple document that retailers are legally required to give to a consumer on request, setting out the key information about an energy deal and in a form that allows consumers to compare different deals and make an informed decision.

Ms Rayner said that the failure of effective competition in the Victorian energy market had become an urgent problem, with jumps in the number of Victorian households disconnected after showing signs of payment difficulties.

"The Government is paying substantially more in emergency grants to Victorians who are at risk of being cut off because they can't afford their bill. They gave 32% more electricity grants and 31% more gas grants than last year, and the average amount of each grant has also gone up."

"The Government is right to provide this help to Victorians struggling with their bills, but if the Government doesn't also act to help consumers switch and drive prices down, it's going to cost the Government and Victorian taxpayers more and more, not just households doing it tough."

"Meanwhile, Victoria's three biggest retailers, AGL, TRU and Origin, have a market share of 71.5% between them, another sign that we could be doing more to help consumers switch."

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