

Fair Go - Don't unplug Australians!



A national energy consumer law can bring both energy businesses and customers the benefits of a national harmonised approach to retail regulation BUT unless you get the protections in the law right, you'll be selling Australians short.

This Fact Sheet sets out 10 key problems for Australian consumers in the current draft of the law. They must be fixed if Australians are to get a fair go on energy.

Each of these issues is addressed in the current energy laws of at least one State or Territory – this means that if they are not fixed in the national law, large groups of consumers will *lose* rights they currently have.

Taking the 10 steps in this Fact Sheet would be a decisive and positive action for consumers. With rapidly rising energy prices, if you do not fix these problems now, we are very worried that more Australians will be unplugged.

We ask Australia's Energy Ministers to take these 10 key steps to fix the current National Energy Consumer Law:

- 1. Ban late payment fees:** Late payment fees penalise customers who are already experiencing genuine financial difficulties. Energy is an essential service, so people who can afford to pay their bills generally do – who would choose to have their lights turned out?
- 2. Scrap shortened collection cycles:** Like late payment fees, this penalises customers who are already experiencing genuine financial difficulties – instead of time and help to pay their bills, they will get the opposite – no bill reminder notices and faster disconnection.
- 3. Prevent disconnections during heatwaves:** Vulnerable consumers are more likely to need power in extreme weather events. Disconnection is bad enough – why would you worsen their experience?
- 4. Introduce a Wrongful Disconnection Payment:** Cutting-off households from energy – an essential service – is a last and worst outcome. We all want to avoid this where possible. Consumers rely on retailers to meet their regulatory obligations – if they do not (and only if they do not) a payment is appropriate. Where in place this has been very successful in avoiding unnecessary disconnections.
- 5. Encourage early intervention for those with payment difficulties:** All consumers should have the basic right to a payment plan for their energy bills and one that takes into account their capacity to pay. Why do only some consumers earn this basic right?
- 6. Lock in affordable payment options for those who really need it:** Require energy retailers to offer Centrepay as a means of paying bills – and whether the bills are under a standing or a market contract (otherwise low-income consumers can't risk joining the active market).
- 7. Give the most vulnerable consumers on prepayment meters adequate rights:** If you are making the decision to allow pre-payment meters, you must balance the risks by giving customers the right to terminate their prepayment meter contract without cost if they wish to do so and the right to full information about their energy usage and costs – something which most consumers take for granted on their bills.
- 8. Limit back-bills for undercharging to 6 months:** How and how much should consumers budget for a business' billing error?
- 9. Require retailers to notify their customers of any price changes in advance of charging them:** How can it be fair to charge consumers prices they haven't been told about and cannot possibly have agreed to? This should be a basic minimum standard for all energy contracts – standing and market.
- 10. Commit to a consumer-focused objective:** This is a consumer law – so why isn't the objective to improve the wellbeing of Australian consumers like it is for other Australian consumer laws?

All Australians have the right to fair, safe, reliable and affordable energy.