

MEDIA RELEASE

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NATIONAL ENERGY RETAIL LAWS RELEASED TODAY “LIGHT ON” FOR VICTORIAN HOUSEHOLD PROTECTIONS

Consumer Action Law Centre has warned that Victorians will be the biggest losers out of the new national energy laws released today.

Janine Rayner, Senior Policy Officer at Consumer Action, said the new national energy retail laws released by the Federal and State Governments today would replace the current Victorian laws that regulate how energy companies must deal with customers with watered down obligations.

“This is a serious reduction in household rights in dealing with their utility retailers, at a time when energy prices are rising significantly,” said Ms Rayner.

“At present Victorian energy retailers are required to get a customer’s explicit consent before they can legally sign them up to a new contract. This is particularly important because lots of Victorians have had to rely on this protection in challenging contracts they’ve allegedly signed-up to through door-to-door marketing.”

“The new laws don’t require explicit consent so we are very worried retailers will be able to get away with unscrupulous door-to-door marketing practices.”

“The marketing obligations generally are light-on for detail, which is concerning given even the Victorian Energy and Water Ombudsman recently reported that marketing complaints continue to rise significantly.”

Ms Rayner said that Victorian households facing genuine financial difficulties in paying their energy bills stood to lose the most from the new laws.

“One of the most concerning aspects of the new law is the weakened obligations of energy companies to assist consumers in financial hardship to afford their energy bills. This was an opportunity to extend Victoria’s protections to all Australians. Instead Victoria will go backwards.”

“The new laws will allow energy companies to cut-off essential services for Victorian households genuinely struggling with their bills, even if they are participating in a company-established hardship program.”

“At present energy companies have to meet objective standards in setting out their programs for helping Victorians in financial difficulties. The new laws will allow them to set their own lower standards.”

“This seems to be going in the opposite direction to Government moves to require banks and other financial institutions to deal appropriately with the increasing number of households that will experience financial difficulties due to worsening economic conditions.”

Ms Rayner said that Victoria currently has the nation’s lowest rates of disconnection of households from energy services but the loss of important protections risked us reaching the unenviable disconnection rates seen in other states.

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