CUAC
Consumer Utilities Advocacy Centre

consumer action law centre

11 October, 2012

Re: Question on notice - NECF

The Committee Chair asked us to take on notice the elements we would like to see included in the National Energy Customer Framework.

In principle our organisations support nationally consistent regulation where this is likely to bring benefit to consumers. At the same time, we believe that instruments like the National Energy Customer Framework should represent best practice, rather than diminishing the protections already available in some jurisdictions.

With this in mind, our organisations were supportive of the derogations that were included in Victoria's National Energy Retail Law (Victoria) Bill 2012 relating to:

- Smart-meter related consumer protections;
- Victoria's wrongful disconnection compensation scheme;
- the prohibition on late payment fees;
- an obligation on retailers to enter into community service agreements;
- a requirement for an energy retailer hardship policy to provide energy efficiency assistance options for hardship customers;
- a ban on prepayment meters;
- reconnection timeframes that afford customers who are disconnected from supply an opportunity to be reconnected on the same day; and
- a customer's right of reconnection if they are eligible for a Utility Relief Grant.

In addition, we would like to see the inclusion of:

- Universal access to payment plans
  The definition of "payment plan" in Section 50 of the National Energy Retail Law (NERL) suggests that only customers who are currently experiencing payment difficulties are entitled to a payment plan, thereby excluding customers for whom payment plans could be a preventative measure that would help them to avoid future payment difficulties. Omitting universal access to payment plans limits consumers' abilities to be pro-active in managing their finances in relation to electricity bills.

- Better provision for compensation for property damage in the event of voltage variation
  While Part 7 of the NERL makes provision for a voltage variation compensation scheme, it gives too much discretion to distributors to reject claims and hence does not achieve consumer outcomes equivalent to those in the Victorian Electricity Industry Guideline No 11. Victoria's no-fault regime for voltage variation claims is particularly important for consumers unable to afford insurance. It also achieves, we argue, a more efficient allocation of risk while avoiding the potential costs of resolving and disputing claims.