

“We need electricity to cook, clean, heat and cool. So figures showing disconnections are on the rise are a major concern.”

Gerard Brody
CEO, Consumer Action Law Centre



Victorian Parliamentary Newsletter

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Energy disconnections at record high - Struggling Victorians need our help

Over 34,000 Victorians had their electricity supply cut off in 2013/14. At the same time, calls to the Energy and Water Ombudsman Victoria about credit issues such as disconnection, debt collection or payment difficulties increased 48 per cent on the previous year, and have increased by 200 per cent in just four years.

Equally worrying is that 78 per cent of people who called the Ombudsman about credit issues had unsuccessfully tried to resolve the issue with their retailer on at least two occasions. And almost a third of that group had tried to resolve the issue five or more times. This is a sad reflection on the quality of our energy retailers' assistance programs.

Energy retailers are in the privileged position of being able to sell an essential service, but with that privilege comes a significant responsibility backed up by a legal requirement to help customers struggling to pay their bills. That so many customers have been unable to get adequate help from energy retailers and have had to escalate their matter to the Ombudsman shows retailers' assistance programs are failing.

Identifying and assisting struggling customers isn't easy, and customer service staff need to develop expertise to deal with vulnerable or marginalised consumers. But it's clear retailers need to invest more in their support programs and they need to invest now.

Consumer Action welcomes the new Government's commitment to give the Essential Services Commission more resources and enforcement tools to ensure Victoria's energy retailers meet their obligations, and we eagerly await the outcome of the Commission's inquiry into Victoria's unacceptably high level of energy disconnections.

Let's simplify Victoria's energy market

A competitive energy market can help Victorians save money and manage their bills, but it is clear that competition alone isn't enough to keep energy prices down. Research released by the Australian Energy Market Commission in 2014 revealed that, despite Victoria having the most competitive energy market in the country, energy retailers are making bigger profits here than in any other Australian state.

Victoria is often held up as the model for other states to follow because of the number of retailers in the market and the level of switching. But if the market is leading to bigger profits for retailers, you can be sure it's consumers that are out of pocket.

For competition to work effectively we need Victorians to be engaged and actively shopping around for the best deal. As things stand, many consumers have tuned out, and who could blame them? Retailers use complex language, offers are almost impossible to compare, and even if you use the Government's online comparison service, you'll have around 120 offers to choose from.

Standardising products using simple language, and improving retailers' marketing practices would help fix our broken energy market and drive down the cost of living for Victorian households.



How big is this issue?

Consumer Action's 'Private Car Parking Fines fact sheet' is the most viewed item on our website and was viewed by over 20,000 people in 2014.

www.consumeraction.org.au/private-car-parking-fines/

Loophole sees VicRoads disclosing Victorians' personal details to private companies

In the last three financial years VicRoads has given the personal details of 165,793 Victorians to private companies.

Private car park operators are using our court system to force VicRoads into handing over drivers' personal details so that they can send payment demands. The process is breaching Victorians' privacy and clogging up the Magistrates Court.

What's more, the legality of these 'payment demands' is hotly contested. A recent case in the Victorian Civil and Administrative Tribunal found one such demand was unenforceable. Victorians' personal details are being disclosed so that private car park operators can send them dubious demands for payment.

In 2012 the New South Wales Government made a legislative amendment to stop private car park companies getting drivers' personal details from statutory bodies. We think it's time Victorian drivers were offered the same level of privacy.

Consumer Action is calling on the Victorian Parliament to follow the New South Wales Government's lead and stop private companies accessing Victorians' personal information from VicRoads.



A growing problem

There are currently 431 registered retirement villages in Victoria and with 1.25 million Victorians expected to be aged over 65 in 2030, we expect significant growth.

It's time to overhaul the Retirement Villages Act

Overly complex contract terms and unfair fee structures can make moving into retirement accommodation a gamble. Many Victorians move into purpose-built retirement villages or other retirement accommodation with little control over the overall cost or the environment they move into.

Resolving a dispute with a retirement village's management can be a time consuming endeavour with few options other than to lodge a case in the Victorian Civil & Administrative Tribunal.

Older Victorians need simpler contracts with fair fee structures. If they have concerns, or a problem emerges during their residency, there should be an independent dispute resolution forum so that residents don't have to pick a fight with their landlords.

Consumer Action believes that the Retirement Villages Act 1986 needs to offer more robust protections for residents of retirement villages. The best way to approach this is to undertake a broad-based review of retirement living legislation to allow all stakeholders to have a say about what is working and what needs to change.



Consumer Action provides free consumer law information and advice to Victorians. Our advice line is open Monday to Friday from 10am to 1pm on (03) 9629 6300 or 1300 881 020.



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