

27 May 2024

Network Outage Review Panel

Rosemary Sinclair; Gerard Brody; Kevin Kehl

By email: networkoutagereview@decca.vic.gov.au

Network Outage Review: Submission from Consumer Action

Dear Expert Panel members,

Thank you for the opportunity to provide a submission to the Network Outage Review. Consumer Action was contacted by a small number of consumers impacted by the network outages in February 2024, and some have agreed to share their stories for the purposes of this Review, and in the hope that responses from industry improve in future.

We outline below a high level overview of issues presenting on the National Debt Helpline that we operate in Victoria, followed by illustrations through case studies.

About Consumer Action

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets. We work for a just marketplace, where people have power and business plays fair. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, our direct services assist Victorians and our advocacy supports a just marketplace for all Australians.

Overview of issues

- People impacted by the network outages received the \$300 Energy Resilience Payment despite higher damage costs being incurred including property damage, food wastage and additional expenses for essentials such as petrol, candles and other emergency materials.
- People affected by the network outages, who contacted our services, have reported compounding financial difficulties incurred due the outage, including credit, utility and telco debts. In some cases, these debts are still unresolved.
- People who may have been eligible for Energy Resilience Payment were not provided information about this payment
- A registered life support customer informed us they were not provided specialised information for their circumstances, tailored information or follow up communication for services or support from AusNet
- Communication of assistance was relatively restricted to either SMS updates or email only. No examples of outreach by distributor (AusNet) proactively being made outside of standard SMS notifications.

John

John lives alone in his home in a suburb of Cardinia Shire. Last year, John told us that he purchased a new fridge for \$2,500 and had a split system air conditioner worth approx. \$1,500. He stated that he receives Centrelink as his sole income source. During the February storm, John said his power went out for 6.5 days, was reconnected briefly for half a day, and then went out again for another 2 days. John estimated he had to throw out more than \$400 worth of food.

John stated that he received an SMS from AusNet about the power outage he was experiencing, and that it contained a link to apply for a Prolonged Power Outage payment. John told us that he made an application online. He stated that he didn't receive a response for two weeks, at which point he called AusNet. He said that they told him over the phone that he was only eligible for the \$300 payment, as he had only experienced an outage for 6.5 days, rather than seven consecutive days, despite John notifying them that he had an additional 2 days outage after the initial outage.

Furthermore, John said that when his power was restored, the fuse short circuited, damaging his fridge and split system air conditioner. John said that AusNet wanted an assessment from an electrician before they could compensate him for damage to these items, but that he couldn't afford to pay for this saying, "I was confused why everyone else near me got \$1900 and I only got \$300. I felt pretty heartbroken and gutted. I'm on Centrelink and struggling as it is. They told me they needed an assessment from an electrician about my fridge, but I couldn't afford to pay for that assessment."

John also stated the SMS sent by AusNet after the outage contained only minimal information, saying a team was on their way, but that they couldn't confirm how long the outage would last, and that AusNet would provide an update later on. John notes that the only communication he had received from AusNet was the initial SMS, and he had to call them to follow up his application for payment. Further to this lack of information, John said to us, "A friend put me in touch with the Council for hot meals, showers. I didn't have any information from AusNet about what supports were available."

At time of writing, John is living with a small bar fridge, and no heating or cooling due to his broken split system.

Amanda – Cardinia Shire

Amanda is a registered life support customer, who requires electricity due to a spinal implant device.

Amanda is living on \$1444 per month from income support, after suffering a serious injury in a workplace accident. Amanda's injury has left her unable to work.

As a result of the outage, Amanda told us she had no electricity connected for 47 hours. She said she had spent \$250 that week on groceries, which all went to waste when the outage occurred.

Amanda told us that she contacted AusNet immediately after experiencing the outage, via an online portal where she lodged a compensation claim application. Amanda said she was told by AusNet when she applied for the compensation payment that she was ineligible due to not being disconnected for at least 72 hours.

Approximately four weeks after the power outage, Amanda said she received what appeared to be an automated email in response, stating she was ineligible for a payment, and which included a general factsheet.

Despite her ineligibility, Amanda is still suffering from the financial impacts of the outage:

- Amanda told us that her telco company incorrectly direct debited her for \$185, despite her having credit on the account. It took them 5 days to reverse the credit, and she was unable to action this herself at the time due to the outage.
- Amanda is on a payment plan with her utility retailer of \$50 per month per utility. She said that since the outage this had become unaffordable due to increased costs incurred (e.g. food, candles, lamps, petrol due to more driving). Amanda said she had asked her utility retailer if she could lower her payment plan but they declined.
- Amanda said she has incurred credit card debt, having to use her card to pay for essentials a lot more, including more trips for food.

Reflecting on the financial impact of the outage, Amanda said to us, "It created a cascade, taking everything that I had. I'm living on a thread until my tax refund comes in August. I've had to use my credit card to pay for my groceries, which is now in debt."

"It created a domino disaster effect, and I won't get out of it until tax time, but even then I'll still be behind by \$2,000."

Currently Amanda is on a waiting list for financial counselling assistance service, after being referred through the National Debt Helpline.

Case study: Julia*

Julia lives with her friend and her high-school aged son. Julia told us they lost power for 4 days during the storm. Julia made an online application to AusNet for compensation, and received \$300, however she said this only came to her 3-4 weeks after making her application.

Julia states she lost a lot more money than \$300, and approximated her food bill to have been closer to \$500 in wastage.

During the intervening 3-4 weeks between application and receiving the payment, Julia said she had to use her Jobseeker income to cover the extra food costs, and forego paying her energy and council rates bills for that month.

Julia stated that her energy retailers and council were understanding of her situation, and allowed her to delay her payments until the following month.

During the outage, Julia stated that her son was unable to attend school, and they weren't really able to do anything except sit at home and wait. Julia said she had tried to get a generator but couldn't afford the extra cost.

Julia stated that she remembers receiving 2 – 3 SMS updates from AusNet during the four days she was without power. However, she also said that there were no phone calls, in person visits from AusNet, and that the SMS updates she received did not contain further information of provide referrals as to where she could go for further assistance.

When asked what she would like to see change in future for subsequent outages, Julia responded:

- An increase of payment, considering it didn't cover the costs lost in food
- A quicker reconnection

*name changed

Case study: Paul*

Paul was referred to our service. Paul told us that he experienced property damage as a result of the February 2024 storm. This included damage to his roof and his NBN connection. When Paul called us he stated that his insurance claim was in progress, but that he was still awaiting quotes from builders over 6 weeks after storm. He stated that he was without power for almost 1 month, and said his power was not restored until 10 March. He also said that his internet connection was not restored until March 18.

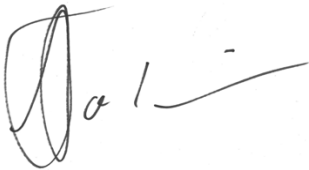
During this time, Paul stated that he was using phone to do internet banking due to his internet connection being out. He stated that he believed his accounts were hacked during this period. He then said he was contacted by a scammer posing as a representative from his bank who provided supposedly secure information to gain his trust. Subsequent to this, Paul said he had \$31,000 stolen in two separate scams. Although he reported both scams to his bank, Paul stated that the bank advised him that the funds could not be recovered and offered him only \$1000 in compensation.

*name changed

Thanks again for the opportunity to provide our submission of Victorian consumers' experiences of the February network outage.

Please contact Policy Officer **Eirene Tsolidis Noyce** at **Consumer Action Law Centre** on 03 9670 5088 or at eirene@consumeraction.org.au if you have any questions about this submission.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Tonkin', with a long horizontal flourish extending to the right.

Stephanie Tonkin | Chief Executive Officer
CONSUMER ACTION LAW CENTRE