

SUBMISSION TO PRODUCTIVITY INQUIRY INTO AUSTRALIAN CONSUMER POLICY FRAMEWORK

I have already identified myself as an concerned interested party intending to make protracted submissions to the Productivity Commissions Inquiry into Australian Consumer Policy Framework. Please keep me informed and proactively invite my direct participation in any face-to-face enquiries that may be Melbourne based as I would be happy to provide direct and written evidence of to the Commission's Inquiry.

I will be providing solid and irrefutable evidence as a concerned private citizen and consumer of energy supplies (and telecommunications services) to show that existing consumer protections are inadequate, especially in the energy industry.

It is my understanding that the Government is particularly interested in evidence-based submissions. Direct consumer input for industry-specific matters is often hard to come by which means that many stakeholders making submissions to the Commission are from within the Industry, though of course many community organizations representing a variety of consumer interests also make important and credible submissions.

My multi-component submission is in preparation on energy issues, particularly bulk energy. This will be a submission in its own right targeting serious dissatisfaction with current specific policies within the energy-industry and also dissatisfaction with the existing complaints system Energy and Water Ombudsman (EWOV).

Hard evidence and testimony will be provided on:

1. Unwarranted and allegedly unconscionable threats of disconnection of essential services by energy provider(s) apparently seeking to exploit loopholes in current legislative provisions and in existing energy-specific Codes and Guidelines with particular emphasis on Charging Guidelines¹²³ for bulk hot water energy supplied by energy retailers.
2. Alleged loopholes in current energy regulation that appear to be giving rise to consumer detriment because of discrepancies in interpretation and definition, especially with regard to bulk energy provision for hot water supplies, notably those within multi-tenanted dwellings without no separate metering for gas or electricity, but with separate water meters relied upon for water volume measurement to make imprecise calculations as to the amount of energy used.

¹ Energy Industry Guideline: Bulk Hot Water Guideline 20(1) 2005, (ESCV) effective dated 1 March 2006 and an associated deliberative document which will be fully referenced and discussed in my primary consumer submission in preparation

² Final Decision: Energy Retail Code – Technical Amendments – Bulk Hot Water and Bills based on interval Meter Data (Final Decision)” December 2005

³ Other relevant regulations including Gas Industry Act 2001, Energy Retail Code 2007 (v3 May 2007 and earlier versions);

3. Some considered suggestions for industry-specific regulatory and complaints mechanisms. The more detail recommendations will be submitted in rationalised components. Some of these will be necessarily privileged because of commercial sensitivity and/or privacy considerations, but may help to inform the Commission and provide some evidence-based data upon which to rely.
4. Consumer perspectives on the complex and hard to access recourses currently available within Victoria from a consumer perspective

The issues have been the subject of protracted and as yet unresolved communications with the energy-specific complaints body named Energy and Water Ombudsman (EWOV), whose charter, and jurisdiction and is extremely restricted. This will be subject of a separate submission in preparation.

I also have concerns about the telecommunications industry and the extent to which policies can be changed to consumer detriment impacting on contractual matters, which are currently outside the direct reach and jurisdiction of the existing telecommunications industry complaints scheme (Ombudsman).

I applaud moves to consolidate and rationalize complaints systems in Australia and to reconsider how consumer interests can best be served. I will be lodging as a separate submission rebuttal of TRUenergy's submission to the Commission commenting on the complexities of the existing consumer policy framework with the view to suggesting that consumer protection regimes may be acting as a "road block" to effective and responsive competition. Whilst this is an important concept, consumers would be disadvantaged if reliance were placed on more general recourses through the Trade Practices Act (TPA) and Fair Trading provisions alone.

In short I disagree with any proposal, and the proposal by TRUenergy in particular to demolish existing protections, such as they are and rely on more generic non-industry specific mechanisms through which consumer protection can be addressed. Greater protection, not less is indicated, though harmonising and rationalizing are certainly worthy goals for the Commission's Inquiry to address and within the scope of its parameters.

The concept of harmonising energy retail regulation and making sure that other legislative provisions are cross-referenced and taken into account is important and applauded.

Existing provisions and interpretations of **default supply contracts** covered and often discrepantly interpreted under regulations, codes and guidelines deserve very careful reconsideration in consumer protections.

I am extremely concerned over the extent to which threats of disconnection or disconnection fees can be applied creatively by energy suppliers, even to the extent of suggesting that contractual responsibilities can be shifted to third parties unknown to the consumer.

Attachment Main (1)
Submission to Productivity Commission Inquiry
Australian Consumer Policy Framework
Madeleine Kingston
Individual Consumer Victoria
30 July 2007

In looking through an online community site today, I found some dialogue amongst consumers that may be pertinent evidence of consumer dissatisfaction especially with regard to energy supply and the conduct of suppliers.

I took the opportunity of posting two comments in response to community concern and have directed attention to the Productivity Commission's interest in receiving feedback for its Inquiry from consumers and other stakeholders.

Since the dialogue referred to is in the public domain; is deidentified; and readily available, I am taking the liberty of directly sending these recent exchanges to the Commission's Inquiry as an attachment.

Rather than repeat here what individual Submissions will cover separately, topic by topic, I will submit this as an initial response to the Commission's invitation for community participation in the interests of promoting wide debate and discussions on these important issues impacting on the entire Australian community.

I applaud the Commission's transparency policies, and also know that material that may be privileged because of commercial sensitivity or privacy considerations will be appropriately handled and not published online when requested.

Thank you again for supporting my intent to inform the Commission as one of the few individual consumers willing to take a proactive stand in presenting perspectives and suggestions

In conclusion, overhaul of consumer policy is welcomed. Energy reform is well overdue. In my opinion, consumer protections are dangerously compromised at present.

If reliance is placed on more generic provisions rather than industry-specific provisions there may be few consumer protections that are affordable readily accessible. However, rationalizing and harmonization is welcomed.

The energy industry needs more, not less control and regulatory provisions need tightening not the other way round.

The public is looking forward to the Commission's Inquiry and implementation of reforms across the board.

Regards

Madeleine Kingston

Individual Victorian Consumer

(contact details provided on covering e-mail)