



Application for individual exemption from
authorisation as an electricity retailer by
Stockland Property Management (Various Locations)

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Contact:
Mark Henley
Energy Consultant
UnitingCare Australia

Ph: 0404 067 011

UnitingCare Australia is the national body for social services in the Uniting Church in Australia, supporting service delivery and advocacy for children, young people, families, people with disabilities, and older people

1 Introduction

UnitingCare Australia is the national body for the UnitingCare Network, one of the largest providers of community services in Australia. With over 1,600 sites, the network employs 39,000 staff and is supported by the work of over 28,000 volunteers. We provide services to children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally diverse backgrounds and older Australians in urban, rural and remote communities.

UnitingCare Australia works with and on behalf of the UnitingCare Network to advocate for policies and programs that will improve people's quality of life. UnitingCare Australia is committed to speaking with and on behalf of those who are the most vulnerable and disadvantaged, for the common good.

UnitingCare Australia's principal interest in energy regulation arises because energy is an essential service with rising costs that are putting inordinate financial pressure on growing numbers of households in Australia.

2 Application for Exemption

UnitingCare Australia has considered the application for individual exemption from authorisation as an electricity retailer by Stockland Property Management, and is not convinced that this group should be regarded as an exempt seller. Our reasons for this conclusion are summarised below.

Stockland Property Management bills for a significant amount of electricity

In aggregate, the twenty Stockland Property Management sites across NSW and Victoria, have a total of 982 tenants, of which 44 are large tenants, and 938 are regarded as small tenants.

Shopping Centre	State	Small tenants	Large tenants	Total Tenants
The Pines	VIC	117	6	123
Tooronga	VIC	35	2	37
Highlands	VIC	25	3	28
Traralgon	VIC	49	1	50
Wendouree	VIC	86	0	86
Merrylands	NSW	216	9	225
Shellharbour	NSW	266	8	274
Balgowlah	NSW	59	2	61
Forster	NSW	85	13	98
Total		938	44	982

Table 1. Source: Applications to AER for retailer exemption

The total quantum of electricity sold through Stockland Property Management centres is significant, about 20 Gwh¹ per annum and of an order of magnitude in line with some existing second tier retailers. Second tier retailers are, of course, required to be authorised sellers, so Stockland Property Management Centres, in aggregate, should be considered to be similar to second tier retailers in terms of 'volume' of electricity sold. Retailers of similar magnitude should be subjected to similar regulation.

Electricity costs are not incidental for some Stockland Property Management tenants

We note that in their applications for exemption Stockland Property Management claims *"The proposed on-selling activities are incidental to Stockland Property Management Pty Ltd's core business of managing the shopping centre."* This may be the case from a very large shopping provider point of view, however we believe that a significant number of customers, and in particular smaller tenants, would face significant electricity bills and that electricity is a significant cost of their business. As such, their electricity supply is not a minor matter.

This means that from a tenant's ie a customer's perspective, the option to be able to reduce their energy costs through access to competitive markets is important. If this is difficult for the centre management to organise, then it is a cost that they should bear, not a cost that should be passed on to individual tenants.

Small Business Electricity Debt

We also note that from the AER's Energy Affordability Report that there is a reasonable number of small businesses who have electricity debt with 3.87% of small businesses in NSW having electricity debt and we understand that some of these debts are substantial in terms of the turnover of these businesses. (Note that data for Queensland and Victoria is not readily available since they have not been parties to the NECF and so AER has not been able to collect data for these jurisdictions). It is therefore really important from a customer point of view that tenants have the capacity to manage their electricity cost and their electricity input. This is not possible with a single fixed provider.

Best Interests of Consumers

Since Stockland Property Management is seeking to be exempt providers of electricity, we believe that this works against the best interests for their 982 tenants who, apart from wanting access to competitive energy market options, will in some instances want protection under the National Energy Customer Framework. Some tenants would benefit from access to a hardship programme, as well as capacity to resolve conflicts with their electricity provider through Ombudsman services.

We also observe from the Stockland Property Management applications that there was no evidence that we could find of Stockland Property Management engaging with its tenants to ascertain their interests and perspectives on energy costs and any energy rate issues. We consider this to be inadequate and that in seeking exemptions Stockland Property Management centres should have presented independent commentary from their tenants.

¹ <https://www.aer.gov.au/retail-markets/retail-exemptions/public-register> and Stockland exemption requests

Taking into account the size of Stockland Property Management operations in aggregate, the existence of small business debt and in fact the difficulty of current retail business in a tight economic environment, and noting the National Energy Objective of giving customers access or having their interests met in the longer term with regard to price reliability and safety, we believe that it is appropriate to regard Stockland Property Management, for example, as an energy retailer because electricity costs are significant for some of their tenants. Further, energy customers should have access to support services including hardship programmes and access to Ombudsman for dispute resolution. We therefore encourage the AER to oppose applications of this type for exemptions under retail authorisations arrangements.

Consumer Engagement

We also believe that there is much more that Stockland Property Management could have done to consult and work more effectively with their customers / tenants. We could find no evidence in the application for exemption of any attempts to consult with tenants, which we think would be a reasonable expectation, particularly given the tough economic conditions across much of Australia at the moment and the pressures on many small retailers.

3. Exempt Selling Process

We also understand that the AER is soon to consider this long term question about the place and role of embedded networks and subsequent retail exemptions. We do not wish to pre-empt this process, however UnitingCare Australia holds the view that retailer exemptions should only be given to small embedded networks, much smaller in electricity use than is the case for large shopping centres and for businesses with a number of separate sites, (eg caravan parks managed under a single trading name may be an example).

We also believe that any longer term exemption would be inappropriate with policy consideration of these issues imminent.

We look forward to being a part of consideration of these issues in the near future.