



Board Communique: May 2020

The Energy Consumers Australia Board met via video conference on 28 May 2020

Reference Committee

The Board held the second meeting of this year with its Reference Committee. They were joined by Ms Janine Young, Energy and Water Ombudsman, New South Wales as an observer. Members discussed the following matters.

- In relation to the ongoing impacts of COVID-19 and the consumer experience, members noted that government assistance measures were helping. However there is concern about the difficulties that households and small businesses may experience when these assistance measures are withdrawn. These difficulties include consumers being left with unmanageable debt; and small businesses finding the ongoing health requirements (such as social distancing measures) making it difficult to remain viable.
- Members noted the current urgent rule change proposal by the Australian Energy Regulator to defer network charges. Alternative approaches to the rule change were discussed, including potential for governments to provide financial support to either retailers or consumers who are having ongoing difficulties.
- Members also discussed issues relating to development of the energy market. They noted the importance of maintaining focus on the energy market transition and the implementation of the Technology Investment Roadmap.

Response to the impacts of COVID-19

The Board reflected on the latest information about how Australian household and small business energy consumers are being impacted by the economic shock associated with the COVID-19 crisis.

While feedback from energy companies indicated that the number of consumers requesting additional support to pay their bills was higher than usual but still manageable, data from the Australian Bureau of Statistics, as well as the Reference Committee and other sources, indicated that there was a real risk that the need would grow significantly in the coming months as their ability to stretch their budgets – including by early access to superannuation and by deferring mortgage repayments – is exhausted.

The Board also remains concerned about the difficulties many consumers face accessing the additional energy bill and other help that is available. Clear and consistent communications from energy companies, as well as proactive outreach to support consumers at risk, is critical.

Recent efforts by the sector, supported by The Energy Charter, to work together to reach people from culturally and linguistically diverse (CALD) backgrounds, as well as international students and overseas workers, was welcomed and should be scaled-up to meet the need.

With smart meter data from Victoria and other parts of Australia showing that households were using significantly more energy than usual, the Board also discussed bill shock risks, and the need for retailers to pass on sustained wholesale and network cost reductions by reducing energy prices from 1 July 2020.

Ongoing research and advocacy

Staff briefed the Board on Energy Consumers Australia's research program, and plans to publish the next Energy Consumer Sentiment Survey in mid-2020, alongside the results of new, targeted consumer surveys focused on how people are being impacted by economic and social shocks.

The Board also received updates from staff about Energy Consumers Australia's participation and advocacy in ongoing National Energy Market and other processes, including:

- an update on the Energy Co-Ordination Mechanism weekly meetings and the focus of Energy Council on helping support consumers to manage the impacts during COVID-19;
- the Post 2025 Market Design initiatives being led by the Energy Security Board;
- the latest round of electricity distribution network revenue determinations in Victoria;
- as a party in the proceedings in the Australian Competition Tribunal, where Energy Consumers Australia is participating as a voice for consumers in appeal of the New Energy Consumer Technology Code;
- weekly meetings with the Energy Charter signatories, on their response to assisting customers and prevent disconnections of customers who may be in financial stress without their agreement.

The Board then dealt with a number of governance matters.