

Board Communique: July 2020

The Energy Consumers Australia Board met via video conference on 23 July 2020

Governance

The Board considered a number of governance matters including end-of-financial year reports and budgets, and progress updates on internal projects. The Board was briefed, as has become custom during this pandemic, on Energy Consumers Australia's staff health and wellbeing as they continue to work from home.

Advocacy and Communications

The Board reflected on the recent *2020 Retail Energy Competition Review* report from the Australian Energy Market Commission (AEMC) and the *State of the Energy Market* report by the Australian Energy Regulator (AER). Both reports show that the sustained efforts of advocates, governments and regulators are having an impact in lower energy prices. They also highlight the need for consumers to be central in any decision-making that progresses the energy transition. The Board would like to see a continued focus on support for technology to empower consumers who want to be partners in the energy market.

Staff briefed the Board on the Australian Competition Tribunal (Tribunal) hearing of Flexigroup's appeal of the Australian Competition & Consumer Commission's (ACCC) decision to authorise the New Energy Tech Consumer Code. The hearing was held between 9-12 June 2020. The Tribunal has reserved its judgement.

Energy consumer resilience

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

The Board received an update on the results from our bi-annual Energy Consumer Sentiment Survey (ECSS), the SME Retail Tariff Tracker and the additional research. The Board were interested in the fact that a majority of household's rank electricity bills as in the top 3 bills that they are concerned about. Further, most households reported that they cannot remember the last time their retailer sent information to them at all. Around half of those that did recall, did not rate the information as 'useful' and over a third found the information 'hard to understand'. The Board remain concerned about the lack of transparency between retailers and consumers on their bills and feel that reinforces the lack of confidence and trust in the energy market.

Reference Committee

The Board held the third meeting of this year with its Reference Committee. The Board was pleased to welcome Carmel Franklin, CEO Care Financial Counselling as the ACT representative. Carmel has been involved with consumer issues for many years, focusing on fair outcomes for all consumers, particularly those who are disadvantaged.

The Reference Committee was also joined by Cynthia Gebert, Energy and Water Ombudsman Victoria, as an observer.

Members discussed the following matters:

- Committee members again noted that while fewer consumers are seeking assistance with high bills, consumers are continuing to accrue deferred debt and may need greater assistance in the long term. Consumers appear to be using government assistance to manage their costs, but changes to government schemes in September may mean they need more support to understand their options. There was concern that some retailers are considering debt collection actions against affected customers, or customers with historic debts. Members noted some of the government assistance that was being offered to small business customers.
- In considering the energy transition underway, members discussed the need for the market to be designed around the consumer so that the framework does not require too much from consumers and reflects their desire to participate in the market (or not) and their capacity for decision making. Members discussed the benefits and risks of principles-based regulation, both in a market design context and for a consumer protection regime, noting that industry may prefer clear guidance on what steps are required to achieve outcomes.