



MEDIA RELEASE

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Consumer Protection working in Victoria

The Energy Retailers Association of Australia said today that the consumer protection system in Victoria was working effectively and protecting the interests of energy consumers.

In commenting on the release of the latest data from the Victorian Energy and Water Ombudsman the ERAA said that of the “so called” 10,180 Victorian cases recorded in the six months to December, 2004 all were resolved with the consumer and not one required a notice of direction by the Ombudsman. This confirms the ERAA’s view that consumer protection is working.

Approximately 75% of all “cases” reported by EWOV were classified as “enquiries” or merely phone calls from consumers as opposed to actual “complaints”. The majority of these “enquiries” were referred back to the energy retailer to resolve because the retailer was not contacted in the first instance or only one contact had been made. Drawing any conclusions as to the performance of the retailers as a result of the number of “cases” is therefore seriously questionable.

Of the total number of **electricity** ‘cases’:

- For the first time in four (4) years there has been a fall in the number of electricity billing disconnection cases of 9% to 851;
- Actual disconnection/restriction dropped 10% to 351 cases;
- Imminent Disconnection/restrictions dropped 8% to 500 cases.

In the total number of **all** ‘cases’:-

- Billing disconnection/restriction cases were down 5% to 1,303 over the last period;
- Actual disconnection/restriction cases were down 9% to 645 over the last reporting period;
- Imminent disconnection/restriction cases were down 2% to 658 cases.

In addition, of the 9,575 electricity and gas ‘cases’ (which includes transmission, distribution and other unrelated numbers), ALL cases were resolved with the provider and there was NO notices of direction issued by the Ombudsman.

Of the 10,180 'cases' recorded in the six month to December 2004, there were 2,136 cases not related to retailing electricity or gas including 1,251 telephone calls about Full Retail Contestability, i.e. market competition.

The increase in the total number of 'cases' or telephone calls with the Ombudsman's office can also be attributed to the fact that competition is actually working in Victoria. There is a correlation between the increase in the number of 'cases' and market activity.

The Ombudsman has been proactive in promoting the services of the office and awareness of EWOV is growing. In 2004 promotional strategies undertaken by the Ombudsman included community briefings, participation in forums, regional advertising, new fact sheets and the inclusion of information in 14 languages on EWOV's website. Retailers are also required to include the ombudsman's telephone details on their bills.

The Ombudsman's data shows that from the six months July – Dec 2004, that of 350,283 Victorian electricity and gas consumers who changed their energy retailer, there were only 1,683 contacts or 'cases' recorded by the Ombudsman during this period, representing 0.45% of the number who decided to change retailer.

The current data does not reflect actual market activity or benefits to consumers. Competition is working in Victoria. Consumers can choose from 14 energy retailers and energy prices for consumers will continued to be subjected to competitive pressures.

In addition, the disconnection rate of 0.92% is close to the 20 year average of 0.88% of all 2.2 million Victorian energy consumers.

The industry is committed to working with the government and community groups in the *Committee of Inquiry into Financial Hardship of Energy Consumers* announced by the Minister earlier this year. Individual retailers already have specialty payment plans and have helped thousands of Victorians to manage their energy bill. A number of retailers have also established innovative programs to work with disadvantaged customers across the state.

All retailers operate their own dedicated customer relations units over and above their customer service center operations.

ERAA urges anyone in difficulty paying their energy bill or seeking information, to contact their energy retailer in the first instance.

ENDS

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