

Media release 1 September 2015
Consumer Protection Bill

The Consumer Utilities Advocacy Centre (CUAC) welcomes the Consumer Protection Bill introduced in Parliament on 1 September 2015. CUAC applauds the Minister for Energy and Resources for taking decisive steps to put consumers first by improving the regulatory framework.

Victorian consumers will no longer face exit fees to leave a fixed term energy contract if their retailer has increased the energy prices mid-contract.

“CUAC has long advocated that fixed term contracts should have fixed prices. This is what consumers expect. Not being ‘locked in’ to contracts where retailers can increase prices at will, is a step toward achieving a fair consumer experience in Victoria,” said Mercedes Lentz, CUAC’s Executive Officer.

The Essential Services Commission (ESC) will also receive enhanced powers to enforce compliance, including applying higher penalties and the ability to pursue businesses that have committed breaches of its codes and regulations.

“We hope the ESC will not shy away from using its new powers. Consumers deserve to have confidence in the energy market,” said Ms Lentz.

From 2009/10 to 2013/14, wrongful energy disconnections rose almost sixfold. CUAC welcomes the increase in wrongful disconnection payments from \$250 to \$500 per day, and the introduction of the \$5,000 wrongful disconnection penalty.

Most wrongful disconnections in 2013/14 were due to breaches of the Energy Retail Code specifically designed to protect customers facing payment difficulty. The increase in wrongful disconnection payment and the financial penalty will send a strong signal to energy retailers that consumers rightly expect them to comply with their regulatory requirements before disconnecting customers. The trend in disconnections needs to be reversed.

The improvements in the ESC's public disclosure and reporting including the identification of businesses that have committed breaches will increase transparency, accountability, and encourage better behaviour from businesses.

"Improved transparency encourages competition by comparison. Why would you choose an energy retailer that breaches the rules?", said Ms Lentz.

Contact for media enquiries:

Mercedes Lentz

Executive Officer

(03) 9639 7600

Mercedes.Lentz@cuac.org.au