



financial
counsellors'
association of
queensland inc.

admin@fcqn.asn.au
www.fcqn.asn.au
PO Box 271 Fortitude Valley Q. 4006

24th December 2010

General Manager, Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001
AERInquiry@aer.gov.au

Dear Sir/Madam,

RE: Submission Position Paper AER Retail Market Performance Reporting

I make this submission on behalf of the Financial Counsellors' Association of Queensland (FCAQ).

FCAQ is the peak body for the Financial Counselling sector in Queensland. The association has 83 members located from Cairns to the Gold Coast and west to Darling Downs.

Our membership's client base (depending on funding agreements) ranges from wage/salary earners, gamblers, and Centrelink recipients; self funded retirees, small business owners and primary producers. Financial Counsellors provide support to individuals or families experiencing financial difficulties. Support is tailored to each client and includes advocacy, budgeting, education, and empowerment. Referrals are made where necessary and appropriate to other services to further improve the situation of the client.

This submission is allowed to be put in the public domain.

FCAQ welcomes the opportunity to have input into this important area.

4.2 Hardship program customers receiving concessions

We agree.

4.3 Customers denied access to hardship programs

We agree as it is important to ensure customers in financial hardship are not turned away because the retailer is too busy. Our membership are frustrated by retailers who deny customers to their hardship programme until a financial counsellor calls the retailer and or the ombudsman's office is mentioned.

helping consumers manage their financial challenges

phone 07 3321 3192 to find a listing of services from which FCAQ members operate

4.4 Third party referrals & length of participation to hardship programme

We disagree with the AER updated proposal. As stated in our submission regarding hardship indicators.

We ask that this indicator be included in the report to the AER as this information will allow the AER to ascertain how effectively a retailer is communicating its hardship programme.

The experience of our membership is retailers do not effectively communicate options to customers in financial difficulty and often will only put a customer into their hardship programme once a financial counsellor calls the retailer and asks them to do so. The opposite also happens where a retailer will not offer a payment arrangement or help their customer to access a government concession but will refer them to a financial counsellor. This indicator would show where retailers are not working with their customers – high third party referrals would demonstrate unwillingness by the retailer to work with customers and over a period of time demonstrate the effectiveness of a retailer's call centre in customer focused service delivery.

The funding for financial counselling is not sufficient to meet the demands of those seeking a financial counsellor. Having data which shows the effectiveness of financial counsellors (assisting clients to access hardship programmes) would help financial counsellors to lobby for extra resources particularly from industry who are very quick to refer customers to a financial counsellor, but are unwilling to sponsor or fund financial counselling projects.

By knowing the average duration of customers are in a hardship programme could highlight differences between hardship programmes offered by retailers and help identify which programmes are helpful and innovative.

4.5 Debt on entry to hardship programs

We agree.

4.6 Debt on exit from hardship programs

We support option one to measure the proportion who are not meeting their ongoing energy costs (debt increasing); matching their ongoing energy costs (debt stable); and covering their ongoing energy costs and a portion of their arrears (debt reducing) rather than option which could be influenced by seasonal variations such as winter or summer.

4.7 Customers exiting hardship programs

We agree.

4.8 Disconnection, and subsequent reconnection, of customers previously on hardship programs

We agree.

4.9 Assistance provided through hardship programs

We support the inclusion of this indicator by the AER as it can show differences between various Retailer hardship programmes.

FCAQ's membership sees the effects of poor, sub standard service delivery by various organisations on a daily basis and are disappointed regulators are unwilling to ensure compliance before things go wrong, but choose to wait until there is a systemic issue happening before deciding to check compliance.

Therefore we urge the AER to set out a regular audit of retailer hardship programmes to ensure best customer focused practice is being delivered by retailers and to ensure all retailer reports are accurate reflections of the customer experience.

Yours sincerely,

David Lawson
Secretary FCAQ
0407585407