



queensland council of social service inc

WORKING FOR A FAIR QUEENSLAND

18 November 2011

General Manager
Markets Branch
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Dear Sir/Madam

FURTHER CONSULTATION ON AER EXEMPT SELLING GUIDELINE

Queensland Council of Social Service (QCOSS) is the peak body for over 600 welfare and community sector organisations in Queensland. For over 50 years QCOSS has worked to promote social justice and exists to provide a voice for Queenslanders affected by poverty and inequality. We act as a State-wide Council that leads on issues of significance to the social, community and health sectors. We work for a Fair Queensland and develop and advocate socially, economically and environmentally responsible public policy and action by community, government and business.

QCOSS has been funded by the Department of Employment, Economic Development and Innovation for an energy consumer advocacy project in Queensland. The purpose of this project is to advocate on behalf of Queensland consumers and particularly vulnerable and low income households in relation to energy.

QCOSS welcomes the opportunity to comment on the proposed change in the AER's approach to exempt customer protections. We are pleased that the AER has recognised the importance of protections for exempt customers who are experiencing payment difficulties.

QCOSS strongly supports the proposed amendments to the conditions of the exemption classes identified in the consultation paper. As noted in our previous submissions on the Exempt Selling Guideline, the ability to negotiate flexible payment terms is an essential tool for managing costs in many vulnerable or low income households. It also underpins the consumer protection framework, providing a safety net against unexpected bill shocks and a line of defence for customers in hardship who would face serious adverse impacts from disconnection. Therefore we especially welcome the proposed amendment to Condition 3, requiring exempt sellers to offer flexible payment terms.

It is also important that customers are informed of the option to arrange flexible payment terms and the necessity of advising the exempt seller when they are experiencing payment difficulties. QCOSS supports the proposed amendment to Condition 2, requiring that information be provided to customers at the start of their occupancy about assistance available and the process for notifying the exempt seller if they are experiencing payment difficulties. In general we also support the proposed amendments to Condition 8. However, while recognising that the exact wording of the new requirements in Condition 8 is not available, QCOSS believes that stronger wording may be required in relation to reminder notices than is reflected in the consultation paper. The consultation paper states that when an exempt seller issues a reminder notice, they will be required to notify customers of any flexible payment options or other assistance that may be available to them. This wording does not make clear what information the AER intends should be included in reminder notices. It suggests either that this element has not been amended from the previously published draft guideline, in which exempt sellers were not obliged to offer flexible payment terms but were required to inform customers if they chose to do so, or that reminder notices will be required to specify what forms of assistance are available. In our view, the requirement should be that reminder notices contain a clear statement that flexible payment terms and other assistance is available if customers are experiencing payment difficulties, and that the customer should contact the exempt seller for further information. This would also give a customer in financial difficulty a prompt to advise the exempt seller if they had not already done so.

If you would like further information or to clarify any aspect of this submission, please contact Linda Parmenter or Nadine Lester on 07 3004 6900.

Yours sincerely



Mark Henley
DIRECTOR