



Ethnic Communities' Council of NSW Inc.

221 Cope Street Waterloo NSW 2017

Tel: (02)9319 0288 Fax: (02)9319 4229 Email: iain.maitland@eccnsw.org.au

10/11/2016

Submission to Community Consultation for ACT 3 – 8 of 2016

The Ethnic Communities' Council of NSW (ECC NSW) welcomes the opportunity to provide a written submission to the Australian Competition Tribunal (the Tribunal) in this matter. Since its formation 40 years ago the ECC NSW has been the peak body for culturally and linguistically diverse (CALD) community members and representative organisations in NSW. The Ethnic Communities' Council of NSW main activities are advocacy, education and community development. It is a member of the Federation of Ethnic Communities Councils of Australia (FECCA) and the Energy Advocacy role represents FECCA in the NEM.

The ECC NSW thanks the Tribunal for the opportunity to comment on this matter and to provide a CALD perspective on the issues where appropriate.

This submission addresses three areas, namely:

1. Our experiences in participating in ACT 1 – 8 of 2015, held in Sydney on 6-7 August 2015 (the NSW determinations), the efficacy and worth of community consultations processes and the beneficial changes to the process undertaken in this consultative mechanism.
2. Arising from research conducted and published by ECC NSW, the concerns of CALD electricity and gas consumers, both household and small-to-medium enterprise (SME) owners.
3. The long-term interests of consumers, particularly those from a CALD background.

1. Community consultation, ACT 1 – 8 2015 and ACT 3 – 8 2016

ECC NSW made submissions to the AER ¹ in its determination of the NSW Networks resets in 2015 and subsequently to the Australian Competition Tribunal in August 2015 as part of

¹ ECC NSW, Submission to AER Issues Paper on NSW Electricity Distribution Regulatory Proposals 2015-2019, August 2014

the community consultation process of ACT 1- 8 of 2015. Both verbal and follow-up written submissions were made to the Tribunal.²

At that time, we welcomed the opportunity to present a range of issues to the Tribunal and provide CALD perspectives on some of these. In those presentations, we reflected that in the wider legitimacy of the consultative process, it was particularly important for participating agencies to be able to note if, when and where their points of view had been recognised. On reflection, and on close reading of the Tribunal's determination, no such recognition of any effect of our representations were noted.

This observation coloured our potential participation in the subsequent proceedings ACT 11 of 2015 (the SAPN matters) and while we had points of view to present at those hearings, and with very limited resources we had to make difficult decisions about the efficacy of our involvement at that time.

ECC NSW is heartened by subsequent developments in the SAPN matter and note with interest comments made in ACT 11 of 2015 which reflect the importance which could have been placed on consumer submissions in the event an error had been found to have been made in the AER determinations.³

ECC NSW would like to congratulate the Tribunal in enhancing the consultation process for consumers and/or consumer representatives by enabling them to make additional written representations.

2. ECC NSW research findings.

In 2011 -12 the ECC conducted research into the experiences and concerns of CALD energy consumers and businesses in NSW. The outcomes of this research indicated that CALD householders and businesses did not understand the changes in the energy retail market.

In 2015, the ECC received funding from Energy Consumers Australia to further this research. Many of the same questions were asked so that the change over the 4 years could be compared. The research instrument used in 2015 – 2016 was expanded to include questions about new and emerging technologies and services and the survey was administered in Victoria as well as NSW to compare the two States. Quantitative survey data was collected by bilingual energy researchers in their communities, in language, utilising the processes outlined in the Guidelines established by ECC NSW, *Cultural Connections: Engaging CALD energy consumers 2015*.⁴

The 2015 research was conducted across one hundred and forty-five households in 8 languages in NSW and 6 languages in Victoria as well as eighty-three small businesses surveyed in 6 languages in NSW and 5 languages in Victoria.

The results of the research provide a range of insights into CALD perceptions and engagement in the competitive energy market. In general, both householders and small businesses had rarely experienced reliability issues with electricity supply and almost not

² ECC NSW, Submission to AER NSW Networks Reset 2015-2019, February 2015
Transcript of Community Consultation for ACT 1 – 8 of 2015, 6 August 2015 and ECC NSW, *Submission in reply to ACT 2015 August 2015*, both in Tribunal records

³ Decision in ACT 11 2015, pages 59 and 103

⁴ ECC NSW, *Cultural Connections; Engaging CALD energy consumers*, 2015, digital version at www.eccnsw.org.au/what-we-do/Advocacy/Guidelines.aspx

at all with gas supply. While the results varied across language groupings, both groups had limited knowledge of types and operation of metering and tariff type. Retailer churn in both households and businesses was considerably below levels established generally in the AEMC Competition Review 2016, as was the knowledge and utilisation of payment assistance and support. This was particularly disturbing given a number of CALD populations are over-represented in the lowest income groups according to the 2011 census.⁵

Price remained a major factor in CALD householder or small business choice of supplier. This was true also in either group's reasons for a change in supplier, in both electricity and gas. Levels of trust about the potential advantages of changing supplier were universally low, as was CALD community use of comparator sites, including commercial and government sites such as the energymadeeasy, mypowerplanner and victorianenergycompare sites.

3. The long-term interests of consumers.

Considerable discussion has been directed to the meaning and ramifications of the phrase 'long term interests of consumers' during the three consultation processes.

a. The processes currently in place to ascertain the views of energy consumers miss most CALD communities, for a range of reasons mainly centred on methods of access to information and the various consultation processes. This leads to a possible skewed understanding of the 'long term interest of consumers', stemming from the possibility that from one quarter (Victorian ABS statistics on 'language other than English at home' speakers) to one third (NSW statistics) of energy consumers have not had the appropriate opportunity to access the information or be consulted in an appropriate way.

b. To engage effectively and competitively in the National Energy Market, energy consumers need to **understand** the mechanisms for engagement. We contend that these mechanisms are very poorly understood by CALD consumers in general (backed up by research conducted by ECC NSW for both domestic and small-medium business consumers referred to above). Poor understanding of the process results in either non-engagement or disengagement from the market, a situation representing the position of more than half of CALD energy consumers surveyed by ECC NSW in this research. It also extends the possibilities for consumer exploitation.

It is our contention that if a significant proportion of domestic energy consumers (more than one quarter in Victoria) and two fifths of small-medium enterprises are unable to effectively compete in the NEM (for the reasons enunciated above), then their interests need to be considered in the context of the decisions to be reached by the Tribunal, particularly in respect to the overall 'long term interests of consumers'.

The disengagement of a sizable proportion of energy consumers from competition in the NEM cannot be in the general 'long term interests of consumers'. The process of engaging in the competitive energy market requires both the ability to understand what is presented in the market (the opportunity to understand the information) as well as appropriate access to this information (how this information is available to consumers). There are a variety of impediments to this understanding and access for some CALD consumers, namely:

⁵ ABS Census 2011 Income and Language data

- Information is rarely presented in-language and/or in a culturally appropriate way;
- When it is presented in-language, it is often in printed form as brochures (not particularly effective) or the in-language information is only about how to access the (English language) information on-line;
- Some CALD consumers may or may not have the necessary literary skills in their first language;
- Research evidence indicates that quite large percentages of CALD energy consumers (domestic and small business) do not normally access web-based information and have low rates of usage of the internet, where most retailers and agencies place the relevant English language information (fact sheets, energy offers, hardship program information etc).

c. It is difficult to assess the proportion of hardship and vulnerable consumers who come from a CALD background. Statistics on this breakdown are very hard to determine, because they are not routinely collected by those agencies who assist vulnerable consumers or provide/administer hardship programs. Some informal statistics are kept by agencies such as the Salvation Army and St Vincent de Paul, as well as agencies who predominantly assist refugees and newly arrived residents, for example the NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS) and Settlement Services International (SSI).

It is also important to note that a high level of knowledge about hardship and vulnerable consumer programs by organisations such as STARTTS and SSI may not be their major focus of concern given their client groups and their range of other issues. ECC NSW provides assistance with energy information training to workers in these groups. Vulnerable consumer assistance and hardship programs change regularly and vary considerably across energy businesses, and so there needs to be a recognised and accountable mechanism for information transfer to these organisations as well as some formal requirement for the collection of data about CALD involvement in, and access to, hardship and vulnerable consumer programs.

We again thank the Tribunal for the opportunity to be involved in the community consultation process in a Limited Merits Review and to have our views considered.

If you require additional information please contact Iain Maitland, Energy Advocate on 02 9319 0288 or email iain.maitland@eccnsw.org.au .

Sincerely yours,

Mary Karras



Executive Officer
Ethnic Communities' Council of NSW Inc.