



## Ethnic Communities' Council of NSW Inc.

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20/8/2015

### Written submission in addition to the FECCA and ECC NSW response to Australian Competition Tribunal community consultation relating to electricity and gas (ACT 1-8 of 2015).

The Ethnic Communities Council of NSW (ECC NSW) welcomes the opportunity to provide some additional comment to the verbal submission we made to the Tribunal on 6 August 2015. We have also included digital copies of the information handed to the Tribunal members on 6 August, indicated in the table attached to this document.

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 National Energy Market.

We would like to expand on responses to questions put by the Honourable Justice JR Mansfield following our verbal presentation, in particular:

*Mansfield J: '.....Can I ask you to comment on this? You described your demographic group as representing something like a quarter of the population, and then you divided it into three groups. I didn't discern from your submission that, apart from the consultation processes, the interests of your particular consumer groups are, in any particular way relevant for us, different from the interests of other consumers in terms of getting the outcome of a determination on pricing and other factors.....[transcript p51]....but they have to pay, I can understand that, and they may not understand that they have to pay, but in terms of the formulation of the national gas or the national electricity objectives and the long term interests of consumers, how does that feed into the process which we must undertake?*

*Well, I am not going to let you slip away with that....because I exempted the consultation process. I acknowledged that one. Beyond that, how does it feed into the sort of thinking we have to make to determine the long term interest of consumers?[transcript p52]*

*[and]... If we talk about the consultation process itself.....how do you want this tribunal in the final determination to reflect your comments about the providers' internal consultation process or, for that matter, the AER's consultation processes?[transcript p52]*

There was considerable discussion directed to the meaning and ramifications of the phrase 'long term interests of consumers' during the consultation process. We would submit, as we attempted to do in our verbal submission, that:

1. The processes currently in place to ascertain the views of energy consumers by and large bypass most CALD communities, for a range of reasons centring about methods of access to information and the various consultation processes. This leads to a possible skewed understanding of the 'long term interest of consumers', as up to one-quarter of energy consumers have not had the appropriate opportunity to access the information or be consulted in an appropriate way.

2. In order 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<sup>1</sup>). 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 that research. It also opens up the possibilities for consumer exploitation.

It is our contention that if a significant proportion of roughly one quarter of domestic energy consumers 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, some of which were pointed out in our verbal submission to the Tribunal, namely:

- 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<sup>2</sup>, where most retailers and agencies place the relevant English language information (fact sheets, energy offers, hardship program information etc)

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<sup>1</sup> ECC NSW published *Experiences of Energy Consumption for CALD communities 2012* and *Business Energy Smart Tips (BEST) Final report 2015* both available at

<http://www.eccnsw.org.au>

<sup>2</sup> *ibid*

3. 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 find, because they are not routinely collected by those agencies who assist vulnerable consumers or provide/administer hardship programs.<sup>3</sup> Some informal statistics are kept by agencies such as the NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS) and Settlement Services International (SSI) because their client groups are predominantly refugees and newly arrived residents.

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 has provided assistance with regard to energy information provision to these groups and others in the past. 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 inaugural 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 [energy2@eccnsw.org.au](mailto:energy2@eccnsw.org.au) .

Sincerely yours,

Mary Karras



Executive Officer  
Ethnic Communities' Council of NSW Inc.

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<sup>3</sup> For example Energy and Water Ombudsmen, energy businesses etc