



Housing for the Aged Action Group

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Submitted via Engage Victoria

<https://engage.vic.gov.au/review-maximum-prices-embedded-networks>

Kate Symons
Commissioner and Chairperson
Essential Services Commission

Dear Ms Symons,

Maximum prices for embedded networks and other exempt sellers Draft Decision

Thank you for the opportunity to provide feedback on the Essential Service Commission's **(ESC)** *Maximum prices for embedded networks and other exempt sellers Draft Decision*. Housing for the Aged Action Group **(HAAG)** support the general principles outlined.

HAAG is a community based organisation specialising in the housing needs of older people. The organisation was formed just over 30 years ago and today has over 400 members that actively campaign for housing justice. Our Retirement Housing service provides specialist information, support and advocacy to people interested in, or living in, retirement housing. This includes lower cost retirement villages, residential parks, rental villages and caravan parks.

Regularly our clients who live in retirement housing options and receive their energy via an embedded network report concerns with exempt sellers over-charging them for their usage. Our clients often experience a digital divide in accessing adequate information, and commonly express a fear of speaking out and asserting their rights due to fear of negative consequences from management.

We understand that Consumer Action Law Centre **(CALC)** has provided a submission to The Essential Services Commission in response to this consultation. HAAG has reviewed the submissions of CALC in relation to

applying the Victorian Default Offer (**VDO**) as a pricing cap for customers in embedded networks and endorses those comments and recommendations.

Summary of Recommendations

RECOMMENDATION 1. The ESC commits to a review of the application of VDO pricing to exempt sellers within a reasonable period. The review should ensure that the VDO reflects a fair price for households in exempt selling arrangements and lower the cap where further efficiencies are to be expected in exempt selling arrangements.

RECOMMENDATION 2. The ESC mirror the structures for caps from the VDO but monitor whether exempt sellers offer unfair pricing on non-flat tariffs and take action if required.

RECOMMENDATION 3. The ESC actively monitor exempt sellers' compliance with the pricing cap and publicly report on compliance or alert relevant decision makers if the ESC does not have the powers to do so.

RECOMMENDATION 4. The Draft Decision come into effect on 1 July 2020, without further delay.

RECOMMENDATION 5. The ESC also apply the VDO as a price cap for multiple activity exemptions.

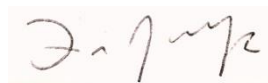
RECOMMENDATION 6. The ESC consider recommendations to address the opportunity that embedded network providers simply recover lost revenue from other bundled services.

RECOMMENDATION 7. The ESC apply all relevant protections that arose from the Thwaites review to households whose electricity is applied through deemed or registrable residential exemption categories.

RECOMMENDATION 8. The ESC or Victorian Government monitor SPPAs for unfair contract terms and pricing.

RECOMMENDATION 9. The ESC monitors businesses to identify if excessive margins are shifted to other offers for essential services at the same dwelling and take action if necessary.

Please see the CALC submission for more details around each recommendation. Furthermore, please do not hesitate to contact us if you require any further information.



Fiona York
Executive Officer