

# MEDIA RELEASE

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## **AUTOMATIC DISCONNECTION PUTS CONSUMERS AT RISK**

The Economic Regulatory Authority has released a report today prepared by the Allen Consulting Group to review the costs and benefits of prepayment meters (PPMs) for electricity consumers in WA.

WACOSS supports the Economic Regulation Authority's referral of these issues to the Electricity Code Consultative Committee, as it is obvious from the findings of the report that people currently relying on prepayment meters for their electricity supply in remote and town reserve indigenous communities are in need of improved regulation to protect their access to this essential service.

WACOSS agrees with the first two main findings of the Allens report; that more benefits from the use of PPMs accrue to retailers like Horizon Power and Synergy, than to customers, who experience net costs from using the meters.

We disagree with the third finding; that prepayment meters are in the broader community's interest. The main rationale for that finding was that customers on Pre-Payment Meters are not paid subsidies, and that the community benefits when the Government doesn't pay people who are in hardship, the subsidies to which they would otherwise be entitled.

The third finding is flawed and neglects other economic impacts of financial hardship on the social, health and law and order outcomes for the broader community. The community at large has an interest in people accessing all of the rebates, concessions and subsidies that they are entitled to, not saving money by eligible people missing out.

"The main principle that we must adhere to when providing an essential service, is that all customers should be entitled to the same benefits and protections, regardless of what type of meter they are using," said WACOSS CEO Sue Ash.

Households using PPMs do not benefit from the range of protections offered by the Code to all other consumers, such as providing additional time to pay through a reminder notice, disconnection notice and payment options that suit their needs.

WACOSS supports prepayment as an optional tool for customers, but not if it is tied to automatic disconnection. Prepayment meters could be used to pay in advance, without cutting people off when their credit runs out, but instead treating them like every other customer and sending them a bill for the balance.

"A retailer should always have to go through the usual provisions of the code before disconnecting a customer, regardless of what meter they are using," says CEO Sue Ash.

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