

Individual: Simon Smart

10th May 2012

4.35 pm
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IPART
PO Box Q290
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Re: 2012 Annual review of Regulated Electricity Retail Prices

Submission:

I work in the Energy Efficiency Industry, conducting Power Audits and teaching customers how to stop wasting Energy, understand the Energy that they use and then manage their use of their Energy to minimise their CO₂ emissions and save on their Power Bills.

I have been an Energy Australia customer for the past 13 or so years and have used their actual prices in my examples.

I am commenting on the following four issues:

The 109.87% increase over the past 5 years, 1/7/07 to 1/7/12.

The attached spreadsheet lists the kWh rates that I have been charged over the past five years and the annual increases that I have incurred and the anticipated increase of 19.2% due on 1 July 2012.

2007 – 2008	8.55%	
2008 – 2009	22.83%	
2009 – 2010	11.22%	
2010 – 2011	18.73%	
2011 – 2012	19.20%	5 Year Total = 109.87%

The price of my base 1750kWh/QTR has more than doubled in just 5 years, a staggering 109.87% Increase.

The price of my excess usage has increased by 112.8%.

The SAC has increased by 64.65%.

Domestic Electricity is supposed to be an essential utility, not an over priced luxury.

I don't know how you calculate the figures in your April 2012 Draft Report, however the attached figures are what I have been charged over this five year period and the percentage increases are a lot more than yours and OUT of CONTROL and TOTALLY UNJUSTIFIED.

IPART, Please Explain?

The new and booming Industry of "Electricity SWITCH Companies"

Over the past two years there has been a growing new Industry of "SWITCH your Electricity Provider" companies and in 2012 there are quite a lot of these companies spending huge amounts on advertising their services. Eg "GoSwitch" etc.

The only conclusion that I can make is that these new businesses must be very profitable and earning handsome commissions from their Electricity Providers, on top of the eight to eleven percent discount that they get for their customers.

I would appreciate it if these "SWITCH" commissions were made public, so that we (Domestic Electricity Users) can actually see the total discount available from the Electricity Providers screaming for Price increases of twenty odd percent due to the extra costs of the Carbon Tax and Network maintenance costs.

IPART, Please Explain?

The current Price Increase of 19.2% awarded to Energy Australia.

Three weeks ago, I had to move houses and when I informed EA of my new address they offered me a twelve percent discount on my electrical usage if I signed up with them for a two year contract. If I just pay my bill, as and when due, like I have done for all the past years, I do not get any discount.

If they are so desperate for their 20% Increase, how can they afford to throw away a 12% discount?

I then called a few SWITCH companies and their discounts ranged from 8 to 11%.

I then called Origin Energy and within 2 minutes, I was offered a 17% discount if I changed my supply to them, for only 12 months. I was then told that Origin would be billing me and my actual supply would be through Energy Australia.

I am confused, EA want a 20% increase to cover huge rising costs, but through Origin I am offered a 17% discount.

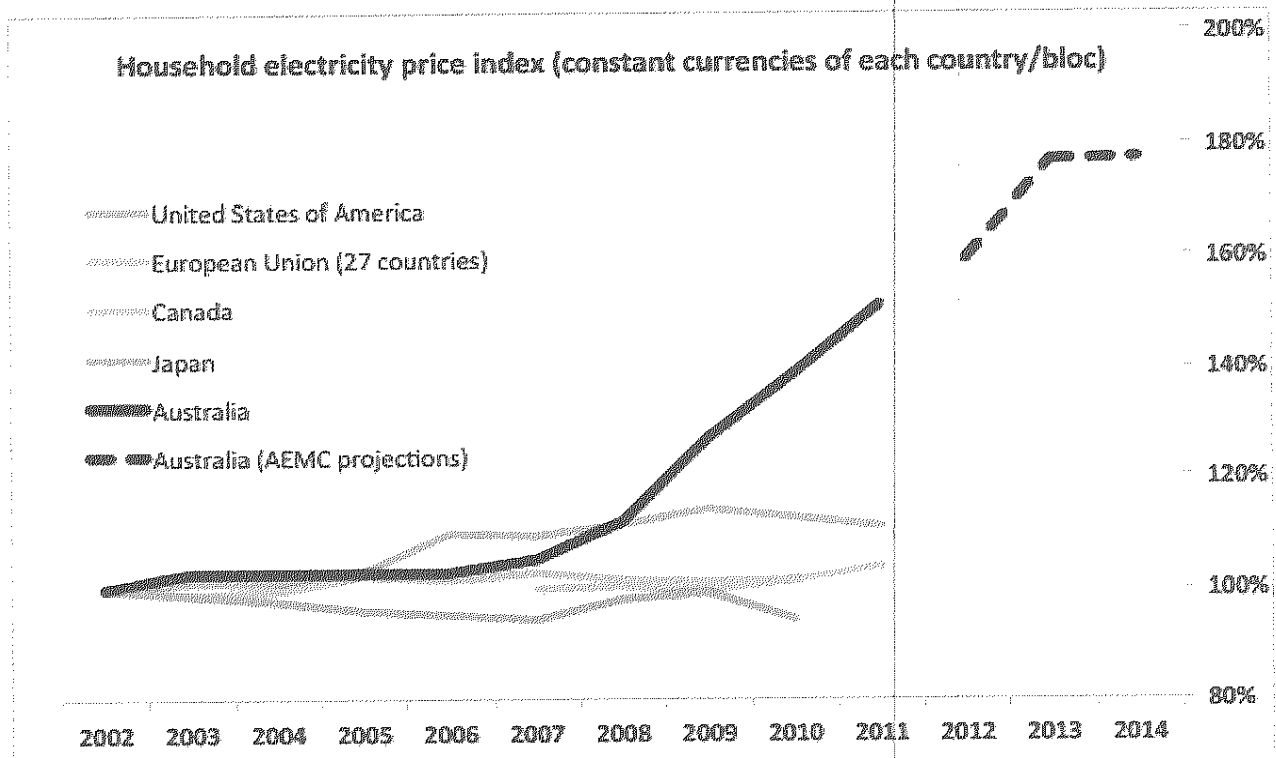
IPART, Please Explain?

World Electricity Price Comparison – EUAA – March 2012.

The following graph was obtained from the paper commissioned by the Energy Users Association of Australia in March 2012.

One picture is worth one thousand words.

Figure 2. Household electricity price indexⁱⁱⁱ



The price of Domestic Electricity in Australia is already twice that of the USA and a staggering three times more than Canada.

In 1999, our Domestic Electricity was cheaper than Canada.

In July 2012, Australia will have the most expensive Electricity in the World.

IPART, Please Explain?

In closing, your Draft Report appears to more concerned with what you feel people can afford, or not afford to pay for Electricity, rather that a true concern as to the actual validity of the outrageous and continual Price Increase demanded by the extremely greedy Power Companies, more concerned about the profits for their shareholders, in a REGULATED INDUSTRY.

Domestic Electricity should be an affordable, essential utility, not an over priced luxury.

I am sick and tired of trying to help people save themselves from a Power Industry out of control, only to find that between the Power Suppliers, their Controlling Bodies and the Government, all their savings are blown out the window every July, by an Industry that appears not to really give a dam.

Action Required:

Far more effort made in validating the outrageous Increases demanded by the power companies.

Far more effort made in making the Network Maintenance industry more efficient. It should not take 2 Cranes, 5 support trucks and 12 men in yellow fluros, two weeks to change one power pole, as has happened in my street recently.

Expose the real discounts available through "SWITCH" companies and Supplier Contracts.

A total reevaluation of the Electricity Industry and an honest attempt made to get our Power Pricing back in line with the rest of the World.

Yours Sincerely,

Simon Smart

