



“Beyond belief” as consumer protections for energy go backwards

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National Seniors Australia (NSA) says it is “beyond belief” the Australian Energy Market Commission (AEMC) has weakened consumer protections around its mandatory roll out of smart meters.

NSA Chief Executive Officer Chris Grice said the AEMC’s plan for a mandatory roll out of smart meters without adequate consumer protections punishes many people who don’t have the understanding, capability or resources to change their energy use.

“The cost of energy is one of the top three concerns among seniors (people aged 50 and over), with 66% selecting it as an expense of concern in NSA research,” Mr Grice said.

“The regulator had proposed consumers wouldn’t be forced onto complex and unfair tariffs for three years after a mandatory installation of a smart meter. In NSA’s response to this proposal, we argued this consumer protection should be ongoing. Astonishingly, the regulator has wound back its own proposal, from three years to only a two-year protection.

“The AEMC has failed to adequately explain how a two-year protection safeguards consumers. Households installing a smart meter won’t get any protection after this point. Households already with a smart meter will get no protection from retailers forcing inappropriate tariffs on their customers.

“It’s simple – consumers should never be moved to time-of-use or demand tariffs without informed and explicit consent, especially given ongoing cost-of-living concerns. They should only move to these if they have the means to manage the complexity they offer. The roll out of smart meters will place increased cost pressures on already struggling and financially stretched households if they cannot manage time-of-use or demand tariffs.

Further, demand tariffs should be banned, as they are only cost-recovery tools for retailers.

“Forcing people onto tariffs they don’t understand or can’t manage will have a negative impact for future energy reforms because ‘once bitten twice shy’ – the bill shock will see to this.

“The government urgently needs to step in and override this poor decision before it’s too late for consumers. We are not opposed to smart meters for those who can manage them, we simply want adequate protections for the many who will struggle to understand the complex tariffs they enable.”

“Our expectations were not high, yet the regulator has managed to disappoint with a decision that seems to benefit industry over everyday households.”

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