



Registered Accommodation
Association of Victoria
www.raav.org.au

10 August 2018

Submission to Essential Services Commission on Energy Retail Code Version 12

We thank you for the opportunity to comment on the **Energy Retail Code obligations for exempt sellers under the General Exemption Order 2017 (Obligations Doc)** and the **Energy Retail Code Version 12 (Drafting Doc)**.

It is pleasing to note that you have provided opportunity for stakeholders to provide input for the Commission's consideration and that consideration is being made for both the customer and the exempt seller in the adjustments you have made.

1. About the Registered Accommodation Association of Victoria (RAAV)

As we mentioned in our submission dated 28 August 2016, the Registered Accommodation Association of Victoria (RAAV) has been providing assistance to the rooming house sector for 12 years. RAAV brings together the owners and operators of registered accommodation and other key stakeholders in a spirit of co-operation to articulate a stronger, more cohesive and respected private rooming house sector.

The Association represents 130 registered rooming house owners and operators who operate around 420 registered rooming houses in Melbourne and Victorian provincial cities. RAAV's members house approximately 4,000 tenants and residents representing about one third of registered rooming houses in Victoria.

The members have a high focus on assisting Victoria's low income and homeless population. RAAV's members also include organisations such as university off-campus accommodation providers.

RAAV is supported by local councils and crisis housing organisations as the peak industry body for registered rooming houses.

It is estimated that the total of almost 1,300 registered rooming houses in Victoria provide accommodation for around 12,000 persons.

2. The effect of recent legislation on the rooming house sector

Registered rooming house operators have strict legal requirements that they need to observe and implement. They have to observe ten Acts or regulations, viz.

- Residential Tenancy Act 1997
- Building Act
- Building Regulations
- Public Health and Wellbeing Act
- Public Health and Wellbeing Regulations
- The Planning and Environment Act
- Australian Consumer Law and Fair Trading Act
- Residential Rooming House Standards Regulations (2012)
- Australian Consumer Law (Victoria)
- Rooming House Operators (Licensing) Act (2016)

The Government's legal requirements have become more onerous in recent years and are a factor in some registered owners and operators leaving the rooming house sector completely. They state that the time and cost in complying with the various Acts and regulations is making providing affordable accommodation prohibitive.

An example of the growing concern about the effect of increasing compliance requirements to operate a registered rooming house was illustrated in a survey conducted by RAAV with its members in 2013 and presented to Consumer Affairs Victoria about the effect that the new Minimum Standards were having on their businesses. Responses by around half of the RAAV members at that time indicated that more red tape and future uncertainty was resulting in around a dozen registered rooming houses they operated would close and some others were being put up for sale.

Unfortunately this eventuated as these operators stated that the Minimum Standards had been the last straw for them and they were apprehensive of unfair or additional legal requirements being put on them in the future.

3. RAAV's response to the proposed changes and comments on Clauses in draft 12

On the whole we find that the proposed changes are balanced and fair. We do however have some comments and suggestions given the unique circumstances that we find for operators of rooming houses.

Generally, we believe that our members would fall into the category of VD2 and VR2 with the majority being in the VD2 category having 9 or less residential customers. To that end our comments solely focused on these categories

We have approached the submission in two formats. Firstly, we have created and attached a spreadsheet that contains comments and suggestions about relevant clauses. Secondly, we have made comment further down in the spreadsheet on more general issues that we wish to raise.

We look forward to receiving your response to our submission and we welcome further consultation on these important matters.

Yours sincerely

A handwritten signature in blue ink that reads "Simon Roberts". The signature is written in a cursive style with a large initial 'S'.

Simon Roberts
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RAAV

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Attachment RAAV Comments on Energy Retail Code Version 12

Clause	Comments	Proposed Change
24(2)	Does clause 24(2) allow for bills to be longer than 3 months if explicit informed consent is given by the customer? If so we would argue that it should be included for exempt sellers in VD2 and VR2 as the bills for customers can be very small over a six month period sometimes being only a matter of 50 dollars over the entire period. This is because the tenants share the daily charge and are only paying for a small area being their bedroom in many cases. Added to this, for tenants such as students that make up to 45% of all Rooming House Tenants, they often prefer to receive bills at the end of University semesters instead of every month. As mentioned this would only be allowed with the explicit consent of the customer.	Do not exempt clause 24(2) from being used by Exempt sellers VD2 and VR2.
Clause 25	When looking at clause 25 we noticed that there were inconsistencies between the Energy Retail Code obligations for exempt sellers under the General Exemption Order 2017 (Obligations Doc) and the Energy Retail Code Version 12 (Drafting Doc). We have assumed that if both documents mark the same items as required or not required then it is correct. We have not comment on every item in section 25 but only those that deserve mention.	
25(L)	Agree should be excluded but is excluded in Obligation doc but not in the Drafting Doc. Makes no sense to include this given that 25(K) has been excluded for both VD2 and VR2	Exclude this requirement for VD2 and VR2.

25(M)	Excluded in the Obligations Doc but not in the Draft Doc. We would like to have this excluded to allow some flexibility around the future meter reading date given that most Rooming House Owners (RHO) would have to attend the property to read a meter and may want to do this when it coincides with other activities that have to be done on site. Some rooming house operators have to travel up to an hour to reach a Rooming House and many operators have more than one property. This would allow RHO to better manage the time commitment that will be involved in reading a meter.	Exclude this requirement for VD2 and VR2.
25(NN)	We think this is a mistake as you have excluded VD2 but not VR2. We think it would be too onerous for the RHO to produce and possibly beyond their ability.	Exclude this requirement for VD2.
25(P)	Currently excluded for VR2 but not VD2 should exclude VD2 too. Also how would The Exempt Seller know this information as they don't have access to the customers personal details.	Exclude this requirement for VD2.
25(Q)	Security deposits are exempt so should be excluded. Draft Doc has VD2 needing to have.	Exclude this requirement for VD2.
25(S)	Draft Doc has VD2 excluded but included in the Obligations Doc. Both VD2 and VR2 should be excluded. This is not RHO main business and we are not aware of this information.	Exclude this requirement for VD2 and VR2.
25(V)	Obligations Doc has this excluded for VD2 and VR2 but the Draft doc has it included for each. We think it should be excluded for both as this will be too onerous for the RHO and there are requirements in the RTA that tenants can rely on to ensure that RHO properly maintain their properties.	Exclude this requirement for VD2 and VR2.
28(2A)	By compelling a RHO to provide "interval data data electronically" it will discourage RHO from purchasing smart meters and instead encourage them to purchase lower quality non-digital meters to avoid this clause. RHO will not have the sophistication to provide this level of service to their customers.	Exclude this requirement for VD2 and VR2.
32A (2) (a)	Does "in person" include the customer going to the Bank or Post Office and depositing money? If not, this should be a new category. The tenant/customer will most likely have Bank details as they pay the rent into this account and also this option doesn't need internet or a chq book. If the customer is going to the Bank/Post Office they will get a receipt when they make a deposit.	Create a new category that covers customer going to the Bank or Post Office to deposit money into the bank for payment of electricity.

32B (2) (b)	Following on from the above comments in 32A (2) (a). If a customer goes to the Bank/Post Office and makes a payment they will get a receipt from the Bank/Post Office. This should be included as an exemption for giving receipts.	Add depositing money into an exempt sellers bank account directly through a Bank or Post Office to the list of exempts requiring a receipt to the customer as the customer will get one as part of the direct deposit.
79(1)(d), 86 (3)(c,d) and 89(1)(d)	All of these clauses require an in-depth knowledge of the provision of assistance that is available to customers. As the sale of electricity is not the core business of RHO it will be difficult for us to be able to provide this information to customers.	Exclude this requirement for VD2 and VR2.

	<p><u>General Comments on Proposed Changes:</u></p> <ol style="list-style-type: none"> 1. Will there be a model agreement done by the Essential Services Commission for exempt sellers to use as has been done in the Act for licensed sellers of electricity? If there is no intention to do so can we request that this is done. This will provide great clarity for VD2 and SD2 exempt sellers given their current lack of knowledge of the details of the Energy Retail Code. 2. In relation to clauses 79(1)(d), 86 (3)(c,d) and 89(1)(d) we have a general question about sourcing this information due to the fact that our main business is not energy retailing or running embedded networks. If these clauses are to be required to be met by exempt sellers in VD2 and VR2 could the Essential Services Commission provide some guidance as to how to meet the requirement of these clauses. 3. Will the Essential Services Commission provide a list of items that require informed consent by the customers of exempt sellers for VD2 and VR2. This will assist our members to meet all of their requirements under version 12 of the Energy Retail Code.
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