

**Electricity Supply
Industry Expert Panel
Community Hearings**

Submission from Michael Lowe

I live in central Launceston with my wife, three young children and our dog. Electricity is an important part of our life as we live in a cheap rented home (therefore do not do capital improvements) and the house is poorly insulated, so we have to pay a lot for heating. Further, being in the Tamar Valley, with severe woodsmoke problems, a wood heater is not environmentally sustainable. So we have to buy a lot of electricity.

I am unhappy with the service we get from Aurora and by extension, Hydro Tasmania and Transend. Everyone I know is unhappy with Aurora and their complaints seem justified.

My main concern is service, or the lack of it. Each electricity bill includes a date of the expected next reading. That means we have to keep our dog out of the backyard (where the electricity meter is) for three days, otherwise the reader will not enter the yard. We asked Aurora for an appointment date and time for the reading, but that was refused.

It is even worse if the electricity reader does not enter the property, as they do an estimate, and that always seems to be higher than an actual reading. The reader does not announce themselves when entering the property and does not tell you when the reading is done, so you have no idea if they have been or not. It's the same thing if they come to do work on the meter or disconnect the power when you leave a property – they arrive without notice and no appointment is possible.

I see this as more than just bad service to a family in Launceston – it must indicate a larger problem of being a monopoly and not needing to provide good service, as there is nowhere else to go. And because the service is so poor, I wonder how accurate the readings are.

I think the whole idea of people coming onto the property to do readings belongs to the Dark Ages. If you can download a movie or order a book from America on the internet or have automatic weather stations across the world, it must be possible to have automated electricity readings.

Having read the summary of the panel's draft report, a couple of issues jump out at me.

It seems that contestability of the electricity market for small users is entirely possible and should deliver benefits. I hope it happens soon.

I would also like to see full details of the contracts for the big users, such as TEMPCO. How much do they pay? Will they pay the carbon tax?

Also, the case for privatising the electricity industry seems compelling. Why should the taxpayer carry the risk of operating in a commercial environment? The returns to the state have been poor. Delivering a 3 per cent return on revenue over six years (summary, P31) is poor. You would expect the CEO of a public company to be sacked for those type of returns.

Further, there seems to be a problem with community service obligations and buying non-core businesses that deliver poor returns being used as an excuse for poor returns. The Tamar Valley Power Station purchase seems to be a costly mistake.

Just think of some of the national privatisations in the past 20 years – Qantas, Telstra, Commonwealth Bank and CSL. They are all working better in private hands and would anyone seriously suggest (much less raise the cash) to re-nationalise those businesses?

Surely a clear set of financial return and service benchmarks should be set for the Tasmanian electricity industry and someone should be made accountable.

I hope the reform path suggested by the panel is adopted and Tasmania gets a more efficient electricity industry soon.

Regards, Michael Lowe

5.2.12