

APPENDIX 6

REPRODUCED SUBMISSION

**AS PRESENTED BY TENANTS UNION
VICTORIA (2007, September)**

to

Essential Services Commission Victoria

**SMALL SCALE LICENCING
FRAMEWORK DRAFT DECISION
(2007)**

Tenants Union Victoria (2007) Submission by Tenant's Union Victoria to VESC 2006 Small Scale Licencing Issues Paper¹”

The Tenants Union of Victoria welcomes the opportunity to comment on the Small Scale Licensing Framework Draft Recommendations.

We endorse the submission made by the Consumer Utilities Advocacy Centre (CUAC) but would like to make some additional comments.

Who we are

The Tenants Union of Victoria was established in 1975 as an advocacy organization and specialist community legal centre, providing information and advice to residential tenants, rooming house and caravan park residents across the state. We assist about 25,000 private and public renters in Victoria every year. Our commitment is to improving the status, rights and conditions of all tenants in Victoria. We represent the interests of tenants in law and policy making by lobbying government and businesses to achieve better outcomes for tenants, and by promoting realistic and equitable alternatives to the present forms of rental housing and financial assistance provided to low-income households.

The registration system – caravan parks and rooming houses

The Essential Services Commission (ESC) Draft Recommendations indicate that it does not intend that the registration system cover entities such as caravan parks and rooming houses, which distribute and supply electricity as an integral part of another service and do not charge for it separately. The ESC believes that providers of caravan park and rooming house accommodation are not actively involved in the distribution and reselling of energy to their residents and therefore should not subject to energy-specific customer protection regulation (see 2.3.1, p.16).

However, the decision to exclude caravan parks and rooming houses from the registration system is based on a misapprehension of this sector of the housing market. Many caravan parks and most rooming houses do not provide temporary, holiday or crisis accommodation – they are the long term or permanent homes for around 25,000 Victorian households. Specifically, they are the only housing option available to very low-income, complex needs and/or unemployed or retiree households. As a group, caravan park and rooming house residents are very vulnerable – their limited incomes and health or other issues mean that they have effectively no choices in the housing market and are at high risk of homelessness. Consequently, they have a particular need for effective consumer protection frameworks to defend them from potentially exploitative practices.

¹ Tenants Union Victoria (2007) Submission by Tenant's Union Victoria to VESC 2006 Small Scale Licencing Issues Paper
http://www.tuv.org.au/pdf/submissions/Small_Scale_Licensing_Review_ESC_082006.pdf

In particular, it should be noted that crisis accommodation and rooming houses are not comparable entities. Crisis accommodation is a temporary source of housing for people in need that is funded by the government, while rooming houses are generally operated by private or non-government providers offering long-term or permanent homes.

In the case of caravan parks, most are 'mixed use' in that they provide holiday or temporary accommodation as well as homes for permanent residents. As a matter of equity among consumers, caravan park residents should all enjoy the same level of protection regardless of the population of the park in which they live. Therefore, all caravan parks where there are any permanent residents should be subject to the registration system, not just those where the majority of residents are permanent.

The Tenants Union of Victoria recommends that that registration system be extended to capture caravan parks and rooming houses to ensure that residents are appropriately protected. The stated reason for their exclusion is based on the assumption that these complexes provide temporary accommodation to a transient population. This is clearly not the case, as caravan parks and rooming houses provide long-term or permanent housing to a class of especially vulnerable Victorians in need of particular protection.

We hope that this submission clarifies the issue for the ESC. If you wish to discuss any of the matter raised in this submission further, please contact Rebecca Harrison, Research & Policy Worker, on (03) 9411 1410

Yours sincerely,

Research & Policy Worker Tenants Union of Victoria

Comment MK

It is clear from the above that the intent was to exempt from licencing small scale operators providing electricity in embedded networks.

Elsewhere it was clearly specified that the intent was to exempt only those networks where that electricity was provided on an 'incidental' basis, such as transitory accommodation, motels, rooming houses, caravan parks; nursing homes; student accommodation associated with education institutions

The TUV pointed out that some permanent residents live in rooming houses, and caravan parks. For as long as any residents were permanent proper protections should apply.

"...there is no regulatory oversight ensuring that the provision of the OIC requiring distributors and on sellers to inform customers of the VCAT dispute resolution mechanism is being complied with. Without appropriate supervision of distributor and on-seller behaviour, this provision will not provide customers with adequate protection equivalent to that enjoyed by customers who do not reside in embedded networks. This is manifestly unfair, and should be addressed as a matter of urgency

