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MEMBER FOR FRANKLIN

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Via email: office@economicregulator.tas.gov.au

To whom it may concern

I write to provide a submission on behalf of the Tasmanian Labor Party to the Tasmanian Economic Regulator's Standing Offer Electricity Price Investigation.

Labor believes it is unfair and unjustified to include the aurora+ app in the cost-to-serve applied to all customers' bills. Effectively, this is a \$3.8 million cash grab by Aurora Energy onto Tasmanian households and businesses.

Most customers who have been given the choice have already chosen not to use the app. This is likely for a variety of reasons, including a lack of time, interest, technological capability or because they cannot be flexible with the times and amounts of power they use.

They should not be forced to pay for an application they do not need, nor want. Aurora's submissions rely on its own belief that the Aurora+ app will assist its customers and surveys from customers using it. Yet, the fact is that only a small percentage of its customer base have taken up this product.

Aurora's response to that low take up – seeking to simply price aurora+ into the bills of every single one of its customers whether they use the application or not – is inappropriate and should not be accepted by the Regulator.

Even worse, at least half of Aurora's customers will not have meters that would allow them to use the app by the time the new pricing structure would come into force. Labor does not believe there is any justification for allowing Aurora to charge customers for an app they cannot use – even if they wanted to.

The draft report states: "Aurora Energy claims that aurora+ provides significant benefits to customers by providing them with greater visibility and control over their electricity usage."

If this were the case, Aurora Energy would not need to force its own customers to pay for it. If Aurora has been unable to sustain the aurora+ app through customers choosing to use and pay for the product, it seems entirely inappropriate to respond to that by forcing customers to pay.

It appears from the Draft Report that allowing Aurora to charge all customers for the aurora+ app, regardless of whether they can or choose to use it, would result in a revenue stream of approximately \$3.8 million per year for Aurora. This is more than double Aurora's current revenue from the app and will come directly from Tasmanian households and businesses at a time they can least afford it.

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As the Economic Regulator would be well aware, Tasmanian families are struggling with inflationary pressures not seen for decades. Of particular concern is the fact these pressures are occurring in areas where families have little to no ability to reduce their consumption. Petrol prices are at record levels, housing in Tasmania has never been less affordable, a new tax is about to be levied on bin collection services, water bills are set to increase significantly and grocery price rises are being recorded in supermarkets across the State. All the basics are getting more and more expensive.

On the other side of the household ledger, wages are not keeping pace with rising costs. Last year Tasmanians experienced one of the largest real wage cuts on record and every indicator points to Tasmanian families continuing to go backwards in 2022.

Given this context, the Labor Party cannot accept such unjustified increases to basic household costs like electricity at this time.

We urge the Economic Regulator to reconsider the treatment of the aurora+ app in its final determination.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Dean Winter".

Dean Winter MP
Member for Franklin

24 March 2022