COTA TASMANIA
for older Australians

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# Submission: Review of the Economic Regulator Act 2009 and Competitive Neutrality Policy

## 1. Overview

COTA Tasmania recommends that the revised framework explicitly protect consumers' long-term interests and require consideration of affordability, accessibility and the distribution of costs and benefits. Efficient service delivery should support older Tasmanians' ability to live independently and participate in their communities.

COTA Tasmania is an independent organisation advocating for the rights, interests and wellbeing of older Tasmanians. This submission addresses the review's consumer protection and public interest issues. It does not propose changes to individual electricity or water prices, or to the separate sector legislation identified as outside the review's scope.

## 2. About COTA Tasmania

COTA Tasmania is the peak body advocating for the rights, interests and wellbeing of older Tasmanians. We provide independent, evidence-based advice to government and work to ensure that older people's experiences and priorities inform policies and services that affect their lives.

Our advocacy recognises the diversity of older Tasmanians and seeks to support their independence, participation and access to essential services. In this review, our focus is on a regulatory framework that makes consumer interests explicit and holds service providers accountable for the costs and outcomes experienced by the people they serve.

## 3. Why this matters for older Tasmanians

Older Tasmanians' ability to live independently depends in part on access to affordable and reliable services. People on low or fixed incomes have limited capacity to absorb increases in unavoidable expenses. Those living alone meet household access charges from a single income, while disability, health needs or unsuitable housing can restrict the scope to reduce consumption.

An average price or bill impact can conceal these differences. Where charges include a fixed component, using less of a service may deliver only limited savings. A modest headline increase can therefore have a substantial effect on a household already balancing essential expenses. Assessments need to show who bears the costs and whether the proposed arrangements are affordable for those households.

Access also depends on how services are delivered. Digital exclusion, transport barriers and distance from assistance can make it harder to compare options, manage payments or resolve problems. A regulatory framework that considers these circumstances can better identify where apparently efficient changes transfer costs or practical burdens to consumers.

## 4. Recommendations

1. Insert a consumer protection objective and require explicit consideration of affordability, accessibility and distributional impacts alongside efficiency and sustainable service provision.
2. Broaden prescribed body inquiries to address service outcomes and access barriers, with proportionate oversight where limited choice creates material risks for consumers.
3. Require transparent assessment of each material cost component, including its efficient cost, associated risks and consumer benefits, and explain how component changes contribute to the overall bill impact.
4. Strengthen information gathering, accessible consultation, publication and public reporting on responses and implementation.
5. Require any broader inquiry role to assess community wellbeing and distributional effects, preserve independence and avoid weakening existing regulatory functions.
6. Provide practical public interest guidance, publish an exemptions register and ensure community service obligations are clearly defined, appropriately funded and assessed against access and service outcomes.
7. Review financial and practical barriers to legitimate complaints and require clear communication about progress, outcomes and available referral pathways.

## 5. Detailed comments

### 5.1 An explicit objective to protect consumers

*Consultation question 1*

The discussion paper identifies that the Act does not currently contain an explicit primary objective for the Tasmanian Economic Regulator. COTA supports introducing one.

The objective should protect consumers' long-term interests in the price, quality, reliability and accessibility of services within the Regulator's remit. Matters for consideration should include affordability for people on low or fixed incomes, disability, digital exclusion and geographic disadvantage.

Older people have diverse circumstances; assessments should identify who is affected rather than treat age alone as a measure of vulnerability.

Financial viability and efficient investment are necessary to sustain services. The framework should also require the Regulator to explain how proposed outcomes affect different groups of consumers, including whether costs fall disproportionately on those least able to absorb them. Where assistance is needed, reports should identify the issue and options for government consideration within the relevant statutory responsibilities.

Assessments should report outcomes for households with different incomes, household sizes and usage levels, including people living alone and those with unavoidable higher consumption. An average or median bill impact should be accompanied by this analysis rather than used as a proxy for all consumers' experience.

Where tariffs combine fixed access and variable usage charges, the analysis should show each component separately and assess whether fixed charges place a disproportionate burden on low-income households or limit the savings available from reduced consumption.

### 5.2 Assess service outcomes alongside price

*Consultation questions 2 to 6*

COTA supports enabling prescribed body inquiries to consider service quality, reliability, accessibility and relevant market conduct alongside pricing. A price assessment gives an incomplete account of value if consumers face unreliable supply, inaccessible information or difficulty obtaining assistance.

Within an inquiry's scope, the Regulator should be able to examine practical barriers such as digital-only transactions, payment arrangements, access to customer assistance and the effect of service changes on regional communities. Consumer evidence should inform this assessment, including evidence from people who cannot readily participate online.

Decisions about independent pricing oversight should consider consumers' ability to obtain alternatives and the consequences of a service becoming unaffordable or unavailable. Where an essential service has few practical substitutes, COTA considers that relying solely on the threat of regulation may leave consumers inadequately protected.

### 5.3 Test the costs passed on to consumers

*Consultation questions 1, 4 to 6, and 8*

Where an inquiry or pricing assessment uses a building block approach, each cost component should be tested for efficiency, necessity and the benefit it delivers. The assessment should explain the reliability, security or safety risks being addressed, the options considered and the resulting price or revenue impact. Scrutiny should include whether proposed expenditure is proportionate to the risk and whether a lower-cost option would achieve the required outcome.

The Regulator should explain whether savings in one component are being absorbed by increases elsewhere and whether consumers receive the expected benefits of lower costs. Reporting should distinguish costs within the relevant provider's control from externally determined costs and identify the responsible decision-maker. These requirements should operate within the Regulator's statutory remit and avoid duplicating other regulators' functions.

### 5.4 Make inquiries effective and accountable

*Consultation questions 4 and 8*

The paper identifies limitations in information gathering and follow-through for prescribed body inquiries.

COTA supports proportionate powers to obtain the information needed for a sound assessment, subject to appropriate confidentiality protections.

Inquiry reports should normally be published, with plain-language summaries explaining the findings and their implications for consumers.

Government and relevant bodies should be required to respond within a specified period, stating which recommendations they accept, their implementation timetable and reasons for declining others. Progress should be reported publicly.

Consultation should provide accessible documents and ways to contribute by telephone or in writing as well as online. Engagement with consumer organisations should supplement direct engagement with affected people.

Published analysis should identify the underlying datasets, their reference periods, customer definitions and usage assumptions. Any difference between an aggregate revenue increase and a quoted household bill impact should be reconciled clearly. Where confidentiality prevents release of source data, the Regulator should publish sufficient methodology and aggregated information to allow meaningful scrutiny.

Material claims by regulated bodies should be tested against available evidence rather than accepted without examination. Where credible independent analysis differs from the adopted approach, the Regulator should explain how it assessed that evidence and why it reached its conclusion.

### 5.5 Define safeguards for any broader role

*Consultation questions 7 and 8*

COTA sees potential value in broader independent inquiries into pricing, industry and economic issues. Support should depend on a clear public interest purpose, adequate resources and safeguards for the Regulator's existing functions.

Any expanded role should assess social outcomes and how the benefits of reform are shared.

For example, an inquiry into service delivery should consider whether a proposed efficiency measure transfers costs to consumers through additional travel, equipment requirements or reliance on unpaid assistance. These costs can be material even when they do not appear in a provider's accounts.

### 5.6 Recognise public benefits in competitive neutrality

*Consultation questions 11, and 27 to 29*

Competitive neutrality should support fair competition while retaining a transparent means of delivering legitimate social objectives. The paper discusses public interest exemptions and community service obligations, including clearer guidance and reporting.

COTA recommends that guidance explain how to assess benefits such as affordable access, prevention of isolation and continued service availability in communities where commercial provision may be insufficient. Assessments should test whether alternative arrangements would deliver comparable access and outcomes in practice, including for people who cannot use digital services.

A service's social purpose should not automatically determine whether it is subject to competitive neutrality. Equally, applying the policy should involve a genuine assessment of public benefits, with clear reasons for the decision.

Treasury should publish a register of public interest exemptions, their rationale and review dates, subject to necessary confidentiality protections.

Community service obligations should specify the policy objective, intended beneficiaries, required service standards and funding responsibilities. Cost assessments should recognise the efficient costs of meeting accessibility and geographic requirements. Monitoring should assess whether people receive the intended service as well as whether funds are accounted for correctly.

Guidance on third-party delivery should clarify the treatment of government-funded social obligations. Contracting arrangements should preserve the intended public benefit and make funding and accountability clear, with compliance requirements proportionate to the activity.

### 5.7 Provide an accessible complaints process

*Consultation questions 22, 23 and 26*

COTA supports clear complaint guidance, proportionate timeframes and written explanations of outcomes. Any flexibility in investigation deadlines should include progress updates and reasons for delay, so complainants are not left with an open-ended process.

Treasury should assess whether the competitive neutrality complaint fee deters legitimate complaints from individuals or organisations with limited resources, and consider a waiver or reduction mechanism where appropriate. Guidance should explain the specific purpose of this complaints pathway and direct ordinary service complaints to the appropriate body.

## 6. Conclusion

COTA supports a regulatory framework that delivers demonstrable benefits to consumers and makes clear how their interests shape decisions. For older Tasmanians, this means affordable, accessible and reliable services, with particular attention to households that have limited capacity to absorb higher costs or change their consumption.

This review provides an opportunity to make those expectations explicit in the Act and supporting policy. Stronger scrutiny of costs, transparent evidence and meaningful assessment of household impacts would help ensure that efficiency gains reach consumers and that necessary investment delivers value. Clear public interest guidance and properly funded community service obligations would support equitable access where commercial arrangements alone cannot meet community needs.

We urge the Government to use the review to strengthen both consumer protection and public confidence in economic regulation. Decisions should be supported by evidence that can be scrutinised, explained in terms that consumers can understand, and followed by public reporting on the action taken.

COTA welcomes the opportunity to contribute further as the reforms are developed.