

18 October 2022

EMBEDDED NETWORKS IN THE ACT

ACT Labor MLA for Yerrabi Michael Pettersson will today introduce a motion to the ACT Legislative Assembly calling for the ACT Government to conduct a review of embedded networks.

Embedded networks are private utility networks that serve multiple premises in a building or self-contained site. They are mostly used to supply electricity to consumers in developments such as apartment blocks, retirement villages, social housing, and caravan parks. Instead of each individual tenant having a contract with a retailer, the building has one contract, and the utility is on-sold by the building to the tenants.

With cost-of-living pressures rising, there has been a recent increase in community concerns about embedded networks. Under the current system, embedded network users are locked into their network's contract which may generate bills more expensive than other market offerings. The problem is worse for renters who don't have direct access to the decision making of their strata organisation, unlike owner-occupiers who have more freedom to advocate for change.

Further community interest has been sparked by the Victorian Government's July 2022 announcement to ban new embedded networks, and the NSW Parliament's ongoing inquiry into embedded networks.

This proposal from Mr Pettersson calls on the ACT Government to examine the appropriateness of a ban on new embedded networks, further regulation of embedded network providers, and additional consumer protections for embedded network users. These reforms, if supported the ACT Government's review, would serve to bolster the integrity of the ACT's utility market for consumers.

Quotes attributable to Michael Pettersson MLA:

"Consumers should always be able to access the cheapest market offering on their utilities."

"Unfortunately, the introduction of embedded networks in the ACT has meant that a portion of our community are locked into utility contracts that may be more expensive than other offerings and they have limited consumer protections to remedy the situation."

"We need to rethink how embedded networks operate. The community is concerned that the existing system is flawed, and something needs to change. I am hopeful that a robust ACT Government review of embedded networks will lead to reforms that better protect consumers."

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