



12 September 2018

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Division of Energy, Water and Portfolio Strategy
NSW Department of Planning & Environment
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Dear Naomi,

Re: Proposed update to the NSW Social Programs Code for Energy

The St Vincent de Paul Society NSW works to shape a more just and compassionate society both by offering a hand up to people in need, and by working to change the structural barriers that can trap individuals and their families in a cycle of poverty and disadvantage.

Each year the Society provides material support to hundreds of people who cannot afford the everyday essentials many of us take for granted. Difficulty paying energy bills is one of the most common reasons people come to us for assistance. As such, we have a strong interest in NSW Government programs aimed at ensuring energy services are available to those in need, and in ensuring these programs operate as effectively as possible.

As a member of the NSW Energy and Water Consumer Advocacy Program (EWCAP) Reference Group, convened by the Public Interest Advocacy Centre (PIAC), we understand the NSW Government is currently reviewing elements of the NSW Social Programs for Energy Code (the Code). While we have not been given the opportunity to review the draft Code, we would like to comment on a number of the changes that have been tabled for consideration.

First, **we recommend that retailers be required to ensure that all rebate customers are on the best available offer.** Research conducted by the St Vincent de Paul Society shows that households in NSW on the worst electricity deals may be paying between \$840 and \$1230 more each year compared to those on the best offers.¹ Many of the households we serve have hit crisis point – they may be struggling with illness in the family, coping with chronic mental health issues, dealing with family breakdown. They simply do not have the capacity to engage with the market at the level required to ensure they are receiving the best possible deal. As such, the value of the rebates they receive may be partially or completely eroded. This means the rebate effectively becomes a subsidy for the retailer rather than the customer.

To ensure all rebate customers are on the best available offer, the Code should ensure retailers have regard for the specific circumstances of the rebate customer, and should detail how retailers must enact their responsibility to ensure rebate customers are equipped to take up the offer of greatest benefit.

¹ St Vincent de Paul Society (2017) NSW Energy Prices July 2017: An update on the NSW Tariff-Tracking Project.

We also recommend the following requirements be embedded in the revised Code:

- All rebates should be subtracted from the bill *after* any discounts have been applied, and before the calculation of GST.
- Any errors in payment, or in determination of rebate eligibility, and any costs resulting from those errors, are the responsibility of the retailer and should be borne by the retailer.

Furthermore, we commend efforts to improve data collection processes and believe this is critical to building a more rigorous evidence base that can inform future improvements to energy assistance programs. **We therefore support strengthening the reporting requirements for retailers in the Code.**

While we understand it is not within scope of the current review, the St Vincent de Paul Society NSW also believes that a rebate for households on low-incomes calculated at a proportion of the energy bill would be more effective and more equitable than the current fixed amount NSW Low Income Household and NSW Family Energy Rebates. We note there is no provision for automatic indexation of energy rebates within the current Code. **To address these and other issues, we therefore recommend that a further, comprehensive review of the Code be required by 31 January 2020.**

If you would like any further information in relation to the recommendations outlined above, please don't hesitate to contact Rhiannon Cook, Manager, Policy and Advocacy, via email at Rhiannon.Cook@vinnies.org.au or by phone (02) 9568 0262.

Yours sincerely



Jack de Groot
CEO