

9 February 2024

Regina Choi
Principal Analyst
Independent Pricing and Regulatory Tribunal
NSW 2000
Endorsing letter, provided with PIAC submission

Dear Regina,

Submission to the IPART Draft Report on the Future of Embedded Networks in NSW

The Tenants' Union of NSW welcomes the opportunity to provide this brief feedback on IPART's Draft Report on the Future of Embedded Networks in NSW.

The Tenants' Union of NSW is the peak body representing the interests of renters in New South Wales. We are a Community Legal Centre specialising in residential tenancy law and policy, and the main resourcing body for the state-wide network of Tenants Advice and Advocacy Services (TAASs) in New South Wales. We have long-standing expertise in renting law, policy and practice. The TAAS network assists more than 25,000 renters each year - including those renters most likely to find their energy or other utilities is provided through an embedded network such as renters in strata in the private rental market, and residents of land lease communities.

An increasing number of renters find themselves customers of embedded networks. Embedded networks are becoming increasingly common for renters living in residential apartment blocks (mostly strata communities). As the numbers of people living in multi occupancy dwelling properties (strata properties) set to increase substantially in coming years, we anticipate the number of renters in strata finding themselves having energy supplied through an embedded network will continue to grow. Similarly the residential land lease communities industry is currently expanding.

However, despite a number of reviews of the regulatory arrangements for embedded networks the current regulatory system leaves embedded network consumers in a weaker position compared with consumers on standard supply contracts. They often find themselves locked into uncompetitive pricing arrangements, and generally have access to considerably less information and fewer protections. As such, we welcome IPART's review into the future of embedded networks and their close consideration of current regulatory settings. Along with PIAC, we congratulate IPART for placing a clear focus on the need to ensure consumer protections are in place and that more equitable outcomes in relation to pricing and access to protections are achieved.

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We have had the benefit of reviewing the submission prepared by the Public Interest Advocacy Centre (PIAC). We wholly endorse and support their submission. The comments and recommendations in the PIAC submission underscore the importance of prioritising consumer protection and equitable access to essential services. We strongly support PIAC's emphasis on ensuring strong consumer outcomes, transparency, and fair pricing in the regulation of embedded networks. We highlight in particular their comments that efficiency should not come at the expense of consumer outcomes and protections, and that fair pricing must appropriately reflect the consumer detriment experienced by consumers living in embedded networks

We also provide the following brief additional comments.

Electricity pricing in Residential Land Lease Communities

Re: Recommendation on Maximum price methodology for electricity and gas, p47 Discussion Paper

The 5 year Statutory Review of the *Residential (Land Lease) Communities Act 2013* (RLLC) and other Federal and Parliamentary inquiries on embedded networks highlight issues in regulating electricity pricing and the pass-through of charges to RLLC residents. The NSW Government is working on amendments to address these concerns. Along with PIAC we strongly support IPART's proposal to align electricity prices with the median lowest offer from active retailers. Additionally, we urge IPART to recommend any forthcoming amendments, consider and incorporate this recommendation to ensure consistent pricing methodology across all customers of embedded networks, promoting fairness and avoiding confusion.

Regarding low amperage of sites in Residential Land Lease Communities

For residents living in residential land lease communities with low amps there needs to be a discount applied to the price. The amount of amperage that can be provided to a resident depends on the quality of the infrastructure of the embedded network. Some residents receive low amperage and can only use a limited amount of electricity at one time (for example, the resident may not be able to run a toaster, microwave and air conditioning unit all at the same time). These residents should receive a discount as they are limited in their use of electricity and this is entirely outside of their control.

We strongly commend IPART's careful consideration of this issue in the Draft Paper, and their recognition that discounts for low amperage are appropriate.

The need for additional strategies re compliance for RLLC operators

Re: Recommendation regarding Monitoring compliance, p74 Discussion Paper

PIAC highlights the need to consider the additional barriers renters and RLLC residents may face in seeking support or access to protections, and in making complaints due to fear of retaliation, especially where their landlord is also the operator of the embedded network. We would further highlight that RLLC residents have previously faced challenges accessing EWON for complaints or support due to operators not registering, despite this being required by the AER. While EWON have been active in their efforts to address these issues and provide support to customers, this highlights the need for additional strategies beyond

placing the responsibility for monitoring and reporting solely on consumers to ensure operators comply with both existing and new regulations.

Again, we appreciate IPART's broadly positive approach within the review that has sought to prioritise and ensure fair outcomes and access to protections for consumers. In considering and finalising recommendations from the review we commend to IPART the following guiding principle expressed clearly within PIAC's submission on the draft paper, that the regulatory framework and price protections in place must work to ensure everyone have equitable access to safe, reliable and affordable energy, no matter where they reside, or their tenure.

If you would like to discuss any of the above, please feel free to contact me via email or directly on [REDACTED].

Sincerely,

Jemima Mowbray
Policy and Advocacy Manager
Tenants' Union of NSW
[REDACTED]