

**Submission to the  
Independent Pricing and Regulatory Tribunal  
Draft Report regarding  
Changes in regulated electricity retail prices  
from 1 July 2011**



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## **1. ABOUT NCOSS**

The Council of Social Service of NSW (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in NSW. It was established in 1935 and is part of a national network of Councils of Social Service, which operate in each State and Territory and at the Commonwealth level.

NCOSS provides an independent voice on welfare policy issues and social and economic reforms. It is the major coordinator for non-government social and community services in NSW.

## **2. INTRODUCTION**

NCOSS welcomes the opportunity to comment on the draft report regarding changes to electricity tariffs from 1 July 2011. NCOSS is concerned that the expected price rise of around 18% on will have severe impacts on a significant number of low income households.

NCOSS has welcomed the recent announcement by the NSW Government regarding the introduction of the Low Income Household Rebate of \$200 per annum from 1 July 2011. This is a significant increase on the former energy rebate of \$145 per annum in 2010-11.

NCOSS also welcomes the proposals by the Tribunal in regard to the National Energy Rules and the NSW Government's network licence conditions which aim to limit future increases in network prices.

NCOSS notes that the Tribunal has considered the impact of these price rises on customers, in particular, low income and high consuming households. However, NCOSS is concerned that, apart from the Low Income Household Rebate, little has been proposed to commence on 1 July 2011 to mitigate the electricity price rise on vulnerable households.

In this submission NCOSS proposes some changes to the energy rebate and to the Energy Accounts Payments Assistance (EAPA) Scheme that can be implemented on 1 July 2011 to coincide with the expected price rise. NCOSS also recommends the extension and expansion of energy efficiency measures targeted at low income households as additional long term measures.

### **3. CUSTOMER IMPACTS**

NCOSS welcomes the analysis of customer impacts in the draft report. NCOSS agrees that targeting of measures to the most vulnerable is an effective use of scarce resources. However, NCOSS is concerned that the Tribunal's focus on low income and high energy consuming households may miss other vulnerable households.

The Council on the Ageing NSW published some case studies earlier this year that highlight how some households deliberately under-consume electricity to the detriment of health and wellbeing. NCOSS is concerned that tightening existing measures to high consumption households will mean these under-consuming households will miss out. For example, the Home Power Savings Program should continue to target all low income households. The EAPA Scheme needs to remain flexible enough to cover many different types of households.

Additional energy efficiency measures should be considered for low income high consuming households. Such measures could include an Energy Grants Scheme and/or an expanded No Interest Loans Scheme where households receive support to replace inefficient appliances with energy efficient ones.

NCOSS urges the Tribunal not to recommend a tightening of eligibility of Government programs such that some of the most vulnerable households miss out. NCOSS urges the Tribunal to recommend additional energy efficiency measures for low income high energy consuming households.

### **4. ENERGY REBATES**

NCOSS strongly supports the Tribunal's position that the Low Income Household Rebate should be extended to include residents of retirement villages where these households are separately metered. The system used for separately metered caravan park residents should be applied to residents of retirement villages.

NCOSS urges the Tribunal to recommend the extension of Energy Rebates to residents of retirement villages commencing on 1 July 2011.

### **5. ENERGY ACCOUNTS PAYMENT ASSISTANCE SCHEME**

The previous NSW Government commenced a review of the Energy Accounts Payment Assistance (EAPA) Scheme in 2010. That review sought comments on a range of options for the Scheme. NCOSS is not aware of any outcomes of the review.

The NCOSS submission to the EAPA review highlighted the need for the scheme to be sufficiently flexible to meet the needs of a diverse range of households. To increase flexibility, the EAPA Scheme should be changed to:

- provide a range of face values of vouchers;
- set a financial year limit on EAPA per household (as opposed to a per bill limit) but allow community organisations to exceed this limit in exceptional circumstances; and
- allow EAPA to move bills into limited credit.

NCOSS urges the Tribunal to recommend that the NSW Government finalise the review of the EAPA Scheme and to improve the flexibility of the Scheme.

## **6. HOUSEHOLD ENERGY EFFICIENCY MEASURES**

The Home Power Savings Program has shown that it can provide a significant reduction in energy bills for low income households. NCOSS believes that this program should eventually be expanded to increase the target from 220,000 low income households and to extend the life of the program beyond its initial three years.

NCOSS is aware that the NSW Government has been slowly improving its stock of public housing in terms of energy efficiency including the installation of solar hot water systems. NCOSS urges the NSW Government to enhance and accelerate this work. Energy efficiency programs in public housing should be expanded to include additional measures such as insulation as well as being extended to community housing providers.

NCOSS urges the Tribunal to recommend to the NSW Government the extension and expansion of these energy efficiency measures.

## **7. CONCLUSION**

NCOSS is concerned that the expected price rise will have a severe impact on a significant number of low income households without additional measures to mitigate the impact. NCOSS urges the Tribunal to recommend the following measures to commence on 1 July 2011:

- Energy efficiency measures for low income high energy consuming households.
- Extending the Low Income Household Rebate to residents of retirement villages;
- Measures to improve the flexibility of the EAPA Scheme; and

The Tribunal should also recommend additional long term household energy efficiency measures.