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**Department of Resources,  
Energy and Tourism**

**DRAFT ENERGY WHITE PAPER  
SUBMISSION COVER PAGE**

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Signature: *Clare Petre*

Date: 14 March 2012

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14 March 2012

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Thank you for the opportunity to comment on the *Draft Energy White Paper 2011*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON is experiencing an increase in customers contacting EWON with payment difficulties and financial hardship. Unrequested household energy disconnection rates remain unacceptably high in NSW and other states. We anticipate the predicted rising energy prices to put further pressure on low income households.

These affordability issues also put pressure on services such as community welfare agencies that distribute emergency relief and offer financial counselling services, as well as existing government assistance measures such as the NSW Energy Account Payment Assistance Scheme. Consumer protections and industry customer assistance measures need to keep up to support low income households.

We strongly endorse the *Draft Energy White Paper* concerns about rising energy costs for low income households:

*“All these results underline the fact that increases in household energy costs are generally regressive in their impact (the impact is greater on people on lower incomes and the socially disadvantaged). These groups are also less likely to be able to access options to reduce energy use or manage costs”<sup>1</sup>*

*“There is no easy fix to the likely increase in energy costs that consumers will face through the course of the decade. There will need to be a concerted focus on*

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<sup>1</sup> Draft Energy White Paper, 2011, pg 55

*removing or not imposing unnecessary policies that add to cost pressures and in ensuring issues facing vulnerable customers are adequately addressed”<sup>2</sup>*

Affordability of essential utility services in the face of price increases is a significant issue. It is important for the industry and for disadvantaged consumers that responses are driven from an evidence base and that there is a policy framework, such as the *Energy White Paper*, for understanding the issue of affordability and best practice responses.

We suggest a national industry wide discussion on energy affordability and appropriate responses. Such a process could consider the relevance or otherwise of establishing a benchmark for ‘energy stress’. It could also explore other responses that have been proposed, eg the value and structure of a social tariff concept.

A further activity is commissioning research into the effectiveness of different community service obligations in the National Electricity Market. In the context of a national energy policy framework, research to provide an evidence base for identifying best practice and potentially harmonising areas such as rebates and emergency assistance would benefit both consumers and the industry.

We recommend a national energy affordability roundtable to progress these issues.

If you would like to discuss this matter further, please contact me or Emma Keene, Manager Policy & Research on 02 8218 5250.

Yours sincerely



Clare Petre  
Energy & Water Ombudsman NSW

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<sup>2</sup> Ibid. pg 56