

FAREWELL LOU AND JOEL

This edition of Well Connected brings news of staff changes at EWCAP. Policy Officer, Joel Pringle, leaves us this month to take on a new opportunity within the community sector. Joel's passion and ability to advocate strongly for energy and water consumers will be missed. All at PIAC wish him well and thank him for all of his efforts over the last three years.

The recent past also saw EWCAP's Policy and Research Officer, Lou Schetzer, move into the Policy Officer role in PIAC's Homeless Person's Legal Service (HPLS). While we are sad to see

him go, we know HPLS will benefit greatly from his many talents and years of experience.

Welcome Erin

In February 2011, EWCAP welcomed Erin Halligan to the role of EWCAP Policy Officer. Erin brings experience in consumer advocacy and a keen interest in social justice issues. Erin has recently returned from Bangladesh, where she spent a year as an Australian Youth Ambassador for Development. Erin can be reached on 02 8898 6518 or at <ehalligan@piac.asn.au>.

HOW CAN THE ENERGY + WATER CONSUMERS' ADVOCACY PROGRAM HELP YOU?

PIAC aims to assist citizens and community organisations contribute to decision-making that affects their lives. EWCAP staff are available to give presentations on the energy and water industries and the importance of energy and water policies in achieving fair and just access to energy and water for all households. For more information, contact Carolyn Hodge on 02 8898 6520 or chodge@piac.asn.au.

You can also join the Energy and Water Consumers' Advocacy Network, an email network that EWCAP uses to inform people interested in upcoming consultations and opportunities for advocacy, and provide plain language briefings of the issues as they arise. To find out more about the Energy and Water Consumers' Advocacy Network, go to <http://www.piac.asn.au/project/energy-water-consumers-advocacy-network>.

If you are a community organisation and have noticed recurring energy or water issues among your clients, please contact with Carolyn Hodge on 02 8898 6520 or chodge@piac.asn.au.

EWCAP focuses on systemic issues and is not involved in dispute resolution. If you can't resolve a problem with your electricity, gas or water supplier, contact the Energy & Water Ombudsman NSW (EWON) on 1800 246 545. EWON's service is free, fair and independent. Visit www.ewon.com.au

EWCAP regularly contributes content to PIAC publications. To find out more about PIAC's newsletters and other communications, go to <<http://www.piac.asn.au/e-mail-list-signup>>.

KEEPING THE ESSENTIAL AFFORDABLE

As an outcome of its annual price review of regulated electricity retail prices, the Independent Pricing and Regulatory Tribunal (IPART) has announced that electricity price rises of between 15.5% and 18.1% will come into force on 1 July 2011.

Consumers across NSW will face different increases depending on which supply area they live in. Prices in the Integral Energy and Energy Australia supply areas will rise by 15.5% and 17.9% respectively. Those in the Country Energy supply area will again face the largest increase, with an 18.1% price rise.

These rises are attributed to a number of factors. Network costs (poles and wires) make up 9% of the increases, while costs arising from green schemes, including the Small-scale Renewable Energy Scheme (SRES), account for 6%. Generation and retail costs add 1% each to the total.

PIAC understands that many consumers are struggling to afford electricity at current prices. Services in the community are telling us that energy bills are the number one issue people are presenting with when seeking advice from financial counsellors. Similarly, peak consumer organisations are noticing that their constituents are increasingly concerned about energy affordability.

Without targeted support, PIAC is extremely concerned that these latest increases will see growing numbers of households struggle to remain connected to this essential service. In an effort to avoid this situation, PIAC used its submission to IPART to highlight short-term and longer-term actions that could be taken to assist consumers.

In the short term, PIAC recommends that existing supports be strengthened and expanded to ensure they are accessible to low-income and vulnerable

consumers. PIAC called for a system of indexation for all energy related rebates that is transparent and related to price increases, to ensure the value of these important support measures is not eroded with each electricity price rise.

PIAC also recommended the extension of financial assistance to people who have low levels of discretionary energy consumption. The Life Support Rebate assists with the costs of running valuable equipment that is essential to people's lives, such as home dialysis machines. Presently, the Life Support Rebate does not provide any financial assistance for electricity costs associated with keeping motorised wheelchairs charged. Though it can be argued that motorised wheelchairs are not life support equipment, for many people who rely on motorised wheelchairs, life without a working wheelchair is a life devoid of mobility. As the energy used to charge wheelchair batteries is not discretionary and cannot be reduced, as prices rise, PIAC recommends that people who are totally reliant on motorized wheelchairs should have access to financial support.

In the longer term, PIAC has recommended that more be done to understand rural and regional energy consumers so that targeted support can be delivered to areas that are facing the highest price rises in the state. PIAC has also recommended that IPART be resourced to investigate options for introducing a social tariff for low-income and vulnerable consumers. A social tariff could provide a more socially just structure for pricing electricity by offering eligible consumers this essential service at an affordable rate.

PIAC's full submission to IPART is available at www.piac.asn.au/publications

Carolyn Hodge, Senior Policy Officer

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CARBON PRICING AND HOUSEHOLD COMPENSATION

Earlier this year, the Federal Government proposed the introduction of a carbon pricing mechanism as a national measure to help Australia reduce its carbon pollution. Australia is in the top twenty polluting countries in the world, and produces more pollution per capita than any other nation.

The proposed carbon price will work by placing a fixed price on every tonne of pollution produced. The mechanism aims to build an incentive for businesses to consider pollution costs when making investment decisions and perhaps encourage large polluters to reduce and control

pollution levels through investment in cleaner low-carbon alternatives such as natural gas, solar and wind power.

The Government established the Multi-Party Climate Change Committee, chaired by Prime Minister, Julia Gillard, to discuss and negotiate the parameters of the carbon price mechanism rollout, which could be introduced as early as 1 July 2012.

Although the price on carbon is expected to be paid by less than 1000

of Australia's top polluting companies, there will be costs passed through the economy to consumers. The household assistance package is currently being designed to compensate low and middle-income households for cost of living increases resulting from a price on carbon.

The Federal Minister for Climate Change, Greg Combet, has confirmed that measures within the package will be permanent and funded by at least 50 per cent of the carbon price revenue. The Household Assistance Working Group, which includes representatives from Australian Council of Social Services and National Shelter, is providing the Government with advice on equitable methods of delivering assistance through the household assistance package.

The assistance will be targeted to low and middle-income households, including pensioners, and may be distributed through recurrent cash payments through the income support system, or possibly through tax transfers. It has recently been reported that the Federal Government is planning to deliver an increase to pensions, above the regular biannual indexation, to help pensioners cope with cost of living increases resulting from the carbon price.

PIAC understands investments in energy efficiency and electricity bill rebates are also being considered as compensation measures.

Through our lobbying, PIAC has supported cash payments as a method to compensate low-income and vulnerable households from cost increases arising from a carbon price. In addition, we see recent policy developments on pricing carbon as presenting an opportunity to provide some future proofing to consumers, so they are resourced to face any energy price rises that may result.

As such, we support greater access to energy efficiency programs, including audits and access to energy efficient appliances for those who are unable to afford them presently. PIAC also supports the development of an energy literacy campaign that could provide consumers with more information about consumption behaviours and other energy efficiency measures that could assist them reduce their energy bills over time.

PIAC acknowledges that it is in Australia's interest to take steps to insure our future against the harmful impacts of climate change, particularly for low-income and vulnerable households who often feel the brunt of these impacts most strongly. We welcome the Government's commitment to provide permanent compensation through the household assistance package. It is our hope that financial compensation, as well as increased access to programs that will help consumers meet rising costs, will be features of the final package.

Erin Halligan, Policy Officer

EAPA REVIEW — AWAITING AN OUTCOME

At a time of ongoing price increases, the recent review of the Energy Accounts Payment Assistance (EAPA) scheme can provide the incoming Government with a useful reservoir of information and community feedback on how this scheme might be improved.

EAPA is a voucher scheme that delivers emergency support to households experiencing difficulty paying energy bills, with the aim of lowering the instances of disconnection of supply due to financial difficulty. Many community organisations have a stake in this program, as they are the primary deliverers of EAPA vouchers. In the lead up to the 2011 NSW election, the previous Government announced that Industry and Investment NSW would undertake the review.

The timing for this review made it particularly difficult for many small community organisations to participate in the consultation. The closing date for submissions was 31 December 2010, though more realistically this required submissions to be provided before the Christmas break.

In spite of these difficulties, many neighbourhood centres and other community organisations made the time to participate in the consultations, giving their views on what works in the scheme and providing insight into what could be improved. The fact that this occurred at short notice, during a time when community organisations are already stretched with existing programs and preparing for end-of-year shutdowns, shows that the sector gives high priority to the EAPA scheme and has much to say about making the scheme more effective in assisting disadvantaged members of the community.

Many useful recommendations were provided by the sector, including administrative changes that would be likely to have little if any budget impact. A commitment was made to publish submissions on the website of the department. At the time of writing, these submissions are still not available.

By the March 2011 election, nothing further had been heard of this review. Following

the change of Government, it is uncertain whether the report provided to Government, or the submissions themselves, will see the light of day. Whether this review will progress is presently unclear.

Given the usefulness of the information, not to mention the effort made by the sector to participate under the circumstances, PIAC believes that it would be a great waste for this evidence to be disregarded. As such, PIAC is urging the incoming Minister to consider the report provided by the Department, and to consider the submissions provided by both the community sector and the energy industry.

In addition, PIAC is encouraging community organisations to ensure that the new Government hears their feedback by including the recommendations in any upcoming consultations on energy pricing.

PIAC considers EAPA to be a vitally important part of the consumer protections available in NSW; it has played a significant role in avoiding disconnection in many low-income and vulnerable households. However, it has become clear from our research and our interactions with the sector that there are opportunities to improve the scheme. This feedback has been provided. It is important that this information reaches, and is considered by, the new Government.

Joel Pringle, Policy Officer

Energy Rebate Update

The Low Income Household Rebate (LIHR) will be implemented from 1 July 2011. The LIHR replaces the NSW Energy Rebate and will be paid at a rate of \$200 per year to eligible consumers. If people are already receiving the Energy Rebate, they will automatically receive the new rebate at the higher level after 1 July 2011.

For more information go to: www.dtiris.nsw.gov.au/energy/customers/rebates.

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