



Energy & Water
Ombudsman NSW
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13 September 2018

Ms Naomi Wynn
Manager Energy Rebates
Energy Division
NSW Department Planning & Environment

Dear Naomi

Consultation Paper Changes to the NSW Social Programs for Energy Code v 5.0 (the Code)

Thank you for the opportunity to comment on the *Consultation Paper: Changes to the NSW Social Programs for Energy Code*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. Our comments are informed by these complaints and from our community outreach and stakeholder engagement activities.

The bulk of the proposed changes are focused upon the administrative details of the rebate programs and directly affect the administrative arrangements between retailers and the Department. EWON has no comments about these changes.

The first change that will affect experiencing vulnerability is the replacement of the current Section E with the new Section A6. Section E requires a retailer to offer an alternative market offer every six months to any customer receiving a rebate if they are on a standard retail contract.

The replacement Section A6 expands this current customer protection from rebate customers on a standard retail contract to all rebate customers. **This is a significant improvement.** Its application by retailers at the point a customer applies for a rebate, and once every 12 months for existing customers, will assist customers perhaps experiencing ongoing vulnerability engage with the complexity of market offers.

Combined with the current raft of customer protections being introduced by the Australian Energy Market Commission this reform will reduce the number of customers who, because of lack of knowledge or capacity, are paying excessive tariffs.

EWON welcomes this positive change.

A second issue that EWON is commenting on is the introduction of a proposed definition of *gross amount of bill* to mean the total charges, less any applicable discount.

Formally defining this term and requiring that an applicable rebate be applied to the discounted amount charged will end the practice of some retailers applying pay on time discounts after a rebate has been applied, which, in practical terms, reduces the amount of the rebate received by the consumer.

This billing approach obviously, is to the customer's detriment; or more to the point, benefits those retailers rather than their customers. EWON receives complaints from some customers about this issue but many more are detrimentally impacted by this practice.

EWON therefore fully supports this proposal.

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy and Research, on (02) 8218 5266.

Yours sincerely



Janine Young
Ombudsman
Energy & Water Ombudsman NSW