

3 August 2009

Customer Assistance Policy
Department of Water and Energy
GPO Box 3889
Sydney NSW 2001

cap.consultation@dwe.nsw.gov.au.

Dear Sir/Madam,

Re: Customer Assistance Policy

The ERAA welcomes this opportunity to provide comment to the Department of Water and Energy's Customer Assistance Policy Consultation Draft.

The Energy Retailers Association of Australia (ERAA) is the peak body representing the core of Australia's energy retail organizations. Membership is comprised of businesses operating predominantly in the electricity and gas markets in South Australia, Victoria, New South Wales, ACT, Queensland, Western Australia and Tasmania. These businesses collectively provide electricity to over 95 per cent of customers in the NEM and are the first point of contact for end use customers for both gas and electricity.

The purpose of the ERAA is to:

- Provide a public voice on all energy retail matters to government and industry bodies;
- Access key decision makers to affect national energy policy; and
- Ensure efficient development and implementation of national energy policy and markets.

The ERAA supports the establishment of policies aimed at assisting customers who are struggling to pay their energy bills. Energy retailers are well positioned to help customers who may be experiencing genuine financial hardship through the provision of repayment plans, advice on energy efficiency, referrals to financial counsellors.

The ERAA acknowledges that customer hardship is of serious concern and believes that issue cannot be approached by retailers alone. As a result, the ERAA believes energy hardship is a shared social responsibility between the customer; the energy industry; State and Federal Governments; and the Australian community.

In addressing energy hardship the ERAA does not support the retention of retail price regulation. The ERAA is of the view that customers with insufficient income need to be adequately supported with direct government subsidies which are transparently distributed via government welfare programs which are simple to administer and do not interfere with the operation of the retail market. Energy retailers and community groups are well placed to assist governments in implementing such programs.

The ERAA believes such programs to support customers in financial hardship must be appropriately funded and therefore strongly supports the NSW Government's additional financial assistance which has been outlined in the Consultation Draft for energy customers in financial hardship.

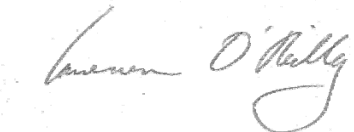
In moving towards the National Energy Customer Framework the ERAA believes that the national framework will deliver better outcomes in terms of better servicing for customers experiencing financial hardship and lower compliance costs for retailers and in the longer term lower end costs for customers. The ERAA believes the current inconsistency between jurisdictional customer frameworks and associated additional compliance on retailers is unnecessary, inefficient and costly.

In light of this, the ERAA was disappointed that the NSW Government was not able to make the policy more consistent with the hardship schemes which currently exist in the other NEM jurisdictions. Specifically the ERAA was surprised that the three new targeted financial assistance initiatives (Energy Grants Scheme, Medical Cooling Rebate, and Service Availability Charge Rebate) were not made identical to those already operating in other states. The ERAA believes a workshop should be convened to discuss with retailers, consumer groups and financial counsellors how the implementation of these schemes can proceed in a cost effective manner.

Finally the ERAA was unsure how the introduction of the Energy Liaison Officers (ELOs) would operate. Strong links currently exist between energy retailers and financial counsellors, and as such the ERAA believes it is important to ensure the ELOs do not complicate the provision of assistance to customers. We would prefer and support using the funds allocated to establish the ELOs being directed towards building on and strengthening the relationship between financial counsellors and energy retailers.

Please contact me on (02) 9437-6180 to facilitate such discussions.

Yours sincerely



Cameron O'Reilly
Executive Director
Energy Retailers Association of Australia