

**Submission
No 8**

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT
REPORTS MAY 2017 - DECEMBER 2017**

Organisation: NSW Department of Planning & Environment

Date Received: 28 August 2018



Planning &
Environment

Office of the Secretary

received 24/9/18
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IRF18/3996

Mr Bruce Notley-Smith MP
Chair, Legislative Assembly
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Mr Notley-Smith

I am writing to provide the Department of Planning and Environment's response to the Public Accounts Committee regarding the NSW Auditor-General's Performance Audit titled: *Energy rebates for low income households*, tabled in Parliament on 19 September 2017.

I have enclosed the Department's response, which describes the Department's comprehensive and completed program of work in response to each recommendation in the Audit Report. The document is based on the Public Accounts Committee template for submissions for performance audit examinations.

The Department is ensuring that the Government's energy rebates programs are being administered appropriately, so the NSW Government can continue to assist those in need.

Should you have any questions in relation to this matter, please contact Katharine Hole, Acting Deputy Secretary, Energy, Water & Portfolio Strategy, at the Department on 02 8229 2848.

Yours sincerely

Dr Liz Develin
Acting Secretary

Encl: Response to Auditor-General's Performance Audit Report *Energy rebates for low income households*

11.9.2018

**PERFORMANCE AUDIT - Energy Rebates for Low Income Households
IMPLEMENTATION OF RECOMMENDATIONS**

	RECOMMENDATION	ACCEPTED OR REJECTED	STATUS COMMENT
1	Ensure effective strategies are in place to make information about rebates available to all eligible, low-income households.	ACCEPTED	<p>The Department developed and strengthened strategies to raise awareness of availability of energy rebates through:</p> <p>1.1 requiring retailers to provide links to the rebate information section on the Department's website in community languages. 1.2 requiring retailers to notify vulnerable customers that rebates are available when they sign up with a new retailer. 1.3 updating the Department's website to provide information in multiple languages. 1.4 an extensive communications campaign, which provided information about the rebates and eligibility requirements for NSW energy consumers. It targeted areas and people most in need through television, radio, newspapers, direct mail, digital display and social media (e.g. Facebook and YouTube). It also targeted vulnerable communities, for example immigrant and indigenous communities, by using their community languages and media, for example, WeChat, indigenous radio channels, television channels and the Koori Mail. The Facebook campaign alone reached 391,145 people and delivered a click through rate 400 per cent higher than the industry benchmark.</p>
2	Evaluate alternative models and develop advice for government to reduce complexity and improve equity of ongoing rebates.	ACCEPTED	<p>The Department is improving rebates processes to increase their impact, and also streamlining its program administration systems to reduce complexity and improve equity. In 2017-18, the NSW Government:</p> <p>2.1 increased the budget for energy rebates from \$256 million to \$312 million per year. This equates to more than \$1 billion over the next four years. Low income households are now receiving an increase of 20 per cent on their energy rebate. 2.2 increased accessibility by extending the rebates scheme to allow online applications for customers living in caravan parks, retirement villages and other on supply sites. 2.3 introduced digital processes for allocation of vouchers under the Energy Accounts Payment Assistance (EAPA) scheme. This enabled 98 per cent of EAPA transactions to be processed within 36 hours of the application. 2.4 increased awareness of the program. An additional 2,500 customers are now accessing the gas rebate, which is a one third increase compared with the previous year. 2.5 established processes so that the Department can collect eligibility data from the Federal Department for Human Services. This will enable the Department to measure and better target rebates for eligible customers.</p>
3	Establish measurable objectives for schemes that provide ongoing support, and monitor and measure performance of all schemes against objectives and outcome measures.	ACCEPTED	<p>The Department is constantly establishing and reviewing objectives. It has a rigorous monitoring program to ensure these objectives are achieved and success measured. In 2018, the Department:</p> <p>3.1 established a monitoring framework to track how the EAPA Scheme is meeting its objectives against measurable KPIs. 3.2 enhanced its dedicated energy data and analytics team to support the monitoring framework. 3.3 introduced new reporting requirements on energy retailers requiring them to provide improved data, which in turn will improve outcomes for rebate customers across the program. Monitoring of this data will be used to inform ongoing refinements to the program. 3.4 implemented an online dashboard for internal reporting, monitoring and tracking against scheme objectives.</p>

4	Assess the impacts of the forecast increase in embedded networks and develop strategies to manage any increased administrative risk.	ACCEPTED	4.1 The NSW Government through the COAG Energy Council is prioritising work on consumer protection arrangements, including rebate delivery, for customers in embedded networks. COAG Energy Council tasked the Australian Energy Market Commission (AEMC) with reviewing the regulatory frameworks for embedded networks and customers with stand-alone power systems. The AEMC is expected to release a draft report on these reviews in December 2018.
5	Strengthen assurance that the Energy Accounts Payment Assistance (EAPA) is being provided in accordance with its objectives and guidelines by implementing accreditation and compliance programs.	ACCEPTED	<p>The Department is implementing strengthened accreditation and compliance programs to the EAPA Scheme. Actions completed to date include:</p> <p>5.1. completing the first independent audit of EAPA Providers and rapidly implementing high priority recommendations.</p> <p>5.2. conducting an annual audit of EAPA providers to monitor and ensure compliance with the Scheme's objectives and guidelines.</p> <p>5.3. designing an online training platform to train EAPA providers in the EAPA Guidelines' requirements, including compliant record keeping practices. The online training modules will be rolled out in 2018/19 and user participation will be included in the scope of the next audit.</p> <p>5.4. developing an EAPA dashboard, which provides the Department with real-time monitoring information to track EAPA applications and compliance with the Scheme's requirements.</p> <p>5.5 strengthening data systems to improve the effectiveness of ongoing and periodic monitoring, compliance and auditing of the EAPA scheme.</p>
6	Ensure those eligible for EAPA financial support are not disadvantaged by inflexible payments, inconsistent provider practices, or inability to access an EAPA provider in a timely manner.	ACCEPTED	<p>Following the Audit, the Department:</p> <p>6.1 completed the first independent audit of EAPA Providers in 2018. The report found 'it likely that EAPA Providers are providing rebates consistently with the aims of the EAPA Program.'</p> <p>6.2 implemented the high priority recommendations from the independent audit of EAPA Providers which relate to monitoring, training and provider reporting responsibilities, and approved a work program of further enhancement through to December 2019. This includes working with stakeholders to further enhance EAPA delivery.</p> <p>6.3 committed to conducting the next audit in 2019.</p>

