

11 February 2015



The Secretariat  
Select Committee on the Supply and Cost of Gas and Liquid Fuels in New  
South Wales  
Upper House Committees  
Parliament of New South Wales

Submitted via: [gasinquiry@parliament.nsw.gov.au](mailto:gasinquiry@parliament.nsw.gov.au)

Dear Ms Foley

**Select Committee on the Supply and Cost of Gas and Liquid Fuels in New South Wales**

PIAC thanks the NSW Legislative Council's Select Committee on the supply and cost of gas and liquid fuels in New South Wales for the opportunity to present evidence to the Committee on Monday 2 February. Please find attached our response to questions taken on notice and additional information to assist the committee in its deliberations.

If you would like any further information, please do not hesitate to contact me or Dr Gabrielle Kuiper, Energy + Water Consumers' Advocacy Program's Senior Policy Officer, on 02 8898 6520, or [gkuiper@piac.asn.au](mailto:gkuiper@piac.asn.au).

Yours sincerely

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# Select Committee on the Supply and Cost of Gas and Liquid Fuels in New South Wales

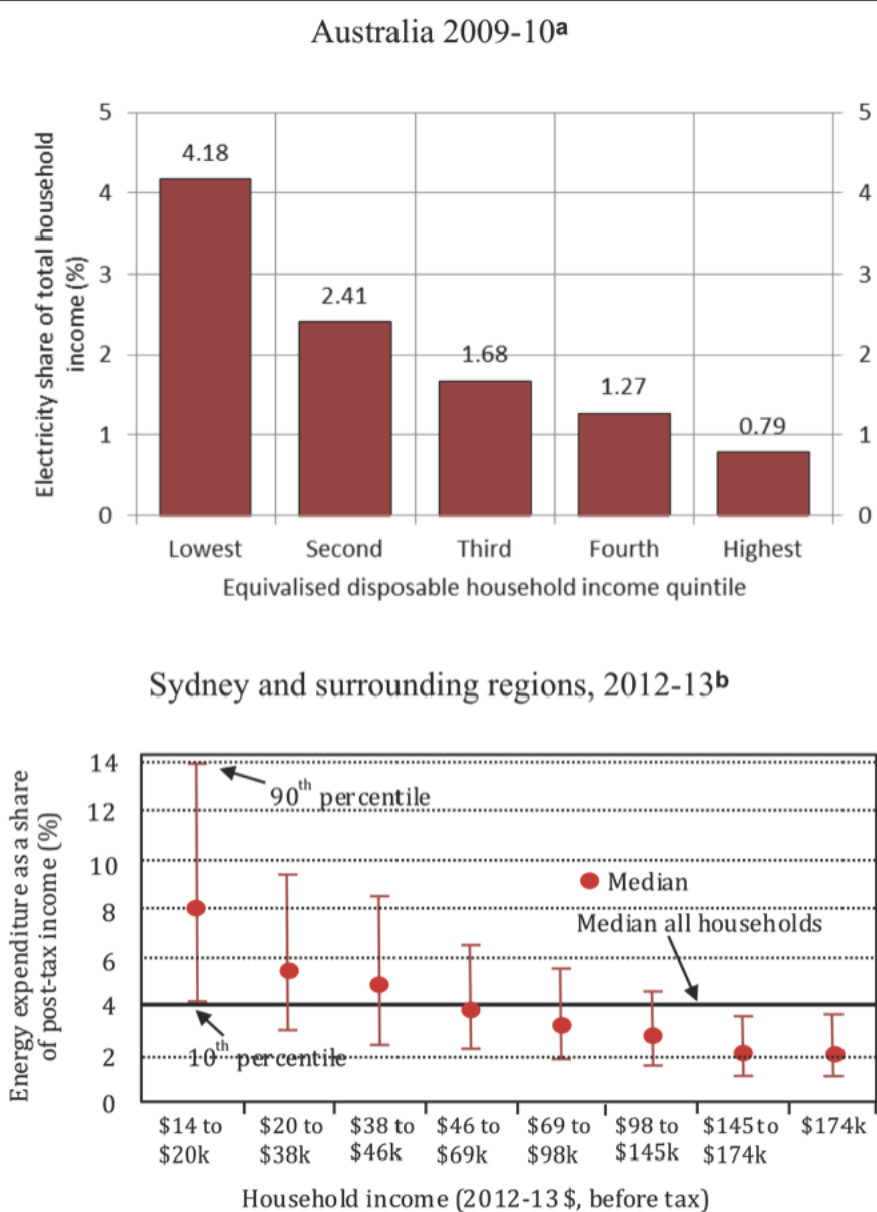
## Response to Questions on notice from the Public Interest Advocacy Centre

### What is the current level of energy poverty in NSW?

Energy poverty is not well defined in Australia. However, the Productivity Commission's report on 'Electricity Network Regulatory Frameworks', (Productivity Commission, Report No. 62, 2013) noted that:

More disaggregated analysis by the Independent Pricing and Regulatory Tribunal (IPART) for the Sydney region reveals that electricity spending can be as high as 14 per cent of income for the poorest households.

Figure 2.8 Lower-income households are hit harder by rising prices



A research paper by Dr Lynne Chester at the Department Of Political Economy at Sydney University on 'The impacts and consequences for low-income Australian households of rising energy prices' was published in October 2013 and is available at:

[http://www.householdenergyuse.com/resources/Impacts\\_Consequences\\_Low\\_Income\\_Households\\_Rising\\_Energy-Bills\\_Oct2013.pdf](http://www.householdenergyuse.com/resources/Impacts_Consequences_Low_Income_Households_Rising_Energy-Bills_Oct2013.pdf)

### **More information on Darebin Council's Solar Saver Program?**

From <http://www.energymatters.com.au/images/news/2014/solarsaver-bulkbuy.pdf>:

- Darebin City Council is offering homeowners who receive a pensioner rate rebate the chance to purchase and install 1.5kW or 2kW solar panel systems through this program. These solar systems provide significant electricity cost savings – generally between \$361 and \$760 per year depending on size and energy use. The systems also come with a 10 year warranty on panels, inverter and installation.
- The solar systems range in cost between \$2,440 - \$2,790 for a 1.5kW system and \$2,805 - \$3,450 for a 2kW system, excluding switchboard upgrades, if needed. Prices vary depending on how many storeys a house is and the type and shape of the roof.
- Participants pay 10% of the system cost in their rates every year over ten years. So at the prices above, most will save more each year on their electricity bills than they pay in the rates solar repayment! And if participants move or sell up during the ten years, the remaining payments transfer to the new owner.
- This program is run through providers Positive Charge and Energy Matters, and is open for the first 280\* eligible applicants to sign up. Check further details on the website [www.darebin.vic.gov.au/solar](http://www.darebin.vic.gov.au/solar)
- Positive Charge is a social enterprise created by the Moreland Energy Foundation Ltd (MEFL) with the support of Social Traders. MEFL is a not-for-profit company established by the Moreland City Council in 2000 with the approval of the Victorian Office of Local Government.
- Positive Charge is committed to providing independent, low cost and up-to-date community engagement and advisory services to local communities on behalf of local governments. Positive Charge is backed by MEFL's 13 years of experience in creating and delivering award-winning community energy efficiency and renewable energy services for councils, households, businesses and schools.

A video about participant experiences is available here:

<https://www.youtube.com/watch?v=Ane8blaOBgk>

### **More information about Environmental Upgrade Agreements (EUAs) in general?**

A summary of Property-Assessed Clean Energy (PACE) financing is available from the US National Renewable Energy Laboratory (NREL) at: <http://www.nrel.gov/docs/fy10osti/47097.pdf>

Details of how EUAs work can be found in the attached factsheet and at

<http://www.environment.nsw.gov.au/business/upgrade-agreements.htm> and <http://betterbuildingfinance.com.au>



Major Outputs/Deliverables Performance measures	Unit of measure	2014-15 Target	2013-14		2012-13 Actual
			Expected Outcome	Target	
<i>Timeliness</i>					
Percentage of customer requests answered by State Trustees within the timelines set in the Community Service Agreement	per cent	90	90	90	100
<i>Cost</i>					
Total output cost	\$ million	577.1	536.5	535.3	525.6
<i>The higher 2014-15 target primarily reflects additional government investment provided in the 2014-15 Budget, the impact of the social and community services pay equity case and the full year effect of prior year initiatives.</i>					

Source: Department of Human Services

### Constraints on scheme participation in Victoria?

The eligibility for energy concessions in Victoria is limited to holders of the following concessions cards:

- Centrelink Health Care Card  
(Holders of a Health Care Card for Carer Allowance and Foster Care issued in the name of the child are not eligible.)
- Centrelink Pensioner Concession Card
- Veterans' Affairs Gold Card For All Conditions
- Veterans' Affairs Gold Card War Widow
- Veterans' Affairs Gold Card
- Veterans' Affairs Gold Card POW & EDA

## Mapping of gas disconnections to establish where they are more prevalent?

The NSW Energy and Water Ombudsman (EWON) does not report separately on gas disconnections.

The Australian Energy Regulator (AER) has been responsible for reporting on retailer performance under the National Energy Retail Law (Retail Law) for New South Wales since 1 July 2013.

The data below is from the AER's Annual Retail Energy Market Performance Report 2013-14, (available at <http://www.aer.gov.au/sites/default/files/Annual%20report%20on%20the%20performance%20of%20the%20retail%20energy%20market%202013-14.PDF>).

In 2013-14 disconnection rates fell with three gas retailers and rose with two others (Table 2.8), but the trend since 2009-10 has been a significant fall in gas disconnection rates (Table 2.10).

PIAC understands that the AER does not receive the data by location, but the NSW Government may be able to request the Australian Energy Market Operator (AEMO) to map disconnections across the State.

Table 2.8: Residential gas customers (per 100) disconnected and reconnected by each retailer in 2013–14

Retailer	Disconnections (per 100 customers)	Reconnections (% of disconnections)	Percentage of reconnections that occurred within seven days
<b>South Australia</b>			
AGL	0.95 (▼0.28)	35%	80%
Alinta Energy	2.14 (▲1.93)	37%	83%
EnergyAustralia	0.08 (▼0.01)	100%	21%
Origin Energy	0.68 (▲0.10)	40%	72%
Simply Energy	2.31 (▼8.49)	33%	63%
<b>TOTAL SA</b>	<b>0.86 (▲0.08)</b>	<b>37%</b>	<b>72%</b>
<b>ACT</b>			
ActewAGL	0.90 (▼0.58)	35%	70%
EnergyAustralia	1.89 (▲1.53)	15%	92%
<b>TOTAL ACT</b>	<b>0.94 (▼0.50)</b>	<b>33%</b>	<b>71%</b>
<b>NSW</b>			
ActewAGL	1.19 (▼0.98)	28%	58%
AGL	0.51 (▼0.41)	26%	76%
EnergyAustralia	0.15 (▲0.05)	27%	100%
Lumo Energy	0.67 (▲0.63)	29%	96%
Origin Energy	0.18 (▼0.27)	41%	74%
<b>TOTAL NSW</b>	<b>0.39 (▼0.29)</b>	<b>28%</b>	<b>78%</b>

Table 2.9: Residential electricity disconnections, 2009–10 to 2013–14

	NSW	South Australia	Tasmania	ACT
2009–10	15 835	4 748	1 396	880
2010–11	18 561	7 383	958	402
2011–12	23 207	9 893	178	420
2012–13	24 888	10 723	1 057	73
2013–14	32 940	10 148	1 555	269

Table 2.10: Residential gas disconnections, 2009–10 to 2013–14

	NSW	South Australia	ACT
2009–10	14 811	3 410	1 611
2010–11	17 480	2 724	1 411
2011–12	20 118	4 403	2 356
2012–13	7 520	3 129	1 572
2013–14	4 921	3 418	1 066

### 2.6.1 Disconnection of customers experiencing financial difficulty

In 2013–14, 19 per cent of electricity customers disconnected and 12 per cent of gas customers disconnected had been on a payment plan in the previous 12 months.

Six per cent of electricity customers disconnected and 4 per cent of gas customers disconnected in 2013–14 had been disconnected on more than one occasion in the previous 24 months.

As discussed earlier in this report, residential customers on market retail contracts in Tasmania use prepayment meters to manage their electricity account. In 2013–14 there were 2069 self-disconnection events (relating to 1728 customers)—a significant increase from 1068 in 2012–13.<sup>24</sup> Around half of the customers that use prepayment meters in Tasmania also receive energy concessions.





## **What is the EUA legislation in NSW?**

NSW local government legislation on Environmental Upgrade Agreements (EUAs) enables upgrading or retrofitting of non-residential or multi-residential buildings of more than 20 lots. As a way of funding improvements to the resource efficiency or environmental sustainability of certain buildings, the legislation allows councils to enter into EUAs with owners and finance providers.

*The Local Government (Environmental Upgrade Agreement) Act 2010 (NSW)* introduces a new Part 2A into the *Local Government Act 1993 (NSW)*.

[Local Government Amendment \(Environmental Upgrade Agreements\) Regulation 2011](#) (NSW) supports the Act and provides further detail in relation to EUAs.

[Guidelines for Environmental Upgrade Agreements \(PDF 164KB\)](#) provides guidance and to set out rules (especially for councils) in relation to EUAs under section 54Q of the Act.

## **How many EUAs have been issued in NSW and Victoria?**

EUAs are currently available for non-strata commercial and light industrial buildings from these local councils in NSW:

[City of Sydney](#) – (02) 9246 7843 or email [eua@cityofsydney.nsw.gov.au](mailto:eua@cityofsydney.nsw.gov.au)

[Parramatta City Council](#) – (02) 9806 5755 or email [eua@parracity.nsw.gov.au](mailto:eua@parracity.nsw.gov.au)

[North Sydney Council](#) – (02) 9936 8100 or email [eua@northsydney.nsw.gov.au](mailto:eua@northsydney.nsw.gov.au)

[Lake Macquarie City Council](#) – (02) 4921 0333 or email [eua@lakemac.nsw.gov.au](mailto:eua@lakemac.nsw.gov.au)

[The City of Newcastle](#) – (02) 4974 2000 or email [eua@ncc.nsw.gov.au](mailto:eua@ncc.nsw.gov.au)

Also note that Environmental Upgrade Agreement (EUA) finance of up to a total of \$80 million (with up to \$30 million from Clean Energy Finance Corporation (CEFC)) is available through National Australia Bank (NAB), the CEFC and Eureka Funds Management for retrofits to improve performance of commercial buildings.

As at December 2013, 8 EUA transactions have been signed across NSW and Victoria, to a total of over \$35 million. More recent data was not publicly available.