

Submission to the Energy Accounts Payment Assistance (EAPA) draft Terms of Reference

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About the Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is leading social justice law and policy centre. Established in 1982, we are an independent, non-profit organisation that works with people and communities who are marginalised and facing disadvantage.

PIAC builds a fairer, stronger society by helping to change laws, policies and practices that cause injustice and inequality. Our work combines:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change and public interest outcomes.

Energy and Water Consumers' Advocacy Program

The Energy and Water Consumers' Advocacy Program works for better regulatory and policy outcomes so people's needs are met by clean, resilient and efficient energy and water systems. We ensure consumer protections and assistance limit disadvantage, and people can make meaningful choices in effective markets without experiencing detriment if they cannot participate. PIAC receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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Public Interest Advocacy Centre



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The Public Interest Advocacy Centre office is located on the land of the Gadigal of the Eora Nation.

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1. Introduction

The Public Interest Advocacy Centre (PIAC) welcomes the opportunity to respond to the Department of Planning and Environment's ("the Department") Energy Accounts Payment Assistance (EAPA) draft Terms of Reference (ToR).

PIAC supports the proposed review period which includes multiple opportunities for consultation.

We also support the broad scope of the ToR considering both the long and short term assistance that is required to assist people experiencing energy bill payment difficulty. However, the EAPA Review ("the Review") process must focus on the outcomes (both short and long term) for people who receive EAPA as well as the outcomes for people who experience energy bill payment difficulty but do not receive it.

The Review is also an opportunity to explore issues such as who is excluded from EAPA eligibility, why payments are still provided in \$50 increments, how to help address long term affordability issues (such as through energy efficiency, electrification, and better linkages with other government programs and policies) and issues of inequality of assistance for electric only households.

2. Scope

We have made additions to the proposed Scope (underlined and italicised) which would help address some of our concerns. Some of these are included to demonstrate what a particular element of the Review should explore more explicitly, whilst other additions are new aspects to investigate.

The review will consider:

- Evaluating the intent of the EAPA scheme as a short-term assistance scheme, *including:*
 - How do we know the EAPA scheme is adequately assisting people and is having the intended impact?
 - Do people exit the scheme feeling assisted and empowered? Or do they feel shamed and/or that their problems have not been addressed?
 - How does EAPA link to and interact with other retail and government supports (long term and short term)?
 - What else is required to avoid disconnection, debt and energy rationing?
- Mechanisms to support customers in long-term financial hardship and debt, *including:*
 - Access to energy efficiency housing improvements, appliances, and knowledge.
 - Opportunities to use the EAPA framework to identify people in need of the most support so they fully access the range of climate, energy and affordability assistance measures available.
 - Supporting people to get access assistance to address other problems (including underlying problems) they may be experiencing which contribute to payment difficulty.

- Awareness of the existence of the scheme for people who need it, including:
 - Are retailers referring people who need it to EAPA?
 - Who is missing out?
 - How does awareness of EAPA compare with awareness and availability of other short-term finance and credit (such as pay day loans and Buy Now Pay Later (BNPL) products)?

- Ease of access to the scheme by vulnerable customers including but not limited to:
 - People impacted by the COVID-19 pandemic.
 - Aboriginal and Torres Strait Islander communities.
 - Culturally and linguistically diverse (CALD) communities.
 - Regional communities.
 - Victims of domestic violence.
 - Embedded network customers.
 - People with disability.

- Identifying improvements and simplifying the online customer journey and non-digital journeys, including:
 - The time it takes to get an appointment.
 - The length of time it takes to apply for EAPA.
 - The application process and the amount of information required to apply for EAPA.
 - Circumstances where sharing personal information causes distress and/or shame.
 - The length of time it takes to receive EAPA (to avoid issues with retailers).
 - Issues where there is a payment or smoothing arrangement and EAPA might temporarily put the consumer in credit.
 - Digital exclusion issues, particularly for people with disability and/or low English literacy.
 - Issues with proving identity.
 - Issues with the definition of 'short term' and difficulty differentiating between ongoing circumstances and immediate changes or crises.
 - How does access to EAPA compare with access to other short-term finance and credit (such as pay day loans and BNPL products) which may leave people in payment difficulty worse off?

- What are the outcomes for people:
 - Who successfully access EAPA?
 - Who are experiencing payment difficulty but do not access EAPA? This should specifically consider people who don't know about EAPA, can't access it due to definitions of eligibility, aren't accessing it because of the information provision requirements (such as people experiencing domestic abuse) or who choose not to access it because they or someone they know had a bad experience with the scheme (for example it caused distress and/or shame)?
 - Who are deemed ineligible for EAPA because their debt is too old and/or their situation is not classified as a 'crisis' or 'short term'?
 - For whom the amount of EAPA is not enough to avoid disconnection/avoid debt accumulation/avoid dangerous energy rationing?

- Assessing the outcomes of the EAPA delivery model and alternative options, including:
 - How do the outcomes for applicants compare between delivery by Service NSW and different community organisations?
 - How much time and how many resources are required by community organisations and their staff and/or volunteers to apply for EAPA? How sustainable is this?
 - Are applicants receiving additional and/or longer term assistance they need to help them in their situation?
 - What are the implications for different service delivery models and do different service delivery models alter the intent and principles of the scheme?

- What inequalities or unintended consequences are created by the current design of the scheme, such as the inequality of assistance available to dual fuel households as opposed to all electric households? What opportunities are there to utilise EAPA support to rationalise energy needs (and support electrification/gas disconnection, combining addressing climate issues with a greater impact on better long-term affordability outcomes).

- What need or value remains in keeping payments at \$50 increments?

- Assessing the balance between the scheme objectives, principles and purpose and the requirements for the program to be auditable.

3. Further consultation

PIAC welcomes the opportunity to meet regularly with the Department as part of the review of EAPA, including as a part of targeted consultations when appropriate. We suggest that some consultation sessions occur with both consumer advocates and retailers.

PIAC is currently working with community partners to develop case studies to illustrate the range of situations that lead to consumers experiencing energy payment difficulties and the range of reactions, decisions and experiences of people in addressing these issues.