

Department of Premier and Cabinet

Social Inclusion Unit

Executive Building, Level 7, 15 Murray Street, HOBART TAS 7000 Australia

GPO Box 123, HOBART TAS 7001 Australia

Ph: (03) 6232 7139 Fax: (03) 6233 5685

Email: siu@dpac.tas.gov.au Web: www.dpac.tas.gov.au



The Department of Premier and Cabinet's Social Inclusion Unit (SIU) was established to progress a socially inclusive agenda. SIU's main objective is to facilitate the implementation of a Social Inclusion Strategy for Tasmania (SIST), a Cost of Living Strategy for Tasmania (COLST) and a Food for All Tasmanians: a Food Security Strategy (FFAT). SIU undertakes research and analyses data to develop evidence based policy responses for complex issues. It also administers funding to the community to address a number of barriers to social inclusion.

In relation to the draft Gas Codes Issues Paper – Review of the Tasmanian Gas Retail and Gas Distribution Codes (the Paper), the Social Inclusion Unit (SIU) highlights a number of key social inclusion issues, specifically in regard to hardship policies:

- There is a need to ensure appropriate complaints and dispute resolution process, given that there are circumstances where customers have not actively chosen gas as their main energy source (particularly in rental accommodation). Adopting billing information as required under the National Energy Retail Law (NERL) is therefore preferable, particularly in the way this provides clear contact details for complaints. Whilst the Paper refers to the relatively low number of complaints received within the existing system, SIU cautions that this may be indicative of the characteristics of customers who have opted for gas over electricity, rather than the process for complaints as set out by retailers and the distributor. As the number of gas consumers increases characteristics of customers may change, and the complaints process needs to be robust enough to accommodate any future changes to the consumer profile.
- To ensure that Tasmanians from culturally and linguistically diverse (CALD) backgrounds do not experience disadvantage in seeking to resolve complaints, SIU also advises that interpreter services are provided on billing information to ensure people clearly understand that this service is available. The approach taken under the NERL (NERR Rule 87) would be preferred in this instance.
- SIU additionally recommends that consideration is given for alignment with the NERL regarding the steps for disconnections. The NERL appears to offer additional protection for customers against disconnection. If a complaint has been made by the customer about their disconnection to the Energy Ombudsman then a distributor must not disconnect the customer until the complaint is resolved (NERR Rule 116 (b) and (c)). Adopting similar provisions would provide a further safeguard for customers and may be of benefit given the potential for increased numbers of residential gas customers.
- The Paper can potentially align with the Tasmanian Government's SIST and COLST, particularly in providing steps to minimise financial hardship and the pressures of bills on some of the most vulnerable Tasmanians. In the COLST former Social Inclusion Commissioner, Professor David Adams, noted that many Tasmanians are facing challenges in meeting the rising cost of living. He noted that approximately 40% of

Tasmanians are facing a growing gap between their incomes and costs, especially for essential services. With the increasing pressures from the cost of living on particular groups of Tasmanians (as identified in the COLST), SIU recommends that more consideration is given to adopting hardship policies that are responsive to the needs of vulnerable Tasmanians.

- Whilst the rules of NERL do not specifically require bill smoothing policies, SIU recommends that flexibility for billing conditions is pursued and detailed billing information is provided as required under the NERL (NERR Rule 25 (1)). Ensuring customers have the most information available about their billing, is essential for financial planning, particularly for some of the most vulnerable Tasmanians who can struggle to meet the everyday costs of living.
- SIU further supports the NERL obligation for retailers to have a formal hardship policy that is in accordance with the guidelines, and approved by, the Australian Energy Regulator. Regulatory obligations such as these require retailers to offer payment plans to hardship customers; late fees to be waived for customers on hardship plans and provides Centrepay as a payment option. Adopting formal regulatory obligations would provide an additional level of protection for customers in Tasmania.
- The SIST and COLST can provide some further context and evidence towards the hardship challenges faced by many Tasmanians. These are available at <http://www.dpac.tas.gov.au/divisions/siu/strategies>