



FINANCIAL COUNSELLORS'
ASSOCIATION OF NSW INC

Joint PIAC, NCROSS and FCAN Submission to OECC EAPA Public Consultation Paper

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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.

About NCOSS

NSW Council of Social Service (NCOSS) is the peak body for non-government organisations in the health and community services sector in NSW. NCOSS works to progress social justice and shape positive change toward a NSW free from inequality and disadvantage. We are an independent voice advocating for the wellbeing of NSW communities. At NCOSS, we believe that a diverse, well-resourced and knowledgeable social service sector is fundamental to reducing economic and social inequality.

About FCAN

The Financial Counsellors' Association of NSW Inc (FCAN) is the peak membership body that represents and supports Financial Counsellors in NSW. FCAN represents the financial counselling sector to advocate for suitable regulation and products to protect the financially vulnerable and to prevent people and families from experiencing financial hardship.

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The Public Interest Advocacy Centre, NCOSS and FCAN offices are located on the land of the Gadigal of the Eora Nation.

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1. Introduction

There has been a massive increase in clients both for EAPA and for NILS, just with affordability; nobody can afford anything. And trying to get people over the line, just trying to squeeze every last drop out of people's budgets and people being able to still manage to live... You'll find that [issues are] across the board, it's not just their electricity. Their mental health is pretty fragile, their rent is in arrears, they're not eating well, there's all of that kind of stuff that goes into play for them. They feel like they're drowning, they start to feel useless and the depression kicks in. – NILs Consultant.¹

PIAC, NCOSS and FCAN welcome the opportunity to respond to the NSW Office of Energy and Climate Change's (OECC) Energy Accounts Payment Assistance (EAPA) Public Consultation Paper on proposed reforms (the Paper).

The proposed reforms in the Paper would materially improve the impact of EAPA. They better recognise the intent of the program and would make welcome improvements to the assistance EAPA provides for NSW households to manage financial crises. These reforms are an important first step alongside further reform to rebate assistance and the consideration of more effective assistance for NSW households struggling with longer-term debt and financial distress. PIAC, NCOSS and FCAN support the proposals outlined in the Paper and recommend further improvements to deliver on the intent of EAPA.

EAPA is a crucial source of support for NSW households ongoing access to an essential service. To effectively fulfil its purpose, EAPA must be:

- adequate - provide enough assistance to have an impact,
- accessible - be practically available to those who need it, when they need it, and
- adaptable - be able to respond to the varying circumstances that people in need find themselves in.

Reforms of EAPA should improve its contribution to positive outcomes for NSW households, ensuring they have the energy they need to sustain their health, wellbeing, and social and economic inclusion.

The current cost-of-living crisis demonstrates the crucial role EAPA can play for NSW households who are struggling with rises in the costs of housing and other essentials, particularly energy. Complaints to EWON are already up 22% from last year, with most complaints being about high electricity bills.² In a recent national survey of people on low incomes undertaken by ACOSS,³ 97% indicated they were struggling to afford their energy bills and are running out of options. People reported taking drastic measures like not heating their home in the middle of winter, turning fridges off overnight, limiting showers, not having visitors, and going without food or medicine to afford their bills. These circumstances show the critical importance of EAPA. While there are limited supports available for other essentials, assistance for energy affordability

¹ Quote part of an interview as part of PIAC's debt and disconnection research.

² EWON 2023 [2022-2023 Energy & Water Ombudsman NSW Annual Report](#)

³ ACOSS 2023 [Energy and Cost of Living Snapshot](#)

through EAPA can have an outsized impact on people's capacity to manage through a crisis and re-establish themselves. Even one unsupported, unmanaged crisis can tip people over the edge and see households spiral into long-term debt that is difficult to overcome.

In this submission we comment on the suite of reforms proposed in the Paper and recommend further changes aimed at strengthening EAPA and ensuring it can better meet its intent to support NSW households.

PIAC's debt and disconnection research

Throughout the submission we refer to PIAC's debt and disconnection research. The field work for this research has just been completed but the results are yet to be collated and published. The research includes interviews and a survey of consumers with a broad range of experiences of disconnection, or debt and financial distress which might lead to it. The results, and the experiences of these cohorts, are directly relevant to consideration of EAPA and its role in addressing crises in energy affordability.

The research also included interviews with frontline workers (such as financial counsellors and community workers), the Energy and Water Ombudsman NSW and energy businesses undertaking Knock to Stay Connected programs. PIAC will provide OECC with copies of reports from the research as they become available, and in the meantime can provide advanced results, findings, and other input on request.

NCOSS' cost of living research

We also draw on the research of NCOSS and the expertise of their members, who deal with the issues facing our community on a daily basis. These include the impacts of insecure, unsafe and unaffordable housing; mental ill-health; domestic and family violence; the Cost-of-Living crisis; the disproportionate impacts of poverty on First Nations communities; and the ongoing, repeated impacts of climate disasters. We refer the OECC and other interested parties to their most recent research reports which we have drawn on, including:

- [Barely Hanging On – the Cost of Living in NSW 2023](#) (August 2023)
- [Mapping Economic Disadvantage in NSW](#) (May 2023)

2. Intent of EAPA

2.1 Articulation of the intent of EAPA

PIAC, NCOSS and FCAN support this process developing and clearly articulating the explicit objective and purpose of EAPA. Making this purpose more clearly and simply available as a public information document outside of the Code, will support wider understanding of EAPA and its role. This would benefit EAPA providers and their workers, community service organisations and other potential providers, retailers and other community stakeholders. This simple, public information should include the objective of the program, the principles which underpin it, the logic of its design and the operational parameters of the program.

PIAC, NCOSS and FCAN look forward to working with OECC and other stakeholders to assist in developing these documents.

2.2 Protection against disconnection and debt accumulation

The intent of EAPA should be to help keep people out of debt while their debt is low, as the most effective means of avoiding disconnection and addressing short term crises in a way that maximises people's ability to quickly return to financial stability. In any case, 'Stay connected' should not be narrowly defined as a protection from disconnection only during the application period for EAPA. The intent of EAPA should be to help protect against and avoid disconnection both during crisis and its immediate aftermath.

The OECC should consider measures to require retailers to ensure EAPA recipients are placed on their hardship program for a minimum period after receiving EAPA, to ensure they have ongoing access to a range of supports and protections, including protection from disconnection. The following sections provide recommendations on how EAPA recipients could be further supported to 'stay connected' through a crisis and re-establish financial sustainability.

In considering consistent EAPA policies and processes, it's important to note there is a wide inconsistency (both between and within retailers) in retailer approach to debt accumulation and resort to disconnection. For example, a frontline worker interviewed as part of PIAC's debt and disconnection research shared this observation:

"I've seen bills for thousands of dollars where they won't disconnect, and then I've seen people come in with a bill for a couple hundred dollars where they're going to disconnect them. So that's not even consistent." – NILs Consultant.

2.3 Hardship programs

A successful EAPA application establishes that a household is experiencing payment difficulty. This should meet any retail definition of hardship. Considering effective retail support is the single most significant determining factor in preventing disconnection and re-establishing energy affordability, this review should consider measures to ensure retailers are required to place EAPA recipients on hardship support. We do not consider it sufficient that a retailer *consider* whether it is appropriate to offer additional assistance in accordance with their hardship program.

Evidence shows inconsistency and difficulty in people experiencing payment difficulty accessing a retailer's hardship program.⁴ EAPA assessment is more consistent and rigorous than eligibility processes for hardship protections. Accordingly, once a retailer is aware that a consumer is seeking EAPA, the retailer should place them on their hardship program, or at the very least place them in direct contact with the hardship support staff to offer more consistent, accessible, tailored assistance that meets their needs.

Recommendation 1

That a successful EAPA application require retail hardship protections be extended to the EAPA recipient for a minimum of 12 months. Any application for EAPA, successful or not, should require a retailer to consider whether it is appropriate to offer additional assistance in accordance with their hardship program and put the customer in direct contact with their hardship support staff.

⁴ Nicholls, Larissa and Dahlgren, Kari, 'Consumer Experiences Following Energy Market Reforms in Victoria: Qualitative Research with community Support Workers, Final Report' (2021) 5, 20-21.

2.4 Clarifying what EAPA applies to

The Paper refers to 'consumption only'. We assume this refers to the cost of energy provision (including fixed supply charges and usage charges), and is intended to exclude interest, fees, and other non-energy related charges. We recommend this terminology be changed to clarify this intent. Referring to consumption charges may create confusion that EAPA is intended only to relate to 'usage charges', which would be both impractical and create unacceptable inconsistency and complication.⁵

However, PIAC, NCOSS and FCAN recommend that the applicability of EAPA be expanded to cover all energy related costs, including any interest, fees, and charges. Whilst protections included in the NERL prohibit late fees and early termination fees on bills where EAPA is applied, PIAC, NCOSS and FCAN recommend these protections be extended to include missed direct debit fees, missed pay on time discounts and disconnection fees.

Where a household is experiencing payment difficulty, additional fees are accumulated because they cannot afford to pay their energy bill. Unfortunately, for some people, these fees can just be part of the billing cycle.⁶ It is contrary to the purpose of EAPA to exclude these fees and charges from EAPA application.

At the critical end of the crisis spectrum, households may receive disconnection notices and be disconnected before they apply for EAPA. Further, perpetrators of family violence might use disconnections or threats of disconnection as a form of punishment or economic coercive control. As EAPA is a crisis payment often provided to people in acute financial distress and/or victim-survivors of family violence, it is inappropriate for retailers to apply a disconnection fee. However, if these fees (and any reconnection charge) are applied, the household should not be penalised.

Larger community organisations such as St Vincent de Paul often pay the disconnection fee of their clients' bills because EAPA does not cover this cost and their client can't afford it. This cost should not be shifted to the community sector. Allowing these fees to be covered by EAPA would help ensure delivery of the intent of the EAPA program.

Recommendation 2

That retailers be prohibited from applying missed direct debit fees, missed pay on time discounts and disconnection fees where a consumer has EAPA applied to their bill. Where these fees and charges have already been applied, they should be eligible for coverage by EAPA as part of energy related costs.

2.5 Conditional discounting

The OECC should consider measures to require retailers to apply any available conditional discounts where a consumer has EAPA applied to their bill, regardless of whether they have met

⁵ For example, we are aware that where a household is a low energy user, retailers often put the household on an offer with higher fixed charges, making it difficult for the household to reduce their bill despite furthering reducing their consumption.

⁶ For example, as part of PIAC's payment harms research, one financial counsellor explained: "Late payments, yes. I think, from a lot of conversations we have, people expect that it is a part of their payment process. Some people are on products, such as bill smoothing, or they are doing direct debits and they do get caught by the 'pay on time discounts.' But usually they'll end up with some sort of fee, either non-payment or late payment, and are expecting that's part of their billing cycle."

the criteria for this discount. For people in financial difficulty missed pay on time discounts and other conditional arrangements have the effect of late payment fees and should be treated similarly by EAPA.

The AER found that 9% of people on offers with conditional discounts did not meet the conditions and so did not receive the discount. They also found that 14% of people in hardship programs and 12% of people on payment plans did not meet the discount conditions and were effectively penalised with higher bills.⁷ Despite a downward trend in conditional discounting, in the past year there have been close to 200,000 instances of pay on time discounts being missed by NSW households.⁸

We are unaware of the extent of other conditional discounting that may be occurring, or being missed, such as upfront payments, loyalty discounts or product bundling 'discounts' (bundling discounts on one service might disguise higher prices on the other bundled services).

Recommendation 3

That OECC explore measures to require retailers to extend conditional discounts where a consumer has EAPA applied to their bill.

2.6 Current bill

PIAC, NCOSS and FCAN recommend that EAPA be able to be applied to any energy bill with a debt, not only the current bill presented at the time of EAPA application.

There can be (very reasonable and understandable) delays in people seeking EAPA. They may try first to resolve the payment difficulty themselves or not be aware of EAPA until, for example, the problem has escalated.⁹ There can also be delays in having an EAPA assessment and there may also be billing issues which have taken time to accumulate. To deliver effectively on its intent, EAPA needs to be available to cover all bills accrued over a reasonable time period.

Only applying EAPA to a current bill could also likely penalise people on payment arrangements such as monthly billing, who are typically billed in smaller amounts. These arrangements may mean a payment problem takes longer to manifest.

Recommendation 4

That EAPA be able to be applied to all bills, including older bills and debt as well as the current bills and debt.

2.7 Closed accounts

EAPA should be able to be applied to closed accounts. For the household there is often no difference between the impact of debt on closed accounts, and that of the current account, on financial stability.

⁷ Australian Energy Regulator (AER), *State of the energy market 2023*, 210.

⁸ AER, Schedule 3 - Quarter 3 2022-23 Retail Performance Data

⁹ PIAC's research into disconnection and debt has shown that different retailers treat debt and disconnection quite differently, for example, one front line worker shared their observation: "I've seen bills for thousands of dollars where they won't disconnect, and then I've seen people come in with a bill for a couple hundred dollars where they're going to disconnect them. So that's not even consistent."

Closed accounts are valid, energy related costs which have a significant impact on people. People often close their energy account for a range of valid reasons, such as:

- leaving a family violence situation,
- being evicted (including due to rent increases and no-grounds evictions),
- moving to improve housing affordability,
- moving for a job opportunity,
- moving in with a relative when a job is lost, or due to a medical issue, and
- switching retailers to get a better deal or because they have not been provided adequate assistance.

These are legitimate reasons for closing an account and should not result in a person in need receiving less assistance from EAPA to help them through their financial crisis.

Recommendation 5

That EAPA be able to be applied to closed accounts.

2.8 Financially disadvantaged

PIAC, NCOSS and FCAN agree that assistance should not be limited to people with low incomes. Being financially disadvantaged or experiencing financial difficulty is not restricted to those on low incomes and can apply to people who are experiencing payment difficulty due to natural disasters, family violence, illness, unemployment, and other substantial changes in circumstances. PIAC's debt and disconnection research has revealed that many higher income households also face payment difficulties and risk disconnection.

For EAPA to be effective there needs to be a consistent understanding and sensitivity among providers to the range of circumstances people may find themselves in. The guidelines and training should recognise this broader coverage and should help support a level of understanding among EAPA providers to effectively deliver on the intent of the program. The guidelines and training should help EAPA providers:

- Understand who needs the assistance of EAPA;
- Recognise systemic and external factors leading to financial crisis;
- Avoid suggesting applicants have poor budgeting skills;
- Provide an empowering and straight forward application process;
- Understand family violence;
- Understand mental health; and
- Understand what other supports could help the applicant.

2.9 Flexibility and scope to support those with longer term debt and payment difficulty

EAPA should have some flexibility to support households who are experiencing longer term payment difficulty, at least in the short term. We support the consideration of measures to assist people with long term payment difficulties and debt. We make specific comments in relation to

this in the section on 'energy debt'. While measures to address longer term debt issues are considered, households who would otherwise be eligible for EAPA should be able to receive it.

Recommendation 6

That people with longer term payment difficulty be able to receive EAPA until a specific alternative debt relief program is available to them.

2.10 Access to energy efficiency and renewable energy

EAPA applicants should be supported to electrify and improve the efficiency of their homes and appliances. While EAPA is a crisis assistance, for many recipients a short-term crisis merely exposes or exacerbates underlying affordability issues. While EAPA is only intended to deal with the short-term crisis, an EAPA application can be used as an effective targeting mechanism for other assistance measures which may help address the underlying contributors to the crisis. One of the most significant contributors to underlying energy unaffordability is the poor energy efficiency of housing, and the need to sustain two energy services.

Households experiencing payment difficulty and disadvantage are often unable to address their housing energy efficiency due to:

- Poorer housing stock being the cheaper housing they can access,
- The upfront costs of improving the thermal performance of the house are beyond their means,
- The upfront costs of energy efficient appliances being beyond their means,
- The upfront costs of Consumer Energy Resources (solar, batteries etc.) being beyond their means, and
- Them being renters and limited in the scope of the changes they can make to the fixtures and building.

Efficient household electrification is a key part of the lowest cost pathway for decarbonising the energy system and improving long term energy affordability and equity. Early-adopting households with the means to do so are already demonstrating the significant cost, health and sustainability benefits efficient electrification can enable. Without addressing equity issues and barriers to efficient electrification, households experiencing disadvantage will continue to face bills which are much higher than bills of more advantaged households and/or suffer the consequences of not using the energy needed for their health, wellbeing and social and economic inclusion.¹⁰

PIAC, NCOSS and FCAN recommend that all EAPA applications result in the provision of information or access to programs or other assistance to electrify or improve the energy efficiency of their home and appliances. The OECC should explicitly explore opportunities to link EAPA applications to information and access to other NSW Government provided or administered programs, such as the Energy Savings Scheme and Peak Demand Reduction Scheme.

¹⁰ As one frontline service provider explained to PIAC as part of our debt and disconnection research: “[I see people who are] showering once a week. I’m like, what? Particularly, clients who aren’t working at the moment. They’re like, ‘Well, I don’t have anywhere to go, so I just save on showers.’ Like, wow. That’s the most horrifying to me. I hear this a lot.”

Recommendation 7

That EAPA applications result in the provision of information or access to programs or other assistance to electrify or improve the energy efficiency of their home and appliances.

3. Embedded networks

Reform of EAPA must ensure that no NSW households have their access to EAPA support curtailed or complicated as a result of their housing circumstances and the arrangements of their energy provider. PIAC, NCOSS and FCAN support the expansion of EAPA applicability to all embedded network categories. We have consistently highlighted¹¹ inequities faced by consumers living in embedded networks, including their inability to access supports like EAPA.

3.1 Applying EAPA to people living in embedded networks

Reforms should seek the simplest and most consistent means of extending EAPA to all NSW households. The simplest approach may be to divide all arrangements into two broad categories:

1. Any authorised retailers or entities with equivalent roles and capacity of an authorised retailer (this primarily relates to metering and billing systems capability). These entities should be required to apply EAPA to the consumer's bill.
2. Any other providers unable to meet this level of capacity (due to billing systems, for instance). For these entities, EAPA should be applied directly to the recipient's bank account. This approach has a relevant precedent in the approach to the payment of rebates to people in embedded networks and the payment of the seniors energy rebate.

This approach would maximise the delivery of the intent of the EAPA program to all eligible NSW households.

Whilst the OECC propose to expand access to EAPA in phases, no timeframes to achieve this have been proposed. We are concerned that this would result in the most vulnerable people – those in the deemed exempt sellers category (who lack most protections) – being the last to get EAPA (if at all). We consider this delay unnecessary and strongly recommend the OECC consider moving to improve consistency of access to EAPA across all consumers in this process.

Recommendation 8

That eligibility for EAPA should be extended to all residents in embedded networks contemporaneously. The OECC should consider PIAC's proposal (or other equivalent methods) to ensure simple consistency.

3.2 LPG bottles should be eligible for EAPA

This process should extend applicability of EAPA to cover LPG bottles for those who require LPG to support their essential needs, such as water heating, heating, and kitchen cooktops. Without this support, households with LPG (including those in embedded networks, such as land-lease communities) may 'self-disconnect' by not replacing an empty LPG bottle.

¹¹ PIAC 2022 [Submission to NSW Committee on Law and Safety's Inquiry into Embedded Networks in NSW](#);
PIAC 2023 [Submission to the OECC & NSW Treasury: Protecting NSW customers of embedded networks](#);
PIAC 2023 [Submission to IPART Energy prices in embedded networks consultation paper](#)

For embedded networks, there will likely remain issues with service adequacy (amperage) levels in certain types of embedded networks (such as land lease communities). Where this is the case, LPG bottles are likely to be essential to maintain a reasonable standard of living. For example, being able to both cook and heat/cool their home at the same time. Until these issues are overcome, EAPA should be available for LPG bottles.

Recommendation 9

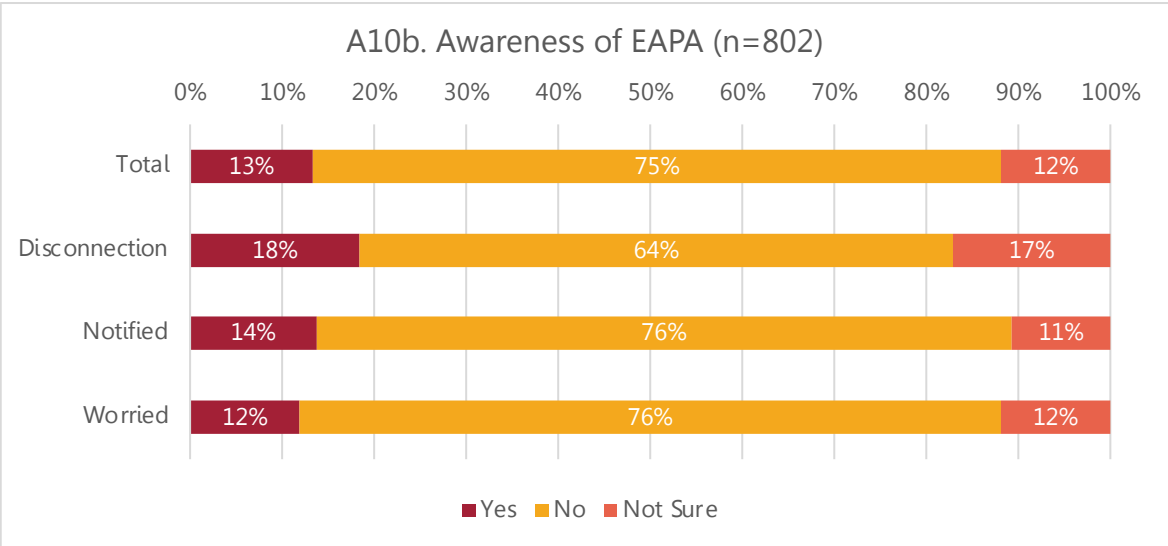
That EAPA eligibility be extended to LPG to ensure that people can access the energy they need for their health and wellbeing.

4. Access and awareness

Communication regarding EAPA is a critical support for improved awareness and uptake of the program. There must be a consistent, year-round communications program to support awareness for EAPA across the community in NSW. This can be supplemented by more targeted communication to high priority groups identified in the paper.

4.1 Awareness of EAPA

As part of PIAC’s debt and disconnection research we assessed awareness of EAPA. We found this to be concerningly low, with only 13% of respondents saying they knew this assistance was available. The majority (75%) were not aware of the EAPA voucher and 12% were unsure if they had heard of the crisis payment. While awareness of the voucher was higher for those who had experienced disconnection/restriction and/or received a notification about disconnection/restriction in the last 2 years, it is still very low awareness for a cohort of people who needed payment support.



In July 2023, NCOSS published ‘Barely Hanging On: The Cost-of-Living Crisis in NSW’. The research surveyed a representative sample in of low-income households and people living below

the poverty line¹² in NSW. It found that awareness and access of NSW Government supports broadly targeting low-income households was relatively low, but slightly higher than 2022. For example, 18% were aware of EAPA vouchers, and among those aware only 21% had accessed the voucher. In 2022, 11% were aware of EAPA vouchers, and of those 15% had accessed them.

4.2 More targeted awareness for high priority groups

PIAC, NCOSS and FCAN support more targeted, ongoing strategies to raise awareness of, and access to EAPA in priority groups. We recommend that the OECC conduct targeted engagement with these identified cohorts to co-design effective strategies for improved communication and access.

In ongoing work with a number of stakeholders working with (and for) different cultural communities in NSW a number of enduring lessons for effective communications and information programs have been highlighted:

- Fund enduring programs with long-term timeframes, rather than 12–36-month limitations, to provide scope to undertake the deep community listening and connection building work required.
- Build relationships with a range of existing community leaders (formal and informal) as they are trusted and connected.
- Engage with communities with the time and intention to listen and seek insights. Different communities will have their own structures and requirements, and often have their own solutions to unique issues they are experiencing, including how to improve awareness of and access to EAPA in a way that best suits their community.
- Work with pre-existing organisations, cultural groups and other communications networks e.g. the Arab Council, Pasifika church groups and informal advice networks.
- Develop and provide information that is:
 - easily accessible in multiple formats, including through direct dissemination by existing community leaders,
 - in different languages,
 - culturally appropriate. E.g. images used in visual materials (also noting that images and infographics can be as or more effective than translations), and
 - in simple, understandable language not jargon.
- Have people with English as a second language review flyers, websites and other communication materials for plain language and cultural appropriateness.
- Use cultural events as promotion opportunities including Lunar New Year and Diwali celebrations.

¹² These thresholds were based on an equivalised median NSW weekly household income (after tax and excluding housing costs) of \$1,036, determined by using ABS data and applying indexation using national CPI figures. This figure was adjusted for different respondents using the ABS equivalence scale to account for the effects of different household structures (e.g. single person, couple with/without children, single parent).

Engaging with local groups such as farmer networks in times of droughts, bushfire and flood and other natural disasters can help impacted households. Face to face communications, particularly in partnership with local trusted members of the community may be more appropriate in these circumstances.

When a natural disaster hits a community, extra funding for EAPA providers is needed to build capacity in the area and ensure there are sufficient resources to support people in need. This may include further streamlining the application process so that applicants are able to apply for a number of supports through the one process. All EAPA providers should also be included in the network of disaster agencies.

Recommendation 10

That the OECC develop and resource a robust and enduring community outreach function, capable of engaging with and co-designing mechanisms to communicate with communities and inform and implement campaigns to improve awareness and access to EAPA in cohorts identified as high priority groups.

4.3 A new name for EAPA

PIAC, NCOSS and FCAN support a new name which is more descriptive of the intent of EAPA and moves away from the term 'voucher'. 'Voucher' can be confused with other NSW government voucher programs which have broader eligibility criteria. We recommend the updated program name avoid using language which may unintentionally bias people's perception of the program and undermine recognition that the program is available to them. For instance, the program should avoid any use of the terms 'crisis', 'emergency', and 'hardship'. Simple descriptors such as 'Energy bill assistance' are preferable, with any further explanation being able to be provided in the program explanation material.

5. Application process

PIAC, NCOSS and FCAN support improvements being made to the EAPA application process. We agree that the process can induce shame in people who may already be experiencing trauma and that the literacy levels required to access the program are unreasonably high. The shame, length of time required, and the personal information required can lead some people to seek Buy Now Pay Later and other lightly regulated credit products instead, leaving them in greater financial difficulty.

5.1 Avoiding repeat disclosure of family violence

PIAC, NCOSS and FCAN support the NSW Government's efforts to have a single point of disclosure for assistance. In this case, the OECC should develop a process where, with the consent of a consumer, basic information can be shared between an EAPA provider, energy retailers and/or other NSW Government agencies to help improve the supports and protections of victim-survivors of family violence. This process should then result in protections and supports being provided without the consumer having to repeat the disclosure of their situation to each subsequent party. It may be that a simple 'code marker' for known victim-survivors could be sufficient.

Whilst we recognise that family violence can create immense trauma in victim-survivors, where possible, it is also important to be cognisant that other traumatic events (such as where a loved one has passed away or when someone has been impacted by a natural disaster) can also cause ongoing issues for people and the principle of avoiding repeat disclosure should be applied to all people who have experienced/are experiencing trauma applying for EAPA. Any process developed to deal with victim survivors should be able to be adapted for other traumatic incidents where repeat disclosure is to be avoided.

Recommendation 11

That the OECC explore and implement simplified processes to ensure EAPA applicants who are experiencing trauma are able to avoid repeat disclosure.

5.2 Inclusive and accessible design

PIAC, NCOSS and FCAN support improvements to make EAPA more user friendly and accessible, such as translation of the online application, customer centric software and a process for inbound enquiries (preferably a phone number as well as an email address).

Consideration should be given to ensuring the use of interpreters is best practice and that call wait times are minimised to enable practical utilisation of interpreters.

5.3 Increasing visibility over the status of applications

As noted previously¹³, waiting to find out whether an EAPA application has been successful can add stress to a situation of heightened anxiety. Any measures to improve visibility of the status of applications, as well as streamlining the approval process, are welcome attempts to minimise this stress.

Measures should include more regular, reassuring automated communications, especially when there are longer wait times than usual for processing. In any case, ensuring people know their application is still live and 'pending' will help alleviate anxiety.

Given that people can lose access to phones and/or internet during times of crisis, we recommend that communications about an EAPA application be given in more than one form (e.g. both SMS and email).¹⁴

Recommendation 12

That communications about EAPA applications should be given in more than one format (such as SMS and email).

5.4 Identification

Special consideration should be given to victim-survivors who may have difficulty providing identity documents in order to access EAPA. Any changes to allow this are important improvements to EAPA accessibility for those most in need.

¹³ PIAC 2022 [Submission: Case studies and research for OECC's EAPA Review](#)

¹⁴ For example, in PIAC's debt and disconnection research, 14% of people who experienced a disconnection in the previous two years reported that they had problems with their phones or internet access.

The OECC should consider extending these measures to other high needs applicants who often have difficulty providing identity documents, such as people in remote Indigenous communities and those impacted by natural disasters. PIAC has documented a case study¹⁵ of a person who could no longer drive due to a health issue and let their drivers licence expire. They did not have a passport making access to EAPA online difficult. In PIAC's debt and disconnection research, 16% of people who had experienced a disconnection in the previous two years reported they didn't have easy access to transport, which may make attending an in person EAPA appointment difficult.

We are aware there is already some work being done by Service NSW, so any lessons or results from that work should be extended to the EAPA scheme. Additionally, the OECC should examine measures to reduce the documentary burden of proof of an applicant and allowing more scope to rely on the expertise (and verified statement) of NGO EAPA providers to support an application.

The use of NSW Photo Card as an alternative form of identification should be considered for online applications.

Recommendation 13

That there be more flexible ways to prove identity for an EAPA application, including online applications. Further, that there be more flexibility in allowing EAPA providers to support an application with less documentary evidence.

5.5 Flexibility with applicant communication

PIAC, NCOSS and FCAN recommend allowing more flexibility in the engagement required of applicants during the application process. Rigid processes with strict timelines or cut-offs do not recognise the vulnerability of many applicants and the difficult circumstances they are dealing with. Access to support should involve minimal extra administrative stress. The existing systems rigidity results in people needing to recommence an application, creating unnecessary barriers for people in a variety of difficult circumstances including family violence, caring responsibilities, and restricted access to transport and communication devices.

As part of PIAC's debt and disconnection research, a single parent who also cares for her terminally ill parents demonstrated difficulties with inflexible communication options when applying for EAPA:

There's a lot of paperwork that you have to fill out, then you have to give three days that you are free and give times. Well, I don't know from one hour to the next what I'm doing! So, it's hit and miss with me. Sometimes they've contacted me, but I haven't been able to pick up the phone because I'm in the middle of getting the feeding tube ready for my mother, or getting the oxygen sorted out for my father, or in the middle of a doctor's appointment. So, then I miss that opportunity and I have to start the process all over again.

¹⁵ PIAC 2022 [Submission: Case studies and research for OECC's EAPA Review](#)

Recommendation 14

That application processes allow greater flexibility in requirements for EAPA applicant engagement and communication. This could include not requiring people to recommence the process from the beginning if they miss phone calls.

5.6 Linkages with other NSW Government supports

As we note throughout this submission, application for EAPA is an important and effective contact point for people who would benefit from a range of industry, community and Government supports and assistance measures. Accordingly, PIAC, NCOSS and FCAN support ongoing processes to integrate EAPA with the range of other assistance measures available, not only for energy. At the very least, EAPA applicants should be linked the range of other NSW Government services and supports as appropriate. We encourage the development of processes that link people to services provided by other levels of government as well as services provided by community organisations, to maximise the impact of EAPA as part of the range of measures to restore and build the financial sustainability for NSW households.

5.7 Supports for First Nations applicants

PIAC, NCOSS and FCAN support having targeted First Nations roles in the EAPA team. First Nations community workers have advised us that best practice would be a dedicated, separate phone number for First Nations callers, with identified staff. This has recently been implemented by the Energy and Water Ombudsman in NSW. This is an important improvement to access for First Nations applicants with particular needs for their call to be answered in a culturally sensitive manner. This measure could be communicated to First Nations communities to ensure awareness of the initiative and build trust in the service. This would be an important measure to boost the numbers seeking assistance through EAPA rather than going without energy or other essentials or turning to more dangerous credit products such as BNPL, which we know are disproportionately accessed by First Nations communities.

Recommendation 15

That there be a dedicated phone service for First Nations communities to access EAPA applications, with identified First Nations staff.

5.8 Interactions with retailers

As outlined above, PIAC, NCOSS and FCAN support proposals to improve communications with retailers to help reduce occurrences of repeat disclosure and trauma.

5.9 Tailored training

PIAC, NCOSS and FCAN support tailored training on domestic and family violence to be required for frontline EAPA delivery staff at Service NSW. This training should also be made available for community EAPA providers. This training should be supplemented with training to deal with vicarious trauma and other supports to protect the workplace health and safety of EAPA staff.

If not already undertaken, EAPA providers should receive training on culturally competent service delivery and have understandings of social structures which lead to affordability issues, as well as sensitivity to people who are less privileged. The intent of the training should be to reduce any

potential biases or ‘normative’ responses by EAPA staff to ensure they are able to offer sensitive and consistent assistance to those in a range of circumstances.

5.10 Making EAPA as easy as BNPL

PIAC, NCOSS and FCAN recommend the OECC consider measures to ‘narrow the gap’ between the accessibility of unregulated credit (such as payment advances and buy-now-pay-later) and EAPA.

PIAC’s research¹⁶ shows that Buy Now Pay Later (BNPL) and similar credit products cause harm to NSW households. Use of credit products increases the cost of essential bills, including energy, through fees and interest, obscures payment difficulty from energy retailers and reduces access to support they provide.

Credit products such as BNPL respond to a consumer need for easier access to smaller repayments which match their own income cycles. At least for a short time, people can feel that the credit products help manage their lack of savings and income, cashflow problems and/or unexpected expenses.

Although PIAC, NCOSS and FCAN consider BNPL and unregulated and lightly credit products to be problematic products and we support efforts to regulate them, some fundamentals about how BNPL work could be utilised by EAPA to make it more accessible. In any case, examining the accessibility of these products should inform measures to make EAPA more practically accessible and desirable for those in need. For example, access to credit products such as BNPL is simple where getting help from an energy retailer or through EAPA can involve substantial inconvenience, delay, effort, time and a requirement to ‘justify yourself’ that causes shame which prevents or impedes people accessing it when they are in need.

Both energy retail and government assistance schemes such as EAPA tend to operate on an assumption there is a need to differentiate between those who ‘genuinely’ cannot pay and those who ‘will not pay’. We have seen no demonstration of a significant cohort of people who can pay their bills but apply for EAPA anyway. However, explaining why you cannot afford to pay your energy bill and being required to demonstrate why your circumstances are ‘worthy’ can feel shameful and traumatic for many. As such we consider systems predicated on needing to ‘minimise fraud’ are unreasonably restricting access in order to identify and exclude an immaterial number of people who ‘should not be eligible’.

With BNPL there are fewer barriers, fewer questions and often less stress. The products are even marketed as fun, aspirational, look risk free and are frictionless¹⁷ Accordingly, it can feel like a better decision to obtain credit products than to get more genuine assistance that is more helpful, risk and cost free, and safer in the longer term.

Removing as many barriers as possible and creating smoother, more streamlined processes that remove the need for people to re-live trauma or experience shame to access EAPA would help people access supports that help them in the short and long term, without the need to turn to credit products which exacerbate their affordability issues.

¹⁶ PIAC 2023 [Paying to pay: Using credit products to afford energy](#)

¹⁷ Ibid 7-8.

Recommendation 16

That the OECC seek to simplify EAPA and remove as many barriers and friction points as possible, to create a smoother, more accessible, more streamlined process which minimises the need to re-live trauma or experience shame.

6. EAPA limits and delivery

6.1 Fuel neutrality

PIAC, NCOSS and FCAN support the proposal to move towards a fuel neutral approach to assistance to ensure more equitable access to support through the program.

6.2 Annual value cap

PIAC, NCOSS and FCAN support moving towards a single annual value cap on the maximum amount of EAPA available. This cap should have scope for exemption to be exceeded. Provision through two capped applications a year penalises households with monthly billing and/or making more frequent regular payments. It also provides an unintentional incentive for people to wait for arrears to accumulate to make sure their EAPA application is 'worth it'.

This proposal is likely to also benefit people who utilise Centrepay or bill smoothing. Often these arrangements can confuse the actual amount owing, leading to people being eligible for less support on any EAPA application. However, we recommend on-going monitoring regarding how the annual cap amount is impacting this issue.¹⁸

6.3 Exact dollar amount

PIAC, NCOSS and FCAN support moving to an exact dollar amount rather than provision in \$50 increments. The \$50 amount is a redundant leftover from previous voucher-based delivery, and this reform will help to ensure that the amount of support provided to people aligns more closely with the amount required to pay the bill.

6.4 EAPA cap amount

The OECC should consider measures to allow for scope to provide a higher EAPA cap under certain (defined) circumstances. This could provide for a higher cap on support for large families, residents in social housing or households in remote communities with extreme weather conditions. Where these cohorts have less scope to control their usage and bills, delivering on the intent of the program should allow for greater assistance to be provided.

Recommendation 17

That the OECC explore measures to allow for a higher cap for households in a defined range of circumstances with greater energy usage needs or materially less capacity to control usage.

6.5 NGO EAPA providers

EAPA is a whole other painful process in itself as a provider. We don't get paid to offer that service, it's a voluntary service that we offer. It actually takes up more time than my paid position to do an EAPA – NILs Consultant.

NGO EAPA providers play a critical role in the scheme. The scheme was initially developed as a support to the work of community support services, to enable them to provide more material assistance to people in need. This initial intent recognised community providers are best placed to offer support because they are embedded in the community and are trusted by many potential applicants. Potential EAPA applicants generally present to NGOs through two channels. They may be:

- accessing other services the organisation provides and during the intake interview NGO staff ascertain that there is a need EAPA assistance, or
- they connect with the NGO for the sole purpose of an EAPA assessment.

NCOSS members report that often when people present themselves through the second channel, during the EAPA assessment it becomes apparent that the person is experiencing other challenges in their lives. NGOs then conduct a broader assessment which is used to connect them with other critical supports. This is a model of more connected support which was the initial intent of the EAPA scheme and one which should be retained and strengthened through ongoing EAPA reform. However, it must also be recognised the resource burden this places on community EAPA providers, and reform must consider how to maintain the effectiveness of the program, while ensuring continued provision through community providers is sustainable.

6.6 Wait times

The existing administrative requirements and processes are undermining the effectiveness of EAPA delivery by some community providers. Many NGO EAPA providers report that they are unable to cope with current demand for EAPA. The time required for each assessment and limited resources available to many organisations mean some NGOs are reporting wait times of close to two months.

NGOs who serve as a referral source to NGO EAPA providers, report they regularly encounter wait times of 3 weeks for the people they work with to receive an assessment.

6.7 Streamlining administrative processes

This process must consider measures to streamline the administrative burden of EAPA provision and ensure ongoing EAPA provision by community organisations is effective and sustainable. Many NGO EAPA providers report that the current assessment and application is unnecessarily complicated and requires an impractical level of administrative processing. Some of the concerns raised were:

- Hard copies and more documentation are required since the pandemic. The compilation of hard copies and ensuring the level required for the audit trail has become more time consuming and has created a need to build larger and more resource intensive systems in the organisation.
- Clients applying for EAPA find it difficult to manage paper bills, meaning that NGO EAPA providers need to follow up with energy providers. Where providers are often taking 45-95 minutes to request a bill from the retailer, this reduces the number of clients providers can

service, and makes the 'cost' in time and resources for each application unsustainable. For the applicants themselves this task can sometimes be put in the too hard basket for vulnerable people with complexities in their day-to-day life.

- The requirement for bank statements when the applicants' sole income is Centrelink payments means extra administration which is either unnecessary or an added draw on limited time resources.
- Applicants are prohibited by a lack of access to transport or other costs to obtain statements to support their EAPA application and the shame that comes with compiling these documents to demonstrate that they are 'poor enough' for EAPA. For many of these people the imbalance between their need (i.e. the dollar amount of debt they are in) and what is available through EAPA is not worth the shame and significant effort involved.
- NGO EAPA providers stated that one of the most time intensive tasks during the assessment process was obtaining the electricity bill from the energy provider. One referring agency stated that it would be beneficial to have an exchange information policy between EAPA providers and energy companies to ease the identification requirements required to obtain a bill.

We consider it important to note that community EAPA providers receive no direct benefit from offering EAPA assessments and provision and receive no funding or other consideration to offer the service. They provide EAPA to improve the assistance they can offer to those in need. However, unsustainable or unreasonable administrative burdens or resource impositions could influence community providers assessment of the value of EAPA and lead them to decide it 'costs them' more than it is worth. This is particularly possible if it impacts on the number of people they can support generally, particularly in a time of more critical need where their services are stretched. Review of the EAPA processes should consider all possible measures to reduce the administrative and resource burden on community providers.

6.8 Resourcing the NGO sector to be EAPA providers

PIAC, NCOSS and FCAN broadly support the proposed additional delivery model. Providing in-person, assisted and online application channels will help with access to the program. However, the NGO sector must be better resourced to be able to provide EAPA services in a timely and supportive way.

PIAC has previously highlighted the need for different application channels for different circumstances.¹⁹ Many people need face to face services and we have heard other concerns about the lack of these options in many communities, including in metropolitan areas. Even when there are services, they may be hard to get to due to lack of transport (or lack of funds to access it), disability or caring responsibilities. We have also heard that where services do exist, their hours are often limited. Combined with the retailer call waiting times and the time taken to address complex issues with retailers, the number of clients who can be assisted during these opening times is limited. The online Service NSW model works well for some people with relatively simple needs (such as those who fit easily within the current criteria), but others with more complex needs or circumstances often prefer to speak to someone in person who may be

¹⁹ PIAC 2022 [Submission: Case studies and research for OECC's EAPA Review](#)

able to help them with other supports and services that they will need to address their substantial issues.

Before the COVID-19 pandemic, many NGOs relied on volunteer staff to conduct EAPA assessments. Volunteer-based services were not possible through the pandemic, and many providers report difficulties in re-engaging volunteers. With difficulty engaging volunteers and inability to fund specialist staff, many NGOs have had to drop out of being EAPA providers or are considering doing so.

NCOSS members report an increasing number of people coming through with complex issues in the wake of the pandemic, natural disasters, and ongoing cost-of-living crises. These cohorts are experiencing circumstances that make them eligible for EAPA payments, but they need trained intake workers to conduct the EAPA assessments due to the complexity of their issues.

Specifically, we highlight the following issues related to staffing and resourcing for community EAPA providers:

- The current model of delivery does not support NGO EAPA providers to fund a full-time position that is trained and experienced to work with EAPA applicants with complex needs. When people have hit a crisis point, they require timely supports to ensure that they don't become entrenched into a cycle of poverty. Ensuring that NGOs have this type of role is essential to ensure effective delivery on the intent of EAPA for those most in need and help avoid longer term debt and disadvantage.
- Current guidelines are unclear on whether becoming an EAPA provider requires the NGO to be providing Emergency Relief. If this guideline still remains, it could be an impediment to more NGOs getting involved in EAPA provision.
- Guidelines on minimum required hours for NGOs, particularly those servicing rural, remote and high priority groups are too onerous and inflexible. NGOs servicing these groups should be able to adjust their services depending on need and capacity. Providers with narrower windows of availability is preferable to less/no providers. More flexibility could help widen the pool of potential EAPA providers in these areas.
- The long assessment and processing times, and the additional time and resources involved in dealing with retailers, are material impositions not funded or supported, drawing on limited funds and resources of community organisations. On average, EAPA providers report that each appointment takes 45 minutes to an hour, not including time needed to make calls to energy providers (45-95 minutes) or any other entities to obtain documentation. The cost of these calls and the mobile phone required to make them should be included in support funding for NGO EAPA providers.
- Referral to community providers by Service NSW is adding to the service burden for community providers. A number of NCOSS members report that they are receiving an increased number of referrals from Service NSW across several Service NSW centres. Additionally, ethno-specific agencies in Western Sydney are having applicants referred to them if they do not speak English despite Service NSW having access to interpretation

services.

- All staff with certain levels of authority are required to do the compulsory training as a condition of the organisations' participation in the scheme, even if they are not conducting the assessments. While we support general requirements for capability, without any resourcing for this training the scope of this requirement increases the administrative and financial burden on the provider.
- The proposed EAPA Assisted channel model could help empower clients to complete the application themselves. If this model is to progress, providers must be funded for the support role they will be required to play. Resources will be required to assist applicants through the information requirements, supporting people who have limited digital literacy skills and the cost of providing access to a computer, phone and/ or the internet.

Adequately supporting community organisations to provide EAPA is crucial to the ongoing sustainability of the scheme and success in delivering on its intent. Better support for community providers will alleviate many of the issues identified above. While greater support for providers will increase overall program cost, it will improve the long-term performance and impact of the scheme. The OECC could explore options for contributions to the scheme from energy retailers to help offset any additional funding requirements.

7. Related issues out of scope for this consultation

For EAPA to fulfil its role requires ensuring it is effectively integrated with other rebates, supports and assistance policy measures. Accordingly, while this review is more narrowly considering reform to EAPA itself, it is necessary to consider the framework of measures EAPA interacts with, to ensure consistent and robust response to the range of needs NSW households have for assistance in energy affordability.

7.1 Energy debt

PIAC, NCOSS and FCAN support the development of more effective measures to address longer term energy payment difficulty and debt accumulation which exceeds the current (refined) scope of EAPA. As EAPA has progressively become a more robustly targeted measure for 'short term crisis', it has exposed the need for assistance to address the needs of those in more entrenched difficulty, and avoid people being in a perpetual cycle of worsening crisis and debt.

PIAC's research²⁰ indicates there is a significant cohort of people applying for EAPA (often unsuccessfully) who have debt amounts which far exceed what is available through EAPA. For many of these people a 'short term crisis' is merely a worsening of ongoing debt and affordability issues which the current EAPA program is not designed to address.

The current economic conditions demonstrate how shorter-term circumstances can exacerbate underlying issues for people already experiencing payment difficulty. The short-term circumstances make these people 'visible' but they require more effective and substantial measures to address the underlying causes. There are likely to be a large cohort of people in this situation, including people on relatively high incomes, due to the squeeze on the overall costs

²⁰ Miller, Lisa and Miller, Kelly, [Save4Good: Insights into Retailer Practices](#) (2022) 20.

of housing and essentials. In their recent annual retail markets report the AER detailed that energy affordability has worsened, more people are accumulating energy debt, and more people are entering into hardship programs. The percentage of households holding 90+ day energy debt is the highest it has been in 5 years.²¹

The AER has further recognised the need for long-term debt support above and beyond retailer hardship programs.

Evidence also indicates that, while hardship programs are a vital tool in aiding customers in vulnerable circumstances, further support is necessary. For both electricity and gas customers, the number of customers exiting hardship programs has continued to decrease in 2022–23, and fewer customers are leaving a hardship program because they've cleared their debt and are no longer in need of additional support.²²

In this context, PIAC, NCOSS and FCAN strongly support consideration of additional programs to address the need for longer term debt relief and encourages the OECC to consider how EAPA systems and processes can integrate consistently with these measures and contribute to the overall effectiveness of NSW Government supports. We highlight a number of considerations and recommendations in relation to ongoing debt relief which are relevant to determining how best to integrate EAPA into the overarching framework of affordability supports for NSW households.

7.1.1 Role of retailers in energy debt programs

Any energy debt relief program needs to consider how energy retailers will be required to interact with the program. These considerations are relevant to the design of EAPA but become more material as the NSW Government support increases. PIAC, NCOSS and FCAN recommend consideration of the following:

- **Retailer co-contributions**

A debt relief program is likely to result in retailers receiving a higher level of payment than they otherwise would have. They must be required to meet a range of minimum 'co-contributions' to maximise assistance and scope for the household bills to be more sustainable in the long term. This includes:

- Ensuring the household is on (and remains on) the best possible retail offer,
- Ensuring all discounts, rebates or other benefits are consistently applied, and
- Providing actual payment matching or debt-relief co-contributions.

- **Retailer debt audits**

Any application of debt relief, and any instance of extreme customer debt (for instance, debt which exceeds an average annual bill / \$2000) should involve an 'audit' or investigation into the relationship with the customer and the chain of circumstances which lead to the accumulation of debt. This can determine whether any more could have been done and potentially quantify the impact of that missed assistance. This may also be used to establish particular retailer responsibility and potentially trigger an increased debt-relief payment by the

²¹ AER [Annual retail markets report 2022-23](#) (2023) 2.

²² Ibid 3.

retailer.

- **On-going retailer supports**

Effective debt relief programs will rely on some participants being provided with additional supports from their retailer to ensure on-going bill affordability. This might include being put on 'usage only' or otherwise subsidised or 'social' tariffs. All participants in ongoing debt-relief programs must be supported by retailer payment plans or a payment matching program, which should be set up through a third-party advocate such as a financial counsellor, to ensure their sustainability and suitability.²³

7.1.2 Ongoing personalised supports

Many households receiving any debt relief will need on-going support to ensure they can manage their energy (and other) bills going forward. Community or social workers may need to be engaged to assist people to access support services such as for mental health, and for financial and energy literacy, to help break cycles of payment difficulty and minimise the likelihood of returning to a crisis debt circumstance in the future.

7.1.3 Increase income support payments

The paper correctly identifies that income support payments are currently not provided at a meaningful or sustainable level for many disadvantaged individuals and households. This is particularly true of those households living in social housing and on fixed payments. While the NSW Government should consider all measures to reduce this gap (for instance implementing special energy arrangements for social housing tenants), we understand adequate assistance will likely require action beyond the NSW Government. PIAC, NCOSS and FCAN recommend the NSW government support advocacy to the Commonwealth Government to lift income support payments.

Recommendation 18

That the NSW Government support advocacy to the Commonwealth Government to lift Jobseeker, Youth Allowance, and related payments (e.g. Commonwealth Rent Assistance) to protect people from poverty.²⁴

7.1.4 Access to energy efficiency and renewable energy

People with energy debt, and particularly those with established debt that would qualify them for a debt relief program, have energy debt which is substantially caused by the poor quality of their housing. Without addressing this issue, these households are likely to continue to face unaffordable energy bills. In any case, measures to address the longer-term contributors to energy debt will not be effective if they exclude improvements to household energy efficiency.

²³ PIAC's research into debt and disconnection has revealed that people can feel pressured into accepting payment plans that are not affordable. For example, one front line service provider explained: "Often, by the time they've come to us, they probably had to wait a little while [because financial counselling services are so stretched]. And so, they've attempted to be in touch with their retailer, done the right thing, and the retailer has set them up on a really unaffordable payment plan. And, obviously, the client is pressured to say yes to it. One of my clients had stuck to the payment plan for four or five payments, but I was like, 'How?'... And once we worked out what she could afford to pay, she was like, 'Oh, wow! Now I'll be able to afford food.' So, yeah, obviously the communication is 'you're about to be disconnected. In order to not be disconnected, you have to commit to this payment plan.' So, people say yes, which you understand, you don't want to be disconnected and then they give up other things."

²⁴ NCOSS Recommendation #3 [Barely Hanging On: The Cost-of-Living Crisis in NSW: Supplementary Paper](#), 4

Accordingly, energy debt relief programs should be linked to energy efficiency programs (such as the ESS and PDRS) and other industry and NSW Government assistance programs, to optimise the assistance given to recipients of energy debt relief support.

7.2 Closed accounts

All assistance for energy affordability, particularly energy debt relief, should be able to be applied to multiple and closed accounts. As detailed earlier in this submission, there are a range of legitimate reasons why a person may end up with multiple and closed energy accounts. Where the intent is to resolve debt and restore a level of financial sustainability and energy affordability, resolving debts from multiple and closed accounts is at least as impactful as those of current energy accounts.

7.3 Considerations for different cultural and other groups

As part of a coordinated approach to improve the consistency of assistance provided to people from diverse cultural backgrounds (particularly those who speak a language other than English at home), EAPA and energy debt relief programs should be adapted to provide culturally accessible and appropriate assistance to different communities and situations.

The OECC should engage organisations that work in and with different cultural communities to provide insights on how to implement accessible, culturally appropriate and effective assistance and debt relief programs. For example, Sydney Community Forum and Sydney Alliance do in-depth work with communities in Western Sydney on the Voices for Power program. Their roadmap²⁵ and recent submission to the Senate Inquiry into residential electrification²⁶ provide insights that could strengthen any energy debt relief program devised and implemented by the OECC. PIAC, NCOSS and FCAN strongly recommend this work go beyond simple 'translation exercises' which have been demonstrated to have limited impact.

7.4 Special energy arrangements for people in social housing

People in social housing are consistently over-represented in cohorts of extreme and entrenched energy debt. The consistency of this issue suggests people in social housing experience structural issues which are fundamentally incompatible with the standard retail service provision. For people who live in social housing, a longer-term approach to energy affordability may be required. This could involve specific arrangements that ensure total housing costs (including energy) do not exceed a defined proportion of household income.

In the interim, PIAC, NCOSS and FCAN recommend this process consider how reform of EAPA and development of an energy debt relief program can identify people in social housing with a view to providing them with targeted additional assistance.

7.5 Rebates which meet on-going need

Without improvements to the rebate support programs provided by the NSW Government, there is likely to be increased pressure on the emergency assistance of EAPA to deal with ongoing affordability issues. While we understand a review of rebates may be undertaken in the near

²⁵ Voices for Power 2023 [Our roadmap to clean and affordable energy](#)

²⁶ Sydney Community Forum 2023 [Submission to Residential Electrification Senate Inquiry](#)

future, it is important to consider the interaction between existing rebates and EAPA as part of this review, both to ensure EAPA is well integrated with other supports, and to ensure EAPA is available to meet the needs of rebate recipients for whom rebate support is insufficient.

As frontline workers explained during their interviews for PIAC's debt and disconnection research:

The crisis is the fact that you can't afford your energy bill so you're going to turn the heating off, and now you've turned your heating off, your kids are going to get sick, and now your kids are sick, you're going to have to buy medicine, but you can't afford the medicine because you're paying the energy bill to not get sick. There's no way out unless the government starts to realise that people on low incomes need a higher subsidy of their energy bill in order to maintain a reasonable energy usage for a family depending on its size. – Financial Counsellor.

There needs to be a concession across energy for people who will never ever, ever get off Centrelink. If you're on a DSP, you're never getting off Centrelink. If you've got a kid with a disability, or if you're on the aged pension, you're never getting off Centrelink. And they're the most vulnerable, they're the most prone to health issues. So, make sure that the couple of dollars a month is actually an appropriate amount so that people can, you know, not feel like poverty-stricken individuals. – Financial Counsellor.

To fulfil their intent to support energy affordability, rebates must be sufficient to meet the needs of a range of people, including those experiencing entrenched affordability issues. Inadequacy of rebates should not put people on low incomes in a perpetual state of crisis which requires them to rely on EAPA on a regular basis. This is currently a regular occurrence, and likely to be more common as the cost-of-living crisis continues. Failure to address rebate adequacy will have flow-on effects to EAPA, increasing the burden on the scheme, pressure on EAPA providers and the financial distress of people in ongoing financial difficulty and energy debt.

To support consideration of effective linkages between rebates and EAPA as part of this process, the OECC should commence ongoing monitoring of the numbers of EAPA recipients who also receive energy rebates, to better understand the potential for unmet need, and options for more effective support.

Consideration of improvements to the suite of supports should include:

- Providing the Low Income Household Rebate as a percentage of a household energy bill, rather than a flat rate,
- Allowing multiple years of the gas energy rebate to be sacrificed in exchange for a contribution to household electrification and gas disconnection as an ongoing energy bill saving measure,
- Reforming the Family Energy Rebate to be used to support household access to improved energy efficiency, and
- Better linkages to a reformed Energy Savings Scheme and Peak Demand Reduction scheme, to provide improved energy efficiency products and services to support households ongoing energy affordability, potentially using EAPA as an initial identification of eligibility.

We look forward to working on more detailed options through any future OECC process to consider rebate reform.

Recommendation 19

Cross check EAPA recipients with receipt of energy rebates to improve targeting of energy assistance.

8. Direct Response to Questions

Q1.1a. Should the proposed policy intent of EAPA specify the timeframes for crises or emergency? For example, that the crisis or emergency event occurred within a specific time period preceding the EAPA application?

A two-year time frame as a definition of 'crisis' is a reasonable definition; however, this must not be considered a 'hard' timeframe and there must be recognition that certain crises, in particular natural disasters and family violence can continue over longer timeframes and take longer to recover from.

A recent report by EWON demonstrates that recovery times from natural disasters can extend over multiple years.²⁷ Similarly, as part of PIAC's disconnections and debt research, one service provider from the Northern Rivers area explained that people are still recovering from the floods.

People are still rebuilding. I spoke to a fellow the other day; he's got one power point and he's using candles. So, there's lots of people that are still rebuilding, still struggling. They lost homes, belongings, cars, businesses and they lost jobs, they're the ones that are coming in and saying, 'I need help with my electricity,' because their money is going to rebuilding and trying to survive. They don't have a job anymore, and they've still got their mortgage, rates, loans and bills to pay. - Team Leader

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That any definition of timeframes be indicative only, and that discretion is retained in considering the definition of 'short term' in any circumstance. This is particularly relevant where it involves recovery from natural disasters, debilitating accident, illness or injury, and/or where family violence is involved.

Q1.1b. Do you find any aspects of the intended policy of EAPA to be unclear or ambiguous? If yes, please outline which specific elements you find to be lacking clarity or causing confusion?

Articulation of the intent of EAPA should include case studies and updated training for EAPA providers. See Chapter 2 of this submission for further detail.

Q1.2. Are there groups currently focused on addressing energy debt issues in NSW? If yes, which of these stakeholders should the NSW Government consider consulting with on this issue?

²⁷ Energy & Water Ombudsman NSW 2023 [Spotlight on: Natural disasters – the long-term customer experience](#)

PIAC is currently undertaking research on debt and disconnection and would be happy to provide the OECC with details of the research findings including the circumstances that lead to debt accumulation and disconnections and insights gained from both frontline service providers and consumers regarding what would help consumers avoid further debt accumulation and disconnection.

Q1.3. What processes should the NSW Government consider to provide EAPA to customers living in deemed exempt seller communities?

See chapter 3 of this submission for a response to this question.

Q2.1a. Are there other promotional channels that the NSW Government should consider as part of the EAPA communication strategy? If yes, please outline them.

PIAC, NCOSS and FCAN have provided comment and recommendations on the EAPA communication strategy in Chapter 5 of this submission. Further suggestions of promotional channels from frontline workers include:

- Pre-recorded messages on helplines (Beyond Blue, Lifeline etc)
- Services NSW offices (in top 5 languages of LGA)
- Country Women's Association
- The Koori Mail,
- Local councils, associations and centres
- For CALD Communities, in language media promoted at:
 - Spiritual & Religious Hubs
 - Local Markets
 - Local Restaurants
 - Social Media

PIAC's debt and disconnection research provides these insights:

I think the biggest contributor is word-of-mouth is I find this is how families have either come to know of this support i.e. "Have you heard of EAPA?". Additionally, the community centres are a great source of support and have a range of information for many local services and supports including EAPA support, financial counselling etc.- Case Worker, Regional community service provider.

I think [EAPA is] hidden a bit. I mean, realistically, I have spoken to clients in the past and I explained to them how to go on the [website to apply for EAPA] and some couldn't even find it. It's not something that's out there... - Case Manager, Regional homelessness service.

Q2.1b. Within these promotional channels, are there any particular media outlets, events or organisations that you believe should be taken into account when formulating the EAPA communication strategy? If yes, please provide further information about these potential channels.

PIAC, NCOSS and FCAN has provided comment and recommendations on the EAPA communication strategy in Chapter 4 of this submission.

Q2.1c. Are there specific times during the year when communication about EAPA would help generate more awareness? If yes, when and for how long?

Communication strategies for EAPA should be continuous and ongoing to develop the necessary momentum to penetrate public consciousness, particularly in the most vulnerable communities. Specific opportunities for more targeted campaigns would be valuable in the 3-12 months after major bushfires and floods, in February-March after summer and holiday bills, and at opportune moments of public attention on energy costs, such as when energy price rises are announced.

Q2.1d. How else can the NSW Government improve EAPA accessibility for customers impacted by natural disasters?

See above and chapter 4 for further recommendations.

Q2.2a. Are there other improvements the NSW Government should consider in the proposed updated process to assist customers impacted by domestic and family violence? If yes, please outline them.

Where family violence is disclosed, consideration should be given to whether a disconnection was part of a deliberate strategy to cause harm to a victim-survivor by a perpetrator and whether EAPA assistance should be provided to that consumer for the cost of disconnection.

In addition, victim-survivors often have to close their energy accounts leaving a debt, because they need to move home or open an account in their own name. Focus of support for the energy debt program should be directed to victim-survivors of family violence, and if it isn't, EAPA exceptional circumstances should be applied to victim-survivors with debt in closed accounts.

PIAC has provided more detail comment and recommendations in Chapters 2, 5 & 6 of this submission.

Q2.2b. What changes can be made to the application process to alleviate the concerns from customers who are reluctant to share personal information?

We have provided recommendations in Chapters 5, 6 & 7.

Q3.2. What organisations, other than traditional NGOs, could support EAPA delivery as assisted application providers?

No comment.

Continued engagement

PIAC, NCOSS and FCAN would welcome the opportunity to discuss these matters further with OECC and other stakeholders.