



2 November 2016

Ms Bernadette Haggerty  
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Sydney NSW 2001  
By email: [bernadette.haggerty@industry.nsw.gov.au](mailto:bernadette.haggerty@industry.nsw.gov.au)

Dear Bernadette

**Re: Retail Gas Deregulation Communications Plan Consultation**

Thank you for the opportunity to comment on the draft *Retail Gas Deregulation Communications Plan Consultation*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON believes that as gas retail prices will be deregulated from 1 July 2017 it is essential that customers on regulated tariffs are provided with clear and accurate information about the impacts of this decision.

## Who is targeted

The draft communications plan identifies that only 240,000 customers out of approximately 1.3 million gas customers remain on regulated tariffs. This means that more than 80% of gas customers are already participating in the market. The plan's proposal to directly target those customers remaining on a regulated tariff will ensure that resources are efficiently deployed to those in need of information.

Of the customers remaining on regulated tariffs, those in regional NSW should be a priority. This is because there has been and still is, only limited competition and therefore fewer options for customers to move from a regulated tariff.

Customers in the Shoalhaven region will need to have tailored information in recognition that there has not been retail competition available in this area. It is important to customers in this region that messages about competition are linked to actual existence of alternative retailer offers.

## Purpose & content

The draft communication plan identifies that retailers will play a major role in informing their own customers of the changes that will occur and the choices that they can offer. The paper however identifies that the government's role is to be "a source of truth" and therefore EnergyMadeEasy will be promoted as a safe space to compare offers. This is critical as retailers will not, understandably, encourage their own customers to examine competitor's offers.

### Energy & Water Ombudsman NSW

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The key messages the government wants to promote is that deregulation is designed to promote competition, that customers can shop around for the best deal, that customers rights remain the same and that there will be transitional pricing. These messages would be delivered by bill inserts that provide customers with information about deregulation and what it means for them.

The four key messages that customers on regulated tariffs need to hear are:

- Price deregulation is designed to increase competition and through competition, customer access to market contracts.
- Customers will be protected by transitional tariffs while they seek a competitive market offer.
- A key way to seek a competitive contract is to use EnergyMadeEasy.
- The availability of gas rebates and how to apply for them.

While some retailers disputed the effectiveness of bill inserts, this mechanism is an appropriate way of targeting customers who remain on a regulated tariff. This mechanism combined with a targeted media (and social media) campaign in regional NSW should be effective in ensuring that these crucial messages reach affected customers.

## Other issues

The draft consultation paper identifies the top non-English languages in NSW. If the communication is to be targeted to regional NSW then this analysis is likely to be significantly different to the state wide averages. This suggests that a region by region analysis needs to be undertaken to ensure successful communication with CALD groups.

Some of the regional areas of NSW with limited competition are also likely to have significant indigenous communities. Consideration should be given to communicating the relevant information through established indigenous communication channels.

Finally EWON would like to offer to participate in the distribution of the relevant information through our outreach program. We would welcome the opportunity to partner with the Department, where relevant, to assist in ensuring customers are provided with timely and relevant information regarding the deregulation of retail gas prices

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy & Research on (02) 8218 5266.

Yours sincerely



**Janine Young**  
**Ombudsman**  
**Energy & Water Ombudsman NSW**