



The Hon Paul Lynch MP

Minister for Industrial Relations
Minister for Commerce
Minister for Energy
Minister for Public Sector Reform
Minister for Aboriginal Affairs



Mr Russell D Grove
Clerk of the Legislative Assembly
Parliament of New South Wales
Macquarie St
SYDNEY NSW 2000

18 JUN 2010

Dear Mr Grove

Thank you for your letter of May 18 regarding the petition received by the Legislative Assembly signed by 500 or more persons lodged by the Member for Tamworth.

The NSW Government is concerned about the impact of energy price increases on customers and we are taking action to provide support for those who need it most.

New regulated retail prices set by the Independent Pricing and Regulatory Tribunal (IPART) will see increases ranging between 7 and 13 per cent from 1 July 2010. In response to these price rises the NSW Government has increased and extended the financial assistance available to households.

To reduce the impact of price increases on the most vulnerable, the NSW Government will spend more than \$800 million over five years to assist low income households adjust to rising energy prices. From 1 July 2010, the NSW Government's Energy Rebate will be increased to \$145 and expanded to all Health Care Card holders. One in three NSW households will now be eligible for this direct financial assistance which helps vulnerable customers cope with increasing energy prices. Further details on these measures are enclosed.

There are a number of other programs and rebates available to assist customers including a Life Support Rebate and Medical Energy Rebate, Energy Accounts Payment Assistance vouchers, retrofit programs to save money on bills and home saver rebates. I have provided more details about these measures in the enclosed attachment and encourage you to investigate these options further.

IPART's price increases in 2011 will range between 10 and 13 percent and between 2 and 11 per cent in 2012. These increases do not include the impacts of the Commonwealth Government's proposed Carbon Pollution Reduction Scheme (CPRS) following the announcement that implementation

will be delayed until at least 2013. The Commonwealth Government has stated that should an emissions trading scheme be introduced at a later date, low income households will be fully compensated.

To ensure the electricity network continues to deliver a world-class, reliable service for a growing population and economy, \$16.7 billion is being spent over five years on projects to upgrade and maintain the network. This is in addition to more than \$10 billion that has been spent over the last decade – resulting in an increase in reliability to 99.975 per cent.

The NSW Government recognises that in addition to providing financial support to families in need, customers need to be given more information about the options available to save money on electricity.

All small customers in NSW are able to choose between being supplied electricity on regulated prices from their standard retailer (EnergyAustralia, Integral Energy or Country Energy depending on where they live), or entering into a negotiated contract with a retailer of their choice. This means you can shop around and select the best deal for your circumstances.

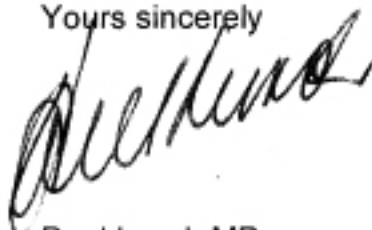
A new web-based and phone line price comparison service is being developed by the Government to make it easier for customers to select the best deal. This service will be operating in the coming months.

The NSW Government has strong protections for NSW consumers experiencing financial difficulty. Retailers are required to offer two payment plans before considering disconnection. This ensures people facing financial hardship have opportunities to pay their bills and receive the support they need to do so, without being disconnected.

Thank you for raising your concerns regarding electricity prices in NSW.

Please be assured the NSW Government has increased and expanded its financial assistance measures so as to better help customers pay their energy bills. The NSW Government will continue to review these measures to ensure the best assistance is available to those who need it most.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Lynch', written in a cursive style.

Paul Lynch MP
Minister for Energy

cc. Mr Peter Draper, Member for Tamworth