



Supporting Vulnerable Energy Consumers

An Effective Safety Net:
Community Services' Perspective.

Rose McGrath, Senior Policy Officer
Essential Services, QCOSS
ENA Roundtable, 1 June 2015

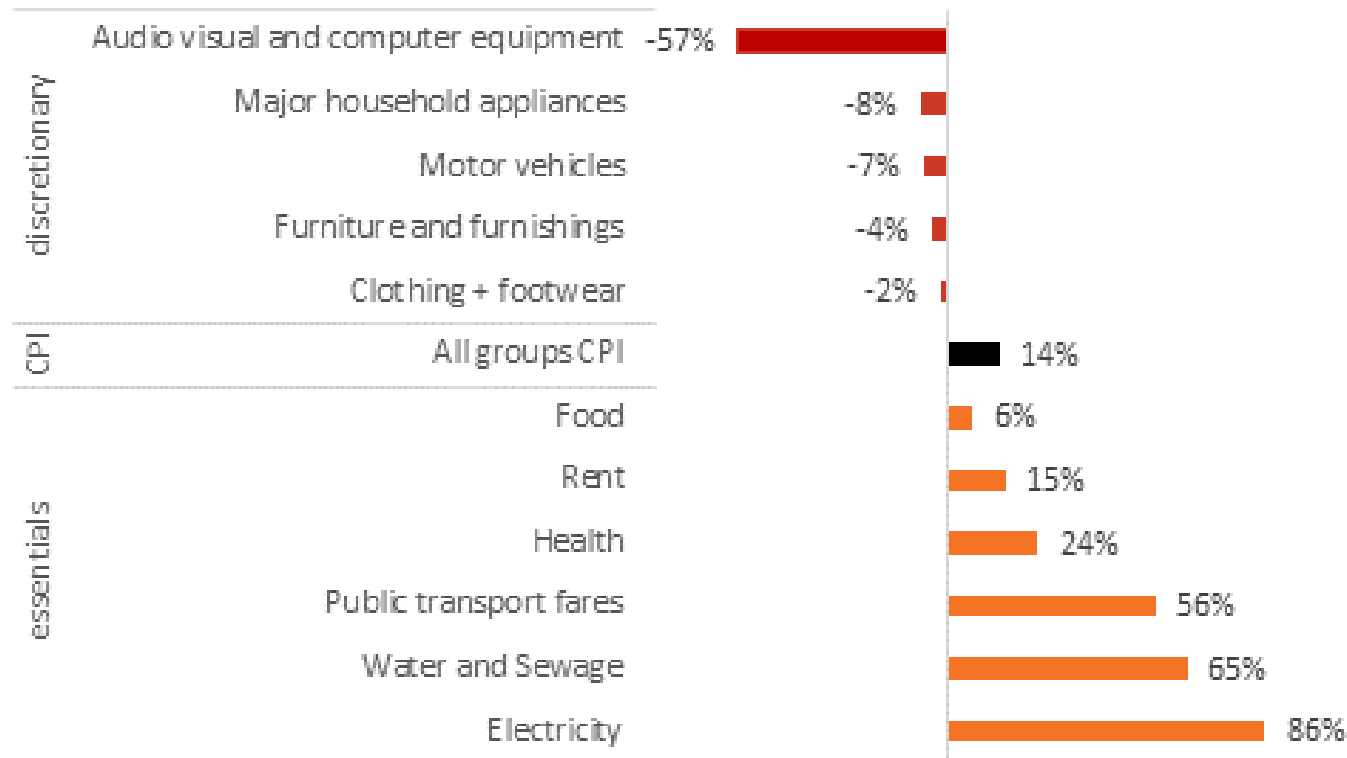
Overview

1. Vulnerable consumers' energy experiences
2. A safety net for vulnerable consumers
3. Going forward

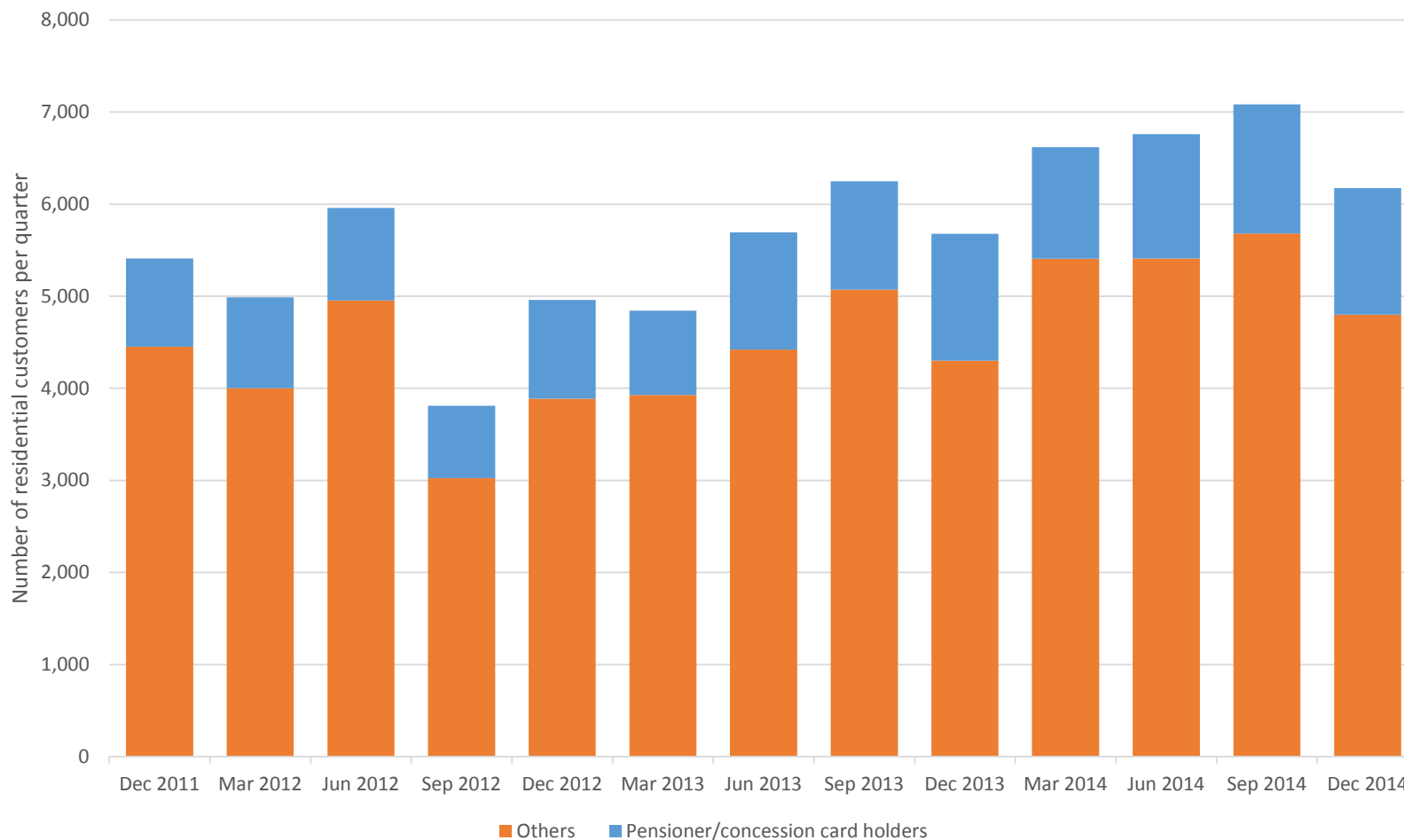
Essential Services

Electricity and water

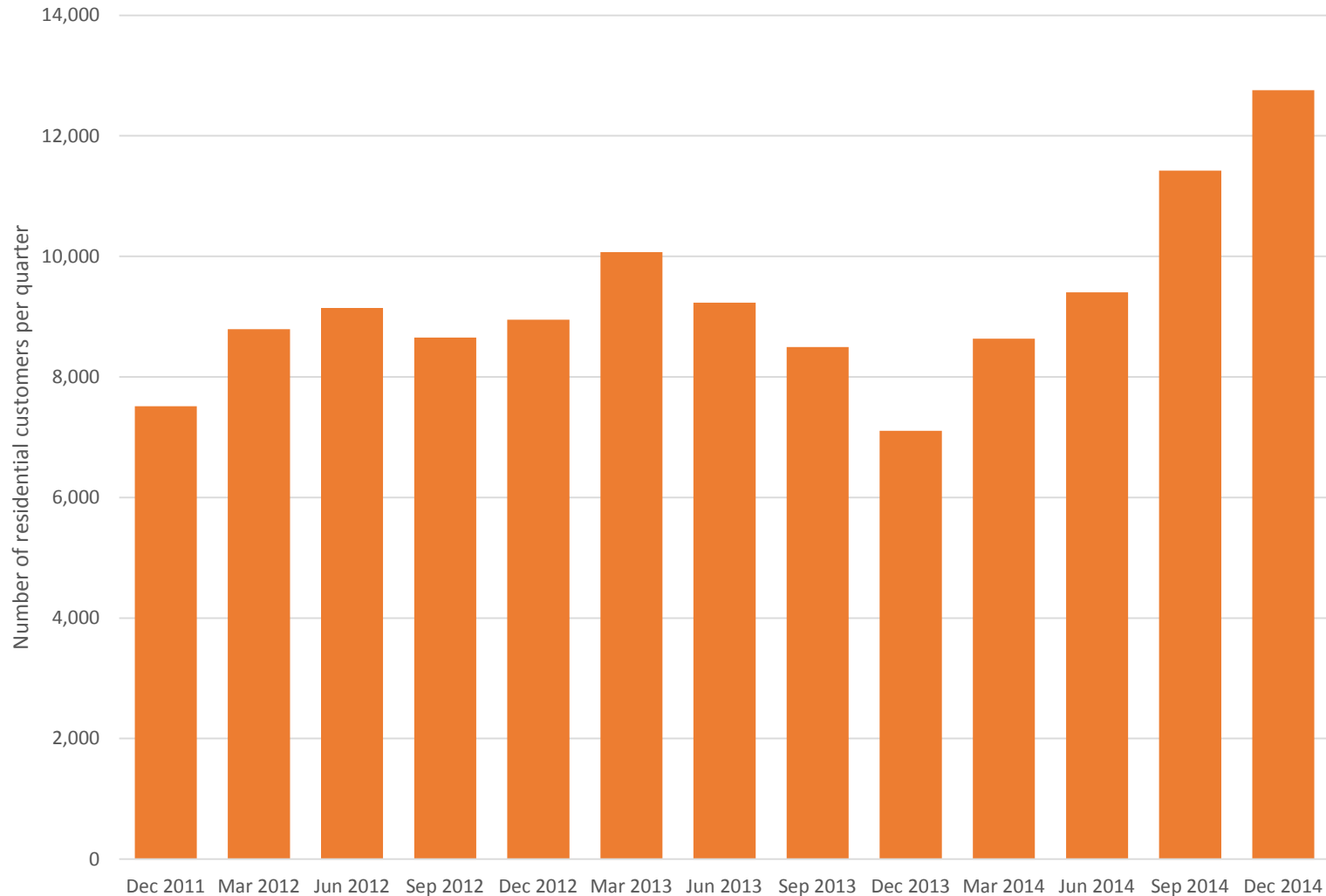
Change in the cost of essential versus discretionary goods for Brisbane (All Groups) for five years to March 2014



Queensland residential customer disconnections due to non-payment of electricity bills



Electricity hardship program uptake by residential customers



Increasing lack of affordability

Over 75% of respondents reported that the proportion of their clients struggling with energy bills had **increased** in the last 12 months.

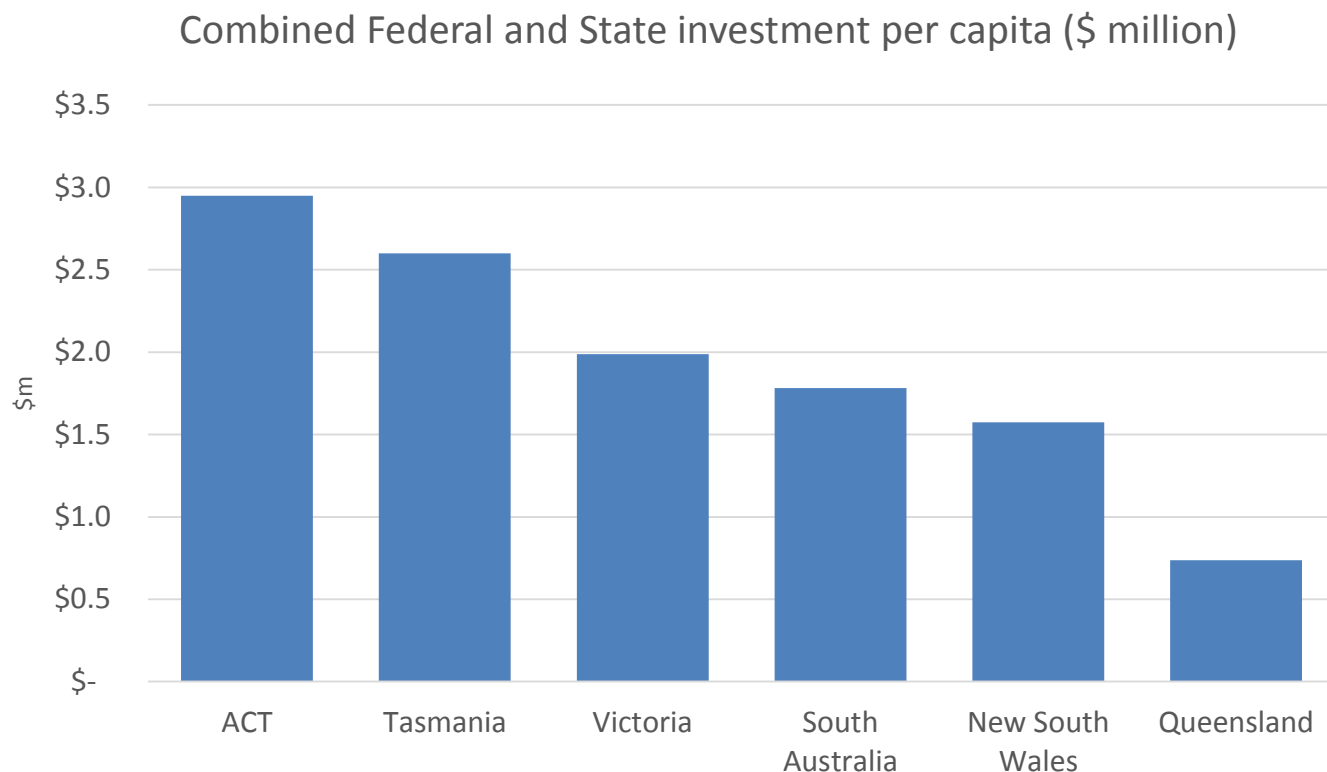
- *"Every client states they are struggling to meet basic expenses. They have nothing left to 'cut out'. In the past there were a proportion of families who could afford electricity generally."*
- *"When I first volunteered four years ago - assistance with electricity bills was rarely mentioned. These days 3 out of 4 clients are having difficulty meeting the cost."*

67% of respondents indicated that 'All' or 'Most' of their clients who struggled with bills did not have **sufficient income** for their basic electricity needs.

- *"Generally, people are advising that they are unable to keep up with the increasing cost of electricity. Even when they are desperately trying to keep the energy usage down their electricity bill continues to rise".*

Snapshot of the sector

The Financial Counselling gap...



Safety net for vulnerable customers

- Affordability for vulnerable consumers
- Empowering vulnerable customers through effective partnerships with the community sector



Affordability

- Minimising price increases
 - Network
 - Retail
- Well-targeted concessions that adjust alongside reform
- Access to technology
- Cost reflective tariffs which do not result in bill shock

Social tariffs

preliminary comments

- We note that a network business (SAPN) is considering a social tariff
- QCOSS happy to have the conversation with Energex and Ergon on this issue
- Issues:
 - Need to be funded sustainably over long term
 - Risk of alienating some customer groups
 - Eligibility issues?
 - Many people on concessions are not hardship customers
 - Long term and short term hardship
- Role of AER in approving hardship programs will be important

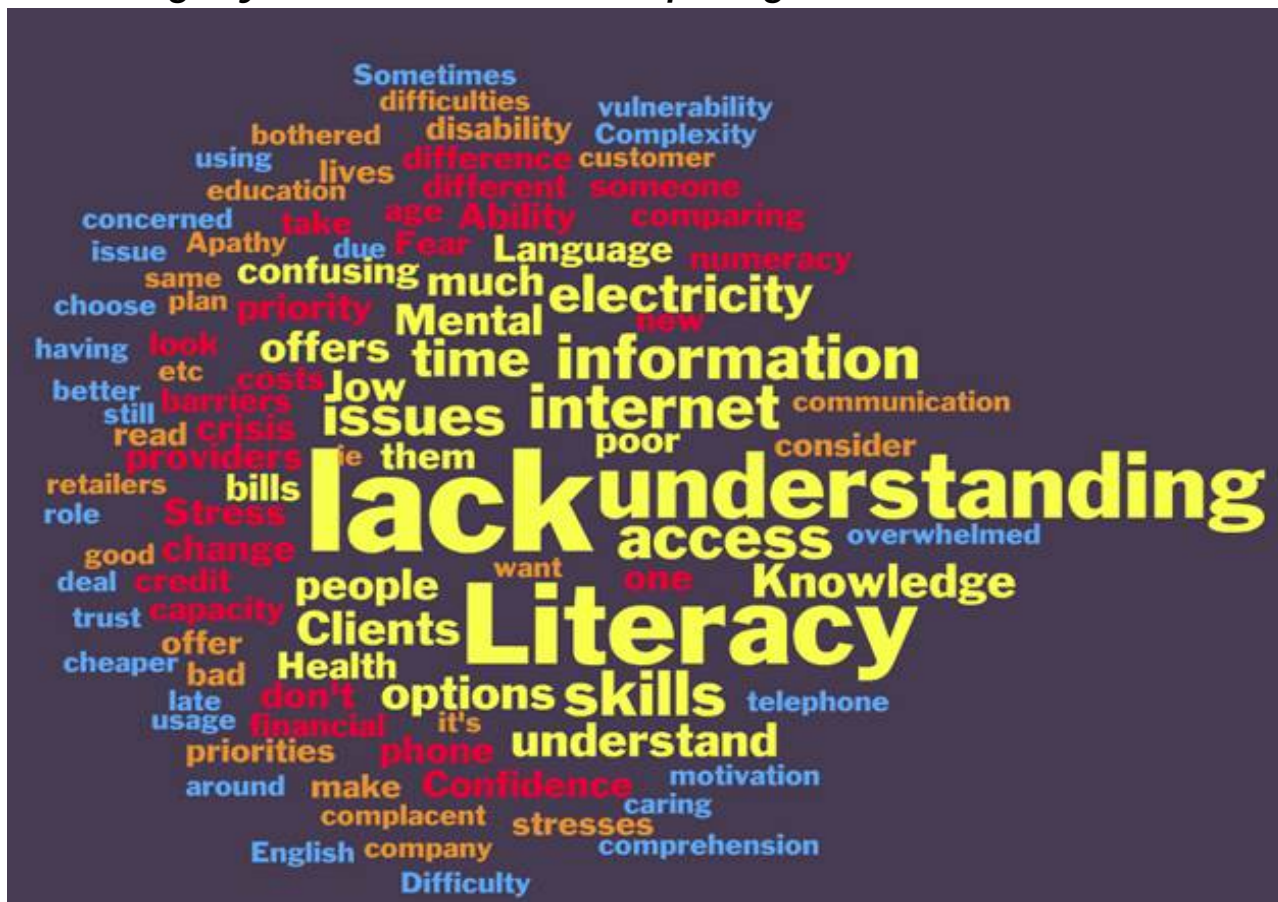
Empowering customers

Empowering vulnerable customers:

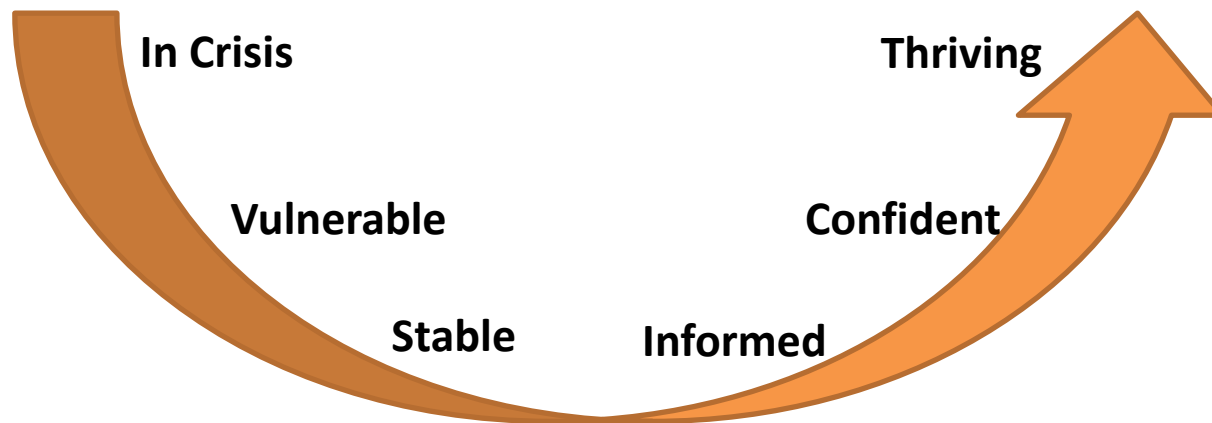
- Education on energy literacy and efficiency
- Home visits
- Independent helpline
- Resourcing financial counsellors

Competition in SEQ

What barriers might your client face in comparing offers?



Effective partnerships - bridging the gap



Building confident and discerning customers – from crisis to thriving

What does the community sector offer?

- Trust / reputation
- Relationships with a specific client group
- Innovative ways to engage with people on the ground
- Experience in integrated service delivery
- Ability to empower people to get longer term outcomes
- Opportunity to identify emerging issues for households
- Educating and training to energy sector staff
- Helping clients secure a better deal
- Understanding of people and community



Examples of effective partnerships

- *Get Back on Track*
 - Indigenous Consumer Assistance Network in partnership with Ergon Energy, Energy and Water Ombudsman Qld and Yarrabah Aboriginal Shire Council
 - Pilot program to connect to off-peak tariffs and upgrade to energy efficient appliances
 - Money management and energy smart workshops
 - One-on-one financial counselling support



Examples of effective partnerships

Changing clients behaviour around energy use

- *Reduce Your Juice (Citysmart)*
 - Online energy efficiency program for low income young renters in Brisbane
 - Rewards and incentives
 - Test how online interactions can influence behaviour change
 - To be delivered through community sector organisations across Brisbane and surrounds from early next year
- *Bright Actions (QCOSS / MDA Ltd/ Moreland Energy Foundation)*
 - MDA deliver energy efficiency program for people from a refugee background
 - Face to face service - in language and in culture
 - To help clients understand energy efficiency and change behaviour to bring down energy costs and decrease financial stress
 - Program includes:
 - Energy efficiency workshops in small and large groups
 - Home visits
 - Bulk buy scheme with No Interest Loans to purchase energy efficient appliances

Going forward

- Safety net must be sustainable going forward:
 - Concession reform in place before major pricing and metering reform kick in
 - Funding for consumer engagement and support is sustainable and resourced especially financial counsellors
- Vulnerable people must not be left behind in a very complex market:
 - Understanding vulnerable customers needs better
 - Need to ensure customers can engage
 - Getting their voices into the broader policy conversation
 - Transition period
- Think innovatively and out of the box on how to engage with difficult to reach customers
- Lever the existing reputation and trust of the community sector

Thank you

Carly Allen
Manager, Essential Services
07 3004 6909
carlya@qcross.org.au

Rose McGrath
Senior Policy Officer
07 3004 6916
rosem@qcross.org.au

More info at: www.communitydoor.org.au/essentialservices
Subscribe to our mailing list: essentiallyfair@qcross.org.au