

Energy

Outcome

Vulnerable Tasmanian households will be able to reduce their energy usage and costs, know where to go for assistance and avoid disconnection

Why is this a priority?

1,555 Tasmanian households had their electricity disconnected in 2013-14 and in the same year, more than 5,000 Tasmanians had an electricity debt.

In spite of a decrease in electricity prices in 2014, prices rose again in 2015. Gas prices in Tasmania have also risen with a doubling this year of the fixed charge component, as well as an increase in usage charges.

High energy prices are a major challenge to Tasmanian households living on low-incomes.⁷¹ Tasmanians use more electricity than other Australians, and low-income Tasmanians spend a higher proportion of their incomes on electricity (see graphs). This makes low-income households vulnerable to energy hardship, debt and to disconnection for non-payment.

Recommendation

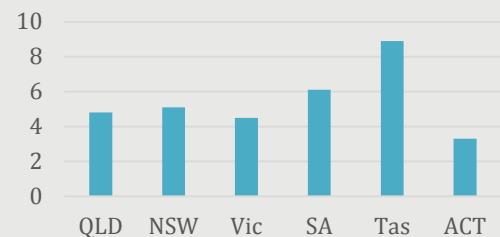
That funding be allocated to a project to produce resources and run workshops across the State for front-line community services workers to enable them to assist their vulnerable clients to better manage their energy use and bills and to avoid disconnection.

Cost

Community-based affordable energy workshops

\$60,000

Energy expenditure as a share of income (%)



Annual Energy Bill (\$)



⁷¹ These graphs show annual electricity as a share of benchmark low income household's disposable income (without concession) jurisdiction specific 'low' consumption levels June 2013 and 2014. Source: AER, 2014, Annual Report on the Performance of the Retail Energy Market 2013-14, Figure 3.1, p. 40.

Rationale

Energy bills have long been a cause of financial stress and hardship for many low-income households in Tasmania, and particularly in the past decade when prices have risen significantly. Disconnections have increased in recent years and energy debt remains high among low-income earners.

Many low-income Tasmanians live in poor quality housing where heat generated by electric, gas or wood heaters is lost through gaps, uncovered windows and thin, uninsulated ceilings, floors and walls. Many have uninsulated electric hot water cylinders and uncovered pipes exposed to cold temperatures, and/or inefficient showerheads that release more hot water than is needed. All of these examples of energy inefficiencies can be improved by often very simple and inexpensive energy efficiency measures. But people need information to address these inefficiencies and need to know where to find it.

While various assistance measures are available to households in financial hardship, these are provided by a range of government, community sector and private organisations and, as a consequence, not all of those in need are aware of the nature and extent of help that is available.

In addition, energy bills can be complex, confusing and difficult to read and to understand. Many energy consumers are not fully aware of what 'drives' their bills, that is, what kind of usage and behaviour contributes to increasing costs. For instance, consumers may not be on an appropriate tariff so will be paying more than they need to for the energy they use; or those with APAYG pre-payment meters may not be aware that different prices are charged at different times of day and in winter versus summer.

The proposed project, Staying Connected: Energy literacy for frontline community service workers is based on a successful project run in 2015 by the Queensland Council of Social Service. The project will comprise a series of workshops and the production of written and online resources.

The workshops will be offered across the State to train frontline community service providers and volunteers to provide information and resources that they can share with their clients as they seek help. Frontline workers include: Financial counsellors; Emergency relief providers; Housing assistance, family support, family violence, disability support and youth workers; Child and Family Centres staff, and Neighbourhood house staff and volunteers.

Community sector workers who are well-equipped with energy-related information and knowledge can make a significant difference to their clients. By sharing that information and enabling their clients to find further assistance, clients can develop their own understanding of how household energy works and how it could work better and be more affordable for them. Project outcomes include a fall in energy disconnections and in energy-related debt as a result of consumers being better informed and equipped to manage their energy bills and usage. As a result of this project, consumers will:

- Understand what drives their energy bills
- Know how to use energy more efficiently to save money, increase comfort and reduce their contributions to greenhouse gas emissions
- Be aware of the various payment options available to them
- Be able to access concessions and other assistance they are entitled to, and
- Know where to go for help.