



Submission:

**Final Report on Energy Consumers
Australia Grant 777**

November 2018

About ACTCOSS

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory.

ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' vision is to live in a fair and equitable community that respects and values diversity, human rights and sustainability and promotes justice, equity, reconciliation and social inclusion.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

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An Energy Consumers Australia and ACT Government funded initiative.

Initiative of



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Acronyms

ACTCOSS	ACT Council of Social Service Inc.
ACCC	Australian Competition and Consumer Commission
AER	Australian Energy Regulator
EEIS	Energy Efficiency Improvement Scheme

Introduction

Energised Consumers is a project of ACTCOSS that was funded jointly by the ACT Government and Energy Consumers Australia. The total funding for the first two years was a total of \$100,000. The first two-year project commenced in November 2016 and was completed in November 2018. This is the period addressed in following report.

When applying for grant funding from Energy Consumers Australia, ACTCOSS noted that that ACT did not, at that time, have dedicated resources for consumer advocacy, research and policy development on energy issues. ACTCOSS argued that there was a clear need for a unique ACT consumer 'voice' to ensure that ACT consumers could contribute to energy debates and decisions and gain benefit from the effective functioning of the electricity and gas sectors.

The project was aimed at achieving increased participation and representation for disadvantaged consumers, NGOs and small businesses, to drive better engagement in the energy market. This was intended to improve consumer outcomes in relation to energy services, pricing and information to reduce bills and to allow energy suppliers to provide better targeted services, especially to low-income ACT consumers.

In undertaking this project, ACTCOSS was the lead member of a consortium that included CARE Financial Counselling, the Conservation Council of the ACT, SEEchange and the Small Business Taskforce of the Canberra Business Chamber.

Changes during the project

The project has been facilitated by operational and management support from both ACTCOSS and Care Financial Counselling Inc. (Care). For the first 18 months of the project a financial counsellor working within Care was engaged to take on extra hours to be the ACT Energy Consumer Advocate and provide specialised energy policy and community engagement services. This role was fulfilled by Eileen Newmarch for the first 12 months, and by Rosie Fisk for several months at the beginning of 2018.

Based on the learning from those project officers and feedback from funders, a different model for project delivery was used for the final 6 months of the grant. This new approach embedded policy and project management tasks in the ACTCOSS staff team and embedded community engagement roles in the Care community education team. Advocacy work was undertaken by both ACTCOSS and Care, with guidance and input from other members of the ACT Energy Policy Consortium as relevant. This embedded model was complemented by targeted partnerships to extend the depth and reach of policy and advocacy expertise via participation in the ACOSS Energy Policy network and collaboration with a start-up advocacy organisation working on social justice issues for people in rental accommodation. This model also incorporates active dialogue with and use of the knowledge from Energy Consumers Roundtable members, ACOSS Energy Policy work and Energy Consumers Australia (ECA).

From July 2018 the project has been guided by a new template for setting deliverables for the grant, that is based on a program logic. The core objectives, activities, outputs and measures of impact have been negotiated with funders in the ACT Government and the ECA grant manager.

Activities

A summary of key activities in 2016-2018 is provided below:

- Regular participation in the National Consumer Roundtable on Energy
- Ad hoc meetings on consumer energy issues with the Minister for Climate Change and Sustainability, including in the consideration of the National Energy Guarantee
- Ongoing convening of the ACT Energy Policy Consortium with members representing non-government organisations, small business and vulnerable consumers
- Participation, along with members of the Energy Policy Consortium, in consumer workshops convened by ActewAGL/Evoenergy on distribution tariffs, power of choice implementation and capital expenditure priorities and rationale.
- Provided case studies to ActewAGL hardship team to build understanding of consumer circumstances and needs

Retiring CEO of ActewAGL said in September 2018 that ACTCOSS participation had transformed their understanding of low income consumer issues and the improvements needed in hardship provisions as well as in product development such as energy efficiency subsidies and tariff structures.

- Distribution and promotion of ACT Government energy efficiency and climate change mitigation resources, consumer services and opportunities for consumer input via ACTCOSS online newsletters, for example this material was promoted via our weekly e-notices the ACTCOSS website permanently hosts a copy of *Power of Choice: Energy reform Ministerial workshop presentation*
- Formal presentation of consumer views to the ICRC public hearing on the standing offer prices for the supply of electricity to small consumers
- Participation in in three Community and Stakeholder roundtables on ACT's climate strategy to 2050 organised by ACT Government Environment, Planning and Sustainable Development Directorate
- Submissions, meetings and verbal advice to ACT Government on their Energy Efficiency Improvement Scheme and co-design of future energy efficiency programs
- Contributed to development of the ACT Government Climate Change Mitigation Strategy including review of the ideas matrix for the next implementation plan

- Provided input and facilitated involvement of other Energy Policy Consortium members in the review of the ACT ICRC Consumer Protection Code relevant to utility services

ACT Government policy manager feedback on Energy Policy Consortium input to the Energy Efficiency Improvement Scheme: Thank you very much for your comprehensive submission about setting the EEIS Priority Household Target (PHT). This is very useful information to inform the RIS and the ACT Energy Snapshot will be especially useful to our energy policy work too.

- Facilitated access of policy advisors and decision-makers to community stakeholders, eg convened meeting for Care community education, financial counselling and legal assistance staff to provide insights to the ECA Keeping Connected consultant.
- Compilation of data on ACT small energy consumers including number of users, numbers of concession holders, rates of disconnection, numbers receiving hardship assistance and numbers receiving ACAT Energy and Water hardship assistance.

Following significant advocacy on cost of living pressures and energy hardship by the Energy Policy Consortium, in 2018 the ACT Government and ActewAGL implemented a \$100 voucher program to support customers experiencing energy hardship that also enabled access to a financial counsellor. These customers were given information and support to access concessions and hardship provisions they had not previously known they were eligible for.

- Attendance at a conference on Vulnerability and Hardship convened by the South Australian Council of Social Service, the consumer engagement seminar presented by Uniting Communities in Melbourne and a briefing session in Melbourne on tariffs.
- Participation in consumer consultation by the Australian Energy Regulator on Evoenergy electricity network 2014-2019 price determination remittal and 2019-2024 draft price determination
- Partnership with Better Renting to promote findings from their research into the cost energy inefficient housing and heating in rental housing and to build Better Renting engagement in wider energy advocacy community via supporting participation in ECA forums such as the Housing Summit.
- Input to national advocacy via ACOSS – eg national concessions update, supported consumers call for government and industry to set higher energy performance standards for all Australian homes
- Presentations to students studying sustainability on intersection of social justice and environmental imperatives at Australian National University and University of Canberra, presentation on just transition issues at Citizens Climate Lobby conference

Submissions

Listed below are the formal submissions made to decision-making processes. These formal submissions have been supplemented by dialogue and engagement in less formal processes such as forums and meetings. ACTCOSS has also included examples of insights and advice provided through the Energised Consumer Project to inform energy policy and programs so they respond better to vulnerable customers, small businesses and community organisations.

[Co-signatory to the ACOSS statement to COAG on agreeing a NEG](#), November 2018

[Letter to ACT Chief Minister expressing support for ACT Government conditions for agreement to the NEG](#), August 2018

[Letter to AER responding to Evoenergy proposal regarding resolution of 2014-2019 regulatory determination](#), July 2018

[Submission: Energy Efficiency Improvement Scheme Targets 2018-2019](#), July 2018

The pressures caused by energy price rises need to be understood in the wider context of costs of living in the ACT. Costs of living are relatively high compared with other capital cities. Over the past year the Consumer Price Index in Canberra rose 2.2% – the second highest rate of rise in the country, along with Sydney and Melbourne, behind only Adelaide (2.3%). This was above the national rise of 1.9%...There are lower numbers of small businesses with debt compared to households, however the average amount of debt is higher. In the ACT in December 2017 AER reports that there were 444 small businesses with electricity debt and the average amount of debt was \$1,416.00; and there were 163 small businesses with debt with the average amount of debt being \$2,910.00.

Source: Submission to ACT Government Energy Efficiency Improvement Scheme Targets 2018-2019, July 2018

[Submission: Australian Energy Regulator Issues Paper - March 2018 - Evoenergy Distribution Determination 2019 to 2024](#), July 2018

[Submission: ACT's Climate Strategy to a Net Zero Emissions Territory Discussion Paper December 2017](#), April 2018

[Letter: Utilities Concession Scheme - Concessions for residents of caravan parks and other embedded networks in the ACT](#), November 2017

[Submission: AER Customer Price Information Issues Paper September 2017](#)

[Submission: Priorities for the ACT Electricity Network: ActewAGL Distribution Electricity Network Five Year Plan 2019-2024 Discussion Paper](#),

[Submission: ACCC inquiry into retail electricity supply and pricing: Issues Paper](#), July 2017

Increasingly retailers are looking at developing apps for people to monitor electricity use. These apps will only be within access of the technology literate consumers. There needs to be more attention by the retailer on... giving clients information on the best plan for them... Consumers in vulnerable situations are at the most risk... policies should be developed that ensure they are not disadvantaged by increasing complexity and choice.

Source: Submission to ACCC inquiry into retail electricity supply and pricing: Issues Paper, July 2017

- [Submission: ACT Energy Efficiency Improvement Scheme: Proposed Updates to Residential Energy Savings Activities Consultation Paper 2017](#), July 2017
- [Submission: Review of Climate Change Policies Discussion Paper](#), May 2017
- [Submission: ICRC Draft Report 1 of 2017 - Standing offer prices for the supply of electricity to small customers from 1 July 2017](#) May 2017
- [Submission: Future Security of the National Electricity Market](#), March 2017
- [Submission: ActewAGL Distribution engagement with consumers regarding the ACT 2019-24 electricity distribution determination Phase1 Report](#), February 2017

Participants appreciated the work that has been put into the Issues Paper, however, they felt that they needed more information to constructively answer the questions posed in the paper. The issues of importance to consumer representatives related to service levels, affordability and equity (for current consumers and future generations). It was acknowledged that AAD operational expenditure, capital expenditure, demand management and tariff design all directly impact on these factors. The overarching concern for consumer representatives was how changes in these AAD factors would impact on bills and reliability for consumers, and how different consumers might be affected differently.

Source: [Submission to ActewAGL Distribution engagement with consumers regarding the ACT 2019-24 electricity distribution determination Phase1 Report](#), February 2017

Achievements

Increased visibility of ACT specific data and consumer perspectives

- Increasing access for ACT based advocates to national advocacy thought leadership and resources.
- Increased access of ACT Government policy advisors and decision-makers to ACT specific data and consumer perspectives.
- Continued dialogue with advocates for small businesses as energy consumers
- Increased the profile and advocacy pathways for other small consumer advocates, including in relation to the housing/energy issues. This includes Joel Dignam from Better Renting speaking at the ECA Housing Summit, Care staff participating in the national forums on consumer engagement and tariff structures
- Identified data establishing that ACT has the lowest rate of people receiving electricity hardship assistance compared to other NEM regions. Also analysed data reinforcing that ACAT Energy Hardship

Assistance is critical in lifting the level of assistance for consumers in energy hardship.

- Research indicated that much of the price rises were attributable to wholesale and distribution costs and that the ACT retail costs were lowest in the network.
- Agreement with EPSDD to have more regular meetings to discuss consumer energy issues
- Raised consideration of impacts of electricity network prices on small consumers, especially low-income households

Energy issues embedded in wider debates

- Linking housing issues to energy affordability, and then providing detailed input to the Energy Efficiency Improvement Scheme that led to an ACT Government decision to extend eligibility for priority target households.
- Wider understanding of energy hardship in the ACT and the important role of energy concessions and other help (including from Industry, not just government) for consumers experiencing hardship.

Media engagement on issues for vulnerable consumers

Project generated media releases:

- [Media release: We can tackle energy costs and climate change.](#) September 2018
- [Consumers call for government and industry to set higher energy performance standards for all Australian homes.](#) September 2018
- [Joint media release: A case of upside down? Households must not subsidise big corporations under the National Energy Guarantee \(NEG\).](#) August 2018
- [Media release: Solar rebates for low income homes welcomed.](#) December 2017
- <https://www.actcoss.org.au/news-events/media-release/media-release-persistent-and-widening-gap-between-income-and-cost-living> June 2017
- [Future Security of the National Electricity Market - Read the submission](#) March 2017

Energised Consumer Project media commentary was sought by a wide range of media outlets and our key messages have contributed to and shaped the broader media debate, for example:

There are few local households who have been able to ignore the increased cost of keeping warm – particularly given we have seen such sharp rises in utility costs in recent years. This year's [Cost of Living Report](#), released by ACT Council of Social Service last week, highlighted the increasing costs of utilities as one of the key issues facing the lowest income households, a group that is being disproportionately impacted by this past year's increases.

Source: <https://the-riotact.com/time-to-address-energy-poverty-in-canberra/245790>

Better Renting director **Joel Dignam** says the ACT currently has mandatory efficiency ratings when residential properties are sold, however, they are still virtually optional for residential dwellings. Specifically, they are mandatory to disclose when seeking tenants if the property has a rating – but obtaining one is not mandatory. He recently told *The Canberra Times*, that some have described this as making the ratings “de facto voluntary”.

Surveys also show that eight in 10 rentals in lower socio-economic areas of the ACT do not disclose a rating, and in more prosperous suburbs, only seven in 10 do.

Susan Helyar, director of the ACT Council of Social Service (ACTCOSS) and spokesperson for the ACT Energy Consumer Policy Consortium says the research “backs what tenant advocacy, environmental, and business organisations have long been calling for: all privately-rented housing in the ACT must have a minimum energy-efficiency rating of five stars. This can be balanced by funding for landlords to make energy efficiency upgrades.”

It could also form part of the ACT Climate Change Mitigation Adaptation Strategy, she says.

Source: <https://www.thefifthestate.com.au/innovation/residential-2/tenants-poor-energy-efficiency-in-housing/>

“Rents are going up in line with property values rising but for people on income support payments and those in minimum wage work, their incomes aren’t going up at the same rate,” she says. “That’s been one of ACTCOSS’s key areas of advocacy, that we need a completely different product in the purchasing market, products that are under \$150,000.

“You do that by changing planning arrangements and making more flexible planning arrangements, by changing the size of properties, so you have smaller properties and you focus instead on good, compact design, not smaller properties that are horrible to live in and impossible to heat and keep cool.

“We need properties that are well-designed, energy-efficient and at a cost that actually reflects the incomes of people who have been locked out of the housing market, either to buy or rent.”

Source: <https://www.domain.com.au/news/a-key-factor-in-housing-affordability-in-canberra-is-how-fast-land-is-released-20150625-ghwrrp/>

Extension of energy concessions and hardship support

Extended access to concessions to people living in caravan parks and operating in other embedded networks

Expanded eligibility for priority households on the ACT Government EEIS

Contributed to the AER design of the new RPIGs (price information for consumers on the *Energy Made Easy* website)

ActewAGL improved hardship assistance with a dedicated phone line for consumers experiencing energy hardship and a one-off \$100 Energy Support Voucher.

Insights and what have we learned

More competition of itself is not the goal, it is effective competition to improve outcomes for consumers that should be the goal.

Source: [Submission: ACCC inquiry into retail electricity supply and pricing: Issues Paper](#)

Regular meetings with EPSSD are providing a more targeted way of engaging with the ACT Government on consumer issues and ensuring Official gain early access to insights from energy consumer advocates, and better planning of advocacy priorities and focus areas.

A more targeted workplan as per the period since July 2018 has allowed for better use of limited resources and extended activities beyond specific project staffing to other staff operating in ACTCOSS and advocates in other organisations (eg Care and Better Renting).

More consumer-focused energy markets are needed and this applies to the proposed introduction of portable data, demand-based tariffs and energy efficiency subsidies aimed at reducing human induced climate change.

Data should be widely and freely available and the default position should be that it is public data.

Source: [Submission: Future Security of the National Electricity Market](#)

Industry based consumer assistance can increase access of vulnerable consumers to support and assistance they do not know they are eligible for.

Embedding community education into existing platforms expands reach and effectiveness.

Contextualising energy consumer issues into wider cost of living debates expands the reach and impact of public commentary and engagement of government and industry decision-makers.

The cost of electricity went up above the CPI every year over the past 5 years, leading households to turn off their heating, and cut back spending on essential items such as food and medicine... consumers living in low income households are unable to afford even a small increase to their energy costs.

Source: [Submission: AER Customer Price Information Issues Paper September 2017](#)

The program logic approach to work planning implemented in July 2018, and the revised model for delivery of the Energised Consumer Project that embeds activities in existing staff and organisation roles have both improved the targeting and feasibility of delivering on funders objectives for the project. This revised model for project delivery has formed the basis for the grant offered to ACTCOSS for 2018-2020.