

# Working Poor Energy Consumers – Enhancing Support for Vulnerable Customers

## Community Services Stakeholder Workshop

### Introduction

On Monday the 19<sup>th</sup> of August 2019, SACOSS hosted a stakeholder workshop to engage with representatives from community service agencies on the Working Poor Energy Consumers – Enhancing Support for Vulnerable Customers Project (“Working Poor Project”).

The purpose of the stakeholder workshop was to:

- Share and “reality test” the findings of the research with stakeholders;
- Seek feedback on proposed recommendations around developing more effective supports and reducing energy bill stress; and
- Collaboratively identify pathways for future advocacy.

### Attendees

- Stephen Graham, *Coordinator, ConnectEd Program*, UnitingCare Wesley Bowden (UCWB)
- Heather Merran, *Coordinator, ConnectEd Program*, UnitingCare Wesley Bowden (UCWB)
- Sharon Maslen, *Program Manager - Statewide Financial Counselling Services*, Salvation Army
- Fabio Boniardi, *Financial Counsellor*, Uniting SA
- Michael Leane, *Volunteer, ConnectEd Program*, UnitingCare Wesley Bowden (UCWB)
- Dan Spencer, *Senior Campaigner*, Australian Services Union
- Karen Grogan, *United Voice*

### Key Issues

Some key issues which were raised at the workshop are discussed below.

#### Demographics – Family Formation / Concessions

- Participants heard that there was an over-representation of couples with children among the working poor, and an even greater over-representation among low-income working households by comparison with the population generally, and particularly by comparison with other poor households (which are significantly more likely to be single person households).
- It was noted that length of time spent in each of the cohorts is crucial, as some of the ‘working poor’ may only be in that situation for a transient period (e.g. due to a household member being on reduced hours due to injury)

- Stakeholders acknowledged that work limited the ability to be flexible with energy use, especially for families where multiple energy use activities were compressed into a few hours after work.
- Possible solutions to better support large families on low incomes & limited opportunity to reduce costs were discussed, including:
  - Value in one-off rebates such as the Family Energy Rebate model in NSW and percentage-based concessions
- A number of issues were raised about the current energy concessions arrangements in South Australia, including:
  - Commentary that concessions should apply automatically, rather than have to apply and re-apply
  - Broader concessions linked to energy concession (e.g. NSW ambulance)
  - Whether administration of concessions could be simplified by data share arrangement between Centrelink and the State government
  - The funding model for concessions e.g. whether it is possible to claw back money from landlords with inefficient houses to support better concessions for renters
- Anecdotally, participants noted that lots of people were eligible for concessions, but weren't getting them.
- Reasons offered by the group included: lack of knowledge; application form too hard to navigate; changes in circumstances meaning people forget to apply and reapply.
- One participant estimated that roughly one-quarter of aged pensions were not getting the energy concession, closer to half for new immigrants and some other groups.
- SACOSS was informed about a new 4 page flyer on concessions being released from Concessions SA

### **Demographics – Renters / Energy Efficiency**

- Participants heard that the majority of working poor households were renters (at almost twice the share of renters in the general population)
- Possible solutions to help renters over barriers to control energy costs were discussed, including:
  - Reviving the Tim Storer bill to introduce incentives for landlords for energy efficiency upgrades, targeting low-income households
- There was broad support for mandatory reporting of energy efficiency standards of properties, as well as minimum energy efficiency standards for rental properties.
- It was noted while in reality it will take a number of complementary initiatives to improve energy efficiency outcomes for renters, **housing standards are really important**
- The roll out of rental efficiencies also has other benefits such as boosting infrastructure investment and job creation

- It was suggested that “Better Renting” has some good policy ideas; and that the ACT also has mandatory rating of rental properties, which are conducted every so many years, and then declared when properties change hands (but many properties have a rating close to 0). Scotland also has an energy rating scheme which includes lists of what would be best to spend \$1000 on.
- It was noted that the Retailer Energy Efficiency Scheme (REES) needs to be turned on its head, and that it is not effective in its current form. Currently, only “low hanging fruit” energy efficiency activities are undertaken, and for renters there is still the problem of landlords having veto any change.
- With regards to minimum standards, it was noted that it is often up to tenants to get standards enforced, and perhaps a penalty could be introduced for landlords failing to improve their energy efficiency rating.
- In terms of programs such as NILS to support investment in energy efficiency upgrades, it was noted that NILS remains uncompetitive with payday lenders because of turnaround time application to loan (2 weeks v 20 minutes).
- It was noted that NILS requires surplus budget to get eligibility and that the working poor may be more eligible for the ‘Step Up’ program rather than NILS.

### **Working Poor not seeking help from NGOs**

- Participants heard that working poor households were more than ten times less likely to seek assistance from community service organisations compared to other households in poverty.
- This finding “rang true” across the community services:
  - Salvation Army noted that men in particular were much more likely to ring a debt helpline than make an appointment with a financial counsellor due to stigma, embarrassment and pride attached to seeking help.
  - Data from Salvation Army’s Affordable SA website suggested that most people were seeking information in the evening online (presumably 9-5 workers), but few of the “working poor” were accessing face-to-face services even though Salvation Army are open till 8pm to allow for after work appointments. Stats tracking suggest that there was increasing access of services from people who were employed (around 40%). A focus on educating health care workers lead to massive increase in hits on webpage and could be a way of reaching the working poor.
- The ConnectED program had trialled drop-in points after work hours at neutral venues such as libraries to reach cohorts who traditionally do not access supports via community service organisations. These tended to attract few people, and workshop participants noted that a more successful approach was to capitalise on existing groups that already met on a regular basis (e.g. migrant/new arrival groups, RSLs).

- The difficulty of getting people to workshops was noted, including issues related to timing, travel, life responsibilities, caring, and being time poor.
- It was noted that simply advertising the availability of a workshop (e.g. on energy affordability) did not work – and that there was no point advertising if the product (a workshop) if it does not work for them.
- Others noted that online webinars and union publications have been successful in engaging members, but again, the problem with the working poor is that there is no readily recognisable existing group to leverage from.
- It was noted that while retailers did have hardship and payment plan information on their bills, it was often not obvious or comprehensive enough to alert consumers to their rights and eligibility for support. It was suggested that this may be the best and obvious place to make connection.

### **Irregular/unreliable hours**

- Participants heard about how irregular and unreliable work hours were creating difficulties for the working poor in terms of household budgeting.
- While it was noted that changes to workplace entitlements and protections (e.g. with regards to casual work, sick pay) would go a long way towards solving the problem, this was noted as being out of scope.
- It was noted that those on irregular incomes could be further penalised by not being able to meet pay-on-time discounts.
- While it was noted that the market is slowly moving away from pay-on-time discounts with the introduction of the DMO, the market is still settling. Prices are changing rapidly and retailers are resisting making comparable prices. Some retailers are advertising the DMO and offering percentages off the DMO for special sign-up deals etc.
- There were discussions about the value of having a “Debt Trigger” to proactively identify people in payment difficulty. However, participants noted that there have long been calls for the development of “triggers” and retailer databases that identify customer credit problems with ongoing system alerts, with not much traction in this space.
- Several suggestions were made around flexible payment plans options tailored for customers on irregular incomes, including:
  - Payment plans that are milestone based rather than frequency based (e.g. paying X amount by a certain date, rather an agreed payment amount every two weeks);
  - Stipulating longer payment periods to match up with cycles of irregular income (e.g. payments required over the next 6 weeks);

- Introducing incentives if payments exceed a minimum threshold, rather having a default notice noticed as soon as one week goes below payment plan.

### **Work Specific Expenditures**

- Participants heard about how work requirements are changing household budget priorities (such as needing a vehicle or mobile phone for work)
- No energy-specific policy recommendations were made under this key finding header, although it was noted that this will be a line of investigation in a follow-up SACOSS project about the working poor focussing on telecommunications.

## Appendix A: Workshop Agenda



### Working Poor Energy Consumers: Enhancing Support for Vulnerable Customers – Findings Workshop

Monday the 19<sup>th</sup> of August 2019

10:00am – 12noon

SACOSS, Marjorie Black House, 47 King William Road, Unley SA 5061

#### **Workshop Agenda**

Item	Description	Lead	
1	Welcome and introductions: <ul style="list-style-type: none"><li>• Purpose of today</li><li>• Project overview</li></ul>	Rebecca Law, SACOSS	5 mins
2	Snapshot of key findings: <ul style="list-style-type: none"><li>• Family formation cohort / renters</li><li>• Working poor are not seeking help from NGOs</li><li>• Impact of irregular/unreliable work hours</li><li>• Work specific expenditures</li></ul>	Rebecca Law, SACOSS	10 mins
3	Testing the key findings: <ul style="list-style-type: none"><li>• The family formation cohort</li><li>• Renters</li><li>• Working poor are not seeking help from NGOs</li></ul>	Facilitated Discussion	40 mins
4	Morning Tea Break		15 mins
5	Testing the key findings: <ul style="list-style-type: none"><li>• Impact of irregular/unreliable work hours</li><li>• Work specific expenditures</li></ul>	Facilitated Discussion	40 mins
6	Wrap-up and discussion of next steps	All	10 mins
7	Close		