

# Empowering remote communities

Experiences of Aboriginal and Torres Strait Islander customers using electricity pre-payment meters in Queensland







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#### Cover art: "Three-armed boomerang" by Natalie Barney

"The three large circles represent the three indigenous North Queensland communities included in the project (Palm Island, Mapoon and Wujal Wujal Communities). The three different colours represent the earthly belongings that are as one of Indigenous peoples; Blue represents Fresh and Salt water; Yellow represents the sunlight lit gold Sandy Beaches; and Red represents our Ancestral blood to our Land".



The Swirl; representing the impacts that confront Indigenous people daily.



The Circles; representing the community stakeholders



The **Map**; representing the effort and work required to research meaningful data to empower communities towards addressing their own struggles in their own way with their own knowledge.



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### Executive summary

This report presents the findings from QCOSS' research into the experiences of Aboriginal and Torres Strait Islander energy consumers, living in remote communities in Queensland, where electricity is supplied using card-operated pre-payment meters. The research was triggered by substantial anecdotal evidence from the community sector about widespread instances of customers frequently going without electricity in these communities and being excluded from accessing energy concessions and rebates. QCOSS is concerned about the significant health, social welfare and economic impacts on households not having an affordable and regular supply of electricity.

The project commenced with desktop research which was supplemented with information gathered from face-to-face interviews with Aboriginal and Torres Strait Islander customers from the three remote Queensland communities of Palm Island, Wujal Wujal and Mapoon. Interviews were also conducted with representatives from key stakeholder groups, such as Ergon Energy (Ergon), the Queensland Government and the community sector, to draw a comprehensive picture of the circumstances in which Queensland's remote pre-payment meter customer's access electricity.

Electricity supply arrangements in these remote Aboriginal and Torres Strait Islander communities are unique in Queensland, as pre-payment meters are not permitted in any other parts of the state. Pre-payment meters were originally introduced into communities with agreement from the local councils and Ergon. The decision to install pre-payment meters was made on behalf of all residents with no individual choice for households to opt for a different metering arrangement.

Despite the lack of individual choice, the research found that the pre-payment meter customers interviewed were in favour of their arrangements, compared to quarterly billing. Reasons given included the fact that pre-paying can facilitate budgeting and energy conservation outcomes within the household, and it prevents the build-up of debt under quarterly billing arrangements. Pre-payment metering was also considered helpful in allowing people to share the responsibility for electricity costs across large multi-family households and between households, rather than a single account holder being responsible for paying for the electricity used in the home at the end of the quarter.

While consumers certainly see some advantages in being on pre-payment metering arrangements, the customer surveys identified a number of significant issues affecting the accessibility and affordability of electricity for households in remote communities. The main issues included:

- Households being unable to afford credit resulting in them going without electricity frequently and/or for long periods of time.
- Households experiencing financial hardship being prevented or discouraged from accessing government-funded energy concessions and hardship assistance.



- Lack of transparency about the incidence of customers with medical conditions that require a constant supply of electricity to operate in-home life support equipment, and lack of protections to prevent them being disconnected.
- Households unable to purchase sufficient credit at convenient times and locations, resulting in families and individuals going without electricity frequently and/or for long periods of time.
- High energy costs arising from higher household energy use on average compared to the rest of the state, due to inefficient housing and appliances, large family structures and cultural practices and events.
- Problems purchasing credit, including issues with faulty cards and unclear or inadequate refund processes for faulty cards.
- Limited uptake of off-peak tariffs and renewable energy options to minimise electricity costs.
- General difficulties accessing and using electricity pre-payment meters.
- Limited understanding and assistance to help people better understand their electricity usage and available support measures.

Many of these issues are very concerning, particularly the lack of transparency around the circumstances for life support customers and the exclusion of vulnerable customers from government concessions and protections to ensure the ongoing supply of an essential service. It is particularly concerning as, in practice, pre-payment meters in Queensland are used exclusively in Aboriginal and Torres Strait Islander communities, and Aboriginal and Torres Strait Islander people have been identified as the most vulnerable people in Queensland. The failure to adequately extend government concessions and other vital consumer protections to people in these communities could be viewed as an example of indirect discrimination.

The purpose of this report is to draw attention to the existence of these inequities and make recommendations for improving the outcomes for Queensland's pre-payment meter customers. To achieve this, the findings from the customer interviews have been supplemented with substantial research and stakeholder feedback to shape realistic and practical recommendations for addressing the issues identified.

The recommendations target:

- Ways to strengthen and improve the transparency of the consumer protection arrangements including introducing regulated disconnection provisions, improving the accessibility of credit and providing access to external dispute resolution services.
- The urgent need to improve the accessibility, eligibility and adequacy of concessions and rebates for pre-payment meter customers in remote communities.
- The barriers to energy efficiency, demand management and renewable energy for pre-payment meter customers, particularly those in social housing.





- The need to ensure metering technology upgrades are introduced that facilitate better outcomes for customers, including improving information on consumption and the identification of customer hardship.
- The need for ongoing communication and services to provide assistance across a broad range of energy issues specific to remote Aboriginal and Torres Strait Islander customers using pre-payment meters.

While a number of solutions are identified in this report, it is recognised that many of these issues are complex and will require a collaborative solution across government, industry and local community stakeholders. It is also recognised that some of the problems are unique to particular communities and may not be universal across all pre-payment meter customers. For this reason, QCOSS recommends the Queensland Government establish a working group of key stakeholders to identify and implement practical solutions to the problems identified in this report. A coordinated approach to addressing these issues will be a critical step in helping to close the gap on Indigenous disadvantage in Queensland's remote communities.





### Recommendations

#### Key recommendation:

QCOSS recommends that the Queensland Government establish a working group of key stakeholders to identify and implement practical solutions to the problems identified in this report. Stakeholders should include senior representatives from Ergon; government departments responsible for energy policy, social welfare and concessions policy and public housing; as well as Aboriginal and Torres Strait Islander community representatives, community sector stakeholders and remote service providers.

The objective of the working group should be to bring the protections for remote Queenslanders using pre-payment meters into line with other residential electricity customers across the state. The following recommendations are presented as priority matters for the working group to address.

#### Priorities for the working group:

- 1. Prioritise a project to identify all pre-payment meter households where a member of the household relies on electricity to run life support equipment, and consult with impacted communities to identify the most appropriate protections for those customers.
- Provide advice to the Queensland Government to inform the development and introduction of a regulatory framework to clarify and strengthen the consumer protections for pre-payment meter customers in Queensland, including establishing minimum standards for:
  - a. The value of emergency credit available on all card-operated pre-payment meters.
  - b. The hours at which self-disconnection from electricity supply is to be restricted.
  - c. The minimum requirements for the provision of information to pre-payment meter customers.
  - d. Ensuring powercard credit is accessible for purchase by customers at reasonable times and locations.
  - e. The processes for obtaining a refund or exchange of a faulty powercard.
  - f. A reporting framework that requires Ergon to publicly report on key indicators for the purposes of monitoring the experiences and outcomes of pre-payment meter customers.
  - g. Extending the responsibilities of the Energy and Water Ombudsman Queensland (EWOQ) to provide dispute resolution services to pre-payment meter customers.
  - h. A best practice framework for delivering culturally and geographically appropriate hardship support to remote Aboriginal and Torres Strait Islander pre-payment meter customers to prevent self-disconnection due to financial hardship.



- 3. Provide advice to the Queensland Government to inform the investigation of the concessions framework and implement changes to improve accessibility and uptake by pre-payment meter customers, including:
  - a. Urgent confirmation that card-operated pre-payment meter customers are eligible for assistance under all the existing energy concessions programs.
  - b. Commitment to increasing the uptake of concessions by eligible people in remote communities, including public monitoring and reporting on uptake to demonstrate progress.
  - c. Ensuring all electricity concessions are readily available to eligible Queenslanders using pre-payment meters via a transparent process which is accessible and culturally appropriate, including investigating options for adjusting the design and/or delivery of existing concessions.
  - d. Designing and implementing an alternative emergency hardship rebate program for remote pre-payment meter customers (equivalent to the Home Energy Emergency Assistance Scheme).
  - e. Investigating the potential to provide additional rebates, including an Air Conditioning Rebate and extending the Natural Reticulated Gas Rebate to customers using nonreticulated LPG.
  - f. Considering different approaches to delivering concessions to eligible pre-payment meter customers, and ensuring that future energy concessions are developed and designed with consideration for accessibility and eligibility for pre-payment meter customers.
- 4. Provide advice to assist the Queensland Government and Ergon in undertaking a comprehensive investigation into the short-term and long-term costs and benefits of the different pre-payment metering replacement technology options, including the social and economic costs and benefits for individuals and the broader community.
- 5. Establish an agreed set of minimum standards that any replacement pre-payment metering technology must meet.
- 6. Provide advice and support to improve communication and education on energy-related matters for pre-payment meter customers including:
  - a. Ensuring information and assistance is provided in a culturally appropriate and accessible way.
  - b. Identifying and establishing a process for providing opportunities for customers to improve the cost-effectiveness and efficiency of their energy use, through mechanisms to help improve the quality and efficiency of housing and appliances.
- 7. Providing support and advice to Ergon in continuing and expanding existing programs such as powersavvy.





### Introduction

It has been well documented that Aboriginal and Torres Strait Islander households are vulnerable to relative poverty with median household incomes significantly less than non-Aboriginal and non-Torres Strait Islander households.<sup>i</sup> In particular, Aboriginal and Torres Strait Islander people living in remote and regional communities of Queensland have been identified as being the most disadvantaged in the state<sup>ii</sup> and are characterised by lower incomes and health outcomes, and higher costs of living and welfare dependency.<sup>iii</sup>

While the specific problems associated with electricity supply may seem peripheral to the depth of disadvantage faced by households in these remote communities, evidence suggests the accessibility and affordability of electricity is closely linked to housing, education, health and social welfare outcomes.<sup>iv</sup> Electricity is a resource which supports positive outcomes in terms of health and wellbeing, and facilitates effective participation in education, employment and social activities. Ensuring Aboriginal and Torres Strait Islander people have access to electricity is vital for closing the gap on Indigenous disadvantage in Australia.

Throughout the analysis, care has been taken to ensure the collection of information and the development of recommendations respects and supports the culture, practices and preferences of Queensland's Aboriginal and Torres Strait Islander communities.

#### Methodology

The research was undertaken as three phases:

- 1. Desktop research including a review of the available literature and relevant legislation.
- 2. Interviews with members of Aboriginal and Torres Strait Islander communities.
- 3. Obtaining feedback and input from other key stakeholders.

#### Literature review

The literature review was the first stage in the research. The purpose was to examine the public documentation and research findings relating to the use of electricity pre-payment meters in remote Aboriginal and Torres Strait Islander communities in Queensland and across Australia. Given the limited published literature relating specifically to this topic, the review also drew on documentation relating to energy usage in Aboriginal and Torres Strait Islander households more generally, as well as research on the experiences of non-Aboriginal and Torres Strait Islander pre-payment meter customers in other Australian and international jurisdictions, particularly in relation to low income and vulnerable consumers.

The research also included a review of the technological and regulatory contexts in which electricity pre-payment meters are implemented in Queensland communities and other jurisdictions with similar characteristics. It also drew on evaluations of energy-related initiatives,

# **QCOSS** Queensland Council of Social Service

programs and policies that have been previously proposed or implemented specifically to address the social and economic implications of pre-payment meter use in remote communities. The findings of the literature review have been used to inform the analysis section of this report.

#### Customer interviews

QCOSS was careful to consider the most culturally appropriate information gathering and liaison methods when engaging with members of Queensland's remote communities. The research approach was developed with an awareness that Aboriginal and Torres Strait Islander people are 'over-researched' and that research participants frequently do not gain any positive outcomes from their contributions.<sup>v</sup> The approach was based on Aboriginal and Torres Strait Islander preferences for face-to-face communication and the need to gather information through trusted and locally established relationships.

QCOSS engaged the expertise of the ICAN to provide advice and undertake the customer surveys. Participants were compensated for their time and contribution with a \$100 power card to put towards their electricity costs. While a questionnaire was developed as a basis for the interviews (**Appendix 1**), it was loosely followed with the focus predominantly on having a 'yarn' with the participants, and listening to their stories and perspectives about a range of issues. Each conversation was recorded with the participants' permission.



Image: ICAN interviewed over 30 residents from Palm Island, Mapoon and Wujal Wujal.

ICAN conducted the interviews across three remote Aboriginal and Torres Strait Islander communities: Palm Island, Mapoon and Wujal Wujal. Two of these communities are off-grid, while Wujal Wujal is connected to the National Electricity Market (NEM). ICAN conducted indepth interviews with 10 people from each community, which included a mix of male and female customers across a range of age groups, employment statuses and household characteristics. All survey participants identified as Aboriginal and/or Torres Strait Islander. Given the small sample size, the purpose of the interviews was to provide a subjective understanding of the situation, rather than a basis for quantitative analysis. For comparative purposes, ICAN also conducted indepth interviews with five former pre-payment meter customers who had since moved to other areas of Queensland where electricity is provided under standard quarterly billing arrangements.



The customer interviews were designed to get an insight into the perspectives of Aboriginal and Torres Strait Islander people living with electricity pre-payment meters. Conclusions were able to be drawn from both commonalities and distinct differences between the three communities surveyed. In analysing the responses, it is important to recognise the diversity of Aboriginal and Torres Strait Islander people and note that the views of one individual or one community does not necessarily reflect the views of all Aboriginal and Torres Strait Islander pre-payment meter customers in Queensland. The key outcomes of the interviews are summarised in this report.

#### Stakeholder interviews

A stakeholder analysis was undertaken to identify individuals or groups associated with and/or impacted by the provision of electricity to remote Aboriginal and Torres Strait Islander communities in Queensland. The feedback from consultation with these stakeholders was used to supplement the findings from the customer interviews and their insights have been incorporated into the analysis and referenced in this report.

Representatives from the following organisations provided information, advice or input into the research and development of this report:

- ICAN
- Ergon Energy
- Queensland Department of Energy and Water Supply
- Queensland Department of Communities, Child Safety and Disability Services
- EWOQ
- Good Shepherd Microfinance
- Bushlight Centre for Appropriate Technology
- Horizon Power (Western Australia)
- Western Australian Council of Social Service
- Northern Territory Council of Social Service.

#### Context

#### Electricity supply in regional Queensland

Ergon is a government-owned corporation responsible for providing retail and distributed electricity supply to approximately 700,000 regional residential customers outside South East Queensland.<sup>vi</sup> The cost of electricity infrastructure, design, installation, operation and maintenance is much higher in regional and remote areas of Queensland than it is in the more densely populated South East Queensland region. However, due to the Queensland Government's Uniform Tariff Policy (UTP)<sup>vii</sup>, Ergon's residential electricity customers pay the same regulated tariff prices and daily service charges as are available to all residential customers



on standard regulated contracts across the state. Through the UTP, the Queensland Government pays Ergon a subsidy to enable them to retail electricity at prices lower than the cost of supply. As no other electricity retailers receive this subsidy, there is effectively no competitive retail market for electricity in regional Queensland.

The vast majority of Ergon's customers have an account for electricity which is billed on a quarterly basis and charged according to physical meter readings of the electricity consumed at the premises. However, there are a number of isolated communities in remote parts of regional Queensland which do not receive electricity supply in this manner. Across Queensland's remote communities, there are over 4,500 households who are provided with electricity through a prepayment meter system. A pre-payment meter contains "*control equipment that switches on and off in accordance with the amount of credit stored in the meter*".<sup>viii</sup> This means customers do not receive a bill from a retailer, but instead pay for their electricity in advance. It is households in these remote communities which are the focus of this report.

#### History of pre-payment meters in Queensland

Not all of Queensland's remote communities are supplied electricity by pre-payment meters – the arrangements are largely limited to remote communities which are predominantly populated by Aboriginal and Torres Strait Islander people. From the analysis undertaken in **Appendix 2**, it appears communities with populations comprising more than 74 per cent Aboriginal and Torres Strait Islander peoples are supplied by pre-payment meters. This is quite similar to arrangements for Aboriginal and Torres Strait Islander communities in remote parts of the Northern Territory (NT) and Western Australia (WA), which are also supplied electricity by pre-payment meter arrangements.

The decision to install pre-payment meters in Queensland's Aboriginal and Torres Strait Islander communities was made in response to requests from local councils who were at the time acting as a bulk on-supplier of electricity for their communities.<sup>ix</sup> Based on various stakeholder interviews, the reasons for introducing pre-payment meter arrangements appear to be two-fold:

- to address affordability issues, including avoiding the accumulation of debt or disconnection for non-payment as frequently experienced by low income and vulnerable customers in these communities (and to reduce the subsequent cost to the local council as the bulk on-supplier); and
- to reduce the costs involved in servicing electricity customers in remote and isolated communities, by negating the need for Ergon to undertake quarterly meter readings for billing purposes and to reduce the costs associated with travelling to remote communities to disconnect supply for non-payment and subsequently reconnect.

In each community, the arrangements were agreed at a community level on behalf of all residents – that is, pre-payment meters were installed for all households with no option for individual customers to 'opt in' or 'opt out' of the pre-payment arrangement.<sup>x</sup> Under the current Queensland legislation, pre-payment meters are not available to Queensland customers outside isolated or



'off-grid' remote communities, with the exception of the three grid-connected Aboriginal and Torres Strait Islander communities – Wujal Wujal, Hopevale and Jumbun. It is not clear how or why these three communities were permitted to install pre-payment meters, however according to the annual Queensland Government Gazette notices they are able to continue to receive electricity in this manner because the arrangements were put in place prior to 2007.<sup>xi</sup> While off-grid communities in Queensland with standard metering arrangements are permitted to choose to be supplied via pre-payment meters, <sup>xii</sup> Ergon has not received any formal applications since 2007.<sup>xiii</sup>

#### 'Card-operated' pre-payment meters

There are a variety of electricity pre-payment metering systems operating across Australia and internationally – each with different levels of functionality and methods by which credit can be applied. The pre-payment meters installed in the remote communities of Queensland, WA and NT have limited technical capability in comparison to most of the other types of pre-payment meters are generally referred to as *'card-operated'* pre-payment meters to distinguish the technical characteristics of these meters from some of the more sophisticated pre-payment meter technologies.

Ergon's 'card-operated' pre-payment meters rely on a system where credit is purchased in the form of a single-use paper card (available in denominations of \$20 and \$50) from a local retail outlet and inserted into the meter so the magnetic strip on the card can add a stored value of credit.<sup>xiv</sup> This differs from other pre-payment meters that may receive credit by plastic 'smart cards' with top-up credit or by entering a Personal Identification Number (PIN) code that is issued and paid for online.

The key difference between the card-operated pre-payment meters in comparison to other prepayment meters in use outside remote communities is that they do not enable two-way communication. This means there is no information sent from the meter to the electricity retailer about how the customer is using electricity, or whether they are self-disconnecting - running out of credit and losing connection to the electricity supply - and for how long. The ability of prepayment meters to enable two-way communication is considered an important function for identifying customers facing financial hardship and enabling the retailer and customer to access information about the customer's usage over time. Both of these measures enable the retailer to better identify customers in financial hardship and proactively provide them with support and assistance, as well as providing information about a household's load profile for the purpose of empowering customers to understand their usage.

The two-way communication provided by 'smarter' pre-payment meter technology is prerequisite for the installation of pre-payment meters outside remote communities (where they are permitted). Outside the remote communities of Queensland, NT and WA, there are national regulatory requirements that pre-payment meters must be capable of identifying to the retailer every instance in which a customer self-disconnects and the duration of that disconnection.<sup>xv</sup>



However, Ergon reports the capacity to install two-way 'smart' metering technology in remote communities may be limited to the lack of reliable communications infrastructure in remote parts of the state.

In 2011, the supplier of the 'card-operated' pre-payment meters installed in Queensland, WA and NT advised that they would cease to produce these meters. As a result, Ergon (and the electricity distributors in WA and NT) began working to source an appropriate replacement technology. In 2013, Ergon commissioned Colmar Brunton to undertake research across three sample communities (Palm Island, Badu Island and Kowanyama) to help identify an alternative pre-payment meter product for installation in Queensland remote's communities in the future. While this research has not been made public, Ergon have provided the research findings to QCOSS to assist with this research project. This has been used to help inform the analysis and recommendations made in this report.

#### Regulation of pre-payment meters in Queensland

The main legislation currently governing Queensland's electricity industry is the *Electricity Act 1994<sup>xvi</sup>* (the Act), and the *Electricity Regulation 2006<sup>xvii</sup>* (the Regulation). The legislation is supported by the *Electricity Industry Code<sup>xviii</sup>* (the Code), which sets out rules for electricity retailers and distributors and is administered by the Queensland Competition Authority (QCA). The use of pre-payment meters in Queensland is currently regulated by the Act, the Code and the Retail Tariff Gazette, 9 June 2009.

While most Queensland electricity customers are protected by clear regulatory arrangements, there are many gaps and inequities in the consumer protections that apply to pre-payment meter customers. Metering for customers on isolated power systems, including card-operated pre-payment meters, is regulated in Chapter 9 of the Code. However, this is solely limited to provisions around metering and distribution. There are no retail consumer protections specifically provided for pre-payment meter customers. Many of the protections that apply to standard residential electricity customers in Queensland cannot be applied to pre-payment meter customers due to their lack of billing and/or credit relationship with Ergon. It is not transparent how pre-payment meter customers are protected under the existing framework.

While the state government is currently responsible for regulating the retail energy market in Queensland, there is a transition underway to greater national consistency. In May 2014, the Queensland Government introduced legislation into Parliament which will implement the National Energy Customer Framework (NECF) in Queensland from 1 July 2015.<sup>xix</sup> The NECF includes a chapter specifically outlining the regulatory framework and consumer protections as they relate to pre-payment meter customers. This framework offers significantly enhanced protections for pre-payment meter customers. However, it has not been proposed that this section of the NECF be introduced in Queensland at this time. This is because it would allow pre-payment meters to be taken up by market contract customers, which is not currently permitted in Queensland. The Queensland Government would prefer to consider the implications of this further before implementing what could be a drastic change for Queensland electricity consumers.



Additionally, it is important to note that the pre-payment meter protections of the NECF as they stand currently would not apply to the card-operated pre-payment meter customers in remote Queensland, even if they were adopted in Queensland. This is not only because the majority of Queensland's pre-payment meter customers are off-grid customers which means they are not part of the NEM (and are therefore not automatically covered by the national legislation), but also because the NECF is framed to protect pre-payment meters customers only where they are on market contracts and have made an individual choice to take up that metering option.<sup>1</sup> This is not the case in Queensland's remote communities because there is no retail competition in remote areas (and Ergon is *"legislatively precluded from offering market retail contracts*"<sup>xxi</sup>) and because pre-payment meters have been installed across whole communities, without providing households with the individual choice to opt in or out of the metering arrangement.<sup>xxi</sup> Specific Queensland derogations would be required to extend the NECF provisions to Queensland's remote pre-payment meters retail competitions to Queensland's remote pre-payment meters areas pre-payment meters have been installed across whole communities, without providing households with the individual choice to opt in or out of the metering arrangement.<sup>xxi</sup> Specific Queensland derogations would be required to extend the NECF provisions to Queensland's remote pre-payment meter customers.

These issues, combined with the metering technology and communications infrastructure barriers in remote regions, mean that the outcomes for remote card-operated pre-payment meters customers continue to be substandard in comparison to the 'best practice' options that are available to pre-payment meter customers across other states and internationally. These problems have been considered further in the analysis provided in the final section of this report.

<sup>&</sup>lt;sup>1</sup> For example, the NECF states that "a retailer may only provide customer retail services to small customers using a pre-payment meter system under a market retail contract" and explicitly states that pre-payment meters are not to be provided to customers "under a standard retail contract".





# Key findings from customer interviews

#### Customer preferences

All the participants surveyed expressed a preference for the supply and payment of electricity via pre-payment meters rather than standard quarterly billing arrangements. This included people who had lived in various communities and experienced both options. The preferences were mainly explained in terms of:

- providing households with greater control over budgeting for their electricity use by enabling regular small payments and avoiding the accumulation of debt;
- providing immediate feedback on electricity consumption encouraging energy conservation and awareness of usage across all members of the household; and
- facilitating sharing of costs in line with cultural and behavioural preferences such as intrafamily and community sharing, inter-household mobility and long household absences.

#### Greater control over budgeting

The customers surveyed reported that the pre-payment metering arrangements allowed them to budget for electricity costs in advance and make small regular payments as needed. Many viewed this as similar to how they budgeted for food and other essential expenses. Participants were familiar with the differences between their arrangements and the quarterly billing arrangements experienced by customers on standard metering arrangements. Some had themselves previously experienced quarterly billing arrangements before moving to a pre-payment meter community. All interviewees reported a strong preference for pre-payment metering arrangements, citing examples of people with standard arrangements building up large electricity debts and going for long periods without electricity after having been disconnected by the retailer if they were unable to pay their bill. Some also mentioned that by allowing smaller payments to be made in advance, pre-payment meter arrangements help to avoid the distress that many Aboriginal and Torres Strait Islander people can experience when faced with a large bill or 'debt' to be paid.

The majority of people surveyed reported that they could estimate by checking their meter how many hours or days' worth of electricity they had left. This was considered helpful in allowing them to respond and adjust their electricity usage according to their available budget.

#### SAMPLE QUOTES

*"I love the power card. That bill, I see people with that bill that's not from here. My sister was complaining about that, like, living on the Mainland. But we lucky, you know, for the power card" [Palm Island]* 

*"I reckon it's better than paying a bill. It's your own responsibility. If you want power, you buy your own power card. I find it easier." [Palm Island]* 



*"It's more convenient to find a \$20 power card than it is to try to pay a \$600 dollar electricity bill" [Palm Island]* 

"At the end of the month, we don't have big bills. I lived in Mossman, rented flats down there. [At the] end of the month, our bill was big. This way here, it's good" [Wujal Wujal]

*"I reckon if they ever brought that power back normal way, most people wouldn't keep up with it, the bills. I see my sister struggling in town and their bills are over a thousand [\$1000], you know? That's the 3-month bill!" [Palm Island]* 

*"It's easier to keep up. And not many people like to have bills... A lot of people panic. And I know Indigenous people, they panic when they see a bill" [Mapoon]* 

#### Improved energy conservation and awareness

Some survey participants reported being more aware of their electricity usage because of the pre-payment metering arrangements. Many considered that there was a benefit in using a pre-payment meter as it provided a direct and immediate link between electricity consumption decisions and the resulting frequency of payments. As a result of this link, most people reported that they tried to reduce their costs – mostly by conserving energy and turning appliances off when credit was running low. Some participants understood that certain appliances or activities were more costly than others and talked about limiting the use of air-conditioners or shortening the length of hot showers when their credit was low. Other participants reported that they had picked up on faulty appliances, such as fridges with worn out seals, much sooner than they may have otherwise because they noticed their credit was running out more quickly which alerted them to the increased energy use.

#### SAMPLE QUOTES

"[The pre-payment meter system] make you more power aware. Otherwise, [with] the other system, you just use everything and get a big shock when you get a bill"[Wujal Wujal]

*"I'm happy putting you know that power card in and it saves a lot of money, cause you can actually see how much you're spending on your power." [Mapoon]* 

"It's good. You don't waste electricity" [Wujal Wujal]

*"I don't sleep with the air con, that takes a lot of power... I turn all the lights off at night, save the power" [Wujal Wujal]* 

*"I just go around and check the switches... turn the switch off, it will save you power. Might be the fan too. In my home [if] there's no one in the room... [if you] go out, turn the fan off... save a bit of power" [Wujal Wujal]* 

Many reported that pre-payment meters promoted awareness across all household members about the cost of running appliances and undertaking certain activities in the home. Some of



those interviewed reported that having to pre-pay for their electricity provided an opportunity to educate other family members who might not typically contribute to the bills, such as children and teenagers, about the cost of electricity and how their activities impacted on the household finances. As a result of understanding the linkage between payment and usage, adults were able to clearly direct children to modify their behaviour and minimise their non-essential energy-intensive activities, such as playing video games.

#### Cultural and behavioural preferences

In some communities, Aboriginal and Torres Strait Islander people reported a high level of intrafamily and community sharing of costs and support to help those who could not afford to maintain their electricity supply. The elderly and those with medical conditions or with young children were frequently the recipients of this assistance. Sometimes, the power cards were given as a 'care' act, while other times it was a loan to be paid back when the person could next afford to purchase a power card. This practice appears generally reflective of the sharing culture of Aboriginal and Torres Strait Islander peoples; however the extent to which this occurred differed across communities.

#### SAMPLE QUOTES

"Sometimes some elderly come to me. I always buy extra power cards because I have normal elderly families come to me and I'm happy to, you know, help them in any way." [Mapoon]

"We have a group in the community that does 'care' acts. And if they know of someone that has no power they will purchase a power card for them." [Mapoon]

"Living in a community, it's not hard, you know, because we all know each other. 'Can I borrow \$20 and I'll pay you back on pay day?' It'd be different on the Mainland." [Palm Island]

"You go round and ask other people, you can give them money and they give you one back [a power card]. Only family [though]" [Palm Island]

"There's always someone who's got a power card, like, family. I just go and borrow one off them. Some people buy, like, \$200 or \$300 worth of power cards and they sell them to people. They just sell them for \$20 dollars, they don't make a profit, it's just to help people." [Palm Island]

The majority of respondents reported that members of their household all "chucked in" for power cards, and noted that this would be more difficult with account billing arrangements. Many reported that the pre-payment meter system was helpful in allowing them to share the responsibility for electricity costs across large multi-family households and between households to facilitate inter-household mobility. This finding is consistent with Ergon's research across the communities of Badu Island, Palm Island and Kowanyama, which found that pre-payment meter arrangements facilitate a 'sharing culture' which allowed households to allocate electricity



expenses across those who contribute to the costs, rather than the standard billing approach where one or two people would assume responsibility for payment of the account.

#### SAMPLE QUOTES

"What family and friends will do when they come they will purchase power cards... even if they come for two days you know they'll buy, like, \$40 power card. I'm really grateful and thankful for that." [Mapoon

"Sometimes I tell them [family and friends who visit] not to use the air-con... I said to them 'if you use the air con, then you have to buy a power card'..." [Wujal Wujal]

*"If we have in the family – like, a funeral – we top up, so we can use the power cooking. But everybody has to [contribute]. If they use my power, I tell them they have to chuck in money for cooking" [Wujal Wujal]* 

*"[With] family, the hardest thing to do is get them to throw in for electricity bills, because everyone's gotta find an extra \$100. Whereas [with the pre-payment meter system] if you find \$20, you're fine" [Palm Island]* 

#### Identified issues and impacts

While there were a number of advantages discussed, the interviews also highlighted a number of issues and inequities experienced by the pre-payment meter customers. These issues are broadly classified into the following categories:

- 1. Financial hardship and affordability
- 2. Self-disconnection from electricity supply
- 3. Access to power cards
- 4. High energy use
- 5. Access to meters
- 6. Power card faults and refund processes
- 7. Communication and education.

#### Financial hardship and affordability

Most interviewees reported that their incomes were not sufficient to cover their electricity costs. There was a lot of feedback about the high price of electricity and the impact of significant annual price increases in recent years. An analysis of the relationship between energy usage and income in pre-payment meter communities reveals that household expenditure on energy as a proportion of income is much higher in pre-payment meter communities (where it ranges from four to nine per cent) compared to the rest of Queensland where the average households spends three per cent of their income on energy costs. However, further analysis reveals a much lower





energy usage per person, indicating larger household sizes may be a contributing factor to higher energy use (see **Appendix 2**).

There was limited knowledge about the actual price of electricity tariffs. While pre-payment meter customers do receive annual notifications when prices increase, because they do not receive a bill there is less opportunity for them to scrutinise the charges and other information. Despite this, most households were very aware that prices had increased as they noticed their power cards did not last as long and they had to purchase them more frequently or in larger denominations. Some customers reported that power cards which used to last until payday now no longer did, and the \$10 emergency credit<sup>2</sup> provided on each meter had diminished in value over time.

#### SAMPLE QUOTES

"They're expensive. Power cards go up [but] your wage don't go up... rent goes up and the price of food goes up, but we still struggling with the power." [Mapoon]

"Electricity should be lower... you don't get enough for what you spend your money on" [Wujal Wujal]

"They could make it cheaper. The cost of living is expensive enough now." [Mapoon]

*"I think the power cards, has been pretty good, but it's just the rates and everything that are really, really high now and it affects us a lot" [Mapoon]* 

Power cards were considered a high priority item to purchase, often being considered of equal importance to rent and food. Some respondents reported that power cards were their highest priority as they could be more difficult to source than other essentials, such as food (which could be sourced by sharing a meal with family and friends, or by hunting or fishing). Many of the interviewees talked about giving money to relatives or reported buying power cards for vulnerable family members, even as they struggled with their own cost of living expenses.

The high cost of living was a common complaint. In addition to electricity, the cost of purchasing and installing gas bottles was raised as a major issue for those who had gas cooktops and gas hot water systems. Palm Island residents in particular noted difficulties managing other significant expenses they incurred, such as having to fund frequent visits to the mainland.

<sup>&</sup>lt;sup>2</sup> There is a small amount of emergency credit coded into Ergon's pre-payment meters. This emergency credit allows a customer to go into a small amount of debt in order to delay or temporarily avoid disconnection from supply. Once this amount is used customers are automatically disconnected from supply and there is no further emergency credit available until they insert a new power card. The credit available to the customer is then the amount of the powercard minus the emergency credit used. The amount of emergency credit was increased from \$5 to \$10 in 2010.



"For the stove, oven...I got a gas water heater and it's like \$220 dollars for a gas bottle. I remember it was only \$78 dollars one time ago. It was \$170 about three months ago, they put it up to \$220. The gas bottle only last me about four weeks max" [Palm Island]

"Power cards are second [priority after rent]. It's easier in this community, it's easier to 'couch' [borrow] for food than it is to 'couch' for a power card. We can go fishing and get fish. You can't go out fishing and get a power card. So that's why I put power cards as a second priority, to make sure that I've got electricity." [Palm Island]

*"I buy food, I get \$300-and something for my pay and pay for my food. Sometimes I don't have enough money to buy clothes. I gotta go to town, have to go by plane, boat. [I] pay for all that. I give my great-grandson. I give him \$20 or whatever." [Palm Island] "Gas is expensive as well. You're looking at \$240, or maybe \$250 for a bottle" [Mapoon]* 

Despite reporting difficulties in managing their electricity costs, none of the residents surveyed were in receipt of a Queensland Government concession or rebate. In fact, none of the survey participants across the three pre-payment meter communities had any awareness of financial assistance programs or concessions available to customers experiencing electricity affordability issues. One Palm Island resident was aware of the existence of medical-related energy rebates (such as the Medical Cooling and Heating Concession and the Electricity Life Support Rebate); however this person reported that pre-payment meter customers were not eligible for these payments.

#### SAMPLE QUOTE

"There is... a subsidy that people on dialysis and oxygen in their homes can get access to. But because we've got power boxes, we're not eligible... They can't work out the percentage, because there's 10 other people in the house.... it was put in the too-hard basket... Whereas with a statement [billed account], you can [get the subsidy]... the air con as well, that was another subsidy that you can get, for those that need that [air conditioning to manage temperature due to a medical condition]. Only if you're in town. But the heat's the same here!" [Palm Island]

The cultural practice of sharing power cards with vulnerable members of the community appears to vary between households and communities. It was noted by some community members that this intra-household sharing was largely limited to family members and that many were unable to assist if they were also struggling to manage their costs. Some people stated they did not feel comfortable asking family or friends for assistance and instead went without electricity until they could afford to purchase a power card.

#### SAMPLE QUOTES

"[When people run out of power cards] they go look for family and friends... [but] they might be too shame to ask [and instead] light a candle or something. Twice I did ask family [for a power card]. Our people struggle themselves hey, and they won't give their last [power card] up" [Palm Island]

*"I don't ask [for help]. If my power goes out at night, I have to wait until morning – eight o'clock – to buy another power card" [Wujal Wujal]* 

#### Self-disconnection from electricity supply

As a consequence of financial hardship in pre-payment meter communities, the vast majority of interviewees reported that they had gone without electricity because they could not afford to purchase a power card. Most of the pre-payment meter customers surveyed do not associate going without power due to lack of credit in their meter as a "disconnection" or "self-disconnection". However, the survey found that many people are going days without electricity in their homes as they cannot afford to purchase a power card. The majority of survey respondents reported going without electricity on a fortnightly basis. Most reported that this disconnection occurred after using up the \$10 emergency credit provided on the meter.

All customers surveyed monitored their usage and credit levels closely. Over half of all respondents checked their meter daily or weekly.

The majority of residents used the \$10 emergency credit facility of the pre-payment meters as a management tool, activating the emergency credit as soon as their credit ran out and using it as a trigger to purchase more credit (if it was within their financial capability to do so). Some reported that the \$10 emergency credit was sufficient to get them through until they could get another power card, although this was not always the case and depended on their financial position as well as the opening hours of retail outlets selling power cards. Many reported frustration in seeing the emergency credit immediately deducted from their credit when they entered a new power card.

#### SAMPLE QUOTES

*"It [the power] goes out on Sunday and I have to wait til Wednesday to get a new power card" [Mapoon]* 

"Them ones across the road, their power goes out every week, every day. They need power cards weekend too." [Mapoon]

"[The power goes out for a] couple of days... until we have a friend of ours shout us a card" [Wujal Wujal]



"Sometimes it's [electricity] gone to two [days] and we've had to try and find someone to give us a loan to buy a [\$20] power card. But then you get the \$10 [emergency credit] taken out anyways so it goes back down to \$10" [Mapoon]

"It does come in handy, that emergency [credit] especially at night when we run out of power and then the next day we can get a power card" [Palm Island]

Ergon reports that their pre-payment meters are restricted from disconnecting a customer between 6.00pm and 6.00am. However, the customers interviewed were mostly not aware there were restrictions in place. As electricity could remain disconnected for subsequent evenings, many participants had experienced not having electricity overnight if they were not able to purchase a power card to top up their meter during the day. This was quite frequently the case when retail outlets were closed on weekends or sold out. Some cited safety problems with not having electricity at night.

#### SAMPLE QUOTES

"Some people try and judge their power until night time – overnight – but sometimes it just cuts out overnight" [Mapoon]

"It [the electricity] goes off at a certain time, every time, six o'clock in the morning. So you can got no power, so it might run out that night or day it stay on to six o'clock in the morning and then cut off. I took notice, six o'clock on the dot. They must set it like that?" [Palm Island]

Households in these communities have developed a range of coping mechanisms to manage going without power frequently. These included simple measures such as using torches or candles for lighting and avoiding opening fridges or freezers to keep cold air inside, to more extreme actions such as leaving the house and living elsewhere until they can afford to reconnect or running electricity via extension power cords connected to their neighbours' home. Some customers reported a feeling of hopelessness and frustration when they were without power and many reported being unable to keep cool, having no phone battery and having to throw out food.

#### SAMPLE QUOTES

"If there's no power in the house, really we can't open any of the fridges or freezers, because you know, you let the cold air out then and food will go off... it's really hard cause you can't do anything. It gets hot, kids get hot... you feel hopeless." [Mapoon]

"They just leave the house. Like, I've seen people just get up and move out... They go and live with some other people, some other family, until that time they go back when they get money." [Mapoon]



"It affects us in the big way. It's hot, no fan and stuff. The freezer, it starts melting. [We have to] chuck stuff out of the fridge. That's if you leave it off for a day, day and a half" [Palm Island]

"Well, [you have to] put the phone down, it's not working [because] you can't charge it... you can't turn the air con on... I think its worrying too if the power goes off [you lose] all the meat in the freezer, you [have to] minimise people opening up things" [Mapoon]

*"It's frustrating. You can't use the phone because it's a hands-free... Particularly the children, there's nothing you can do. The good thing is, you can still cook, because we've got gas, but it's frustrating ...and it's hot" [Palm Island]* 

"We know there's a problem because everyone goes out in the yard, because the house is hot. Can't watch TV, you can't do anything. So a lot of people are out in the yard... and then at night time it's even worse, because of the heat. You can't cook in the dark... it causes safety issues within the house" [Palm Island]

Periods without electricity also exposed households to the heat and heat-related illness. Many respondents demonstrated significant concern for vulnerable members of their communities coping in the heat without electricity, including young children, the elderly and people with illnesses.

#### SAMPLE QUOTE

"Especially elderly people... they got to have that fan on because the heat gets too much for the elderly people... They've got to have power to keep them cool... I actually had one incident [where]... one elderly tenant had an asthma attack, because it was that hot and her fans weren't working. Yeah, it wasn't good". [Mapoon]

Of particular concern is the impact of self-disconnection on people within the community who have health issues that require permanent supply to electricity to ease suffering and/or keep medical supplies or appropriate food supplies. There were a range of serious health and welfare impacts from going without electricity, including:

- the spoilage of insulin and other medicines requiring refrigeration
- inability for people with Obstructive Sleep Apnoea to operate Continuous Positive Airway Pressure (CPAP) machines
- necessity to use out of home facilities (clinic and/or hospital) for life support and regular treatments provided by oxygen concentrators or kidney dialysis machines, and
- the spoilage of food required to manage specific medical conditions such as diabetes.

While none of the interviewees themselves required life support equipment, some had family members who required at-home dialysis or other life support. They reported that these family members were on the same pre-payment meter arrangements as the rest of the community.

# **QCOSS** Queensland Council of Social Service

While some general information relating to life support customers can be gleaned from these results, a survey targeted specifically at pre-payment meter customers with life support needs would be required to gather information about the experiences and needs of this particular group of customers.

#### SAMPLE QUOTES

"We did have three at home doing dialysis, at-home dialysis, but two passed away. But as the dialysis is increasing in the community, there will be more at home... then that'll cause financial burden onto the home owners not being able to have power and they'll have to go to the hospital.... So yeah, it would lead to death, really" [Palm Island]

"Say the power goes out [in the] early hours of the morning and someone needs the oxygen to last them [through the night]... the family might not go there, the family's not awake, or no one's home until the next day. So it's definitely a necessity [for people on life support to have electricity]". [Palm Island]

*"My Grandmother's on dialysis. She's got to go to the hospital every second day". [Palm Island]* 

"There is a couple of people, disability people [in our community]... some people are on dialysis so they need to have that machine pretty much on all the time" [Mapoon]

*"My Mum needs power for the fridge because she's a Diabetic and she needs insulin, [which] needs to be in the fridge... A couple of times ... she had to chuck her insulin, and had to go back and get another lot of insulin" [Palm Island]* 

"Having no power? It affects me and my nephew because we're on CPAP, sleep apnoea machines and it gets a bit hard when power goes off." [Wujal Wujal]

"I got a sister, she [has a] disability, she had a stroke and I help her too with power cards...I don't want her with the fridge off, because she puts her insulin in the fridge...People here too, they put their insulin in the fridge, and power card goes off... Without power, [they] can't put the insulin in the fridge, then that person get sick and we have to rush them to the hospital here. And I think the food too, they have to have the right food in the fridge." [Wujal Wujal]

#### Access to power cards

Problems accessing power cards were frequently cited as a factor in exacerbating the frequency and duration of self-disconnection from electricity. The accessibility of power cards was commonly cited as a problem by residents of Palm Island in particular. Palm Island interviewees reported that there was only one retail outlet residents could easily access. Those with access to transport could travel to another retail outlet but this was located some distance away from where the majority of residents live and was therefore not accessible for many residents. Interviewees in both Palm Island and Mapoon reported not being able to purchase cards due to shops operating only during business hours or because the retail outlets had run out of power cards. Many





reported having to ask family and friends for cards because they could not purchase them from a retail outlet when they needed to. Others went without electricity if sourcing a power card from somebody else was not an option.

The availability of power cards was not cited as a significant problem by people in Wujal Wujal. Most of the residents in Wuajl Wujal reported that they purchase power cards from the store in Ayton, approximately 4.2kms from the community. A number of Wujal Wujal interviewees noted the convenience of the weekend opening hours of the store in Ayton for purchasing power cards.

#### SAMPLE QUOTES

"The store closes at 4:30 or whatever and it's not open on Sundays. Saturday it's only [open for] a couple of hours" [Mapoon]

"I would like them to send more power cards up this way to the people, because some of the people don't have transport [to travel to a retail outlet outside of town when their local retail outlet runs out]. We need another couple of places for them to sell power cards" [Palm Island]

"It depends on the availability of power cards on the island. Like the Hotel will run out, the Fish Shop will not get their order in, and CDEP might have run out as well. There was one occasion where we had to wait a full day for it to come through – the power cards – so we got the candles and kerosene lamp ready" [Palm Island]

*"I have phone calls all weekend – 'have you got a spare power card?'... you know, people are always looking for power cards" [Palm Island]* 

"There's some times, when, like, we run out of power cards. We know where to go and get it...[but] they run out and then we'd have to go without power for one night, until they get it across from the Mainland" [Palm Island]

"Depending on availability... for those who don't have transport, it's going to be quite difficult for them. I have a vehicle, so I can go to an alternative [retail outlet], whereas those who don't have vehicles can't" [Palm Island]

One resident in Palm Island reported that there were new measures in place to improve the accessibility of power cards by making them available in vending machines. While supportive of this, it was noted by another resident that the machines were sold out at the time they had sought to use it. Other residents suggested 24-hour availability of power cards would be ideal.

#### SAMPLE QUOTES

"They put a new Vendor [vending machine] in the pub there... I haven't used it yet but you put \$20 in, you get a power card" [Palm Island]

"We went there, it was sold out" [conversation between Palm Island residents]

"[We would benefit from] having a 24hr one. You know, having a little machine or something [to dispense power cards]. Because the shop doesn't open everyday, so having a machine that we can access so we can get power cards" [Mapoon]

#### High energy use

While a number of survey respondents reported having an awareness of energy conservation to reduce their electricity costs, many households still reported a high level of energy use. This is supported by the usage statistics which indicate pre-payment meter customers in Palm Island and Wujal Wujal use on average approximately 22.8kWh per day and 23.4kWh per day respectively (compared to the state average of 18.2kWh per day) (See Appendix 2, Table 572). In some instances, high energy use is due to the large number of occupants residing in the household – either on a permanent or temporary basis. This creates difficulties in meeting energy expenses. While some households reported receiving contributions from family members to assist with the purchase of power cards, many others reported that they were solely responsible for purchasing power cards to keep their household connected.

Residents reported higher energy use during the wet season, and explained this was due to increased use of clothes dryers when they could not hang their washing outside. The need for air-conditioning to cope with the heat was also cited as a significant cost to households over the summertime. The summer school holidays was also a high energy usage period for many households with children staying at home and using air conditioning and electronic equipment. Some households without washing machines or dryers reported that they used their neighbours' appliances in exchange for a \$20 power card.

#### SAMPLE QUOTES

"[During] cultural events and sorry business, I find that we have to use a lot of power, because family members order them ice box things. A lot of power is used, especially to keep them big ice box running for them food and stuff. And on special occasions we tend to use of a lot of power because of the events happening" [Mapoon]

"Air conditioning chews up a lot... it's really, really hard. Especially now this time of year. It's hot! You've got them times when you can leave the fan on, but now it's too hot. Like, right now the kids will be in the air-con, it's just too hot now. I guess we can't change that though – the weather – but... it's just the rates... so many kids get rashes just from sweating." [Mapoon]

"You see everything going everywhere like a Christmas tree lit up! Walking around, the hallway light on and they put the kitchen light on... everything. Sometimes, special occasions, and you know, families, people, play games all night... fans on, everything." [Palm Island]

"It changes when its school holidays really. More people in the house, visitors, and summer, really, with that air con" [Palm Island]



*"In the wet seasons you got your spin dryer that chews everything [electricity] up... booster for the shower. Everything gets costly after a while." [Mapoon]* 

*"[It's] summertime now, [so the] power goes quicker... you got your air con on. And your laptops and stuff, computers" [Palm Island]* 

Despite high energy usage, the only option respondents discussed to reduce costs was energy conservation. People were very familiar with switching off lights and appliances to reduce their usage. However, there did not appear to be much focus on improving their energy efficiency or reducing their costs in other ways. One Mapoon resident mentioned that they had seen an energy efficiency washing machine with a high energy star rating, but that it was too small for their household needs. No other participants discussed a link between energy efficiency appliances and their power usage. Most of the participants were tenants of social housing or private rental accommodation and therefore did not have the ability to make energy efficiency improvements to their homes.

Some of the residents in Palm Island and Mapoon had solar hot water systems. Some Wujal Wujal residents mentioned that they wished they had solar hot water. A number of residents interviewed talked about using gas cylinders for cooking and gas or solar for water heating. As there is no reticulated gas in these communities, gas users are reliant on purchasing LPG bottles which are very expensive and not considered an affordable alternative to electricity. Some residents noted the expense of gas and wished they could get solar hot water.

#### SAMPLE QUOTES

"[We use gas] for the stove, for my shower. I don't know how many times I've put in [applied] for a Solarhart. [I'm] sick of buying \$220 [for gas bottle]" [Palm Island]

"Gas is expensive as well. You're looking at \$240, or maybe \$250 for a bottle" [Mapoon]

"For the stove, oven...I got a gas water heater and it's like \$220 dollars for a gas bottle. I remember it was only \$78 dollars one time ago. It was \$170 about 3 months ago, they put it up to \$220. The gas bottle only last me about 4 weeks max" [Palm Island]

Many of those with solar hot water mentioned that the booster switch was needed at frequent intervals to ensure there was sufficient hot water, particularly in large households or in rainy weather. Residents noted that when the booster switch was used the power cards were used up very quickly and some questioned the suitability of solar hot water in their community. Unlike electrical or instantaneous gas hot water systems, when the boosting switch is turned on, the boosting element in most of the solar hot water systems in these communities kicks in every time the water temperature falls below the threshold and consequently has the potential to use large amounts of power. There was reported confusion over when to use the booster switch, and the benefits of the various options (electricity, gas and solar). It was noted that the newer houses in



Palm Island are electricity-only and do not have access to gas or solar. There was support for solar, but there also appeared to be much confusion over how to ensure it operates efficiently. Despite the tariff prices being the same for pre-payment meter customers as other customers in Queensland, there was a perception among many of the people interviewed that they were paying a higher price for electricity than the rest of the state. Many customers reported that they were unable to access off-peak tariffs for the hot water system (either due to the meter not being suitable or inability to get the appropriate wiring done in their home to support the connection). While Ergon reports there are 700 pre-payment meter customers with hot water systems connected to an off-peak tariff. Some reported they had been told the wiring in their homes prevented them from accessing cheaper tariffs. Others thought they were excluded from accessing off-peak tariffs because they were pre-payment meter customers.

#### SAMPLE QUOTES

"When you got a Solarhart [solar hot water system], somebody goes for a shower – use all that water. You might have three people having a shower and use all the hot water, and then there's a booster button on the wall, and press the booster button, and the electricity comes and heat the water up. Like at night or when there's no sun, and people have a shower, then use that booster button, electricity heats that water up then." [Palm Island]

"We've got solar on top for shower, but we've got to put the booster in [press the electricity booster button]... like, in the cool weather. Once you put that booster in, that chews up your power as well." [Mapoon]

"[The] solar system is pretty good and it's a lot cheaper... I reckon solar would be great and save a lot more money as well. Like, it costs a bit to get it done, but then you think it's only a one-off [expense]" [Mapoon]

"[There is] no reduced off-peak rate option. All power usage is at the same rate and community people don't get the same options as mainstream." [former Old Mapoon resident, currently living in Cairns]

#### Access to meters

Residents in Mapoon and Palm Island in particular regularly commented on the issues associated with the actual location of the meters which in all cases is outside and often well away from the home. Many residents reported difficulties accessing their own meters in order to monitor their credit or insert a power card. Feedback about the lack of security around meters was also common, with many respondents sharing their experiences of third party tampering, vandalism and meter/credit theft. The location of meters some distance from the home also posed problems due to exposure to extreme weather and wildlife. Many participants reported that their meters were a distance from the household which caused frustration and an inconvenience during the wet and summer seasons. Being in a non-user friendly location also made it a difficult task for



elderly residents or people with a disability to track over sand or scrub terrain to put credit into the meter.



The issue of security was also raised as a result of both the location of the meters and their surroundings. Not being able to secure the boxes with a padlock or being able to have the meter within visual proximity – either on or inside the house – was reported as making them vulnerable to tampering by other community members causing loss of power card credit. Some elderly respondents reported that the lack of security had resulted in people tampering with their meters, pulling them apart or pressing emergency or booster switches, resulting in their power subsequently being used up or disconnected.

The location of meters was viewed as less of a problem for people living in Wujal Wujal where meters are attached to the house (at the side or on the veranda). However, some elderly participants still noted the inconvenience of trying to put power cards into their boxes during rainy periods, especially during the wet season when cards can get wet and then will not work.

#### SAMPLE QUOTES

*"I normally experience problems with the power box during the wet season... One time, I put the power card in and water actually ripped all that thing up, and we lost that \$50 powercard" [Mapoon]* 

"We haven't got boxes inside our place, only outside the place, where everybody can use it, not locked up... The box [meter] outside, we got no lock on it. Anybody can walk in... My power, they turn it on and off... the people walk the streets, up and down. They turn our power off. That's why my bill go high. And I'm turning on 66 [years of age] and they turn my power on and off!" [Palm Island]

"Shift the power box to the outside wall. [It's] too far for me, and it's a struggle to walk to the power box. In wet season, I still gotta go out there" [Mapoon]

"It did break down, like I was saying that, people coming past and pressing it, and then when I go – like, when I should have a credit – and then when I go to press it then there's nothing coming up. That's because of the young people coming past, pressing it" [Palm Island]

"Some people's boxes [meters] aren't actually on the house. You've actually got to walk a distance. You have to walk in the rain and then your powercard can get wet... sometimes it's not even in the yard, it's actually outside of the yard. There's one... a shed with everybody's power boxes there, so everybody, you don't know which one's which... so you have to walk through there just to put the power cards in. That's an issue." [Mapoon]

"Some of the houses actually don't have their power box attached to their house. For instance, [my neighbour], her power box is in the back of her yard. She's got to walk through a little scrub... it's not safe. They should at least put the power box on her house. I've noticed there's a couple of houses that don't have their power boxes attached to their house which is crazy" [Mapoon]

#### Power card faults and refund processes

Interviews revealed that power cards were flimsy and easily damaged by bending or getting wet. Issues were raised about the process of obtaining new power cards, swapping them if they became damaged or faulty, and the time delay for refunds or replacements due to the supplier needing to send faulty cards back to the manufacturer. Some reported that they were unable to get a refund and simply had to absorb the cost and purchase a new power card at their own expense. There were also issues identified where an electrical storm or distribution outage resulted in residents losing the credit on their meters. Participants reported dissatisfaction with the process for having their lost credit reimbursed.



Image: An example \$20 power card

#### SAMPLE QUOTES

"Some of them don't even work when you buy them at the shop. You go back to refund it [but] they won't accept it. They say, 'you gotta wait for Ergon Energy'. And that can be our last \$20, you know, and it doesn't work". [Palm Island]

"I like to do [buy] the \$50 [power cards] because you only have to do it [insert the card into the meter] twice, as opposed to five times. Because you'll always get a dud, one of them out of the five, you know? Not always, but a lot of the time. And you're not even given a cardboard slip thing where you can just slip them in, so you're just holding them in your hands" [Palm Island]

*"If your power card is faulty you have to wait for Ergon to decide it is faulty or not before you get a replacement card or refund." [former Old Mapoon resident, currently living in Cairns]* 

"Sometimes it doesn't matter how many time you put the power card in, it makes that black strip, and then once that black strip is there, it's saying that it has already gone through but it hasn't. And so, then you want to go and say 'look at this power card, it hasn't worked' and they say 'well it has because the strip is on there'. But they check the number now. It's hard putting it [the card] in there and making sure it's the right level." [Mapoon]

"Sometimes the power cards don't work.... Just this year I've probably purchased six power cards that didn't work. I actually bought \$100 [worth of] power cards, \$20 ones and none of them worked. I was very angry that day. Something happened to them, but yeah I'm not the only community member who has experienced that, but a couple in the community have." [Mapoon]

"If your card gets a little bit wet and you gotta put the card in, it won't work, buggers it up. You need to bend them. I've ironed them, they've been damp in me pocket and I've got out to iron them, ironed it and it worked that way. But you gotta be careful because once you get that black strip removed [once it appears the card has been used or damaged] it's very hard though you go over the shop and say' 'This thing here [power card] is not working'. If you got a dud and it's not working, take it over and if it's been damp or something sometimes they won't replace it." [Mapoon]

*"When I get my power cards I put them in straight away, I don't sit them in the cupboard.* Because they're flimsy and can get damaged easily." [Palm Island]

"See, if we bend the card it doesn't work. If we wet it, it still don't work. I got to iron it, wait until it's dry and we try and use it again. Them card no use when they get wet". [Palm Island]

"They're easy to get damaged, like, one little bend in it and sometimes it just won't work. I think it would be better in having a better system... maybe putting a number in. [I] wish they could have a power box and it has, like, a Visa card or something and you just put your details on the Visa card and how much. I reckon that would be better" [Mapoon]





"Sometimes I put \$200 in it... [but] you shouldn't be putting that much in there in, case your meter goes. Once your meter's gone... you lose everything". [Mapoon]

"With the power cards I have. Because it's so sensitive and the problem is, is that you've got to take it back, then you've got to wait for them to send it off, then they get the refund and then they get their \$20 dollars back. So it's not just: 'Here, this didn't work'. And the suppliers tend not to believe you as well, it's got the strip on it that comes up, but yeah, I've had trouble with them." [Palm Island]

*"If you go through an electrical storm and a lightning strike causes your power to go out you could lose all your credit. And it's a pain getting Ergon to acknowledge you lost your money and re-credit you" [former Old Mapoon customer, currently residing in Cairns]* 

#### Communication and education

Some residents complained about how they were notified of electricity price increases, indicating they found it difficult to understand the information. Residents across all communities were largely in favour of more culturally appropriate information and service delivery to assist with affordability, understanding processes and technology, and improving energy efficiency. Residents noted that assistance should be readily available and offered, so that people did not always have to ask for help. Workshops run by Aboriginal and Torres Strait Islander people were seen as one of the best ways to deliver information and service. The emphasis was on simple communication, preferably face-to-face where possible.

#### SAMPLE QUOTES

"They [powersavvy] come over every now and then. It would be good if they come every couple of weeks and check if you're doing the right thing and teach you more about it" [Palm Island]

"People come in and, kind of, when someone comes [into the community] you need somebody who comes down to an indigenous remote level, so that they understand that not many indigenous people understand big words. So even one of our own people come in and explain it... because once the community is familiar with it and they understand it. It will take time, it will take time, especially with elderly people. Mainly workshops." [Mapoon]

*"It's there [energy management information is available] but you got to go and ask for it and a lot of our mob won't go and ask." [former Hopevale customer living in Cairns]* 

"A notice with lots of words that no-one reads on the noticeboard is the only information. Why isn't there a more "easy to read" version provided to hand out with mail at the store?" [former Old Mapoon resident living in Cairns]

There was awareness about some existing programs, with a number of participants familiar with *powersavvy*, Ergon's energy efficiency program, but not all residents had had the opportunity to





access this program. A number of Palm Island residents talked about the usefulness of stickers that they had placed on appliances such as lights and fans, reminding them to switch them off. However, some noted that younger members of the household did not take notice of these stickers and that ongoing education was required to maintain awareness. A number of respondents indicated a desire for more regular and ongoing information about their energy use, either on a statement or advice notice, or having someone talk to them about their energy use on a regular and ongoing basis.

#### SAMPLE QUOTES

"We had powersavvy up here last year so most of the tenants are already familiar with powersavvy and that's really helped to a couple of members here... Most tenants now will turn off their fans and lights and power points before they leave their house. They find that they're saving a lot of power. Whereas before we used to just get up and leave the TV on, you know, fan on [with] no one at home.... I don't do that now that powersavvy came and told us how to save. So every tenant in the community (Mapoon) actually got a booklet on powersavvy and they're aware of it." [Mapoon]

"[I would like] information on what churns up the most, the maximum or wattage whatever the word is. What's the list? Is it the air conditioners or fridges and freezers? Where does the fan sit on this list? The lights and the jug, the frying pan? All them kind of things, all the household appliances. Even the mixers, the microwave ovens, washing machines, dryers in the wet season." [Mapoon]

"[I would like more] information on how to use less power... I know we had representatives employed with the council on powersavvy but they never reached our suburb. And then when I was going to go and see her, she'd finished the job... " [Palm Island]

"[I would like] someone coming into the house and showing us, like, checking our appliances. Like, I've got two fridges and two freezers. Both fridges are old, so would they consider them to be burning more energy because of the state, the age?" [Palm Island]

Some interviewees demonstrated confusion around certain aspects of their electricity usage which suggests an opportunity for an in-home education program that covers a range of energy-related issues and concerns. Issues identified in the customer's interviews include:

- assisting (particularly elderly) householders with inserting credit into the meter and understanding the purpose of the buttons on the meter
- greater awareness and understanding of refund processes for faulty power cards or credit lost during a power outage
- education for those with solar hot water heaters in terms of how and when to use the booster switch and how to identify possible faults
- how meters charge including information about variable and fixed daily service charges and the use of the emergency credit button





- explanations about what happens when there is no credit on the meter, including
  promoting the times at which the meters are blocked from disconnecting (overnight)
- information about the available denominations of power cards
- hardcopy information about household energy usage for easy reference.

#### SAMPLE QUOTES

*"I still don't know how to put the credit in. I'm outside there poking this and that and I don't, you know, I don't know how to put the credit in" [Palm Island]* 

"When you buy two, three, four, five, power cards, the power lasts longer, opposed to when you're buying one a week all the time, it runs out quicker. That's what I took notice [of]" [Palm Island]

"Before, family members used to get statements... I'm not really sure if that can happen with the power box so they have a reading sent to us so we actually know how much we're using... I wouldn't mind collecting a statement" [Mapoon]

*"I think it would be easier if people can be made aware of power, power usage, tariffs, options for people and that." [former Hopevale customer living in Cairns]* 

*"More information on power, monthly bills, and is it the same - how much we're paying – is it the same as in town?" [Palm Island]* 

It was also identified that when Aboriginal and Torres Strait Islander people moved from a remote community to a regional centre where electricity is billed quarterly, it was a significant transition requiring more proactive support to help people manage their bills. Suggestions included:

- acknowledging that pre-payment meter customers are customers of Ergon and therefore have a customer history with the company
- offering direct debit and Centrepay options upfront
- providing in-home displays to allow people to monitor usage and expenditure in a similar way to the pre-payment meter system they are used to, and
- proactively offering energy efficiency education and support to customers (before they get into a situation where they have to ask for help).

#### SAMPLE QUOTES

*"I think, probably customers coming from the Cape, it's a big change. I reckon having more awareness and information they will know more when they hit the ground running. The only time you see Ergon in the community is fixing power lines but not doing any education stuff." [Former Hopevale customer living in Cairns]* 





"Moving back from [a remote pre-payment meter] community to Cairns was a pain. I had to set up a brand new account with a \$160 deposit because I 'had no account history'. This annoyed me as I was a person who paid as I went, meaning I always paid for my power and had a great 'Ergon history'. I was further annoyed as I realised that this meant everyone coming from community was treated the same way." [former Old Mapoon resident living in Cairns]

"[It would be useful to have] in-home displays – similar to power card boxes – that could check to see if usage has increased." [former Old Mapoon resident living in Cairns]

"There should be more awareness is explaining the different tariffs. Coming down here [to Cairns], there should be a unit dedicated to the mob who come from the [remote] community to assist and support those customers, and [Ergon] getting out there more and talking and engaging the community. That sort of program would be good" [former Hopevale customer living in Cairns]





# Analysis and solutions

The research found that the pre-payment meter arrangements are popular with remote community members and there is no desire to change to standard metering with account billing arrangements. In fact, there may be other communities in remote areas of the state, where high household electricity debts are common, that could benefit from prepaid metering arrangements. However, despite the participants' preference for pre-payment meters, the survey revealed a number of barriers to assistance which reduced the affordability and accessibility of electricity for customers in remote communities. Until these issues and challenges are addressed, it would not be appropriate for any additional remote communities to be offered prepaid metering arrangements.

Many of the issues that emerged in this study are complex and solutions will require involvement across a network of government, industry and community stakeholders. In this section, QCOSS has provided some analysis and recommendations for consideration to improve the equity and outcomes for Aboriginal and Torres Strait Islander people in Queensland's remote communities. However, it is important to note that implementation of appropriate solutions will require a concerted and collaborative effort across all key stakeholders. For this reason, QCOSS strongly recommends that the Queensland Government establish a working group of key stakeholders to work through the issues identified in this report. Stakeholders should include senior representatives from Ergon; government departments responsible for energy policy, social welfare, concessions policy and public housing; as well as Aboriginal and Torres Strait Islander community representatives, community sector stakeholders and remote service providers. The objective of the working group should be to explore practical and collaborative solutions to bring consumer protections for remote Queenslanders using pre-payment meters into line with other residential electricity customers across the state.

# Recommendation: QCOSS recommends the Queensland Government establish a working group of key stakeholders to collaboratively implement practical solutions to the problems identified in this report.

The key issues proposed to be addressed through this working group are grouped into the following categories:

- Consumer protections relating to self-disconnection, hardship and access to credit
- Concessions and rebates
- Monitoring and enforcement framework
- Technology and system improvements
- Improving energy efficiency
- Communication and education.





#### **Consumer protections**

There is a lack of clarity around the consumer protections and provisions that apply to prepayment meter customers in Queensland under the current legislation. In practice, pre-payment meters are found exclusively in Aboriginal and Torres Strait Islander communities. It is highly inequitable not to adequately extend vital consumer protections to energy customers in these communities, where it is possible to do so. This section provides some guidance around improving consumer protection for card-operated pre-payment meter customers in Queensland.

#### Box 1: National Energy Customer Framework (NECF)

While the Queensland Government has not proposed to implement the pre-payment meter provisions in the NECF in Queensland, these provisions represent 'best practice' in consumer protections for pre-payment meter customers in Australia and have been developed after consultation with consumers and retailers over a number of years. The main consumer protections for pre-payment meter customers as outlined in the NECF are:

- 1. Preventing pre-payment meter customers from being self-disconnected from supply outside of 10am and 3pm on a weekday.
- 2. Preventing customers who rely on electricity to run life support equipment from being provided with electricity through a pre-payment meter arrangement.
- 3. Requiring that the value of emergency credit available on the meter is equivalent to the average cost of three days electricity supply.
- 4. Requiring retailers to provide a 24-hour telephone service to provide information, advice and assistance to pre-payment meter customers.
- Ensuring accessibility of pre-payment meter credit, either by 24-hour phone service or electronic payment method, or by cash at a minimum of two locations that are readily accessible, one of which must be open between 9am and 5pm on any day of the week, including weekends and public holidays (excluding Christmas Day).
- 6. Requiring the pre-payment meter system to have the technical capacity to deliver government funded energy charge rebates or concessions.
- 7. Requiring that the pre-payment meter system is technically capable of identifying to the retailer every instance of self-disconnection and the duration of that self-disconnection.
- 8. Requiring the retailer to contact the customer and offer hardship support if the customer advises they are having payment difficulties, or if the customer has self-disconnected more than three times in any three month period for longer than 240 minutes on each occasion.
- 9. Requiring that the hardship support offered to pre-payment meter customers includes:
  - offering to remove the pre-payment meter and install a standard meter at no cost to the customer; and
  - providing the customer with information about the retailer's hardship policy, other retail contract options, government-funded rebates and concessions, and available financial counselling services.<sup>1</sup>

QCOSS recognises that there may be practical and technological barriers to extending these exact protections to card-operated pre-payment meter customers in remote communities. We also recognise there may be preferences in remote communities which may mean these provisions are not the most appropriate way to protect remote Aboriginal and Torres Strait Islander customers. However, we believe these protections should be used as the basis for developing a new consumer protections framework for card-operated pre-payment meter customers in consultation with stakeholders and communities.





#### Protection from disconnection due to financial hardship

The results of the customer survey revealed that regular and lengthy disconnections from electricity are relatively common in Queensland's remote pre-payment meter communities. These results are consistent with findings from similar studies in other remote areas of Australia. For example, high rates of electricity disconnection were reported in the NT in a study by the Bushlight Centre for Appropriate Technology.<sup>xxii</sup> Similarly, a WA study found that Aboriginal and Torres Strait Islander communities on pre-payment meters had a disconnection rate of 31 per cent per annum, compared to 10 per cent for Aboriginal and Torres Strait Islander communities not using pre-payment meters.<sup>xxiii</sup>

Little is understood about the impacts households in Queensland's remote communities are likely to face when going without electricity frequently and often for long periods of time. Survey participants reported some health impacts including heat rashes and asthma attacks, as well as issues arising from not being able to use medical equipment or keep medicines, such as insulin, at the required temperature.

A study of remote communities in WA found that pre-payment meter households adapted their habits to deal with frequent disconnections by refraining from purchasing fresh food in quantity and relying instead on local convenience stores on a meal-by-meal basis. There is the potential for this altered household management behaviour to have negative consequences for both health and finances due to the often lower nutritional value and higher cost of these food options.<sup>xxiv</sup> The report also identified flow-on social costs for communities including increased rates of illness and accidents, and emotional and psychological distress from trying to cope without electricity.<sup>xxv</sup>

In contrast to standard retail electricity customers, there are no regulated consumer protections to protect Queensland's pre-payment meter customers from disconnection due to financial hardship. Because they do not have a billing account with their electricity retailer, there is no trigger for Ergon to provide information to their pre-payment meter customers about government-funded concessions, alternative payment options, contact details for EWOQ or other assistance available to assist customers experiencing payment difficulty, and they do not receive information about available hardship assistance prior to disconnection.

Most of the problems in identifying and offering hardship assistance to card-operated prepayment meter customers are a result of the technological limitations of the existing meters. As Ergon's card-operated pre-payment meter system does not enable two-way communication, there is no information about when meters are disconnected from supply and for how long. As a result, there is no feedback mechanism that allows Ergon to identify when a household is facing financial difficulties and offer them appropriate hardship support. This problem could potentially be resolved with technology improvements in the future.

Despite these technological difficulties, it is concerning that there is no regulatory obligation for Ergon to provide hardship assistance to its pre-payment meter customers. This responsibility should not be left to Ergon alone. It is essential that government and regulatory bodies take a role





in developing and overseeing pre-payment meter customer protections as is the case for other residential customers. It is difficult to think of any other circumstances where it would be considered appropriate to leave the development and operation of such critical consumer protections to an energy retailer. It is recommended that a priority focus for the working group would be to establish an appropriate framework for delivering assistance and support to prevent self-disconnection of pre-payment meter customers due to financial hardship, including ensuring that support is culturally and geographically appropriate for Aboriginal and Torres Strait Islander people in remote communities.

# Recommendation: QCOSS recommends the working group develop a best practice framework for delivering hardship assistance to pre-payment meter customers in Queensland's remote communities.

#### Information provision

Standard residential customers receive information each quarter as part of billing arrangements. This includes information about their consumption or estimated consumption; relevant fees, charges and tariffs; contact information for enquiries, faults or emergencies; and notice regarding the availability of concessions.<sup>xxvi</sup> As pre-payment meter customers are not billed they do not receive this information. A number of survey participants noted they would like more information about their usage and energy tariffs. While QCOSS is aware that Ergon does provide information to its pre-payment meter customers (such as displaying posters in power card retail outlets and putting leaflets in meter boxes to communicate price increases) , there is a need to develop minimum standards around communication and information provision for pre-payment meter customers as there is for standard retail customers. It is recommended that the Queensland Government consult with the working group to establish minimum requirements for the provision of information and advice to pre-payment meter customers, including what is to be communicated and the most appropriate methods and timing of providing information. This should be developed with reference to the information provided to standard retail customers as part of ongoing billing arrangements as well as the requirements outlined in the NECF (See Box 1).

# Recommendation: QCOSS recommends the working group develop minimum standards for the provision of information to pre-payment meter customers in Queensland's remote communities.

#### Protection for customers requiring life support

Of particular concern are experiences of pre-payment meter customers with medical conditions that require life support equipment. While the Queensland Code requires retailers to maintain a do-not-disconnect register to prevent the disconnection of life support customers on standard retail arrangements<sup>,xxvii</sup> there is no requirement for such a register for pre-payment meter customers. Further, since households in remote communities are not given the individual choice to opt out of pre-payment meter arrangements, these customers are unable to move onto standard metering arrangements should they wish to, without moving away from their community.



As a result, it appears there are no protections against disconnection for these customers in the current framework. This is particularly concerning given reports that Aboriginal and Torres Strait Islander people are more likely to require medical equipment than non-Aboriginal and Torres Strait Islander people, and that even after adjusting for differences in age structures in populations, they are still more than twice as likely to require assistance with core activities such as self-care, physical mobility, or communication.<sup>xxviii</sup>

While Ergon has made informal approaches to try to identify the number of life support customers in Queensland's remote communities, this information is not required to be obtained, and has never been formally gathered and recorded.<sup>xxix</sup> As at March 2012, Ergon had only two prepayment meter customers registered as life support customers. Due to the functionality of the card-operated pre-payment meter system, Ergon reports they are unable to provide any protection from disconnection for these customers in the case of financial hardship.

While QCOSS's research did not directly identify any individuals who rely on life support equipment in their home, a number of survey participants talked about family and friends in their communities who do, including oxygen concentrators and kidney dialysis machines. This indicates there are likely to be more than two individuals across the 32 communities who identify as life support customers. A better understanding of how many life support customers there are in Queensland's remote communities is urgently required to address this policy failing.

Under the NECF, customers who rely on electricity to run life support equipment are not permitted to be provided with electricity through a pre-payment meter arrangement. However, the circumstances in Queensland's remote communities are unique in that pre-payment meters have been installed on a community-wide basis - not as a result of an individual customer's choice. It may be possible to allow electricity customers who rely on life support equipment to have the choice to install standard metering arrangements if they wish to do so. This option would prevent self-disconnection but would need to include significant protections to ensure customers were not further disadvantaged by a build-up of debt under new billing arrangements. Requirements for physical meter readings would need to be changed from annually to quarterly. This could result in three bills per year being issued as estimated bills, which would not necessarily have any connection to the amount of electricity used in the home and could result in bill shock when the actual bill was issued after the annual meter reading. Quarterly meter readings would also be a costly move for Ergon, for what is likely to be a very small number of customers. Further, there is a risk that the 'sharing culture' in these remote communities may result in higher energy usage in the homes of life support customers as friends and family use their electricity (which may be viewed as 'free' compared to the pre-payment meter arrangements of other households).

For these reasons it may be preferable for remote life support customers to be permitted to remain on pre-payment meters with a restriction on self-disconnection. This should be possible using the same functionality that enables Ergon to block disconnection between 6.00pm and 6.00am. There must also be proactive and frequent communication and service provision for life support customers acknowledging that the consequences of self-disconnection due to lack of





credit or financial hardship are potentially fatal. It is recommended that the Queensland Government immediately undertake to identify all pre-payment meter households where a member relies on electricity to run life support equipment, and that consultation be undertaken with impacted communities to identify the most appropriate protections and services to be provided.

Recommendation: QCOSS recommends the Queensland Government identify all prepayment meter households where a member relies on electricity to run life support equipment, and that the working group consult with impacted communities to identify the appropriate protections.

#### Emergency credit

The only protection to assist pre-payment meter customers at risk of disconnection is the provision of 'emergency credit'. This is a feature built into the meter, which provides customers with the option to press a button and access \$10 credit to continue their supply of electricity until they can purchase or source a power card. The \$10 credit is then automatically deducted from the value of the next power card inserted into the meter.

While there was not any direct feedback from customers that the \$10 value of emergency credit was inadequate, it is not clear what the rationale is for setting this value. This is in contrast to the obligations under the NECF which require the emergency credit to be equivalent to three days consumption (based on estimated average household consumption). QCOSS considers that the value should be linked to the length of time customers may be prevented from accessing credit. For example, if customers are unable to purchase a power card over the weekend, the emergency credit should cover electricity costs for that full period. However we also note that the higher the value of emergency credit, the more that will be deducted when the next power card is inserted. The adequacy of the emergency credit value needs to be balanced with regard to these issues. It is not desirable for the emergency credit to exceed the lowest power card denomination, as this may result in a customer inserting a power card and still not able to access electricity.

Ergon reports that the \$10 emergency credit is equivalent to approximately one to two days electricity supply based on average household consumption. While \$10 may be sufficient at this point in time, linking the value of emergency credit to a certain number of days' worth of consumption (rather than a set dollar value) would be more appropriate to ensure the intent remains consistent as prices increase over time.

Recommendation: QCOSS recommends the working group establish a minimum consumption value of emergency credit to be made available on all pre-payment meters in Queensland.

#### Restricting disconnection at certain times

As the survey found, being disconnected at night or on a weekend can result in a household experiencing a lengthy period without electricity. Under the Code, Queensland residential



customers with an account billing arrangement with Ergon cannot be disconnected from electricity supply for non-payment at any time outside of 8.00am to 3.00pm on a business day, at any time on a Friday, weekend, public holiday or the day prior to a public holiday, or at any time between 20 December and 31 December (inclusive) in any year.<sup>xxx</sup> However, the disconnection restrictions are not as generous for pre-payment meter customers. Ergon reports that it has initiated a customer service provision where its pre-payment meters are programmed to block disconnection if the meter runs out of credit between 6.00pm and 6.00am. While the electricity does not turn off during this time period, the electricity used during these periods is not 'free' and is deducted from the credit once a power card is inserted into the meter.<sup>xxxi</sup>

QCOSS is concerned that there are no public guidelines or clear legislation which makes this rule transparent to pre-payment meter customers.<sup>xxxii</sup> Most of the people surveyed were not aware that this restriction was in place, although one Palm Island resident noted that if he ran out of credit the electricity didn't shut down until the next morning (although he did not appear to know why). Requirements around the times that disconnection will be blocked should be clearly articulated and publicly available to pre-payment meter customers. For example, the NT's Power and Water utility clearly advertises on its Pre-Payment Meter fact sheet that "*the meter will not turn off between 5pm and 8am even if the credit and emergency credit runs out*".<sup>xxxiii</sup>

Disconnection restriction times in Queensland are not sufficient, particularly given the difficulties in purchasing a power card at or around 6.00am and particularly on a weekend when the opening hours of retail outlets are reduced. Having the electricity shut off at 6.00am is also likely to interfere with activities such as making breakfast or getting children getting ready for school – which are important activities that, if disrupted, can have a significant flow-on impact on individuals and broader social outcomes for communities. QCOSS considers that a longer period for restricting disconnection is required, noting that consultation with the working group would be required as this may vary depending on the preferences and credit accessibility in particular communities.

# Recommendation: QCOSS recommends the working group establish appropriate hours at which self-disconnection should be restricted for pre-payment meter customers in Queensland's remote communities.

#### Accessibility of power card credit

Provisions to protect customers from self-disconnection are important as they allow electricity to remain connected until additional credit can be purchased during retail opening hours. However, this raises another issue which emerged in the survey – that customers were not always able to purchase power cards when needed due to retail outlets being closed, selling out of power cards, or people lacking the mobility to travel to a retail outlet that may be situated out of town. A report by The Allen Consulting Group investigating similar remote Aboriginal and Torres Strait Islander pre-payment meter communities in WA found that 18 per cent of households surveyed had been forced to go without electricity because the store was not open which meant they were unable to purchase a card. Respondents reported that it is particularly difficult to purchase cards on weekends and evenings when shops were likely to be closed.<sup>xxxiv</sup> The Bushlight report also



discovered similar issues in NT communities and recommended increasing opening hours of retailers, improving the range of denominations and types of power cards available, as well as potentially using card vending machines to make power cards more readily available.<sup>xxxv</sup> The core problem with accessing credit is that there is no specific requirement to ensure that power cards are readily available for purchase. As a result, the accessibility of power cards was reported as a significant problem by many customers, particularly those in Palm Island and Mapoon. To summarise, the current arrangements for the sale of power cards are:

- There are no limits on the number of resellers who can sell power cards within a community.
- Ergon is able to engage new resellers (subject to commercial due diligence and agreed terms and conditions).
- Ergon has no control over the trading hours of any resellers.
- Ergon has no visibility of power card stocks within resellers and reordering is at the discretion of the reseller.
- The refund/return of power cards is at the discretion of the reseller, as they have commercially purchased the cards.<sup>xxxvi</sup>

#### Box 2: Automated vending machine trial

From June 2013, Ergon has been undertaking a trial on Palm Island to investigate the opportunities and constraints of distributing power cards via an automatic vending machine. There are no vending machines of this nature on the market, so the trial machine was specifically retrofitted for this purpose. The machine was designed to send a communication to Ergon when the card level was running low so a top-up could be arranged. Feedback from the Palm Island community has been that the machine still continued to sell out at times. While the technology worked effectively on the mainland, there appears to be issues with the 2G communications infrastructure in remote communities which prevents Ergon from being notified when stock is low. Security and maintenance issues have also been identified which may limit 24-hour access to the machines.

While Ergon is yet to release the outcomes of this trial, this method of delivery would be welcomed by many community members, particularly those on Palm Island who specifically provided feedback that a 24-hour vending machine would be useful.

Ergon reports that power cards were traditionally provided by local councils, but responsibility has since passed onto local commercial retail outlets.<sup>xxxvii</sup> It may be necessary to extend the sale of power cards through additional channels to improve access – whether that be through the local council or a service provider. While it would be desirable to ensure that power cards were made available for purchase at a minimum of two locations and available over the weekend (as per the NECF provisions), the most appropriate channels and hours are likely to be best determined in consultation with individual communities where access has been identified as a problem.





The lack of transparency and consistency in the processes for returning faulty cards and obtaining a refund are also unacceptable. Given power cards are the only means for households to maintain access to electricity, there needs to be clear and fair processes for ensuring people who purchase a faulty or damaged power card are not forced to go without an essential service. The purchase of a power card is not simply a commercial transaction. QCOSS considers that this aspect of pre-payment metering arrangements should be more clearly regulated to protect consumers.

Recommendation: QCOSS recommends the working group establish a framework for regulating the provision of power card credit including increased accessibility to purchase credit and clear and equitable processes for exchanges and refunds.

#### Concessions and rebates

A key issue in improving the affordability of electricity for households in remote pre-payment meter communities is the lack of awareness and uptake of concessions. The Queensland Government provides a number of energy concessions to assist eligible low income and vulnerable consumers with their energy costs (see **Appendix 3**). While there are no specific eligibility criteria which exclude pre-payment meter customers from accessing these concessions, uptake is negligible.<sup>xxxviii</sup> Further, the stakeholder interviews revealed much confusion across government and Ergon representatives about whether pre-payment meter customers are actually eligible for government funded concessions. While a number of key stakeholders thought pre-payment meter customers were eligible, Ergon's view was that they are not eligible for the Electricity Rebate and has outlined its position as follows:

"In accordance with Term 5 of the Gazette, the rebate paid shall not be greater than the amount billed (excluding GST) for customer retail services provided to the customer in the billing period to which the rebate relates. Consequently, as card-operated meter (COM) customers are not billed for the provision of customer retail services during a billing period, they are ineligible for receipt of an electricity rebate payment.

The ineligibility of COM customers for the electricity rebate is also reflected in the Electricity Rebate Agreement (the Agreement) that was entered into between Ergon Energy Queensland (EEQ) and the State of Queensland in 2007. Under the Agreement, EEQ (as the Retail Entity) agrees to pay the rebate to 'rebate customers', and the State agrees to reimburse EEQ for any rebate validly paid to a 'rebate customer'. The term 'rebate customer' is defined in clause 2.1 of the Agreement as 1) A customer who has made an application to a Retail Entity in accordance with clause 4; 2) Holds an electricity account with the Retail Entity; and 3) Meets the Eligibility Criteria. This definition precludes COM customers in isolated communities from receiving the rebate on the basis that they do not hold an account with EEQ and do not meet the Eligibility Criteria.<sup>390000</sup>



Not surprisingly given this position, the majority of the customers interviewed for the purposes of this report were not aware of the Electricity Rebate or other concessions. Those that did mention the existence of concession programs were under the impression that because they were prepayment meter customers they were not eligible. The interviews undertaken with representatives from Ergon and the community sector revealed that many people responsible for providing advice to pre-payment meter customers on concessions either believed they were not eligible for concessions or were confused about the matter.

QCOSS notes that pre-payment meter customers pay the same regulated prices for electricity as other residential customers on regulated contracts across the state. For this reason, the failure to adequately extend concession and rebates to pre-payment meter customers is highly inequitable. On 11 June 2014, the Queensland Government released an annual Government Gazette which references the eligibility of card-operated meter customers for the Electricity Rebate, thereby confirming the government's intention that they be eligible.<sup>x1</sup> However, clarity is still required around the process for promoting uptake of the payment. Policy and process clarity is also urgently required in regards to the eligibility of pre-payment meter customers for all other electricity concessions, including the Home Energy Emergency Assistance Scheme.

# Recommendation: QCOSS recommends the Queensland Government urgently clarify that card-operated pre-payment meter customers are eligible for all existing energy concessions programs, and identify practical and administrative barriers that are preventing uptake.

Regardless of confusion over eligibility, it is noted that pre-payment meters customers in other jurisdictions are also characterised by low uptake and awareness of concessions. For example, concessions uptake by pre-payment meter customers has been identified as a problem in Tasmania where pre-payment meters are widespread.<sup>xli</sup> This is largely attributable to the limited relationship between retailers and their customers.xiii The lack of a billing relationship with a retailer excludes pre-payment meter customers from receiving information about concessions on a quarterly basis (on each bill) and prior to being disconnected for non-payment (on warning and reminder notices).xiii This is further exacerbated in Aboriginal and Torres Strait Islander communities in remote areas due to lower rates of literacy, cultural barriers, and greater isolation. x<sup>liv</sup> A report by Bushlight revealed that in the NT there are a complex array of agencies who provide services to Aboriginal and Torres Strait Islander people, including tenancy managers, life skills educators and community councils, most of whom are also unaware of the rebates and concessions available to their clients. Greater promotion and education about available concessions is required across Queensland's Aboriginal and Torres Strait Islander pre-payment meter communities. Given the low awareness and uptake of concessions in remote pre-payment meter communities, QCOSS strongly recommends greater transparency and monitoring of their uptake.

# Recommendation: QCOSS recommends the Queensland Government undertake public monitoring and reporting of uptake of concessions by pre-payment meter customers.



In addition to low awareness of available concessions, there are also practical barriers which exist. In many instances, concession payments are delivered via a deduction on the quarterly bill, so the eligibility relating to pre-payment meter customers and the processes for receiving payment are not transparent. A report based on the experiences of Aboriginal and Torres Strait Islander pre-payment meter customers in WA attributed low uptake of concessions to the confusing administrative processes involving an array of agencies and onerous application processes. It is recommended that the Queensland Government consider different approaches to delivering concessions to eligible pre-payment meter customers, in recognition that the current approaches are largely ineffective and are creating inequitable outcomes for vulnerable customers. Future concessions must be developed and designed with consideration for accessibility and eligibility for pre-payment meter customers, and activity promoted to eligible customers.

Recommendation: QCOSS recommends the Queensland Government consult with the working group to identify the barriers to uptake of concessions and implement alternative design and delivery arrangements to improve uptake by eligible pre-payment meter customers.

#### Electricity Rebate

None of the customers interviewed for the purposes of this report were aware of the Electricity Rebate. This is consistent with feedback from the Department of Energy and Water Supply which reports that uptake of the Electricity Rebate across Queensland's remote communities is negligible.<sup>xiv</sup>

Despite confusion over eligibility, QCOSS notes that trials have been undertaken in the past to improve access and uptake of the Electricity Rebate in remote communities (see Box 3). However, these efforts have not been successful in improving uptake in any significant way. QCOSS recommends that an appropriate permanent process be established for eligible pre-payment meter customers to access the Electricity Rebate. Given many of the cultural, geographical, technological and other challenges in creating an accessible and equitable process, QCOSS suggests more automated approaches may be required to counter the significant barriers in terms of literacy, lack of billing relationship and geographic isolation. Options for consideration include:

- Programming pre-payment meters to reflect the benefit of concessions for eligible customers. For example, in WA, once a customer registers, Horizon Power programs a discount into their meter. They use the same power cards but their credit lasts longer.<sup>xlvi</sup>
- Programming meters to prevent pre-payment meter customers from being charged the daily supply charge component of their tariff charges. In Queensland, the daily supply charge is 83.4 cents per day, which equates to approximately \$300 per year (which is less than the Electricity Rebate which provides \$321 per year in 2014-15). This could be supplemented with an additional discount off the variable rates. This is the approach taken





in Tasmania where, rather than sending a cheque or making a direct debit payment of a concession, pre-payment meters are programmed with a reduced supply charge and a lower usage charge in the winter months, to ensure the value of the concession is paid automatically to eligible households.

• Providing the concession as a 'voucher' supplied by Centrelink on a quarterly basis. The voucher could be redeemed for a power card from local retail outlets.

# Recommendation: QCOSS recommends the Queensland Government consult with the working group to consider alternative approaches for delivering the Electricity Rebate to pre-payment meter customers.

#### Box 3: Enhanced Rebate Process Trial

For many years, Ergon had a manual process in place to pay the Electricity Rebate to pre-payment meter customers who applied for the rebate and who satisfied certain eligibility criteria specified on the application form. Under this process, an application form was sent out following an enquiry by a pre-payment meter customer. Once approved, payment was manually processed by setting up an account and issuing a cheque to the customer.

In 2011, Ergon, Centrelink Remote Services and the Department of Communities conducted a trial to improve the process for pre-payment meter customers to access the Electricity Rebate. The trial was conducted over five months across five remote communities (New Mapoon, Injinoo, Seisia, Bamaga and Umagico). The purpose of the trial was to enhance the opportunity for customers to access the rebate through Centrelink. The trial involved Centrelink taking applications, checking eligibility, and forwarding the applications to Ergon to pay. The adjusted process was supported by:

- Posters displayed in local community gathering points and Centrelink offices
- Simplifying the application form to a one-page document
- Providing welcome packs for Centrelink officers to distribute to customers
- Making Centrelink officers available to assist customers to complete the application form.

The trial resulted in a minimal increase in uptake of the rebate. Out of a possible 600 identified eligible customers across the five communities, only 25 applied during the trial period. The evaluation undertaken by Ergon suggested improvements could be gained by:

- Developing an online tool or phone interface to remove the need for a paper-based form
- Designing a process for payment to be made directly to the customer through Centrelink
- Implementing a system to validate customer details and eligibility through the Centrelink database.

#### Electricity Life Support Scheme and the Medical Cooling and Heating Electricity Concession

While none of the customers interviewed identified themselves as having a medical condition requiring life support equipment, many interviewees spoke of others in their communities who rely on electricity for life support equipment or other medical needs. Of particular concern, this investigation identified (anecdotally) a significant number of customers with medical conditions requiring uninterrupted supply of electricity, in particular the use of dialysis and oxygen



concentrators. Similar to previous findings around the lack of a Life Support Register for prepayment meter customers, it is critical that these customers are identified and that appropriate protections and concession payments are provided to them.

The Queensland Department of Communities, Child Safety and Disability Services reports that if they meet the eligibility criteria, pre-payment meter customers can access the Electricity Life Support Scheme and the Medical Cooling and Heating Electricity Concession. Applications forms are available online and from all Queensland hospitals.

The forms do not ask about the electricity arrangements of the customer and payments are made directly so it is therefore not known how many pre-payment meter customers are in receipt of this assistance.<sup>xlvii</sup> However, one of the pre-payment meter customers who was aware of the existence of the two concessions incorrectly informed the interviewer that pre-payment meter customers were not eligible. This indicates the need to clarify and improve the communication that these concessions are available to pre-payment meter customers.

Further, Ergon reports that because the Medical Cooling and Heating Concession is paid only to customers who have an electricity account, card-operated pre-payment meter customers are excluded as they do not technically have an account with the retailer. This is a regulatory/process barrier which needs to be urgently addressed. There are a number of potentially simple options to resolve this. Horizon Power in WA, for example, has a form which can be completed by their pre-payment meter customers so they can establish an account.<sup>xlviii</sup> By creating an account the customer can receive government concessions and rebates to which they are already entitled.

# Recommendation: QCOSS recommends the Queensland Government consult with the working group to consider alternative approaches for delivering the Life Support Rebate to pre-payment meter customers.

#### Home Energy Emergency Assistance Scheme

In addition to a general lack of awareness about available concessions, there are some financial assistance measures that pre-payment meter customers are unable to access, such as the Home Energy Emergency Assistance Scheme (HEEAS). The HEEAS is an emergency payment "for low income households who've experienced a short-term financial crisis or unforeseen emergency that has limited their ability to pay their current electricity or reticulated natural gas bills".<sup>xlix</sup>

Customers can receive a payment of up to \$720 under the HEEAS depending on their individual circumstances. The specific payment entitlement is calculated on the amount of debt incurred by the customer and their past usage, with the payment passed onto the retailer who deducts the amount off the customer's account.<sup>1</sup>



Due to this method of assessment and delivery, pre-payment meter customers are not able to receive a payment under HEEAS as they do not incur debt, do not have a record of past usage and do not have a billing relationship with their retailer.

Similar to Queensland's HEEAS, there are issues for pre-payment meter customers in accessing assistance under WA's Hardship Utility Grants Scheme (HUGS), the objective of which is to avoid disconnection by providing assistance to people who are assessed as being in genuine hardship and are unable to pay their bills. Barriers include the fact that the retailer does not have a direct relationship with the customer in order to provide information about the scheme, that the retailer is unable to identify whether the pre-payment meter customer is experiencing financial difficulty, and that the grant is designed to reduce 'debt' incurred by a customer through a deduction off a quarterly bill. As pre-payment meter customers cannot incur debt (or can only incur very small amounts of debt up the value of any emergency credit stored in the meter) they therefore do not meet the minimal debt levels required to trigger an emergency assistance payment.<sup>II</sup>

Emergency assistance could be provided in the form of vouchers or free power cards for people identified as facing a financial crisis or emergency situation that impacts their ability to purchase credit. The eligibility criteria could be similar to the HEEAS but it would be preferable that the application process was more culturally appropriate (for example, by empowering local service providers to conduct face-to-face assessments rather than completing the HEEAS application form which is complex and onerous). The equitable provision of the HEEAS to pre-payment meter customers is essential to addressing the inequity of assistance available to customers in crisis throughout the rest of the state.

# Recommendation: QCOSS recommends the Queensland Government consult with the working group to develop an alternative emergency hardship concession that is accessible to pre-payment meter customers.

#### Other concession schemes

There is no reticulated gas available in remote communities, and as such gas customers are not eligible for the Reticulated Natural Gas Rebate. However, the survey revealed that gas is a significant cost to many households in remote communities. These households would certainly benefit from a concession which could be provided through the development of a new concession, similar to the Non Mains Concession provided by the Victorian Government.<sup>III</sup>

Due to the extreme heat in remote areas, a concession that provides financial assistance to cope with the increased costs associated with air conditioning would also be appropriate. For example, the WA Government provides an Air Conditioning Rebate to subsidise the cost of air conditioning for eligible households in areas of high heat discomfort.<sup>IIII</sup> While this concession would extend beyond pre-payment meter customers, it would require specific consideration for the needs of pre-payment meter customers to ensure they are eligible for any future assistance that may be implemented.



Recommendation: QCOSS recommends the Queensland Government investigate the potential to provide additional energy concessions to assist vulnerable customers, including an Air Conditioning Rebate and extending the Reticulated Natural Gas Rebate to customers using non-reticulated LPG.

#### Monitoring and enforcement

A further concern related to the findings of this research is the lack of transparency about disconnections in pre-payment meter communities. While the QCA is required to monitor and publish statistics on the number of disconnections for non-payment for residential customers across the state,<sup>liv</sup> there is no data, and therefore no public transparency, around the frequency and duration of disconnection of households in remote pre-payment meter communities. Further, because the scope of the Energy and Water Ombudsman Queensland (EWOQ) does not extend to pre-payment meter customers, there is no public reporting on complaints or systemic issues.<sup>Iv</sup> QCOSS is concerned this lack of information and transparency prevents government, utilities and consumer advocates from identifying the scope of customers experiencing electricity payment difficulties and financial hardship in these communities.

While QCOSS understands there are limitations in collecting data on disconnections and hardship program participation from the existing card-operated pre-payment meter technology, there is an opportunity to improve the transparency by requiring Ergon to publicly report to the QCA on other statistics that may be available, such as the number and type of complaints and the number of pre-payment meter customers in receipt of a concession or rebate. There may be other opportunities for Ergon to collect information about the incidence of self-disconnection or average credit levels during the physical meter readings undertaken each year which may be helpful to begin to build an evidence base.

# Recommendation: QCOSS recommends the Queensland Government consult with the working group to establish a framework for monitoring disconnections and other key indicators for pre-payment meter customers.

It is also recommended that the scope of EWOQ be extended to include pre-payment meter customers. EWOQ has reported that it receives few complaints from Aboriginal and Torres Strait Islander customers across the state.<sup>Ivi</sup> To address this concern, EWOQ has recently appointed an Indigenous Investigation Conciliation and Outreach Officer, based in Cairns, to investigate complaints and liaise with Aboriginal and Torres Strait Islander communities and representative bodies on electricity matters. EWOQ would need to be adequately resourced to undertake this role, noting that there may be greater resource intensity in order to effectively undertake this role across remote communities particularly where awareness of EWOQ is low. This would not only provide an important dispute resolution service to these vulnerable customers, but would also improve the transparency of information about the experiences of pre-payment meter customers for the purposes of ensuring adequate and effective regulatory monitoring.



Recommendation: QCOSS recommends the Queensland Government extend the scope of EWOQ to include residential pre-payment meter customers in Queensland.

#### Technology and system improvements

Ergon reports that the existing card-operated pre-payment meters in Queensland are no longer being manufactured and will need to be replaced in the future. Improvements in technology may

#### Box 4: Smart pre-payment meter technology

In 2010 the Ministerial Council on Energy's Smart Meter Working Group received a report from NERA Economic Consulting which looked at the Costs and Benefits of Smart Metering in Off-Grid and Remote Areas.<sup>1</sup> This study looked at the financial costs of smart metering implementation by undertaking eight representative case studies of remote communities around Australia including two in Queensland; Birdsville and Erub. The financial cost benefit or otherwise was based on the financial cost to implement the new technology and any resulting cost reduction to the administering utility. Unfortunately, the cost and benefit to customers – financial or otherwise – or broader social and economic outcomes, were not part of this study.

The study identified that the cost of a pre-payment meter is generally in line with the cost of a smart meter. However, the study concluded that smart metering technology returns negative financial benefits in these communities due to remoteness and isolation, lack of skilled tradespeople, lack of adequate communications infrastructure, and the prevalence of pre-payment meters. The report assumed that the usual pre-payment method options associated with smart metering technology might not be appropriate for Aboriginal and Torres Strait Islander communities. For example, it was considered that the practicality of using approaches which require customers to add credit to the meter over the phone or online, or requiring credit card details might not be practical for Aboriginal and Torres Strait Islander customers without access to credit card facilities or the ability to conduct online transactions, particularly if unable to charge their mobile phones due to disconnection from electricity supply.<sup>1</sup>

It was noted in this report that the cost savings were greater for Horizon Power in WA than for the utilities in the Northern Territory or Queensland. This was largely due to the fact that WA regulations state Horizon Power must conduct bi-monthly or monthly physical meter readings, compared to annual readings for Ergon in Queensland.<sup>1</sup> As smart metering technology removes the need to undertake physical readings, this difference in regulatory requirements across states and territories affects the cost effectiveness of implementing smart meters in comparison to the current arrangements.<sup>1</sup> The NERA Economic Consulting report also concluded that pre-payment via smart metering infrastructure needs further investigation as there may be difficulties associated with communication and cultural concerns around different methods of payment for pre-payment services in remote Aboriginal and Torres Strait Islander communities.<sup>1</sup>

In Ergon's submission to the draft NERA Economic Consulting report, it was noted that the option of a smart card system (where credit is transferred onto a card via wireless communications at the retail outlet) could offer potential business savings.<sup>1</sup> In this response Ergon agreed that a suitable system has not yet been developed but that they would be investigating options as the technology becomes available with high reliability and serviceability.



lead to credit being entered into meters via a PIN code or smartcard, which would address issues raised by customers in relation to damaged and faulty paper cards.

The introduction of new metering technologies could also enable customers to purchase credit over the phone or online, removing some of the barriers relating to accessing and purchasing power cards outside retail hours.<sup>Ivii</sup> Advanced pre-payment meter technologies would also provide two-way communication so that Ergon could identify the frequency and duration of customers disconnecting from supply, and allow Ergon to more proactively target hardship assistance and concessions to these customers. Further, while existing pre-payment meters only provide total annual consumption information per household, replacement meters might be able to provide more frequent consumption data to aid customers in tracking their consumption over time.



Image (left): Typical card-operated prepayment meter of type currently in use

Image (right): Example of "smart" prepaid meter available in the market.



Ergon has conducted a comprehensive investigation into a number of metering technology options, but at the time of writing this report no decision had been made. QCOSS does not believe decisions regarding new metering technology for remote Aboriginal and Torres Strait Islander pre-payment meter communities should be left to Ergon alone. As highlighted in this report, there are important consumer protection matters to be dealt with and it is a government responsibility to ensure adequate access and equitable protections for all Queensland electricity customers. Decisions about the requirements or minimum standard that the replacement metering technology must meet should be developed by the Queensland Government in collaboration with Ergon and consumer stakeholders, and should focus on the benefits that accrue to customers as well as the broader social and economic impacts associated with various technology options.

It is QCOSS' view that the technology option chosen should be compliant with the provisions of the NECF where possible. We are aware that even if meters are upgraded to a compliant technology option, some of the functions required by the NECF that rely on two-way communication may still not be able to be met due to poor communication infrastructure in remote locations. Further, while QCOSS would like to see the best available technology made available to households in Queensland's remote communities, we do believe this should be subject to a comprehensive cost benefit analysis. A comprehensive analysis of the costs and benefits of various options will be important to ensure that available funds are directed towards



solutions which provide the best outcomes for consumers. This may be through directing resources towards the installation of advanced pre-payment meter systems that are capable of reporting on the frequency and duration of customer self-disconnection, or it may be more cost effective to invest in targeted programs and financial support to protect pre-payment meter customers from the disadvantages they face in not having access to those advanced metering systems. QCOSS acknowledges that implementing technology to assist in identifying hardship may be redundant considering it is widely acknowledged that households in these communities are amongst the most financially vulnerable and disadvantaged in the state. While improved technology would better enable governments, utilities and service agencies to provide appropriate hardship support, it may be possible to establish mechanisms which allow for the proactive provision of financial support without the need to specifically identify electricity disconnection as a trigger.

# Recommendation: QCOSS recommends the Queensland Government consult with the working group to conduct a comprehensive investigation into the short and long-term costs and benefits of the different metering technology options, including the social and economic impacts for individuals and the broader community.

Subject to the outcomes of a detailed and comprehensive cost-benefit analysis conducted by the working group, QCOSS considers the following elements to be important criteria for consideration when selecting new metering technology:

- That meters are capable of facilitating two-way communication where communications infrastructure allows (or that meters have the capability to operate with two-way communication should such infrastructure become available in the future) to enable:
  - the retailer to identify every instance of self-disconnection and the duration of that self-disconnection for the purposes of monitoring customer outcomes and identifying financial hardship
  - them to be loaded with credit via a PIN or smart card to reduce problems with obtaining power cards from retail outlets and faulty paper cards.
- That the meter technology is able to record consumption and consumer load profiles enabling more detailed data to aid customers in tracking their usage over time.
- That meters are able to alert customers when they reach 80 per cent of their prepaid consumption (similar to mobile data providers).
- All meters should have the ability to provide customers with access to multiple tariff options, including off-peak tariffs and other time-of-use tariffs (such as T31, T33, T12 and T13 which are all currently available in Queensland).
- That meters be able to be programmed not to self-disconnect at times when power card credit is unavailable for purchase.
- That meters be able to be programmed with a value of emergency credit.





- That meters are compatible with in-home display technology to improve the linkage between usage and monitoring of energy costs.
- That meters have the technical capacity to deliver government-funded energy rebates or concessions.

Recommendation: QCOSS recommends the Queensland Government consult with the working group to establish a set of minimum standards that the replacement metering technology must meet.

#### Energy efficiency

Affordability of electricity supply can be achieved in part by reducing consumption through energy efficiency and demand management measures. According to Ergon data, the average household energy use is around 40 per cent higher in remote pre-payment meter communities than the state average, indicating opportunities to reduce consumption and therefore costs.<sup>[viii]</sup>

There are a number of cultural practices which can create significant spikes in energy costs for Aboriginal and Torres Strait Islander households.<sup>lix</sup> For example, it is not uncommon for Aboriginal and Torres Strait Islander households to have large numbers of people living in a single house at any one time. This is due to many households having large families, as well as cultural expectations that Aboriginal and Torres Strait Islander relatives)<sup>Ix</sup> and a cultural responsibility to 'take in' relatives in times of need.<sup>Ixi</sup>

These findings were highlighted in a research report by the 'Bushlight' project within the Centre for Appropriate Technology, which found that Aboriginal and Torres Strait Islander households, particularly those in Northern and Central Australia, faced a number of challenges in managing their energy costs due to socio-cultural and structural characteristics.<sup>Ixii</sup> The socio-cultural characteristics included large extended family structures, mobile family structures, overcrowding, high proportions of residents not contributing financially to energy costs, and residents spending longer periods of time using energy in the home during the day.<sup>Ixiii</sup> Additionally, the structural characteristics Bushlight identified as contributing to energy hardship for households in these communities were higher usage due to extreme weather conditions, the high costs of goods and services in remote locations, and poor quality housing built to a budget with inefficient fixed appliances.<sup>Ixiv</sup>

The concept of energy efficiency for most of the households interviewed for this report appeared to be largely limited to energy conservation and reducing electricity usage by switching lights and appliances off. These behavioural measures to conserve energy are promoted through Ergon's *powersavvy* program, which is currently being provided in far northern Queensland.<sup>Ixv</sup> Interviews reveal that *powersavvy* has been useful in some communities as it was mentioned by a number of participants. However, not all households reported having had the opportunity to access the



A map of Ergon Energy's Queensland distribution area

program and it was unclear to a number of stakeholders whether the program would be continuing after 2013-14.

Residents in Palm Island reported that Ergon delivered a *powersavvy* campaign in 2012 which included handing out stickers to remind them to turn off their lights and switches.

The *powersavvy* program was delivered through the training of local community members. This was to attempt to ensure the sustainability and longevity of the energy conservation knowledge in the community and also to increase the uptake and acceptance of information provided to customers. At the start of the program *powersavvy* workers were employed as Ergon employees, however there was still some lack of acceptance with this business model and they became council employees (funded by Ergon). In retrospect it was felt that more people should have been

trained at the outset as the attrition rate was quite high and also there was a wide range in quality of service.

A NT report has supported the implementation of targeted energy efficiency education programs in Aboriginal and Torres Strait Islander communities to help address some of the behavioural contributors to high energy costs. However there are limitations to what an energy efficiency program focused solely on behavioural change can achieve, and it is important that such programs are combined with a range of energy information and advice to help address barriers to energy efficiency which are less able to be resolved through behavioural change alone.

Recommendation: QCOSS recommends the working group provide input into the continuation of the powersavvy program to provide energy efficiency advice and support to pre-payment meter customers.

#### Barriers to energy efficiency in remote pre-payment meter communities

Low-income households generally face financial barriers to purchasing energy efficiency appliances; and the high cost of goods and services in remote locations can pose an additional barrier. Some respondents to the QCOSS survey were aware that their appliances were old and inefficient. Some members of the Wujal Wujal community were aware of NILS to assist them in purchasing more energy efficient appliances; however none of the interviewees in our sample



had taken up this option at the time of the survey. There may be an opportunity to integrate the *powersavvy* program with other services delivered through community organisations that provide culturally appropriate information and advice to pre-payment meter customers, including access to NILS to assist customers to upgrade to more energy efficient appliances.

#### Box 5: Addressing the barriers to off peak savings

In addition to energy efficiency, demand management measures can also help to reduce household energy costs. All residential customers in Queensland are connected to Tariff 11 for the majority of their electricity usage, with the off-peak or economy tariffs providing an opportunity for customers to save money by accessing a cheaper rate to run appliances such as hot water systems or pool filtration systems which do not need to run all the time. Ergon advertises that connecting a hot water system to Tariff 33 could save customers up to 30 per cent on their water heating costs.<sup>1</sup> Uptake of off-peak tariffs in Queensland is widespread, with over 60 per cent of Queensland households having at least one household appliance connected to an off-peak tariff.<sup>1</sup> This strong uptake is driven by customer outcomes and improving affordability.

Pre-payment meter customers are not expressly excluded from having appliances connected to offpeak tariffs, however some of the interviewees reported that as pre-payment meter customers they were unable to access off-peak tariffs. While none of the interviewees were connected to an off-peak tariff, Ergon reports that there are approximately 700 pre-payment meter customers with control tariffs across the three communities of Palm Island, Wujal Wujal and Mapoon. However, these uptake rates are not as high as across the general population of Queensland.

Accessing cheaper tariffs is likely to be limited since the majority of housing is public or private rental housing. Feedback from stakeholders suggests that many of the homes in remote communities would need to be re-wired to connect appliances such as hot water systems to off-peak tariffs, and that this cost is the key barrier to uptake. Others suggested off-peak tariffs might not be suitable for households with large families who may use large quantities of hot water each day.

Ergon has identified that low uptake of off-peak tariffs is an issue for all Aboriginal and Torres Strait Islander communities – not just those on pre-payment meter arrangements. There have been a number of requests from remote communities in the past to increase the number of customers with access to off-peak tariffs. For example, in 2011 Ergon met with the Yarrabah community where the majority of premises are not connected to off-peak tariffs. In those discussions, Ergon advised that it was the responsibility of the customer to undertake the required work at all of these premises – that is, to engage an electrician to check each premise and prepare the switchboard and associated internal wiring for an off-peak meter and lodge the appropriate paperwork. Ergon reports that once this is completed they could install the off-peak meters at no charge to the customer. Ergon has not yet received advice as to whether the required work has been undertaken. It would appear that the current housing situation for the great majority of customers across Aboriginal and Torres Strait Islander communities is preventing wider take up of off-peak tariffs.

While there are some appliances which can be upgraded by public housing and private rental tenants, poor quality housing and inefficient fixed appliances such as hot water systems can exacerbate already high energy costs. According to the Australian Bureau of Statistics, 95 per cent of remote residents live in public housing, and that housing stock is in various stages of disrepair. Decisions about housing maintenance and upgrading of permanent appliances installed

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in public housing premises is the responsibility of Queensland Government building owners, and thus there is limited capacity for residents to make the necessary changes even if it was within their financial capacity to do so. Throughout the life of the program, *powersavvy* worked with councils and QBuild to offer funding to upgrade major appliances, however Ergon reports there was very little take up.<sup>lxvi</sup>

The energy efficiency of different households appeared to vary based on the type of hot water system installed in their premises. QCOSS understand the current Queensland Government policy is to install solar hot water systems or heat pumps in public housing; however in the past gas hot water systems may have been installed in some households where there may have been insufficient electricity generation capacity and load restrictions were applied in some communities.<sup>Ixvii</sup> The survey found that even households with solar hot water systems struggle to contain their energy costs.

This is consistent with the findings from Ergon's *powersavvy* program which identified very low awareness of the correct operation of solar hot water system boosters. The correct use of the booster is a significant energy saving opportunity; however if used incorrectly can result in higher energy costs than other hot water systems. Newer solar hot water system models are fitted with a 'one-shot' booster switch, which remains on for a set period of time before switching back off, thereby reducing the potential they will be used incorrectly. Older models of solar hot water systems could be retrofitted with one-shot boosters. The case for ensuring energy education is supplemented with improvements to the structure and appliances within home is an important element for achieving energy cost reductions in remote communities.

Recommendation: QCOSS recommends the working group provide input into inform the design and development of the powersavvy program as an integrated energy information program for pre-payment meter customers.

#### Communication and education

In addition to improving the availability and accessibility of services in remote communities, it is also important that information and services are provided in a culturally appropriate way.

Pre-payment meter customers do not receive bills and therefore do not have access to regular comparative information about their current and previous levels of electricity consumption. Ergon advertises price increases to customers in remote communities by displaying signage at power card retail outlets. These communications also indicate how long the power card will last before and after the price increase based on typical consumption.

Despite this communication, Ergon's own research has found a general lack of awareness around electricity cost and tariffs. Ergon acknowledges that the view remains in pre-payment meter communities that they pay more for electricity than other Queensland customers.





Similar to the findings of this report, Ergon has identified through its customers a need for improved communication and customer service, particularly for households with card-operated pre-payment meters.<sup>bxviii</sup> While energy efficiency information is available, our interviews revealed that pre-payment meter customers would like more information about a range of things associated with their electricity use, including:

- Comparative information about their current and previous levels of electricity consumption
- Whether they paid the same as customers with standard account billing arrangements
- How meters charge including information about variable and fixed daily service charges and the use of the emergency credit button
- Education about pre-payment meters including explanation of the buttons and screen readings, and how they work, including how to insert credit into the meter and how to operate and read the meter
- Explanations about what happens when there is no credit on the meter, including promoting the times at which the meters are blocked from disconnecting (overnight)
- What the refund process is for power card faults and what happens to credit if there is a technical fault or outage
- How to use appliances such as solar hot water systems (with booster switches) and how to identify faults in appliances that may be increasing energy usage
- Information about available concessions and rebates and how to access them
- Referrals to services such as NILS and financial counselling programs
- Hardcopy information about household energy usage which people could keep and refer back to
- Assisting with getting faulty appliances and housing maintenance issues that affect energy use fixed by building owners.

It was also noted that information needed to be proactive (as customers were unlikely to ask for assistance) and that it should be delivered by local members of the community or people who are trained to communicate with Aboriginal and Torres Strait Islander people. This could be delivered by expanding the scope of Ergon's existing *powersavvy* program.

Recommendation: QCOSS recommends the working group provide input into developing an appropriate framework for improving the communication and education on energyrelated issues for pre-payment meter customers.





# **APPENDIX 1: Customer Interview Questions**

#### **Consent Form**

Please circle Yes or No in the table below. This means you can say no.

By answering 'Yes' you indicate that you:

- 1. Understand what we are doing because it has been explained to you
- 2. Understand that you do not have to take part and can stop at any time
- 3. Understand that we will not use your name unless you want us to and we will make sure you are ok with what we write

I agree to talk to the researcher	YES	NO
The researcher can record my answers on paper	YES	NO
The researcher can record my answers on a voice recorder and	YES	NO
video recorder		

Signed by participant or signed by researcher on behalf of participant once consent is given:

Signature of consent by participant: Signature of researcher: Date:

#### **Questionnaire**

Ba	Background							
1.	Where do you live?							
	(Name of your community)							
2.	Gender	Male  Female						
3.	Age	□ 17-26 □ 27-36 □ 37-46						
		□ 47-56 □ 57-66 □ 67+						
4.	Are you working?	Yes □						
		No 🗆						
5.	How long have you lived in this house?	Less than 1	1-5 year	S	5+ years			
		year						
6.	Who else lives in this house?							
	(number of adults and children, relationship							
	to main tenant)							
7.	Do you have a Power Box for Power Cards	Yes	No					
	at your place?							
8.	Have you always had a Power Box (for	Yes	No					
	Power Cards) at your place?							



Advantages and Disadvantages of Power Cards							
9. (a) Do you find Power Cards a good way to	Yes	No					
pay for power here in your Community?							
9. (b) Why do you reckon it's a good way or not a good way? (Only if the participant							
hasn't expanded on the above question)							
10. (a) Do you find, using them Power Cards, Yes No							
that it helps with your budgeting?							
10. (b) What would you see as your other importa	nt living expenses?	(e.g. What else					
would you spend your money on besides Pow	ver Cards?)						
Order of priority:							
Fuel (Vehicle Costs)							
Bills (credit, Austar, phone)							
Food							
Rent							
Powercards							
Family							
Other							
11. (a) How often does power go out at your place	e because you need	d another power					
card? E.g. weekly, fortnightly, every month, y	early, never?						
11. (b) How long is your power usually out for?							
11. (c) How does having no power affect you and	your family? (i.e. w	hat do you do					
differently when you don't have power?)							
12. (a) Do you sometimes have to use your (\$10)	Emergency Power	on the Power Box?					
E.g. weekly, fortnightly, monthly, once a year,	never?						
12 (b) is the \$10 emergency power on the	Vos	No					
Power Box opough to get you through until	165						
you can purchase another power card?							
13 Do you have Gas at your place?	Hot Water						
	Cooktop						
	Oven						
	Other						
14 (a) Would it be better to pay for power <b>after</b>	Yes	No					
vou use it for say every 3 months you'd pay	100						
a power company rather than using Power							
Cards?	Cards?						
14. (b) Why you reckon that way is better? (only if participant hasn't expanded on the							
above question)							
15. How would you improve the way the Power Cards for Power, work in your Community							
and for you? (looking for feedback on how we can improve the current Power Card							
arrangement for communities)	arrangement for communities)						





16. If you could make changes to the way your Community got power, what would you do? (looking for feedback beyond the Power Card approach)					
17. (a) Can you tell, from checking your Power Box how many hours or days' worth of power you have left?	Yes	No			
17. (b) How often do you check your Power Box? never)	(E.g. Daily, weekly,	, fortnightly, monthly,			
18. (a) Are their people living in your community who don't have a Power Card system or don't need to buy Power Cards for their Power Box?	Yes	No			
18. (b) Why (if you know)?					
19. (a) Have you ever had a problem with the Power Box at your place?	Yes	No			
19. (b) If so, what happened?					
19. (c) How long did it take to get fixed?					
20. Can you think of any problems that would be o	caused if your comr	nunity no longer used			
Power Cards and instead paid for power every	/ three months afte	r they had used it?			
Concessions and Rebates					
21. (a) Are there special programs to help	Yes	No			
people in your community to pay for their					
power? (e.g. money to help pay for power or					
people who come to help you use less					
power?)					
If answer is no skip to question 22					
21. (b) If so, can you tell us what the program is called and who provides it? (E.g. Electricity Rebate; Home Energy Emergency Assistance Scheme; PowerSavy; Electricity Life Support Concession Scheme; Medical Cooling and Heating Electricity Concession Scheme)					
Medical needs					
22. (a) Are there people in your community who	Yes	No			
need access to power all the time because of their health needs?					
(For example, people on oxygen					
concentrators and kidney dialysis machines					
for their health? Are people being forced into					
hospital, because of lack of power for their					
medical equipment, when they could live at					
home?)					
If no skip to question 23					





22. (b) If so, do they have access to enough	Yes	No					
power to use these machines when they							
need them?							
22. (c) What happens when people on these machines run out of power?							
22. (d) Is their health or quality of life affected by	Yes	No					
having to buy PowerCards to keep the							
power on?							
22. (e) If yes, how?							
23. (a) Are there people in your community who	Yes (what	No					
need power for other types of medical	equipment do						
equipment (such as electric wheelchairs or	they need to						
air-conditioning)?	use?)						
If no skip to question 24							
23. (b) Do they have enough power to use their	Yes						
equipment when they need it?	No						
	Unsure						
23. (c) Is their health or quality of life affected by	Yes						
having a Power Card System?	No						
	Unsure						
23. (d) If yes, how?							
24. Can you think of any problems that would be	caused if all the pe	ople who need power					
for medical equipment were taken off the Power Card system and had to pay for their							
power 3 months after they used it while the rest of the community stayed on the Power							
Card system?							
Buying Power Cards							
25. Where do you usually get your Power Cards f	rom? (i.e. if a shop	, how far away is it?)					
26. (a) Can people in your community buy the	Yes	No					
power cards they need when they need							
them?							
26. (b) If no, why not?							
27. What do people in your community do when the	hey have no power	?					
28. What value Power Cards do you usually buy?	E.g. \$20, \$50						
29. (a) Does everyone living in the house,	Yes	No					
chuck-in for Power Cards?							
29. (b) Do you see changes with the Power in you	29. (b) Do you see changes with the Power in your house when you have family/friends						
stay with you?							
stay with you?		-					
stay with you? 30. Do you ever pay more for your Power Card	Yes	No					
stay with you? 30. Do you ever pay more for your Power Card than the dollar value written on it? (Use an	Yes	No					
stay with you? 30. Do you ever pay more for your Power Card than the dollar value written on it? (Use an example, Power Card says \$20 and you end	Yes	No					
stay with you? 30. Do you ever pay more for your Power Card than the dollar value written on it? (Use an example, Power Card says \$20 and you end up paying more than \$20 for it)	Yes	No					
<ul> <li>stay with you?</li> <li>30. Do you ever pay more for your Power Card than the dollar value written on it? (Use an example, Power Card says \$20 and you end up paying more than \$20 for it)</li> <li>31. Do you ever get Power Cards from your</li> </ul>	Yes	No					





32. How much does your household spend on Power Cards each week/fortnight?
33. (a) Do you spend roughly the same each week/fortnight or does it change a lot?
33. (b) If it changes when you have to buy more Power Cards, why do you think this is?
(Eg; family/friends visiting, cultural events, sorry business, special occasions, change
of seasons for air-conditioners, heaters, fans, extra appliances, increase in
entertainment systems in the household, usage of appliances such as teenagers with
X-Box/Playstation machines, etc)
34. What other information or tools would you find helpful to manage your home power
costs better? (e.g. in home displays; information on how to use less power etc)
35. Is there anything else you would like us to know about power in your home or

community?

# APPENDIX 2: Analysis of remote communities

#### TABLE 1: List of Isolated Power Stations

Isolated Power Station	Servicing which community	Proportion Aboriginal and Torres Strait Islander people in the community <sup>3</sup>	Pre-payment meter community <sup>4</sup>
Dauan Island	Dauan	100%	Yes
Coconut Island	Poruma	100%	Yes
Stephens Island	Ugar	100%	Yes
Yorke Island	Masig	99%	Yes
Weipa	Napranum	96%	Yes
Mabuiag	Mabuiag	95%	Yes
Moa Island	Kubin; St Pauls	95%	Yes
Yam Island	lama	95%	Yes
Murray Island	Mer	94%	Yes
Palm Island	Palm Island	94%	Yes
Doomadgee	Doomadgee	93%	Yes
Aurukun	Aurukun	92%	Yes
Darnley Island	Erub	92%	Yes
Hammond Island	Hammond Island	92%	Yes
Boigu Island	Boigu	91%	Yes
Kowanyama	Kowanyama	91%	Yes
Pormpuraaw	Pormpuraaw	91%	Yes
Badu Island	Badu	90%	Yes
Mapoon	Mapoon	90%	Yes
Mornington Island	Gununa	89%	Yes
Warraber Island	Warraber	87%	Yes
Lockhart River	Lockhart River	84%	Yes
Bamaga	Bamaga; Injinoo; New	81%	Yes
Saibai Island	Saibai	75%	Yes
Coen	Coen	69%	No
Thursday Island	Thursday Island	65%	No
Horn Island	Wasaga	61%	No
Camooweal	Camooweal	57%	No
Burketown	Burketown	42%	No
Boulia	Boulia	40%	No
Bedourie	Bedourie	26%	No
Birdsville	Birdsville	25%	No
Jundah	Jundah	7%	No
Windorah	Windorah	7%	No

<sup>&</sup>lt;sup>3</sup> 2011 Census Quick Stats

<sup>&</sup>lt;sup>4</sup> Communities utilising pre-paid card meters as provided by Ergon Energy

#### TABLE 2: Profile of communities with card-operated pre-payment meters

Community	Avg house -hold size <sup>5</sup>	Avg daily use by premises (kWh) <sup>6</sup>	Avg daily use per person (kWh) <sup>7</sup>	Median weekly house- hold income <sup>1</sup>	Median weekly income per person <sup>8</sup>	Avg house- hold weekly electricity spend <sup>9</sup>	Estimated proportion of income spent on electricity	Power Generation Source <sup>10</sup>
Δυευκυρ	5.6	22.0	3.0	\$1087 0	\$10/ 11	\$/19.15	1 52%	Δυευκύρ
Badu	*4.0	16.1	<u> </u>	\$786.00	\$106.50	\$37.00	4.32 /6	Badu Island
Bamaga	4.0	22.3	5.4	\$992.00	\$241.95	\$49.76	5.02%	Bamana
Boigu	3.4	10.4	5.7	\$916.00	\$269.41	\$43.80	4 78%	Boigu
Dauan	3.4	17.4	<u> </u>	\$949.00	\$279.12	\$39.27	4 14%	Dauan
Doomadgee	5.6	37.8	<u> </u>	\$1078.0	\$192.50	\$81.66	7 58%	Doomadge
Frub	4.2	19.1	4.5	\$1089.0	\$259.29	\$43.18	3 97%	Darnley
Gununa	4.6	25.8	5.6	\$866.00	\$154.64	\$56.97	6.58%	Mornington
Hammond	3.7	<u></u> 16.2	4.4	\$741.00	\$200.27	\$37.21	5.02%	Hammond
lama	3.7	19.4	5.2	\$688.00	\$185.95	\$43.80	6.37%	Yam Island
Iniinoo	4.4	22.3	5.0	\$1029.0	\$233.83	\$49.76	4.84%	Bamaga
Kowanyama	*4.6	22.3	4.8	\$1036.0	\$225.22	\$49.76	4.80%	Kowanyam
Kubin	3.6	12.5	3.5	\$825.00	\$229.17	\$29.60	3.59%	Moa Island
Lockhart River	4.4	18.3	4.1	\$1089.0	\$247.50	\$41.53	3.81%	Lockhart
Mabuiag	5.6	22.2	4.0	\$1187.0	\$211.96	\$49.56	4.18%	Mabuiag
Mapoon	3.5	17.5	5.0	\$922.00	\$263.43	\$39.89	4.33%	Mapoon
Masig	3.5	20.4	5.8	\$949.00	\$263.61	\$45.85	4.83%	Yorke
Mer	3.7	20.0	5.5	\$840.00	\$227.03	\$45.03	5.36%	Murray
Napranum	4.3	22.3	5.2	\$784.00	\$182.33	\$49.76	6.35%	Weipa
New Mapoon	3.4	22.3	6.6	\$830.00	\$244.12	\$49.76	6.00%	Bamaga
Palm Island	*5.0	22.8	4.6	\$1150.0	\$230.00	\$50.79	4.42%	Palm Island
Pormpuraaw	3.9	18.8	4.8	\$954.00	\$244.62	\$42.56	4.46%	Pormpuraa
Poruma	3.3	21.9	6.6	\$729.00	\$220.91	\$48.94	6.71%	Coconut Is.
Saibai	4.2	17.8	4.2	\$628.00	\$149.52	\$40.50	6.45%	Saibai
Seisia	3.7	22.3	6.0	\$1042.0	\$281.62	\$49.76	4.78%	Bamaga
St Pauls	3.3	20.9	6.3	\$745.00	\$225.75	\$46.88	6.29%	Moa Island
Ugar	2.5	11.7	4.7	\$833.00	\$333.20	\$27.95	3.36%	Stephens
Umagico	4.1	22.3	5.4	\$560.00	\$136.59	\$49.76	8.89%	Bamaga
Warraber	4.2	20.0	4.8	\$709.00	\$168.81	\$45.03	6.35%	Warraber
Hopevale	4.2	23.4	5.6	\$841.00	\$200.24	\$52.03	6.19%	Grid
Jumbun	3.2	19.5	6.1	\$562.00	\$175.63	\$44.00	7.83%	Grid
Wujal Wujal	3.9	23.4	6.0	\$850.00	\$217.95	\$52.03	6.12%	Grid
Queensland	2.6	18.2	7.0	\$1235.0	\$475.00	\$41.33	3.35%	Grid
North Qld	2.5	19.6	7.8	\$1145.0	\$458.00	\$44.21	3.86%	Grid

\* Ergon Energy (Colmar Brunton)I<sup>lxix</sup> survey reported twice number of people per household recorded in census figures i.e. Palm Island 8-10; Kowanyama 6-8; and Badu Island 4-8.

<sup>&</sup>lt;sup>5</sup> 2011 Census Quick Stats

<sup>&</sup>lt;sup>6</sup> Internal Ergon Energy PowerSavvy Report and My Power On-line calculator

<sup>&</sup>lt;sup>7</sup> Premise use divided by household size

<sup>&</sup>lt;sup>8</sup> Weekly income divided by household size

<sup>&</sup>lt;sup>9</sup> Premise daily use multiplied by current tariff 11 charge; multiplied by seven; plus current daily service charge multiplied by seven

<sup>&</sup>lt;sup>10</sup> Ergon Energy Network Management Plan Part A: Electricity Supply for Regional Queensland 2012/13 to 2016/17





# APPENDIX 3: Summary of Queensland Energy Concessions

Information current as at July 2014.

### Electricity and gas rebates

Queensland pensioners and seniors may be eligible for:

- the Electricity Rebate—\$320.97 per year (GST inclusive)
- the Reticulated Natural Gas Rebate—\$67.61 per year (GST inclusive)

#### Eligibility

Rebates are available to people who hold any of the below:

- Pensioner Concession Card
- Department of Veterans' Affairs Gold Card (and receive the War Widow/er Pension or special rate TPI Pension)
- Queensland Seniors Card.

To be eligible, the card holder must live alone or share their place of residence with (only) any of the below:

- their spouse
- other people who hold a Pensioner Concession Card or Queensland Seniors Card
- other people wholly dependent on them
- other people who receive an income support payment from Centrelink, the Family Assistance Office, or the Department of Veterans' Affairs and who do not pay rent
- other people who live with the card holder to provide care and assistance, and who do not pay rent.

### Medical Cooling and Heating Electricity Concession Scheme

The Medical Cooling and Heating Electricity Concession Scheme helps with electricity costs for people who have a chronic medical condition, such as multiple sclerosis, autonomic system dysfunction, significant burns or a severe inflammatory skin condition, which is aggravated by changes in temperature. It currently provides \$320.97 (including GST) per year to eligible applicants.

#### Eligibility

You must:

- be a Queensland resident and
- have a qualifying medical condition and need cooling or heating to stop your symptoms becoming significantly worse. Qualifying medical conditions include:
  - multiple sclerosis
  - o autonomic system dysfunction
  - o loss of skin integrity or sweating capacity
  - severe compromise of functioning such as mobility at extremes of environmental temperature
  - hypersensitivity to extremes of environmental temperature leading to increased pain or other discomfort or an increased risk of complications and
- live at your principal place of residence, which has an air-conditioning unit.





The applicant and/or legal guardian of a minor with a qualifying medical condition must:

- hold a current Pensioner Concession Card or a current Health Care Card and
- be financially responsible for paying the electricity bill.

#### Home Energy Emergency Assistance Scheme

The Home Energy Emergency Assistance Scheme:

- is for low-income households who've experienced a short-term financial crisis or unforeseen emergency that has limited their ability to pay their current electricity or reticulated natural gas bills.
- is one-off emergency assistance to help with paying your home energy bills
- pays up to \$720 in any 12 month period for a maximum of 2 consecutive years.

#### Eligibility

To be eligible you must meet one of the following:

- hold a current concession card in the name shown on your electricity or reticulated natural gas bill, or
- be part of your energy retailer's hardship program or payment plan, or
- have an income less than the Australian Government's maximum income rate for part-age pensioners.

Full eligibility details, including the types of emergency situations you might get help for, are available from your energy retailer.

#### Electricity life support concession

The Queensland Government provides an electricity life support concession for eligible people who are seriously ill and use a home-based oxygen concentrator or kidney dialysis machine. If you are eligible for the concession, you will receive a payment of up to \$54.48 per month (\$163.43 per quarter) for each oxygen concentrator, or \$36.38 per month (\$109.44 per quarter) for each kidney dialysis machine you use. The concession is calculated monthly and paid quarterly.

#### Eligibility

Oxygen concentrators

To be eligible, you must:

- 1. receive your oxygen concentrator free of charge through the Medical Aids Subsidy Scheme (MASS)
  - AND
- 2. have been medically assessed in accordance with the eligibility criteria determined by Queensland Health

#### AND

- 3. hold one of the following concession cards:
  - Pensioner Concession Card
  - Health Care Card
  - Health Care Interim Voucher
  - Child Disability Allowance
  - Queensland Seniors Card.

#### Kidney dialysis machines

To be eligible, you must receive your kidney dialysis machine free of charge through a Queensland Health hospital.



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