



## Community and consumer organisation joint proposal: National COVID-19 energy hardship relief package

### Key background

- COVID-19 is an unprecedented event with a catastrophic impact on communities and the economy. The response to the spread of the virus has rapidly escalated and expanding restrictions have devastated entire industries and their workers. The immediate impacts are mainly being felt by workers and businesses in the industries subject to restrictions, but as shutdown measures stay in place and increase, the effects will be felt throughout society.
- Those worst affected will include:
  - Employees in these industries, after leave entitlements and other temporary provisions are exhausted.
  - Employees and business owners impacted by the closure of industries subject to government restrictions, particularly those that will permanently cease to trade.
  - Households required to isolate and stay home, with flow-on impacts on income, energy usage, physical and mental health and wellbeing.
- The incomes of millions of people and many thousands of businesses have disappeared, or been greatly reduced overnight. Many of the industries hardest hit are the most heavily casualised: in NSW, 42% of the arts and recreation workforce, 65% of the accommodation and food service workforce, and 36% of the retail trade workforce is casual. 2016 Census figures indicate these industries account for more than 617,000 jobs in NSW alone. Under the current restrictions, the majority of these people are now likely to be indefinitely unemployed.
- Many people will experience higher energy costs in coming months as a result of being at home at a time when they are least able to pay. Analysis by the Public Interest Advocacy Centre shows some households will experience winter energy bill increases exceeding \$200 per month as a result of COVID-19 related circumstances.

## National COVID-19 Energy support package

- As providers of a service that is essential for health and wellbeing, the energy industry has acted to ensure energy remains available to the community through a period of unprecedented disruption to business. Given the widespread, profound and complex impacts of COVID-19, government and industry also must take immediate, decisive and strong steps to protect energy users.
- We welcome Friday's announcement by the Australian Energy Regulator and Thursday's announcement from the Australian Energy Council as positive and necessary first steps in reassuring and supporting communities during this period. However, more must be done by government and industry to prevent widespread accumulation of energy bill debt contributing to extreme and prolonged hardship.
- Implementing measures to support the community and help people pay bills as soon as possible is critical, and government and industry should work together to deliver them. As well as immediate relief for people unable to pay their energy bills, government and industry should look to medium- to long-term measures, such as targeted energy efficiency improvement programs, that can assist people to manage energy costs as well as boost the economy.
- We welcome the Federal Government's increase in income supports such as the expansion of the Jobseeker allowance. This support is part of a critical immediate response. However, as competing essential costs such as rent, food and healthcare are priorities, energy-specific support measures are required to keep people at home and healthy throughout the crisis, and to ensure adequate support is in place for the many people that will inevitably slip through the cracks, resulting in inability to pay for utilities.
- This may include people who:
  - Cannot demonstrate eligibility according to the criteria for other supporting payments.
  - Are already struggling to pay rent/mortgage, food and essential service expenses on an ongoing basis.
  - Are now required to remain at home, facing a significant increase in energy usage, regardless of any change in their capacity to pay.
  - Are on skilled, student, working holiday or other visas that don't entitle them to be 'on the path to citizenship' and who are not currently eligible for support payments.
  - Are asylum seekers, including those in community detention or awaiting decisions.
  - Are New Zealand resident nationals.
  - Are affected by other support measures provided by community, industry and government becoming less accessible due to increased demand or restrictions faced by their providers.
  - Remain in the workforce, or in business, but with reduced income.

### *Commonwealth Government measures*

- The Commonwealth Government should develop a plan to deliver temporary, targeted energy hardship support to minimise the accumulation of energy debt, with input from retailers and consumer advocates. This package should:
  - Be delivered in conjunction with, and funded by, the Commonwealth Government.
  - Be delivered through the most simple and effective avenue. This may require energy retailers to be an intermediary, and potentially involve the assistance of state governments. Energy retailers are well-placed to help administer targeted bill relief as they have knowledge of and access to their customers, they already administer government support to customers who need it, and will benefit by preventing unsustainable debt accumulation while retaining customers.

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- Be targeted to support an expansion of payment assistance and hardship support.
- Be triggered by stages in government responses to the COVID-19 pandemic.
- Be contingent on participating energy businesses committing to a minimum set of requirements for hardship support, debt recovery and disconnections, outlined below.
- Be accompanied by accountability measures to ensure government funds are delivered as intended.
- Be accessible for those served through embedded networks and by exempt retailers.
- The Government could also support energy businesses to increase or recover capacity for customer support, while at the same time creating local jobs, through subsidising the immediate increase of Australia-based call centre capacity, system expansion and retraining. As with hardship support measures, government funds to support this would be contingent on energy businesses committing to minimum requirements and accountability measures.
- The Government should also support immediate measures to improve energy efficiency for those who are required to stay home during the crisis, such as more efficient space heaters, draft sealing kits, and support for advice services to help people adopt energy efficient decisions and behaviours.

### *Energy business measures*

- If they have not already, energy businesses should immediately and publicly communicate the additional steps they are taking to support their customers and the community and work with community and government on COVID-19 responses. This should include recognition that these are exceptional circumstances that need exceptional responses to protect those impacted by the COVID-19 situation from further financial stress. This would bring the energy sector in line with other industries providing essential services such as banking.
- Where they have not already, all energy businesses should immediately announce:
  - A moratorium on disconnections and debt collection and recovery action for all consumers, at least until measures can be put in place to protect those impacted by the COVID-19 response from further financial stress.
  - Universal access to payment support and hardship assistance measures, including bill smoothing, payment plans, and best offer assistance, with the objective of avoiding debt accumulation. There should be multiple ways for customers to access this support, and customer-initiated contact with retailers should not be relied on. Proactive measures should include outgoing calls to people who are late on payments. Email or webforms to request assistance should also be available.
  - Commitment to plan for a range of escalating responses now, to ensure that if other assistance measures are needed the industry is ready to act immediately.

### *State government measures*

- State governments should urgently work to address acute access issues with state-based measures, such as the Utility Relief Grant Scheme in Victoria, including ongoing consultation with providers to identify issues, workarounds and solutions.
- State governments should consider temporary increases to existing state-based energy rebates and concessions.

## **Signatories to this proposal**

Australian Council of Social Service  
Australian Capital Territory Council of Social Service  
The Brotherhood of Saint Laurence  
Combined Pensioners and Superannuants Association  
Consumer Action Law Centre  
Ethnic Communities Council  
The Physical Disability Council of NSW  
Public Interest Advocacy Centre  
Renew  
South Australian Council of Social Service  
Tasmanian Council of Social Service  
Uniting Communities  
St Vincent de Paul Society  
West Australian Council of Social Service

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