



Report for the Public Interest Advocacy Centre
ANALYSIS OF THE SAVE4GOOD PROGRAM

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Contents

Executive Summary 1

Results 4

 Save4Good Program Overall 4

 Issues with Energy retailers highlighted by the Save4Good Program 7

 Negotiating a better PLAN..... 11

 Retail Offers..... 16

 Low Income Households 18

Appendix A - Tariffs 25

Appendix B Impact of COVID 32

Executive Summary

The Port Kembla Community Investment Fund (PKCIF), Round 3 provided funding for a community led, sustainability initiative, called Save4Good, by All Sustainable Futures Inc. The program was designed to engage 1000 residents and/or small businesses in sustainable actions in the Port Kembla postcode which has around 2000 occupied dwellings (refer Map 1). The actions were designed to stimulate tangible infrastructure and behaviour changes that would deliver long term, lasting benefits to help revitalise the community.

The program was branded Save4Good and launched on 23rd August 2019 at the Port Kembla Community Hall and was completed in April 2021.

The aim of the program aligned with the PKCIF objectives to:

1. increase economic activity;
2. enhance activation and connectivity of public infrastructure, precincts and community spaces; and
3. improve environmental air, land or waterway quality.

To achieve the above aims the program needed to:

- engage residents and small to medium enterprises (SMEs) in sustainable actions that would save money and reduce their greenhouse gas emissions, long term;
- retrofit each residential dwelling with free sustainable items that would reduce household costs and energy and water consumption daily and save an estimated \$115 per person per year (saving an average household with 3 people, \$345 per year); and
- provide incentives and remove barriers to participants investing in sustainable products, purchased from local suppliers.

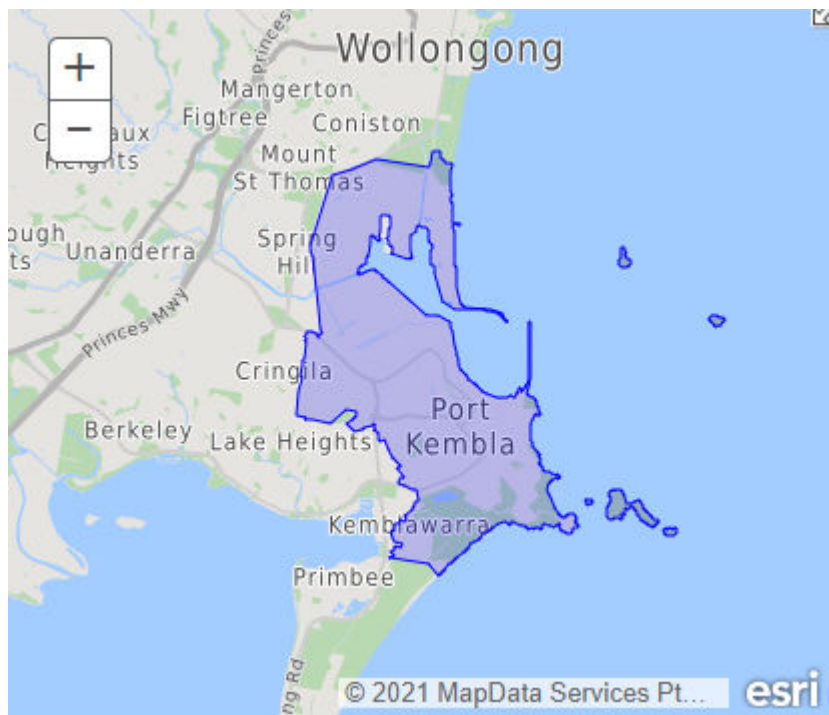
Based on our own research and the impact of past state and local community education/sustainability programs to engage the community and target outcomes, All Sustainable Futures designed the Save4Good program to deliver changes in the things we have (infrastructure) and the things we do (behaviour). We surveyed people across Port Kembla to determine what were the main barriers to adopting sustainable behaviours or buying more sustainable infrastructure. The response can be distilled down to three key issues:

1. **Time** – I don't have time to do all the research;
2. **Money** – sustainable items are expensive and I'm not sure what I'm getting; and
3. **Knowledge** – I don't know what the best thing for me is.

Save4Good was designed to meet people where they are on their sustainable journey, gain trust in a short space of time and make the participant understand we worked in their interest and were not there to “sell something”. We needed to tailor the delivery for the audience and provide a program that could engage at a very basic level, requiring no outlay in money, right through to assisting participants to rescope their homes and behaviours for the future and have the confidence to invest in larger sustainable products, knowing they were good value for money.

To overcome these barriers and assist people in a tailored way we:

- Provided \$100 to entice households to participate – providing local economic stimulus and ensuring the most vulnerable are encouraged to engage, through the reciprocity system.
- Recruited local sustainability suppliers (14 in total) who could provide a significant discount to participants. These suppliers were promoted to program participants in a Save4Good Booklet that had tips and tricks on how to save and vouchers for product discounts supplemented with cashbacks. If the participant spent over \$200 with Save4Good suppliers on sustainable items they received \$100 cashback; if they spent over \$1000 they received \$500 cashback and if they spent over \$2000 on more sustainable products such as solar systems, rainwater tanks, insulation, solar hot water systems and more, they received \$1000 cashback.
- Provided free kits to retrofit homes that include an energy and water efficient showerhead, window and door seal, door seal, tap aerators, door sausage, CFL light bulbs, shower timer, power board and tap aerators.
- Provided a free “coaching session” – where a sustainability expert attended the home/business and conducted an energy audit of appliances and behaviour and “health check” of the energy and water bills to develop a tailored Report for each participant on ways to save energy and costs in the home/business. The bill “health check” **may** include negotiating a better deal with their energy provider or applying for a NSW Government rebate they were eligible for or upgrading an old fridge for a new one through the Appliance Replacement Offer if the participant was unable to do these negotiations/applications themselves. If they were interested in a solar energy system, we included a solar assessment in the report outlining the likely costs and savings over a 25 year period.



Map 1 Map of Port Kembla, NSW 2505

During our Coaching Sessions and assessments of electricity bills by the participants we found a number of issues and barriers to a customer being on the cheapest available Energy Plan. We checked the Energy Made Easy

website on a daily basis and during the project found that for this postcode, assessing electricity prices only, the variation between the cheapest and most expensive plan ranged between \$750 and \$2000 per household per year.

As part of the coaching session, the energy bill “health check” found:

- a. 84 of the 392 (21.4%) eligible residents were not receiving a NSW Government rebate;
- b. Less than 3% of participants understood they needed to re-negotiate their plan every year;
- c. Most low-income households (eligible for the Low-Income Household Rebate (LIHR)) were on a standard or higher contract with their energy provider;
- d. There was NO correlation between receiving the NSW Government LIHR and being on a low-cost plan with energy providers;
- e. No retailer offered hard copy plans or electronic plans in any other language other than English; and
- f. There are significant barriers for low-income households to be on the cheapest deal, receive an eligible rebate, negotiate a hardship plan and receive an Energy Assistance Program payment if they have difficulty paying.

Through access to rebates for all those eligible and helping people get on better plans, we helped households save an average of \$258.76 per year per household and \$1,779.63 for SME’s. That is a community wide saving of \$237,024 for households and \$160,167 for SME’s per year.

Save4Good engaged 1006 participants from the Port Kembla postcode: 916 residential and 90 SME participants. The participant breakdown is as follows:

1. Total 1006/ 1000 target;
2. 916 residential or 91% of all participants;
3. 90 SME’s or 9%;
4. 193 of the participants were of Macedonian ancestry or 21% of the residential component;
5. 60 participants were Italian ancestry or 7% of the total; and
6. 392 or 43% had some form of pension or social security payment.

The savings and therefore economic stimulus generated by each component of the project are summarized as follows:

- \$100 was given to each participant, an incentive to engage in the program – a total of \$100,600;
- The community spent \$508,409 on 164 sustainable infrastructure items. This was driven by the discounts we negotiated for residents from the retailers and the cashbacks we offered as reimbursements from the Save4Good program. Participants were given, on average, a 10% discount on these items by the retailers, therefore saving an estimated \$60,434 community wide on their purchase. We provided a further \$95,938 in cashbacks from the Save4Good program. For every \$1 spend by PKCIF via the cashbacks, the community spent a further \$5.30. The total community wide return on investment (bill savings) from the infrastructure cash back component was \$118,341 or \$129 per household (all households). The infrastructure is reducing energy consumption by 382,428 kWh per year and reducing Greenhouse Gas (GHG) emissions by 251,026 kg

CO_{2-e} per year. To ensure low-income households could benefit from the retail cashbacks, we supplemented the NSW Government (by paying the customer share of the Government offer): Appliance Replacement Offer and gave 44 new fridges and 6 new televisions to eligible low-income households saving each household \$200 on electricity costs from a new fridge and \$125 on electricity costs of a new TV.

- The free kit provided is designed to save a minimum of \$115 per **person** per year in energy and water bills. We gave away a total of 4,934 energy and water efficiency items to participants saving on average \$253.62 per household per year and a total community wide saving of \$232,314 per year, 65,948 kWh and saving 43,288 kg CO_{2-e} per year;
- The coaching session provided a tailored plan for participants on ways to save each year including advice on savings made through behaviour change as well as upgrading appliances or installing other sustainable items such as solar panels and rainwater tanks. Based on feedback from participants, behaviour changes associated with the program are estimated to save each household \$200.40 off their bills each year or a total of \$183,556, 51,398 kWh and 33,738 kg CO_{2-e} per year; and
- All the above savings combined have delivered an average saving per household of \$818 off their water and energy bills per year, adding to a combined, community wide saving of \$931,412 and 499,774 kWh or 328,052 kg CO_{2-e} and saving 348 million litres of water per year.

Results

SAVE4GOOD PROGRAM OVERALL

We completed 1006 out of the 1000 coaching sessions we committed to completing. The Port Kembla Community Investment Fund contributed \$770,000 (incl GST) over two years. The Department of Planning, Industry and Environment contributed \$160,500 worth of free kit to the community. The residential community are now saving, an estimated \$771,245 per year off their energy and water bills or \$842 per household and \$1779 per business per year or \$160,167 – a combined community saving of \$931,412 every year (see Table 1, Figure 1). The community wide saving in environmental impact is 499,774 kWh or 328,052 kg CO_{2-e} and 348 million litres of potable water per year.

The data is derived from actual bill data and savings achieved based on the number of people per household. The only data with greater variability in projections is the savings identified in behaviour change (switching off lights, changing consumption patterns). Whilst the data is derived from surveys and conversations with each participant, how consistently they continue these behaviours into the future is the subject of much research. The majority of research on social persuasion suggests, that once adopted and practiced for 6 weeks, the behaviours are entrenched and part of the new routine, and therefore can be relied upon with a significant degree of certainty.

Table 1 Breakdown of savings for each element of the project

Total Savings	Per Dwelling/year	Community Total/Year	kWh saved per year	kg CO ₂ -e
Renegotiate bill charges	\$258.76	\$237,024.16		
Free Kit	\$253.62	\$232,314.14	65948	43,288
Infrastructure - cashback	\$129.19	\$118,341	382,428	251,026
Behaviour changes	\$200.40	\$183,566	51,398	33,738
Resident total per residential dwelling	\$841.97	\$771,245.30	499,774	328,052
Business Bill Savings	\$1,779.63	\$160,166.67		
Total Community Saving (Residential plus business)		\$931,411.97		

The big kicker for the Save4Good program is the savings for each household or business are ongoing. The infrastructure savings are locked in. Although the behaviour change savings might diminish over time (however, research suggests it won't) our future years savings projections are based on a CPI increase of only 1.7% and there have not been many years in the past ten when energy increases have been close to CPI. Some years electricity costs have increased by 12%. Therefore, the projected savings per year in Figure 2 are conservative and predict a community wide, cumulative saving over 5 years of \$4.8 million and after 10 years the community savings have accumulated to \$10 million.

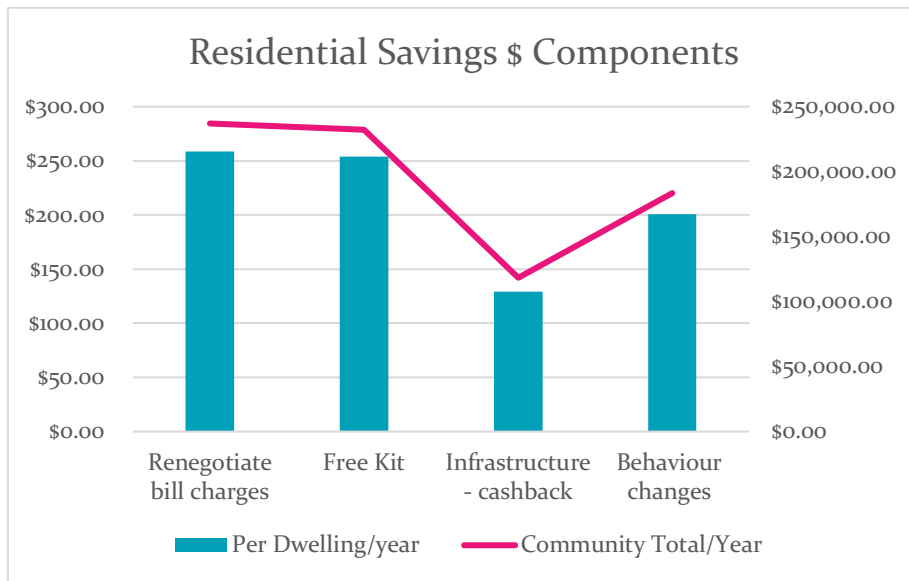


Figure 1 Breakdown of residential savings on energy and water

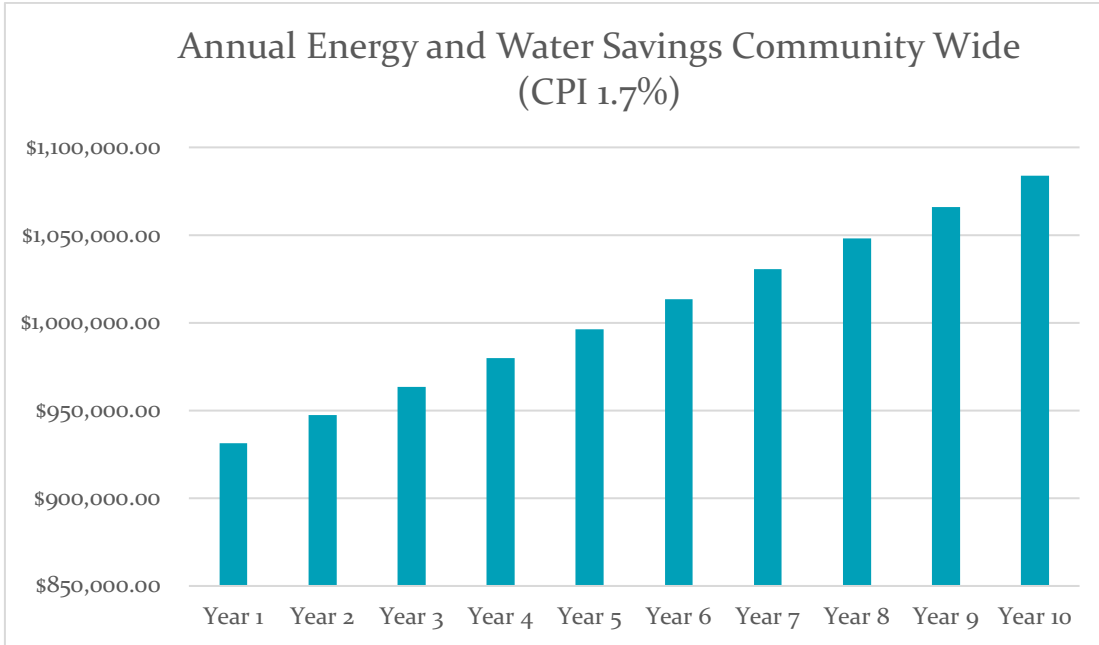


Figure 2 Residential yearly savings with 1.7% CPI over 10 years.

The economic stimulus of the program is achieved through direct expenditure - \$100 incentive to participants, infrastructure purchases by community and infrastructure purchase of the free kit which adds up to \$865,405. The next part of the economic stimulus is through the money saved by the participants each year and is \$931,412 community wide, including residential and business participants (refer Figure 3).

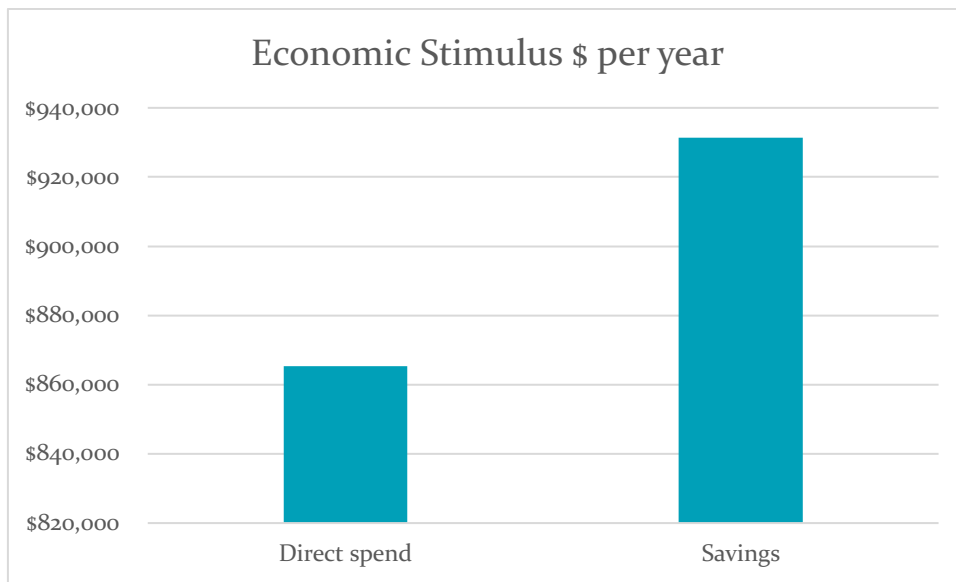


Figure 3 First year economic stimulus, direct and savings.

ISSUES WITH ENERGY RETAILERS HIGHLIGHTED BY THE SAVE4GOOD PROGRAM

The Coaching sessions took between one (1) hour and up to six (6) hours. The additional time was always due to negotiations with energy retailers regarding customer plans, the rebates customers received and hardship plans. During this time we asked participants about their understanding and knowledge of the energy market and their role in it. The perception is generally that the energy market is designed in the retailers' favour and the process is something the customers have to endure rather than be an active participant in. Many believed they had no say in what they were charged and very few understood their bills and the plans they were on.

The following observations are summarized:

- The energy plan a customer is on is dependent on their ability to negotiate and therefore cheaper plans were linked to customers with significant negotiation skills.
- Barriers to negotiation include:
 - Consumers don't know they need to negotiate their plans annually;
 - Most consumers have little or no framework to facilitate negotiations (the need to negotiate on price of usage, price of supply, discounts and feed-in-tariff, consumers do not know the rebates available to them to ask for a rebate);
 - Technology is another factor:
 - poor reception, lines often drop out and negotiations have to start all over again;
 - energy provider have three-way conversations with interpreter services which was very hard to understand and effectively communicate;
 - or no internet facility so cannot access www.energymadeeasy nor some of the energy providers (for example Power Shop and Energy Locals).
 - Mental health – many people suffer issues around impulse control and emotion and therefore cannot stay on the line long enough to finalise a plan;
 - Consumers cannot understand operators – many issues, particularly with those outsourced overseas, can mean it is very difficult for customers to understand the operator;
 - Consumers believed loyalty to one provider automatically meant they were on the best deal, many commented “I have been with Origin for 20 years, why is the standard rate more expensive?”;
 - Promises not kept, operators have said the issue is resolved when it is not (e.g this happened for an Aboriginal Community included in this program) or say it will be backdated but it isn't;

- Negotiations require a high level of English language skills (having an interpreter does not always help this process and can add an extra complication to the negotiations);
- None of the interpreter service personnel were, themselves aware of the issues, jargon and terms used and therefore were not able to interpret from a level of knowledge, often impeding communication, we often corrected what an interpreter had communicated;
- The language/terminology used by the energy provider can confuse customers;
- It takes at least 45 minutes to negotiate a plan. This is only to negotiate the tariff, this does not include time taken to sort out additional issues like rebates or hardship plans;
- Energy providers assume control of the conversation and do not allow the consumer to speak freely;
- Energy providers have barriers to people negotiating on the consumer's behalf beyond asking that the consumer gives consent. Some retailers actually block or hinder the process by repeatedly saying, things such as "I have to talk with the consumer, you cannot talk on their behalf";
- Consumers do not understand if they are on a better plan or not because the tariffs are complicated – see Appendix A;
- Energy providers will charge higher tariffs for that portion of the bill that the consumer uses most and offer lower tariffs for the least used sections of the bill but it appears as though the consumer has a better deal (for example 1. if the consumer is a low user of electricity then the supply charge per day will be relatively high and the usage charge c/kWh will be low appearing to be a competitive offer; 2. If the consumer has high hot water consumption the c/kWh charge on off-peak section of the bill will be relatively high and the peak usage tariff relatively low);
- Energy bills are complicated and consumers largely do not understand them;
- Bills layout is often different within retailers let alone between retailers – this leads to confusion around prices and charges;
- Very often, despite our knowledge of a better plan offered by that energy provider (which has been negotiated that day for another participant) the energy provider will refuse to match it saying "Today we can only offer this";
- Energy providers hide expensive tariffs behind 'discounts';
- Pay-on-time discounts hide high tariffs and the conditions (example pay on time discount) often cannot be met by the consumer (especially if low socio-economic) meaning no discount is received and the consumer is charged a high tariff;
- Consumers unable to pay a bill are reluctant to contact their energy provider fearing the service will be disconnected;

- Consumers do not know they can access hardship plans. Energy providers actively avoid discussing a hardship plan (we experienced this with Energy Australia, Dodo and Origin);
- Most energy providers have very variable tariffs between customers in the same postcode;
- The tariffs offered by most providers are not allocated based on ability to pay but ability to negotiate (refer Appendix A);
- Negotiating an energy plan is particularly avoided by consumers who: are deaf or have hearing loss; have English as a second language; have no English; are older; have mental health issues; have difficulties paying their energy bill; consumers with small children;
- Discounts are commonly off the usage component of the bill only, but often this is not stated. This is usually the case for pay-on-time discounts but provider dependent;
- Residents with solar panels do not seem able to negotiate the lowest tariffs for peak usage (c/kWh) if they have a higher feed-in-tariff (FiT);
- Residents with non-electric hot water can still be paying a supply charge for electric hot water (=6c/day) through previous off peak load control;
- Not all pensioners receive the NSW Government Low Income Household Rebate (LIHR) (\$285 off electricity bill and \$110 off gas bill annually). The reasons are because they:
 - Do not know that it is available;
 - Believe they are receiving it but they are not;
 - Cannot understand the phone conversation with the energy provider;
 - Do not know how to access it; and/or
 - Assume it is received automatically when they get the pension.
- Not all of the residents eligible for rebates such as Life Support Rebate; Family Energy Rebate; Medical Energy Rebate; Seniors Energy Rebate; Council Rates Rebate receive them. The reasons they do not receive the rebate were discussed with participants, and they include:
 - Do not know that they are available;
 - Believe they are receiving it but they are not;
 - Cannot understand the phone conversation with the energy provider, often due to customer service personnel who have an accent that some people find difficult to understand;
 - We asked those eligible for a medical rebate if their GP had ever raised the issue of the rebate – no GP had ever raised the issue;
 - Do not know how to access it; and/or
 - Assume it is received automatically if they are eligible for one.

- Since November 2020 retailers started asking about consumer eligibility for the medical rebate. No other eligibility criteria or rebates were discussed as a result of the retailer initiating the discussion throughout the project.
- Having the NSW Government LIHR removed from members of the local Aboriginal community because the suburb identified on concession card, drivers' license, and by their Landlord (LJ Hooker) differed. This is not due to a mistake by the residents but as their houses are on the border of 3 suburbs and/or are located on an un-gazetted/non-public road, the address has been recorded by different organisations as a different suburb. Despite several calls to the electricity provider, Local Aboriginal Land Council, managing Real Estate Agent, Centrelink and a letter to Services Australia it is still not remedied and it is not clear how to fix it.

Landlord Issues

- Sometimes households (often rented properties) have electric hot water but no off-peak tariff, so that all their electricity is paid at the peak price. Often the hot water tank is too small for the household's daily needs so that it has to reheat often and is expensive to run.
- Rented properties often had leaking hot water systems. It takes a long time to get them fixed and the tenant has to continue to pay the electricity bill. There is no review by the retailers of any sudden increase in consumption for those on the LIHR.

NEGOTIATING A BETTER PLAN

To reduce the cost of an energy bill, the cheapest and, one of the most effective strategies is to renegotiate your charges and/or get a guaranteed discount. Very few people or businesses who participated in Save4Good understood they needed to negotiate this contract EVERY year (less than 3%). Many believed a plan was negotiated every three years, not annually. If you do not negotiate, you are put onto the standard contract, which for Origin, is one of the most expensive. Very few people who participated had negotiated within the last 12 months (25/916 or 3%). Most people who had been with the same energy provider for twenty (20) years assumed they would be on some loyalty discount. Anyone who had not actively negotiated were usually on the most expensive plan or close to the most expensive plan for that provider.

At the beginning of the project, we used the Australian Government website: *Energy Made Easy*, to understand the energy retail landscape in Port Kembla and to promote this website as an independent way for participants to understand the retail market and help with negotiations. At the start of the project the difference between the cheapest plan and the most expensive was \$2000, for the same household consumption. At the end of the project this difference had (according to *Energy Made Easy* – refer Figure 4) shrunk to \$750. At the end of the project in May 2021 there were 37 providers offering electricity in the postcode 2505. Each provider generally has multiple plans and variations on plans, so there are 708 plans from 37 providers. Origin alone has 138 different plans for Port Kembla ranging in price from \$1,260 to \$1,480. We promoted the *Energy Made Easy* website but whilst assisting people with these negotiations we found a fundamental problem. The retailers would require you to give account details BEFORE they would discuss rates. If we asked for the best rate offered by that company listed in the *Energy Made Easy* site, the provider would respond:

“We are not offering that today – the offer today is...”.

In a sense, whilst the *Energy Made Easy* website gives you a feel for the market in general, the offers listed on the site may NOT be an offer that is made to the customer on any given day. The point here is whilst the energy providers promote “Plans” each plan seems to be fluid on any given day. For example, you may opt for the Standard Contract with an added “Guaranteed Discount”. However, the “Guaranteed Discount” offer is also fluid, it may be 8%, 10%, 11% 12%, 14% or 16% with the same energy provider. Negotiating bills every day, we very rarely offered the same discount twice from the same provider, the amount of the discount varied as did the name of the discount. A single provider offered a Guaranteed Usage Discount, or a Guaranteed Supply Discount, or total Guaranteed Discount, or a Loyalty Discount, or a Pay-on-time discount. Each provider had their own suite of discounts which a customer may or may not access.

This complexity is very confusing for the customer and then add barriers such as poor health, poor hearing, poor English skills and the likelihood of customers negotiating the best plan becomes more and more unlikely.

Furthermore, the conversation with the provider is controlled by the provider, at the outset there is very little of the exchange that the customer can control, which further disempowers the customer, many participants would say, when the Save4Good team was helping them, “*I would have hung up by now*”. It seems that is what the energy provider is relying on, in establishing a long, disempowering process to negotiate the plan or check on a rebate.

The largest residential saving on an electricity bill negotiation (negotiating a cheaper rate, receiving the LIHR) alone was \$2,987 per year – a refugee family of seven (7). It took over two (2) hours on the phone to Energy

Australia to complete all the work required to get a reduction in the bill. The highest, business reduction (on bill charges only) was \$18,952 – a not-for-profit, where we negotiated a 28% discount for 13 premises, they had with the same energy provider – Origin.

The correlation that meant a customer had the best plan offered by the energy provider was the regularity with which they negotiated their plan. Nothing else correlated – not loyalty (time or number of premises) with a retailer, not socio-economic status nor any other factor.

Water charges from Sydney Water were consistent for every resident. The only difference was application of a Pensioner Rebate for concession card holders. The only thing we needed to check was the Pensioner rebate and there were few Water bills that were incorrect for Sydney Water.

The Save4Good Booklet and tailored Save4Good Report identified the need to annually negotiate energy and gas plans with energy providers and outlined the benefits it can bring (refer Figure 5). The tailored Save4Good Report provided a dialogue for participants to coach them through the negotiation necessary to secure a fair plan (refer Figure 6).

Electricity plan results

Electricity | Port Kembla, 2505 | 2 to 3 people

What is important to you?

-
- Monthly bills
-
- No contract
-
- No exit fees
-
- No credit card fees

 Show: [Lowest price plans from each retailer \(37\)](#) | [Plans with promotional offers \(355\)](#) | [All plans \(708\)](#)

 View: [Price](#) | [Price with discounts](#) ?

Yearly ▾

All prices are inclusive of GST except where indicated.



ReAmped Advance | Anytime & CL1

- No contract term
- Single rate tariff with controlled load
- Smart meter compatible
- Solar feed-in
- GreenPower
- [View plan information](#)

- Need to know**
- \$43.56 Move-in / new connection fee
 - \$43.56 Disconnection fee for moving out of the premises

\$1,070 per year



All Day Breakfast

- No contract term

- Need to know**
- \$12.00 Late payment fee
 - \$40.00 Account establishment

\$1,110 per year



Members Energy Solar + Battery - TOU + CL2

- No contract term
- Time of use tariff with controlled load
- Smart meter compatible
- Solar feed-in
- [View plan information](#)

- Need to know**
- \$87.25 Move-in / new connection fee
 - \$87.25 Disconnection fee for moving out of the premises
 - \$11.00 Direct debit dishonour fee
 - \$16.00 Late payment fee
 - Credit card payment fee 1%
 - Other fees apply
 - Offer available if: Network tariff criteria met

\$1,820 per year



Members Energy Solar + Battery - TOU + CL1, CL2

- No contract term
- Time of use tariff with controlled load
- Smart meter compatible
- Solar feed-in
- [View plan information](#)

- Need to know**
- \$87.25 Move-in / new connection fee
 - \$87.25 Disconnection fee for moving out of the premises
 - \$11.00 Direct debit dishonour fee
 - \$16.00 Late payment fee
 - Credit card payment fee 1%
 - Other fees apply
 - Offer available if: Network tariff criteria met

\$1,820 per year

Figure 4

Energy Made Easy Price Range

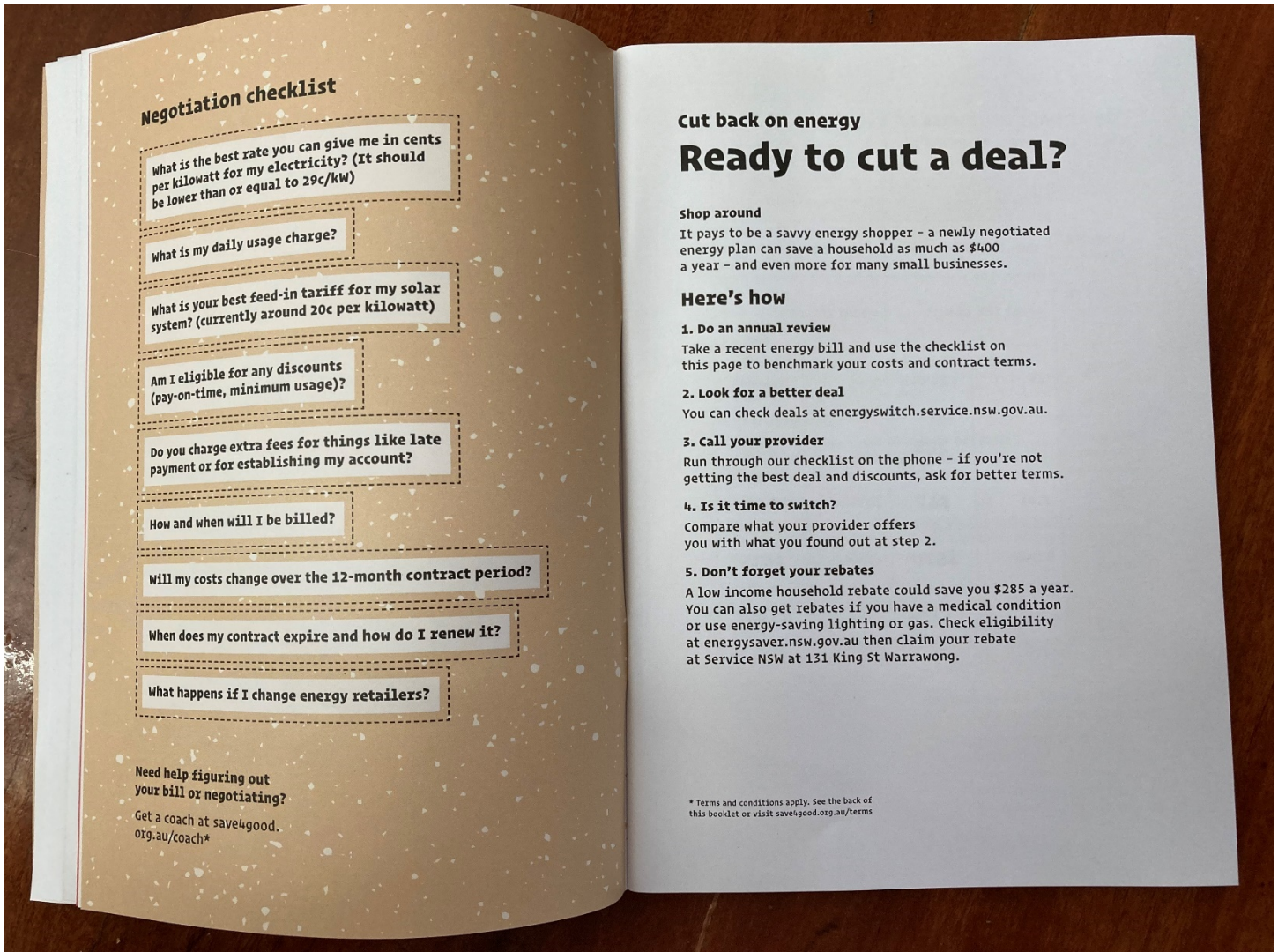


Figure 5 Save4Good Booklet Energy Retail Negotiation

'I am shopping around. I am only interested in your best deal. Electricity

- *What is the best total discount you can give me for electricity? I currently have none.*
- *What is the cheapest rate in cents per kilowatt for my peak electricity? I am currently paying 28.9 cents per kilowatt. I have electric hot water but do not have off-peak so am paying peak price for hot water. Can you give me a fairer deal here?*
- *What is the best rate you can give me for my supply charge? I am currently paying 84 cents per day.*
- (If they offer you a new deal ask) *Am I better off with this new deal, what would my last bill have been if I had this deal?* They will calculate this for you so you can compare to your last bill. A different provider will ask you for your kilowatt usage. Make sure it is now cheaper, if not cancel the plan you just discussed and maintain the old one.

If you request particular discounts and charges and they say no, then ...

- *I will give you 24 hours to think about it. I will call you back in 24 hours.*

Figure 6

Extract from a Save4Good Report

RETAIL OFFERS

A sample of the Energy Plans customers were on during the life of the project is shown in Figure 7. AGL had the lowest overall offer during the period (offsetting peak charges c/kWh and supply charges – c/day) with 20.63 and 68.08 respectively; whilst Click had the highest charges with 57.84 and 126 respectively.

Comparing the larger retailers: AGL, Origin, Energy Australia, Alinta and Red Energy: AGL had the lowest charges and Energy Australia the highest charges when considering their high supply charges. Red Energy had very consistent charges with less overall variability in offers at any given time.

Whilst Figure 7 represents a sample of offers over the life of the project and not a point in time, it was noted as we conducted the coaching sessions that there was no link between a customer on a LIHR and being on the lowest offer for that retailer. The only correlation with customers being on lower priced plans was that they had negotiated the plan within the last 12 months.

During the project we conducted coaching sessions between September 2019 and April 2021, during that time energy retailers only began asking questions about eligibility for Medical Rebates in November 2020. No retailer asked questions about the LIHR or any other rebate, despite our project finding 84 of the 392 (21.4%) eligible residents were not receiving their NSW Government rebate. The large proportion of households on the LIHR were on a “Standard rate”, which effectively cost them \$232 more per year per household, than the same consumer on the cheapest available rate. By not offering households on the LIHR the cheapest available plan, effectively the retailers were taking 81% of the rebate for themselves.

Variation in Retailers over 15 months

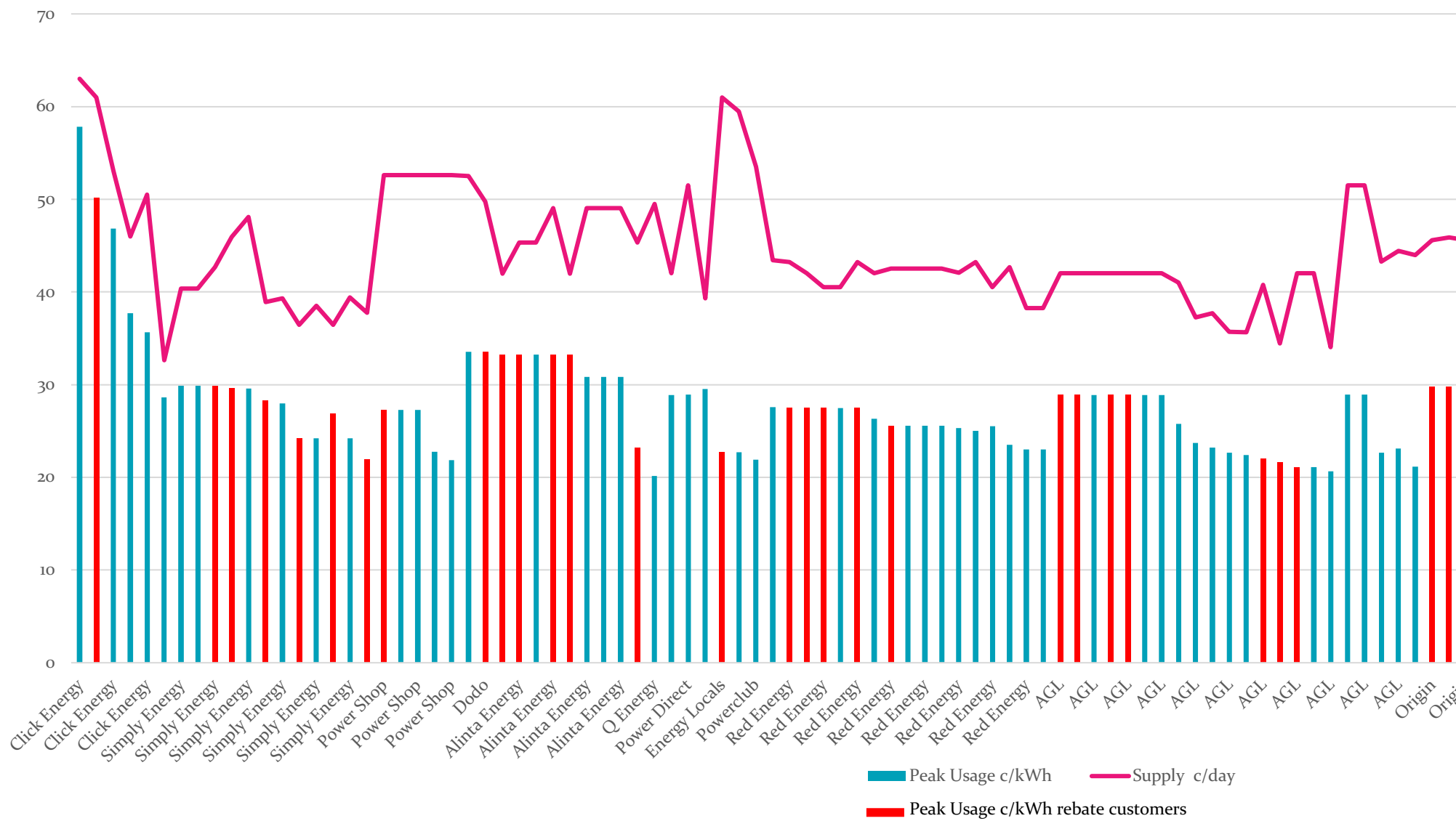


Figure 7

Samples of Retail Offers Over the Life of the Program

LOW INCOME HOUSEHOLDS

We recruited 177 of the 179 (99%) social housing tenants with assistance from NSW Land and Housing Corporation and extensive direct marketing including six (6) days on site with a gazebo and signage, six (6) flyers delivered to every letterbox and three (3) letters in each letterbox.

Low Income Household Rebate and the best offer notification

Save4Good recruited 392 low-income households. 43% of all residential participants were from a low-income household and eligible for the NSW Government Low Income Household Rebate (LIHR) off their electricity bill (\$285) and gas bill (\$110)(Gas Rebate). The “health check” assessment of their energy bills revealed 84 eligible households were NOT receiving the LIHR (21.4%). Furthermore, those that were eligible and were receiving the rebate, 90% were NOT on the cheapest retail plan. It is a requirement under the NSW Social Programs for Energy Code that they must determine whether recipients of rebates are on the most appropriate retail contract soon after they become rebate consumers and once every year after that. If the provider determines that consumer is not on their most appropriate retail contract they must make a reasonable attempt to inform the consumer of the option of switching to the more appropriate retail contract.

We could not verify whether households that were not on the provider’s cheapest plan had not been contacted by the provider, but if they were, the contact method had not persuaded the householder to get on a better deal.



Setting up at Matthews Crescent Port Kembla – Social Housing Apartments

Appliance Replacement Offer

To ensure the most vulnerable people in the community could benefit from the cashback offers, we linked the Save4Good program with the NSW Government Appliance Replacement Offer (ARO). The ARO paid for 40% of a new, energy efficient refrigerator and 50% off a new, energy efficient smart television. Less than 10% of low income household participants had heard of the ARO program and only approximately 3% had used the program previously. Save4Good paid the remainder of the costs allowing low-income households to readily access this program. Save4Good also helped eligible low-income residents unable to access the program to apply. Fifty energy efficient appliances were delivered to 48 homes, enabled by the Save4Good program. Two homes received both a new refrigerator and a new television (refer Table 2). The NSW Government estimated each household would save, up to \$200 per year with a new refrigerator and up to \$125 per year with a new television. The age of the refrigerators we replaced was between 20-30 years.

Table 2 Appliance Replacement Offer and Save4Good

Appliance Replacement Offer Top-up	No	Total Value	Save4Good Contribution
Refrigerator	44	\$46,464	
Television	6	\$2,970	
Total	50	\$49,434	\$25,238

Solar for Low Income Households

Save4Good also heavily promoted the *Solar for Low Income Households* (SLIH) but only three participants applied, with two being rejected by the program. For one household, Origin Energy deemed the roof was too steep and the other one Origin said they wouldn't work with a meter box with asbestos. So only one household in the program has proceeded with the 3.3 kW installation.

Hardship Programs

The National Energy Retail Law (NERL) requires all energy providers to maintain and implement a hardship policy that is approved by the Australian Energy Regulator. The NERL states that “The purpose of a retailer's customer hardship policy is to identify residential customers experiencing payment difficulties due to hardship and to assist those customers to better manage their energy bills on an ongoing basis.” (Section 43(1)).

When we contacted Energy Australia on behalf of a refugee family of 9 who were in arrears with Energy Australia, initially the retailer denied having a hardship program. After being on the phone negotiating a better rate, the LIHR and establishing a payment plan with Energy Accounts Payment Assistance (EAPA) vouchers, Energy Australia transferred us to the department that ran the hardship program and put the family on their hardship program. From these negotiations, we helped the family save \$2,987 in a year. (see Case Study D).

Barriers to negotiating a better plan for low income households

Our experience in assisting low income households with negotiating a better plan is:

1. The phone call takes a minimum 45 minutes- 2 hours with some disconnections requiring the whole story to be told again, the longest time was 6 hours over three days;

2. No customers knew that energy providers have to have hardship programs, (sometimes neither did the energy provider customer care operator) that they may be able to access if they requested it or indicated that they needed it (see Case Study D);
3. It is often very hard to access the hardship program when discussing options with the energy provider. You have to insist that consumer needs to be in their hardship program;
4. There is NO correlation between low income house and cheapest plans, in fact many low-socio economic customers were on VERY high tariffs (see Case Study A);
5. In our experience, low income households either don't know that they have to negotiate or are not confident negotiating or do not have the skills needed to negotiate (including due to having low English language proficiency);
6. Many vulnerable people have additional barriers that PREVENT them from negotiating. These barriers include: poor sight, poor health, poor hearing, language barriers, mental health problems;
7. To receive interpreter services the phone wait time has to be less than 20 minutes. This means that many people who need interpreter services can NEVER access them (see Case Study Box B) because the retail negotiations last at least 45 minutes before we can get the interpreter involved;
8. Accessing the NSW Government's LIHR is dependent on the energy provider and Centrelink having the same address. The Aboriginal community at Coomaditchie had a postcode change (despite having the same street address) that has prevented them all receiving the LIHR and despite many calls and letters to various government departments they still do not receive the rebate due to this postcode anomaly that Centrelink refuse to correct (See Case Study Box C).
9. Once a low income household gets into arrears with an energy provider, they could not switch providers for a better plan and many were on very high charges.
10. Accumulating arrears tended to happen due to one (1) event: for example, when an extended family stayed for Christmas after which the resident couldn't afford the bill; or the householder bought a new heater or cooler and then couldn't afford the next bill or they had a higher-than-expected estimate reading;
11. Arrears were usually between \$1,800 to \$3,500 – therefore EAPA could not negate the arrears. (EAPA is a maximum of \$300 twice a year for electricity. During Covid-19, this amount was increased to \$400).
12. Most low income households budgeted for their energy bills and a shock bill that is higher than they have budgeted for was a real fear.
13. Many low income households live in poor thermally performing homes (hot in summer and cold in winter). However, the largest “additional” costs of low income householder bills was NOT high use (as most had learnt to minimize their use, even if it meant being extremely cold) but high charges. This is contrary to NSW Government programs for low income households which are targeted at consumption only.
14. Many had complained that they could not understand the conversations with energy providers – when the operators were from another country.

15. Many vulnerable people face procedural, and systemic barriers to bill relief (See Case Study B and C) that seem relatively simple to solve, but the various government agencies put the burden onto those least able to fix the issues to address them.
16. Technical barriers:
 - a. all calls to energy providers take a minimum of 45 minutes. Many residents had cheap mobile phones with pay as you go plans that had expired so there was no way they could contact the provider.
 - b. Many of the cheaper plans by energy providers involve paperless invoices, which is technologically beyond many low socio-economic households.
17. None of the energy providers offered contract correspondence in another language.
18. Elder abuse was an issue we found in some households: adult children had put the electricity bill in their name which meant the rebate was lost, but the parent was still required to pay for the bill.

Case Study A: Trevor's Bad Deal

Trevor lives in a rental house in Shellharbour Rd with his wife and two school age children. He is unemployed, but his wife works. His energy retailer is Click Energy and he insisted that he did not really need assistance with his bill as he was on a very fair plan and didn't want to change. As part of our coaching session, we assessed his plan and gave him advice. First of all, his plan had pay-on-time discount, but when asked if he did pay on time he said: "No, never". We could see why: Trevor was paying 57.8375 cents/kWh peak rate (when the average peak rate in Port Kembla was 28 cents/kWh, so he was paying over double the average rate) and 32.45 cents/kWh off peak rate (yet the average off peak rate in Port Kembla was a third of that at 11 cents/kWh). His supply charge was \$1.26 per day (when the average supply charge was \$0.81 per day). Trevor had no Family Energy Rebate nor Low Income Household Rebate applied to his bill.

Case Study B: Procedural Barriers

Hong lives in social housing and is a War Veteran. Her English language skills are low, particularly over the phone. During our coaching session we noticed Hong had no Low Income Household Rebate despite her Veterans Affairs Card. We told Hong this and she said she would correct this herself with Services NSW. Hong attended Service NSW, Warrawong, who told her they could not be of assistance and it was something that had to be raised with her retailer. Hong phoned the Save4Good Team for assistance.

We went to Hong's house and phoned the retailer in her presence. After 45 minutes the retailer said there was a different postcode on the Veterans Affairs Card compared to their records and that Centrelink needed to fix the problem. I asked for the number to call and she gave me a Centrelink number.

I phoned the number supplied by the retailer for Centrelink. After a 40 min call we got through to Centrelink South Australia who said we needed to phone Centrelink NSW. We asked for the phone number and were given a number that turned out to be for the NSW Department of Planning Industry and Environment, who gave us another number which was Service NSW, which meant we were back at the beginning. They then said we needed to ring the energy retailer.

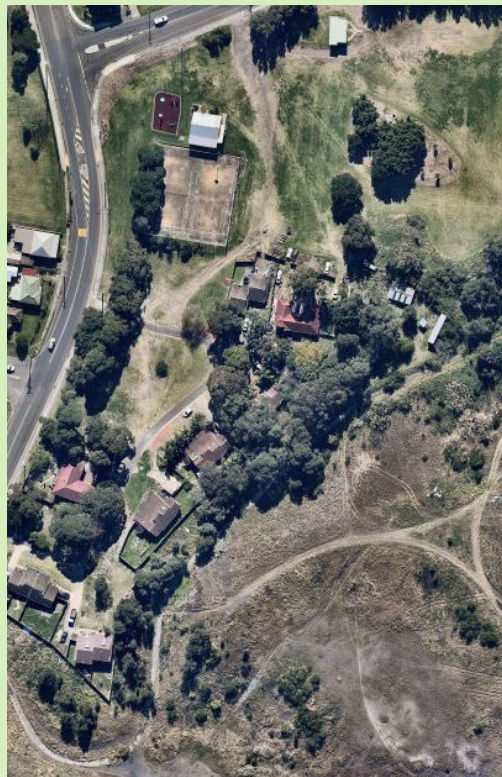
We rang the Department of Veterans' Affairs – the wait time was 52 minutes. Once we connected to the operator, they said they could not discuss this with Save4Good staff, only with Hong directly. We put Hong on the phone and whilst Hong could understand the operator, they could not understand her when she told them her birthdate. They said she needed to hang up and get an interpreter and ring them back. I asked if we could get an interpreter now on the phone – they replied: "No the process is you ring an interpreter then ring us back". The phone call so far had taken 2 hours. We had to re-schedule to help Hong on another day.

The following week we again assisted Hong. We rang the interpreter service and explained what we needed. We then rang the Department of Veterans' Affairs – we were on the phone queue and after 20 minutes the Interpreter Services said they would need to end the call as their procedures didn't allow a call longer than 20 minutes. We asked that they hang on as all the calls to date with the Department of Veterans' Affairs took a minimum 40 minutes. They said this was not possible and hung up. We then continued on in the queue with the Department of Veterans' Affairs. Once we were connected, we asked if we could now bring in the Interpreter, but the operator said that was contrary to their protocol and wouldn't do it. I asked that we try to interpret ourselves with Hong. They agreed we could try but it would be better with an Interpreter. I explained what the issue was with the postcode – the Department of Veterans' Affairs were sceptical that anything could be done. They then checked their records for her card against current postcode lists and found there was an anomaly, and they would change the postcode. I asked why this was not an automatic process when postcodes changed. They replied that to change the postcode required the Veteran to call them and get it changed. I said but how would they know the record was incorrect and what if their language or mental health was a barrier? The operator replied: "That's the process and it can't be changed". Our job was not finished. We had to wait 48 hours and again phone the energy retailer to get the change completed. We again re-scheduled a time to do this with Hong.

The final phone call took a further 45 minutes. In total we had spent over 6 hours on the phone. This didn't include travel time to and from Hong's house.

Case Study C: No Low Income Household Rebate for members of the Coomaditchie Community

Some of the Dharawal community from Port Kembla live at Coomaditchie – which is now wholly within the Postcode 2505 – Port Kembla. Most of the 13 families living at Coomaditchie are eligible for the Low Income Household Rebate, yet none are getting it, and many haven't had it since around 1994. The issue is the official postcode boundary has shifted over the years with some parts previously being in Warrawong or Kemblawarra. The roads are named after tribal elders and yet some of these street names do not seem to be registered across all departments. The postcode anomaly has so far proved to be a nut Save4Good could not crack. We have spent weeks on the phone with retailers and government departments, each time the operator saying they would fix the problem only to find weeks later it had not been fixed. We have written letters to government departments with evidence of the anomaly and the solution to fix it – with no reply.



Coomaditchie

Case Study D: Refugee Family and the Hardship Plan

This refugee family has five children and two adults. Their electricity bill was in arrears with Energy Australia (owing \$3,200) and the new bill was around \$1,700. They had been given a fridge by the Salvation Army that was malfunctioning, and the freezer door wouldn't open so they purchased a second, older fridge. We began negotiations with Energy Australia through an interpreter (not provided by Energy Australia) that took 2.5 hours. The family were not receiving the Low Income Household Rebate (LIHR) they were eligible for, and we negotiated EAPA vouchers through Our Community Project. We also knew Energy Australia had to have their own hardship program. Initially, the operator denied they had such a program. After reading out the hardship plan information from their own website the operator put us through to the "Hardship Division". A plan was negotiated that agreed the family would pay \$200 per month and Energy Australia would contribute \$200 after each payment towards the arrears.

Through negotiating the LIHR, EAPA vouchers, cheaper tariffs and getting them on a hardship program we helped save the family \$2,987 for the year.

Case Study E: Low Income Households and Retail Bill Estimates

Bill estimates are used by retailers if there is no smart meter at the premises or if, during the visit, the meter reader cannot access the meter. There seemed, across the postcode a high number of customers with estimates rather than actuals at any given time, though this is difficult to assess as we had no comparison with other postcodes. The estimate is supposed to be based on actual, past consumption readings for the same time of year (e.g. summer). However, we looked at 3 bills with estimates and found a much higher estimate than the actual for the previous period. Furthermore, there was one group of residents who had had an estimate for over 2 years at a social housing complex in Matthews Cres. During negotiations for one resident (who was \$3000 in arrears) with Dodo I asked why the resident had not had an actual reading. The operator said that Endeavour Energy had stated on the file the meter access was vandalised and could not be accessed. Whilst on the phone to the operator, I went to the meter box which had a broken lock but the access was open. I read the meter for the tenant and the readings were significantly lower than her estimated reading. I photographed the meter and sent it to Dodo. They said it would be corrected as a future credit but that the arrears had to be paid.

The estimates can cause payment stress for households on low incomes, particularly if they are higher than actuals. Many households on low incomes said it took only one event to tip them into a spiral of hardship. Many residents also stated that there were no access issues with their meter and could not understand why they had estimates.

Appendix A - Tariffs

Variations observed in tariffs charged by Energy Provider over the last 15 months
(This is not the whole list but somewhat indicates the range offered by each provider)

Provider	Peak Usage c/kWh	Off-peak Usage c/kWh (CLd)	Supply peak or supply total c/day	Supply off-pk c/day ^	Discounts	Feed-in-tariff c/kWh
Click Energy						
	57.8375	32.45	126	-	25% pot	
* X2	50.1787	-	122	-	0	
	46.8611	-	106	-	40% pot	15
	37.7	26.8	92	-	44% pot	15
	35.63 then 33.3	-	101	-	9% pot	
	28.6143	-	65.274	-	0	
Simply Energy						
**	29.89 then 28.92	-	80.74	-	15% pot	
	29.89 then 28.92	-	80.7	-	18% pot	
*	29.89	14.94	85.31		15% pot	
*	29.6	-	91.89	-	20% pot	
	29.6 then 28.7	18.4	96.19		28% pot	
*	28.31 then 24.22	12.45 then 10.007	77.87	-	14% pot	
	27.96	-	78.6	-	18% pot	
*	24.22 then 26.92	-	72.93	-	14% pot	
	24.22	10.07	77.0	-	14% pot	

*	22.4 then 26.9	-	72.9	-	14% pot	
	22.46 then 24.22	-	78.87	-	14% pot	
*	21.9	10.72	75.56	-	12% gd	
Power Shop						
*	27.26	15.3	105.26	6.39	0	
	27.26	15.5	105.26	6.39	0	10.2
	27.26	-	105.26	-	0	
	22.75	-	105.26	-	0	
	21.87	12.27	105.26	6.39	\$5	
Dodo						
*	33.53	14.74	105	-	20% pot	
* X2	33.53	-	99.5	-	30% pot	Cannot pot
Alinta Energy						
*	33.22	-	83.897	-	30% pot	
##	33.22	12.441	90.65	-	22% pot (total)	
**, *	33.22	-	90.651	-	20% pot	
#	30.844 then 33.22	-	98.054 then 90.651		22% pot (total)	
	30.844 then 33.22	-	83.897	-	19% pot	
	30.844	11.715	98.054	-	16% pot (total)	
**	30.844	-	98.054	-	16% pot	
*	30.844	-	98.054	-	30% pot	
	23.22	9	90.651	-	0	
Q Energy						

	20.15	-	99.0	-	0	
Power Direct						
**	28.9	11.9	84	6	28% pot	
	28.95	-	103	-	0	
DC Power						
	29.55	-	78.62	-	0	15
Energy Locals						
*	22.73	-	122	-	0	
	22.7	-	119	-	0	
Powerclub						
	20.901 then 21.898	-	107	-	0	
Red Energy						
##	27.6	10.03	86.86	-	0	
*	27.5	10.6	86.5	-	10% pot	
* & Med Rebate	27.5	10.6	84	-	10% pot	
*	27.5 then 26.8 then 26.7	-	81		10% pot	
	27.5	-	81	-	10% pot	
*	27.5 then 26.8	10.6	86.5	-	10% pot	
	26.3	10.6	84	-	10% pot	
* H	25.57	14.93	85	-	10% pot	
	25.57	-	85	-	10% pot	

	25.57	14.93	85	-	10% pot	
	25.57 then 23	14.93	85	-	10% pot	
	25.3 then 23.65	-	84.15	-	0	
	25 then 24.5	10.39	86.5	-	0	
	25.5	-	81	-	10%	
	23.53	13.3	85.37	-	10% pot	
	23.01	13.437	76.5	-	0	
	23.01	-	76.5	-	0	10.2
AGL						
*	28.9	16.97	84	6	16% pot	
*	28.9	11.97	84	-	0	
	28.9	11.97	84	6	20% pot	
*	28.9	-	84	-	28% dd	10.2
*	28.9	-	84	5.37	22% dd	
	28.9	-	84	-	32% pot	11.1
	28.9	-	84	-	2% dd + 3% pot + 5% gd	
	25.79	11.97	82	6	15% gd	
	23.71 then 23.26	-	74.54	-	0	20
	23.19	-	75.44	-	AGL Bonus =\$18.19	
	22.65	12.07	71.44	5.1	0	
	22.43	10.41	71.34	5.22	0	
*	22	9.1	81.5	5.8	0	
* + LS	21.66	10.05	68.88	5.04	0	
*	21.1	-	84	-	0	

	21.1	8.7	84	6	0	
	20.63	-	68.08	-	0	9.5
	28.95	-	103	-	30% gu	
	28.95	-	103	-	24% gd	
	22.66	-	86.56	-	0	
	23.1	-	88.88	-	0	
	21.13	-	88	-	0	
Origin						
*	29.799	18.502	91.179	6.853	10% gu + 10% gs	
*	29.799	11.415	91.799	6.853	8% ol	
*	29.799	11.495	91.179	6.853	10% gu + 10% gs	
	29.799	-	91.179	-	10% gu + 10% gs	
*	29.799	-	91.179	6.853	25% gu	
*	28.578	11.495	87.45	6.853	8% ol	
*	28.578	15.257	87.45	6.853	10% gu + 10% gs	
	28.578	-	87.45	6.853	0%	
	28.578	-	87.45	-	10% gu + 10% gs	
	28.578	-	87.45	-	12% gu + 12% gs	
LS	28.436	15.623	87.016	6.853	0	
	28.436	-	87.016	-	0	
*	27.09	-	82.89	-	8% ol	
	27.09	10.45	82.89	6.23	22%	
WN *	23.318	12.811	71.354	5.62	0%	
WN *	22.465	11.781	68.743	5.14	0%	
	21.158	-	91.179	-	0%	
	31.399	-	111.65	-	32% gu	8
	31.339	-	111.65	6.853	25% gu	

	31.339	-	111.65	-	22% gu	
	29.117	-	104.181	-	0	
	29.117 then 29.238	-	104.181	-	22% gu	
	28.95		103		30%gu	
	28.991		103		22% gu	
Energy Australia						
	33.31482	-	97.6624	-	3% + 17% pot	
	32.758	-	96.03	-	3% + 35% as	
	32.643	18.04	100.683	-	4% ud	10.5
*	32.643	13.13345	100.683	-	3% pot + 14% pot	
	32.643	-	97.7605	-	3% pot + 17% pot	
	32.46716	-	95.7088	-	3% + 12% pot	
	32.5	13.13345	100.683	-	11% pot	
	32.098	17.743	99	-	3% + 6% + 18% pot	Cannot pay on time
	31.1779	-	93.17	-	3% pot + 25% pot	
	28.9564	12.394	84.7	-	16% atp	
	24.2	-	68.2	-	0	
	31.78219 then 32.43108	-	120	-	10% + 12% pot	
	31.78219	-	120	-	22%	

* = Concession card holder

**= Pensioner & no rebate

Business rates,

H = hot water use relatively high

= Family Energy Rebate



= Not receiving the Family Energy Rebate

LS = Life Support Rebate

WN = Save4Good negotiated this plan for 1. refugee, single mother concession card (could not pay bill, had not been put on hardship plan), 2. Pensioner, Aboriginal, could not pay bill

^ = if there is no off-peak supply charge shown it may be incorporated into the peak supply charge

Appendix B Impact of COVID

The First NSW COVID lockdown was announced on 23 March 2020. Until then the program required little promotion to conduct around 35 audits a week, as word-of-mouth and social media were the biggest drivers, keeping us on track to complete in the timeframe. However, with COVID restrictions in place, bookings and requests for coaching sessions stopped overnight. We then adjusted our program delivery to be conducted via home letterboxes and required participants to fill in a simple survey – in place of our face-to-face energy audit. It captured all the key elements we needed in as simple a version as possible.

As word of mouth and social validation elements became more restricted, the uptake of the cashbacks slowed, as we could not discuss, face-to-face the program benefits and deliver detailed nuance. It was then we promoted the Appliance Replacement Offer and that we would pay the remainder 60% of a new fridge or 50% of a new TV if applicants were eligible. This drove word-of-mouth with the lower socio-economic cohort.

We worked closely with the NSW Land and Housing Corporation to target those tenants who had, to-date, not engaged with the program.

To promote the COVID safe approach we carried out a suburb wide letterbox drop of a flyer which drove engagement. Over time this became less and less effective and we started doing a letter drop to households. Finally, to ensure we met the deadline the last month we door knocked – particularly in low-socio economic streets to engage as many vulnerable people as possible. COVID extended the timeline by six months (refer Figure 8).

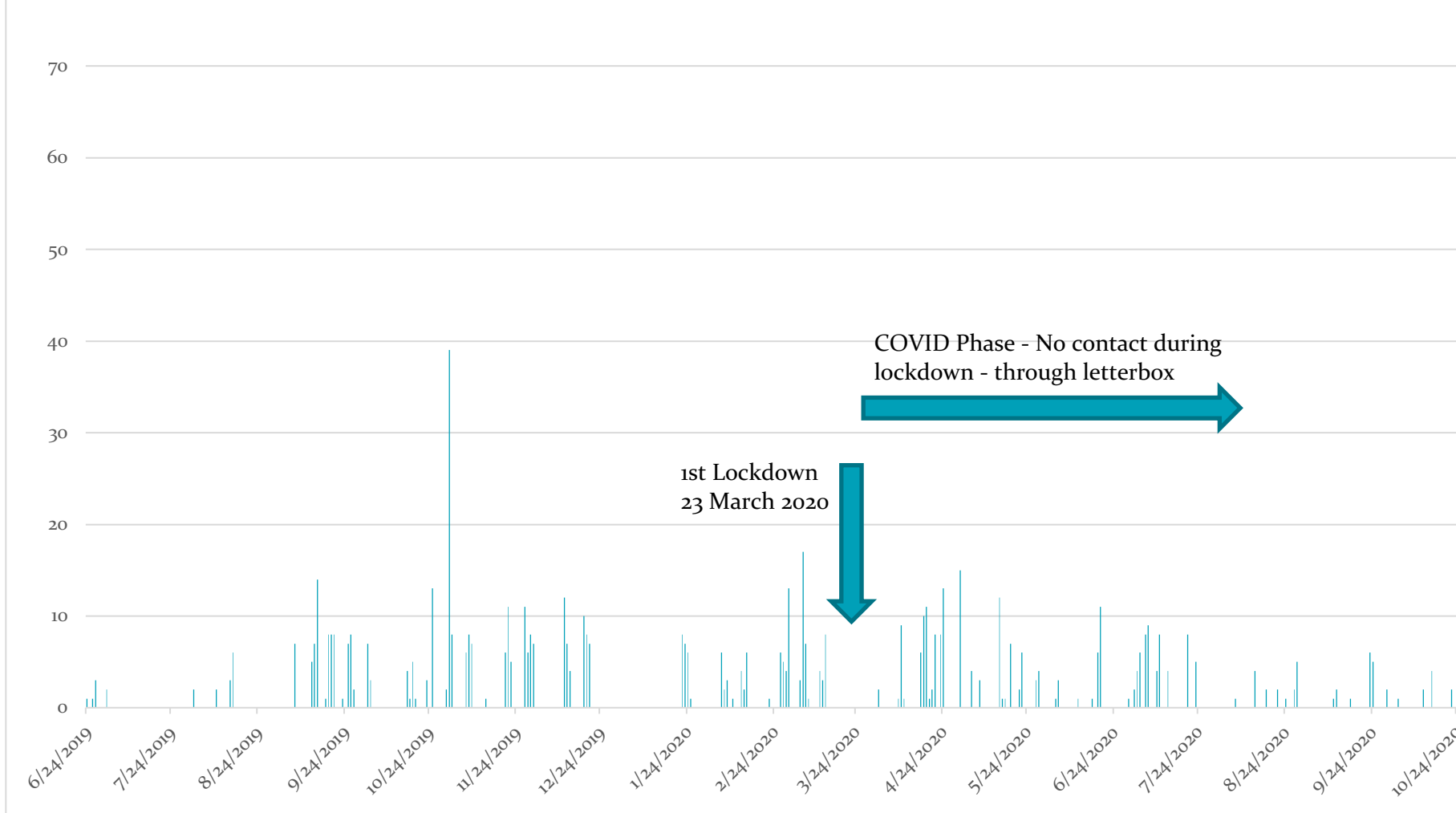


Figure 8 Coaching Sessions – Number by date

