

# MORE POWER TO YOU:

electricity and people with physical disability



A paper by the

**PUBLIC INTEREST ADVOCACY CENTRE**

In collaboration with





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The Public Interest Advocacy Centre (PIAC) promotes justice and equality through legal advocacy, policy development and education. PIAC is an independent, non-profit law and policy organisation. PIAC's aim is to promote a fair, just and democratic society. PIAC seeks to achieve this by taking an integrated approach to public litigation, policy development, law reform, and education. PIAC identifies public interest issues and works co-operatively with other organisations and government to achieve systemic change.

PIAC operates an Energy and Water Consumers' Advocacy Program (EWCAP), established in 1998, it develops policy and advocates in the interests of low-income and other residential consumers in NSW energy and water markets. PIAC receives funding from the NSW Department of Trade and Investment, Regional Infrastructure and Services to carry out its work in this area.

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## Foreword

The world celebrated the International Year of People With Disability more than thirty years ago. And since then much law has been enacted - national and international - to advance the rights of people with disability -

- Disability services legislation;
- Disability discrimination legislation; and
- Internationally, a disability rights convention.

But none of those rights are much good to someone who can't afford to heat their home, cook their food, or charge the batteries on their electric wheelchair.

Currently, almost one in two people with disability in Australia live in or near poverty - 45% - more than double the OECD average of 22%. Australia is ranked 27th out of 27 OECD countries when it comes to relative poverty risk for people with disability.

Overall employment rates for people with disability are stagnant. Labour force participation remains low at around 54%, compared to 83% for people without disability.

Given these statistics, this paper turns a lens on a very important problem faced by people with physical disability in Australia. I congratulate the auspicing organisations for recognising the problem, carrying out the research and publishing the results.

The issue is now one for broader community consideration. It is unacceptable for Australia to celebrate Paralympic medals in the way that we do and leave those of us living our lives with disability to experience the disadvantage I have outlined. We are one of the world's seventh strongest economies and it is well past time that those benefits are more equitably shared.

I encourage you all to read this paper. But we must do more than that. I also encourage you to think about what you can do to redress this unfairness to Australians with physical disability. The authors have provided us all with an Action Plan which is an excellent start.



Graeme Innes AM  
*Disability Discrimination Commissioner  
Australian Human Rights Commission*

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## Executive summary

Electricity makes our lives work. It lights our homes, keeps our computers and mobile phones running and helps us stay warm or cool. People with physical disability are especially reliant on electricity to help maintain independence and mobility. If a person needs electricity to charge a motorised wheelchair or make a communication device work, then disconnection is catastrophic.

The Public Interest Advocacy Centre and the Physical Disability Council NSW have set out to understand more about the electricity use of people with physical disability by undertaking qualitative research involving people with a physical disability. This work has shown that people are highly motivated to keep their electricity consumption at levels they can afford. Unfortunately, this often means forgoing other essential items including heating and cooling or medicines that are used to help manage physical conditions.

This research has highlighted that people with physical disability face four layers of disadvantage:

1. Low incomes mean struggling to afford electricity;
2. Disability brings additional general costs (eg, wheelchairs, special food, medication);
3. Disability brings additional energy costs; and
4. Disability can inhibit people realising benefits from traditional energy efficiency measures.

This paper focuses on the third and fourth layers noted above and suggests some short and medium-term actions that can be taken in relation to energy policy so as to reduce the risks of disadvantage faced by people with physical disability.

Part of that action will entail improvements to the safety net that exists to help people stay connected to electricity. To significantly reduce the risk of disadvantage, the safety net must offer assistance that has some relationship with current prices and be responsive to people's disability-related electricity needs. This will require energy rebates with needs-based, rather than prescriptive, eligibility criteria.

People's motivation to meet their own needs and keep electricity affordable also presents an opportunity to deliver energy efficiency programs and resources that, if targeted appropriately, will deliver long-lasting benefits.

Finally, the electricity market of the future must be inclusive. An inclusive market will recognise that some consumers will have a limited ability to change their electricity consumption behaviour or benefit from technology-based innovations. Clearly, innovations such as time-of use tariffs and load control offer some people ways to limit their exposure to rising electricity prices. However, we should also consider how the fixed timetables of in-home services, the need for 24-hour life support equipment or temperature control to manage physical conditions impact on the ability of people with physical disability to insulate themselves from rising electricity prices, which are a fixture of the modern market. Where possible, any barriers preventing people from accessing the benefit of innovations should be removed. If this is not possible, appropriate supports should be available so people do not continue to face bills for an essential service they are not able to afford.

## Introduction

Electricity is an essential service that is becoming increasingly expensive. While many consumers will be able to absorb those costs as their incomes rise, there are those who will be forced to make difficult choices in order to afford the electricity they need.

Discussion of a modern electricity market takes rising prices as a given.<sup>1</sup> Innovations such as energy efficiency, time-of-use pricing, behaviour change and real time monitoring and load shifting enabled through smart technologies are offered as ways consumers can act to manage electricity costs. But what happens if there are barriers that prevent some people harnessing the benefits of these innovations? What if some people are as efficient as possible but are still unable to realise savings that make even their basic electricity needs affordable?

When people have a physical condition that requires them to use electricity for specific purposes that cannot be reduced or shifted to other times, disadvantage resulting from unaffordable electricity may be more acute. For this reason, the Public Interest Advocacy Centre (PIAC) and the Physical Disability Council of NSW (PDCN) set out to better understand the electricity use of people with physical disability. Our aim is to use this information to contribute to the development of contemporary policies and programs that can assist people stay connected to electricity as an essential service; and to see innovations in the market deliver benefits equitably across the consumer base.

Additionally, we wanted to better understand the social costs faced by people with physical disability due to rising electricity prices. While statistics can tell us how many people in NSW have been disconnected because of an inability to pay, they do not tell us what people go without to pay their bills or how they find the money to do so.

The information presented in this paper is a snapshot. Certainly, further research would provide a deeper understanding of the challenges faced by people with physical disability, especially in developing a comprehensive understanding of the link between a person's home and their ability to choose efficient fixed appliances or make other changes to save electricity. Similarly, an 'action research' project would be useful in testing the capacity of people to gain any cost benefits from real-time price signals and could be a useful follow up to this work.

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1 Australian Government, *Draft Energy White Paper*, 2011, ix.

## People with physical disability in NSW

It is estimated that over 1.3 million people in NSW have a disability and approximately 1.1 million people in this group have a physical condition.<sup>2</sup> Statistics for NSW estimate that the majority of people (68.1%) with disability live in major cities, with 25.5% living in inner regional and 6.3% residing in other areas.<sup>3</sup>

People with disability in NSW, aged 15 years and over, predominantly have government benefits as their main source of income (56.2%) – this figure increases to 72.5% for people with profound or severe core activity limitation.<sup>4</sup> Among all disability categories, 24.3% of people had incomes that were principally derived from wages and salaries. Of people with profound or severe core activity limitation, wages and salaries were the principal source of income for 9.8%.<sup>5</sup>

A substantial number of people use aids and equipment to assist with mobility. Latest available figures approximate that 5,700 people in NSW use an electric wheelchair, 46,800 use a manual wheelchair and 6,300 use a mobility scooter.<sup>6</sup>

Electronic aids are often used by people with disability to assist with communication. These include reading or writing aids used by 9,800 people and electronic speaking aids used by 1,100 people. Mobile and cordless telephones are also counted as communication aids commonly used by people with disability.<sup>7</sup>

Home ownership among people with disability in NSW is reasonably high, with 66.3% of people aged over 15 living in a private dwelling they own or are paying a mortgage on.<sup>8</sup> Additionally, 22% of people live in rental accommodation and 10.1% live rent free, are boarders or have other living arrangements.<sup>9</sup> High home ownership rates may have a relationship with later onset disability and more time in the workforce.

Australian Bureau of Statistics (ABS) figures for NSW show that approximately 63% of people aged over 15 with a disability have gross incomes that sit within the two lowest income quintiles and 26% of people fit into the third quintile.<sup>10</sup>

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2 Australian Bureau of Statistics, 4430.01 – *Disability Ageing and Carers Australia: Summary of findings, 2009: State Tables for NSW* (13 February 2012). 'Table 1, All persons disability status by age and sex, 2009' and 'Table 14, Persons with a disability, disability status by main health condition-2009', <<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4430.02009?OpenDocument>>. Figure calculated by figure in Table 14, 83.1% of people total physical conditions x figure in Table 1 All persons disability status by age (1 329 200) = 1,104,565 people.

3 Ibid, 'Table 8, All persons, Disability status by remoteness and country of birth-2009'.

4 Ibid, 'Table 10, Persons aged 15 and over living in households, Disability Status by social and economic characteristics- 2009'.

5 Ibid.

6 Ibid, 'Table 15, Persons with a disability, Living arrangements by use of aids or equipment- 2009'. ABS notes estimates for electric wheelchair and scooter users have a 25-50% relative standard error and should be used with caution.

7 Ibid.

8 Ibid, figure for 'all disability' category.

9 Ibid.

10 Ibid, 'Table 11, Persons Aged 15 and over, Living in households, Household income quintiles and median gross personal income-by age, carer status and disability status-2009'.

## NSW Electricity prices – how they tracked in the last three years

On average, regulated retail electricity prices in NSW have risen as follows:

- 2010/11 - 10% increase;
- 2011/12 - 17.3% increase;
- 2012/13 - 18.1% increase.

It is important to remember that each yearly increase is folded into the base price. This means that subsequent price rises have a cumulative effect. Using the 2009/2010 year as a base, the increases illustrated above account for a cumulative increase of 52.38% from 1 July 2010 to 1 July 2012.

A large proportion of people with physical disability rely on government payments, such as the Age Pension and Disability Support Pension. These payments are indexed against wage growth, which is projected to rise by 4% per annum in nominal terms.<sup>11</sup>

If we consider the main source of income for people with physical disability is growing at a rate of 4% per annum and average NSW electricity prices have grown at a rate of 17.46% per annum over the last three years, it becomes apparent that electricity prices will produce economic tension for those on fixed or low incomes. This is compounded by the fact that low average incomes among this group make people with disability especially ill-equipped to absorb such electricity price rises. Left unresolved, this tension requires people to make invidious choices about where to cut back.

### Rising prices and households at risk

The Independent Pricing and Regulatory Tribunal (IPART) annual review of regulated retail electricity prices in 2012 noted a range of risk factors that contribute to a household having increased vulnerability to the adverse impacts of price increases.

These include having a low household income and:

- a high level of energy use which cannot be easily reduced, for reasons such as large household size, a large detached dwelling, living in an area where temperatures are more extreme, and/or having inefficient fixtures and appliances;
- living in Country Energy's supply area, due to the impact that higher energy transport costs have on bills; and
- having higher housing costs, due to paying off a mortgage or renting.<sup>12</sup>

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11 Australian Government, Budget Papers 2011/12, *Budget Paper 1, Statement 6: Expenses and Net Capital Investment*, Box 5 Social Security and Welfare Spending trends, 2011, 30, <[http://www.budget.gov.au/2011-12/content/bp1/download/bp1\\_bst6.pdf](http://www.budget.gov.au/2011-12/content/bp1/download/bp1_bst6.pdf)>.

12 Independent Pricing and Regulatory Tribunal, *Changes in regulated electricity retail prices from 1 July 2012, Final Report*, 64.

As a group, people with physical disability will disproportionately face the adverse effects of the latest electricity price rise because they often face more than one of the risk factors noted above. For instance, the relationship between low income and disability is well established. Additionally, people with disability often rely on heating and cooling and/or electrical devices to manage physical conditions, leaving them with relatively low levels of discretionary electricity use. With 30% of people with disability living in regional and other non-urban areas of NSW, many people may also live in the Country Energy supply area—an area that has the highest electricity bills in NSW.

### **Cost of disability: a literature review**

Rising electricity prices affect a range of consumers, not just those who have low incomes or are vulnerable. When indicators of disadvantage converge, the likelihood of disadvantage grows exponentially.

As discussed earlier, people with disability in NSW predominantly fall into the two lowest income quintiles. As well as facing the challenges that come with a low income, people also face additional costs associated with disability. This has led the Australian Council of Social Service (ACOSS) to call for a 'cost of disability' supplement to be paid to people with disability who have low to modest incomes. ACOSS acknowledges the need for this supplement in addition to a National Disability Insurance Scheme.<sup>13</sup>

In 2006, Professor Peter Saunders of UNSW's Social Policy and Research Centre developed a method for estimating the economic costs of disability and its relation to poverty, by combining methodologies used in living standards and poverty research.<sup>14</sup> Saunders estimated that the costs of disability were approximately '29 per cent of (equivalised) household income, rising to between 40 per cent and 49 per cent for those with a severe or profound restriction'.<sup>15</sup>

More recently, a Productivity Commission Report acknowledged that higher electricity costs among people with disability may be due to the use of heating and cooling for medical reasons and the need for medical equipment.<sup>16</sup> Submissions to the Productivity Commission also noted the need to use washing machines more often because of incontinence.<sup>17</sup>

One of the few pieces of literature that specifically investigates the electricity needs of people with a physical condition was published by Multiple Sclerosis (MS) Australia. Heat intolerance causes people with MS to run their air conditioners more frequently and for longer periods than most Australians.<sup>18</sup> People with MS can also be affected by intolerance to cold, which leads to increased heating costs in winter months. The *Keeping Cool Survey, a study of air conditioner use by Australians with MS*, approximated that people with MS run their air conditioners as much as 15 times

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13 Australian Council of Social Service, 'Who is missing out? Material deprivation and income support payments' ACOSS Paper 187, 2012, 4.

14 Peter Saunders, 'The costs of disability and the incidence of poverty', Discussion Paper number 147, 2006.

15 Ibid 22.

16 Australian Government, Productivity Commission, *Disability Care and support – Inquiry Report*, vol 1, 2011, 235. <<[http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0012/111270/disability-support-volume1.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0012/111270/disability-support-volume1.pdf)>.

17 Ibid 235-236.

18 Michael Summers and Rex Simmons, *Keeping Cool Survey: Air conditioner use by Australians with MS*, MS Australia, 2009, 1.

the average Australian household – averaging 1616 hours annually.<sup>19</sup> This level of usage results in electricity bills that are almost 10 times higher than average households.<sup>20</sup> In addition to having a lower heat threshold, the *Keeping Cool Survey* Report noted that people with MS spend longer periods of time at home, as 80% are unemployed within 10 years of diagnosis.<sup>21</sup>

Since 2008, the Physical Disability Council of NSW has surveyed its constituents about the impact of ageing. The second survey, which took place in 2011, revealed increasing concern about financial security, with 56% of respondents acknowledging concern about the next 10 years and 52% concerned about their financial security in the upcoming five years.<sup>22</sup> In 2008, these figures were significantly lower at 31% and 17% respectively.<sup>23</sup>

Respondents overwhelmingly identified electricity as their most significant cost (47%) in 2011.<sup>24</sup> Interestingly, respondents to the 2008 survey had not listed electricity as a significant cost. Although not implicitly stated, these costs may well have been a factor in concerns expressed about rising costs of living.<sup>25</sup> Perhaps the fact that electricity costs were more prominent in the 2011 survey findings indicates that not only had electricity prices risen significantly over this time, so too had people's concerns over affordability of this essential service.

## Research methodology

PIAC and PDCN developed an initial questionnaire focused on the electricity use of people with physical disability. The questionnaire was piloted at a consultation in regional NSW run by PDCN.

The information gathered via the questionnaire was used to develop a set of focus group questions. A focus group was held in an outer suburb of Sydney and was attended by 12 participants – all of whom were people with physical disability. The focus group was invaluable in testing some assumptions the research team had about how people may use electricity, how they fund their consumption and the level of awareness of assistance programs.

Information from the focus group and the pilot questionnaire was used to develop the final version of the questionnaire. Questionnaires were distributed through PDCN's networks and at community events targeting people with physical disability. Six hundred hard copy questionnaires were distributed. The questionnaire was also distributed via email and placed on the website, Survey Monkey.

One hundred and nineteen hard copy questionnaires were returned and 27 people completed the questionnaire via Survey Monkey.

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19 Ibid, iii.

20 Ibid 23.

21 Ibid.

22 Physical Disability Council NSW, *The Impacts of Ageing on the needs of people with physical disability*, 2011, 1.

23 Ibid.

24 Ibid.

25 Physical Disability Council NSW, *Report on the Impacts of Ageing on the needs of people with disability*, 2008, 22.

## Demographics

### Age

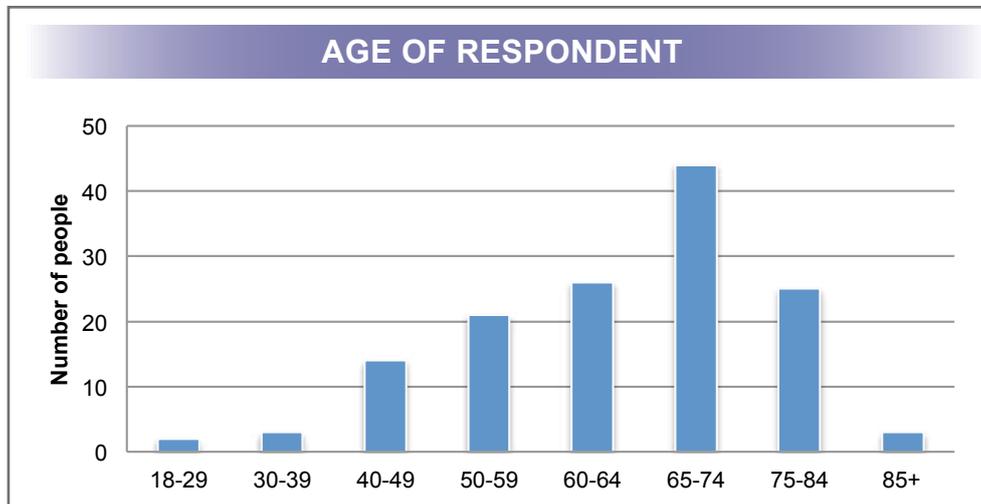


Figure 1. Age of questionnaire respondents (Question 16)

Respondents were spread reasonably evenly across the age range. Of the 138 people who answered this question, 47% were aged under 65, with 53% aged 65 or over. This is significant in that once a person reaches 65, they are no longer eligible for a Disability Support Pension<sup>26</sup> and move to an Age Pension. This categorisation makes it difficult to understand how many people aged 65 or older have disability.

### Aids used

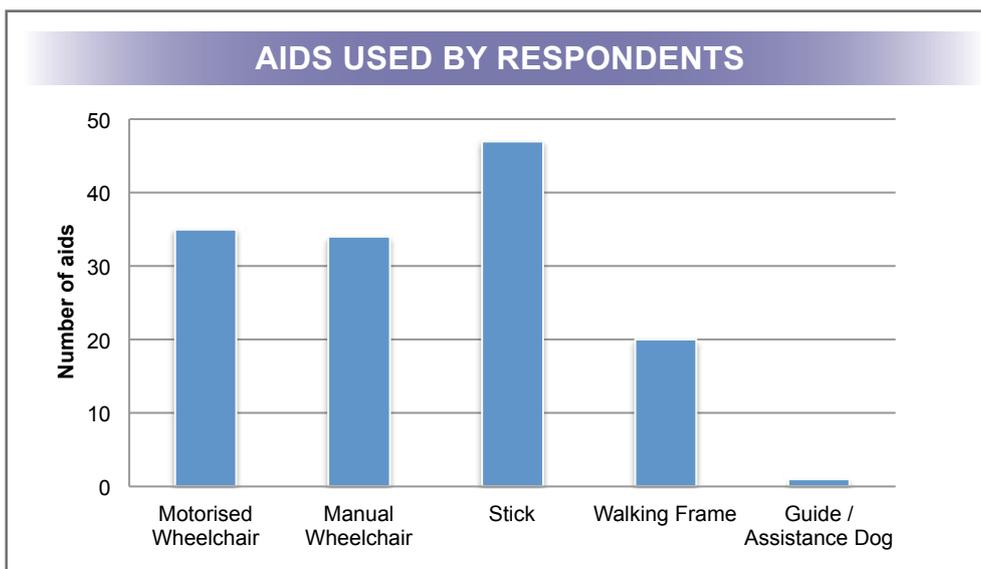


Figure 2. Aids used by respondents (Question 18)

26 Australian Government, *Eligibility for the Disability Support Pension*, (23 July 2012) Department of Human Services, <[http://www.centrelink.gov.au/internet/internet.nsf/payments/dsp\\_eligible.htm](http://www.centrelink.gov.au/internet/internet.nsf/payments/dsp_eligible.htm)>.

Motorised and manual wheelchairs were the most commonly used aids according to respondents who answered this question. Figure 2 notes the number of aids used as some overlap between categories existed. The above data indicates that a large proportion of respondents rely on aids for mobility purposes.

## Nature of disability

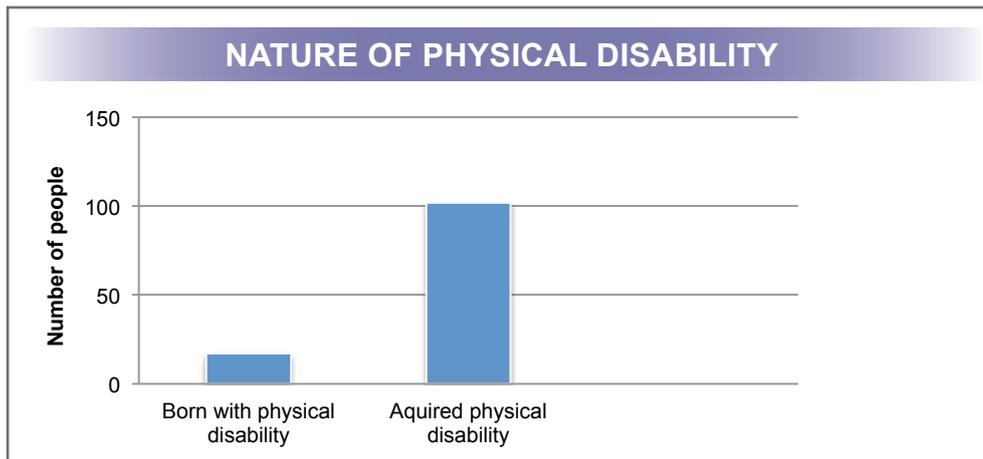


Figure 3. Nature of physical disability (Question 19)

Of the 119 people who responded to the question on the nature of disability, 14% stated they were born with a disability and the remaining 86% stated they had acquired their disability during their life.

## Location

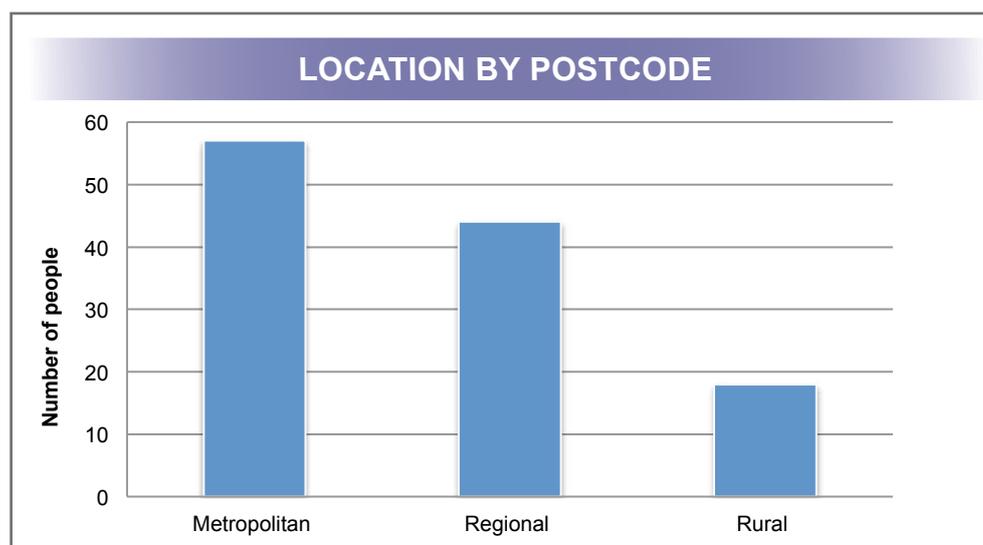


Figure 4. Respondent's location by postcode (Question 17)

As Figure 4 shows, 48% (n=57) of respondents who provided their postcode came from metropolitan areas; 37% or 44 respondents were from regional areas; and 15% or 18 respondents came from rural New South Wales.

## Health care cards

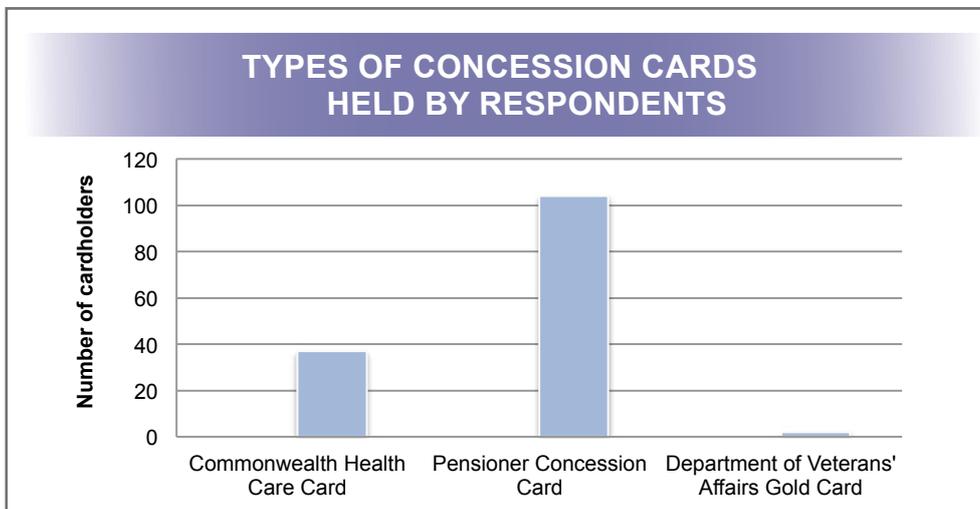


Figure 5. Types of concession cards held by respondents (Question 20)

Concession cards are a key determinant of eligibility for NSW Energy Rebates. As such, the questionnaire sought to establish the number of respondents that held eligible concession cards. Of the 143 people that answered this question, all held an eligible concession card.

## Key Findings

### Affordability

*My medical problem gets worse in summer and in summer you have to use the fan more or the air conditioning – if you don't use it then you get crook and you have worse problems so you have to pay even though you are struggling...*

Focus Group Participant

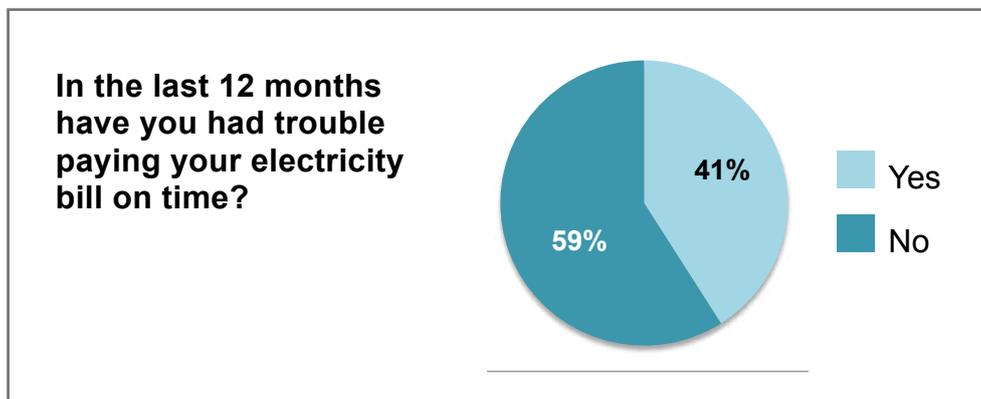


Figure 6. People who had trouble paying their electricity bill on time in the last 12 months as a percentage (Question 1)

As electricity prices have been rising steadily in recent years, the questionnaire sought to uncover whether people were finding it increasingly difficult to pay their electricity bill on time. As illustrated in Figure 6, 41% (n=60) of those who responded noted they had trouble paying their electricity bill on time in the last 12 months. Just over a third (38.3%) of those who faced difficulties paying their bill on time acknowledged this was the first time.

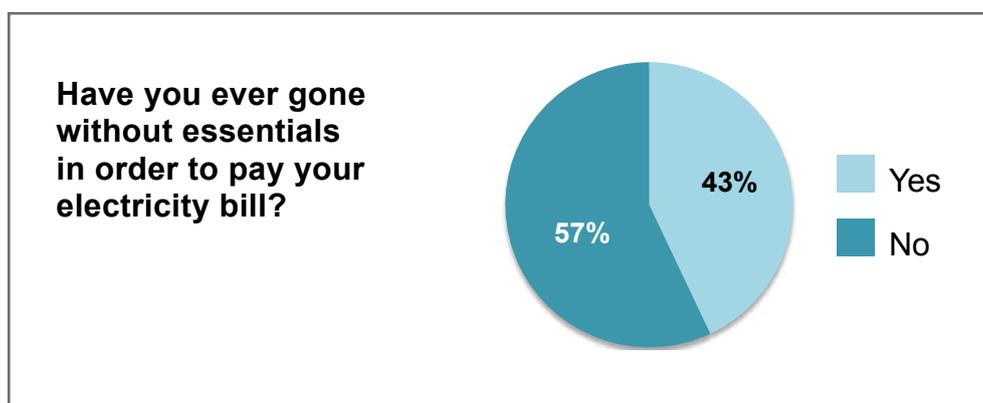
There are statistics available that show the number of people disconnected from electricity; however, it is difficult to understand what people do to pay their electricity bill. In the age of credit, some energy affordability issues can be hidden within the larger picture of hardship and debt. For this reason, it was considered important to obtain some data on the strategies people use to pay their electricity bills.

The questionnaire asked 'which of the following strategies have you used to pay your electricity bill?' The list below shows responses ranked in order:

1. Used a credit card
2. Put off paying other bills
3. Other (including Centrepay, going without necessities and buying less food)
4. Borrowed money
5. Sold an item
6. Used a voucher.

Where people are using credit to pay their electricity bill, interest and other charges are placing further pressure on the affordability of electricity.

One strategy people employ to pay their electricity bills is to go without essentials. The questionnaire asked people whether they had gone without other essentials in order to pay their electricity bill. Of those who answered this question, 42.5% (n=60) noted they had gone without essentials to pay their electricity bill (See Figure 7).



**Figure 7.** Percentage of respondents who had gone without essentials to pay their electricity bill (Question 3)

## More power to you: electricity and people with physical disability

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Ranked in order, people who had given up essentials were most likely to give up the following<sup>27</sup>:

1. Heating and cooling
2. Social Activities
3. Food
4. Transport costs
5. Medical/health expenses
6. Telephone/Internet
7. Education costs
8. Other (special equipment and not specified).

This data indicates that rising electricity prices do not just have an economic impact on people with physical disability, they also produce social costs. As will be discussed later in this paper, the questionnaire asked people if they have a condition that requires them to heat or cool their living space. 75% (n-103) of people who answered this question said yes. It is particularly striking, then, that so many respondents disclosed that they had opted to forgo heating and cooling to pay their electricity bill. Other health-related essentials people were willing to go without included food and medical/health expenses.

Respondents also acknowledged giving up social activities, transport costs, telephone/internet and education costs in order to pay electricity bills. These are essential items that contribute to people's social connectedness and levels of social inclusion. Additionally, the necessity to forgo travel costs, education and telephone and internet in order to pay electricity bills may also impinge on people's ability to seek or maintain employment.

The social costs of strategies employed to keep electricity bills at affordable levels were illustrated succinctly by one focus group participant's acknowledgement that even inviting people to one's home for a visit can lead to concerns about costs. He noted:

*Temperatures can rise because of your illness. Someone will say when they come to your place, 'turn on the air con' and it will stay on until she leaves because her body heats up and I think, how much is this costing?<sup>28</sup>*

While this research is not adequate to measure the health impacts or levels of social isolation resulting from electricity prices, it does highlight at the very least that people are extremely conscious of the cost of electricity. Going without other essential items, in order to remain connected to this essential service, implies that people are not exercising choice but are forced by circumstances to accept lesser standards in regard to their health and levels of social connection.

Whether this is a situation that should be left to continue unchallenged is an important question for policy and key decision makers. The actions recommended in this paper focus on electricity prices and helping people stay connected with a strong safety net and a market that is inclusive. However,

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<sup>27</sup> Question 4.

<sup>28</sup> Focus group participant.

a holistic approach that looks at the income levels, general costs of disability, energy related costs of disability and opportunities to assist people with disability be more energy efficient is needed to really challenge the current dynamic.

## Energy Use

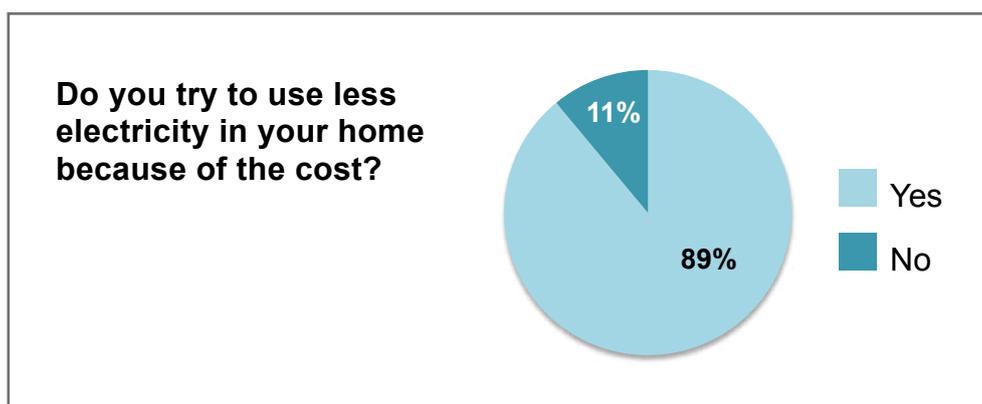
*We all have to put money away for the electricity so we try and cut down elsewhere.<sup>29</sup>*

As the electricity market evolves, new ways of charging for electricity come into play. Time-of-use tariffs are a relatively new feature in the NSW electricity market. Generally, these tariffs include peak, shoulder and off-peak pricing bands. Time-of-use tariffs can reduce overall electricity costs, where consumers are motivated and have the ability to shift consumption to cheaper pricing periods. However, it should be noted that the higher fixed charges on time-of-use tariffs reduce some of these savings.

With time-of-use tariffs and cost reflective pricing being trumpeted as a means to reduce peak demand and promote efficiency in the electricity market, the research team were interested to learn whether there were barriers preventing people with physical disability from benefitting financially from time-of-use pricing.

One thing that came across strongly in the focus group was that people were taking action to keep their electricity bills more affordable. This was similarly true of those surveyed with 89% (n=125) of those who responded to Question 5, reporting they tried to use less electricity because of the cost. This indicated that people were motivated to act to take advantage of cost reduction measures.

The research team also wanted to test whether people were able to shift their consumption to take advantage of time-of-use pricing. It is generally accepted that time-of-use pricing may be less

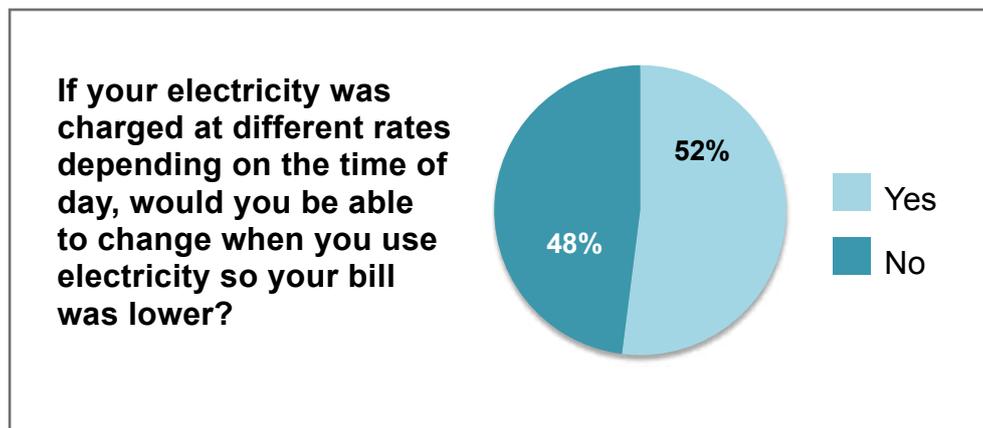


**Figure 8.** Percentage of people who try to use less electricity because of the cost (Question 5)

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29 Ibid.

advantageous for people who have low levels of discretionary electricity use, as they are unable to reduce their consumption or shift it to shoulder or off-peak periods which offer electricity at cheaper rates.<sup>30</sup> As Figure 9 shows, 52% (n=71) of respondents noted that they could change the time of day they use electricity in order to lower their bill.



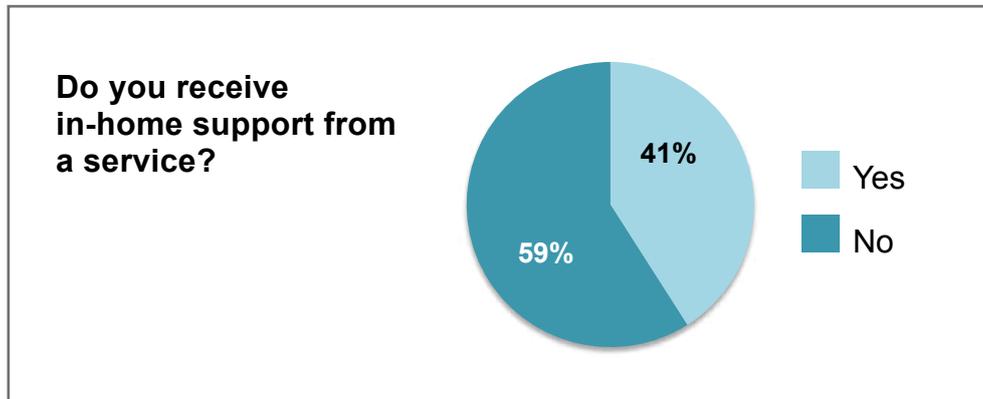
**Figure 9.** Ability to adjust electricity consumption times to align with cheaper rates (Question 6)

However, further questions revealed that additional considerations, such as in-home service provision and the need to control body temperature, prevent many people with disability from aligning their electricity use to take advantage of cheaper times of supply.

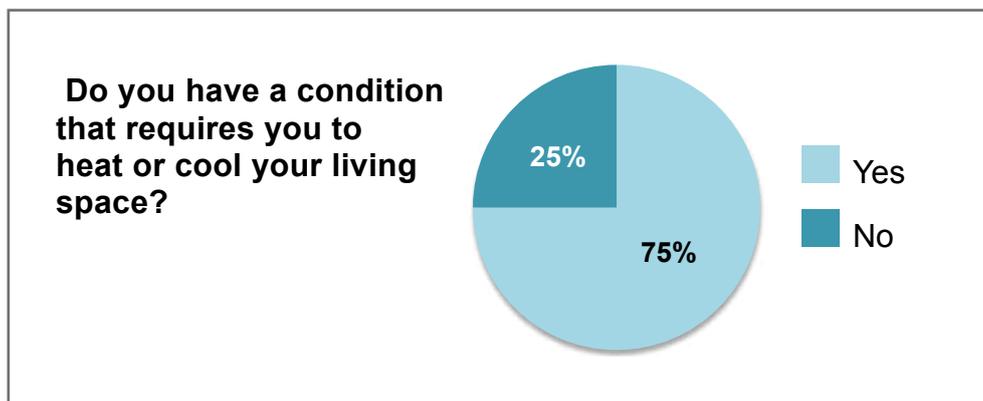
People with physical disability can require in-home assistance to manage household and personal care needs. Of the people who responded to this question (n=140), 57 people or 41% received some kind of in-home support from a service provider. Home care and attendant care services operate on set schedules leaving clients very little capacity to align home visits with periods of shoulder or off-peak electricity pricing. Visits from home or attendant care providers can be periods of intense energy use, as tasks such as washing, cleaning and personal care are undertaken in short periods of time.

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<sup>30</sup> See May Mauseth Johnston, *Customer Protections and Smart Meters: Issues for NSW*, St Vincent de Paul Society, 2009, 40 and Australian Energy Market Commission, *Power of Choice – giving consumers options in the way they use electricity*, Directions Paper, 2012, 2015.



**Figure 10.** Percentage of respondents that receive in-home support from a service (Question 7)



**Figure 11.** Percentage of people who require heating/cooling to manage a physical condition (Question 8)

People's physical conditions also necessitate electricity use for temperature control. Just over 75% (n-103) of respondents who answered Question 7, noted they had a condition that required their living space to be heated or cooled. This is a rather sobering figure when an earlier question established that heating and cooling was the essential item people were most likely to go without to pay their electricity bill.<sup>31</sup>

It is also important to remember that certain life support devices, such as oxygen concentrators, can be required 24 hours a day, meaning electricity consumed by these devices will be charged at peak, shoulder and off-peak rates under a time-of-use tariff.

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31 See Question 4.

The relatively high (52%) number of people who acknowledged they could shift consumption to cheaper times of day to reduce their electricity bill, perhaps indicates that people are highly motivated to keep their electricity costs as low as possible. Medical conditions requiring temperature control and the use of in-home service delivery among questionnaire respondents indicates that while motivation may be high, there are other factors that present barriers for people to take full advantage of time-of-use pricing. Additionally, low levels of discretionary use can produce higher than expected bills if time-of-use tariffs are applied.

Only further research can establish to what extent people's concerns about remaining connected to electricity lead them to prioritise paying their bill – even where their health, or other aspects of their life, may be negatively affected. Further research could also measure the effect that in-home service provision, temperature control and the use of equipment have on people's level of discretion over consumption of electricity.

### Awareness and receipt of assistance

There are various forms of assistance available to help people with energy costs. In NSW, there are three energy rebates. These are the Low Income Household Rebate<sup>32</sup>, the Medical Energy Rebate and the Life Support Rebate. The rebates are not applied automatically; a consumer must apply for the rebate via their electricity retailer. PIAC has long held concerns that many people who may be eligible are missing out on this assistance because they are not aware of it, or do not realise they are eligible. The questionnaire investigated whether people were aware of the three NSW Energy Rebates and whether they were receiving them. During the term of this research project, the NSW Energy Rebate was renamed the Low Income Household Rebate. In an effort to avoid confusion, the questionnaire referred to the rebate as the NSW Energy Rebate.

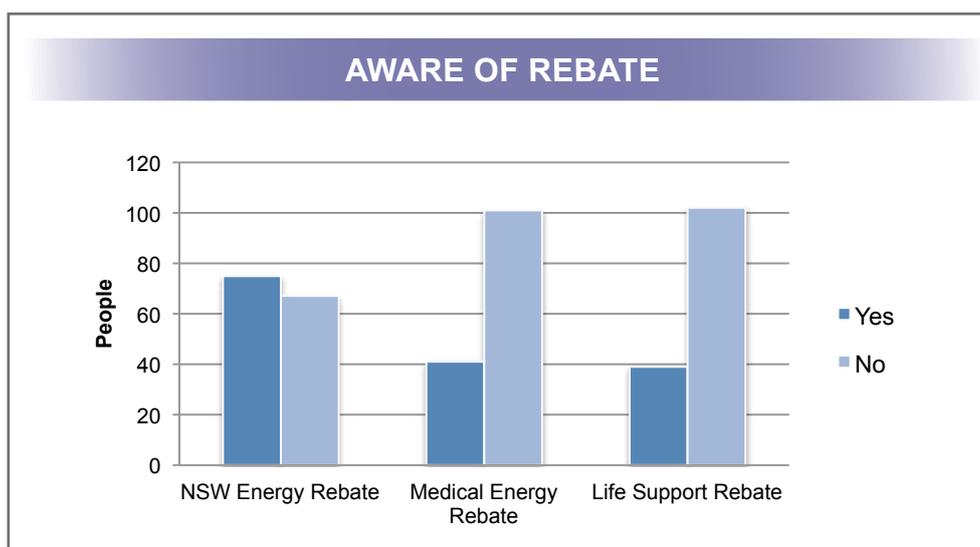
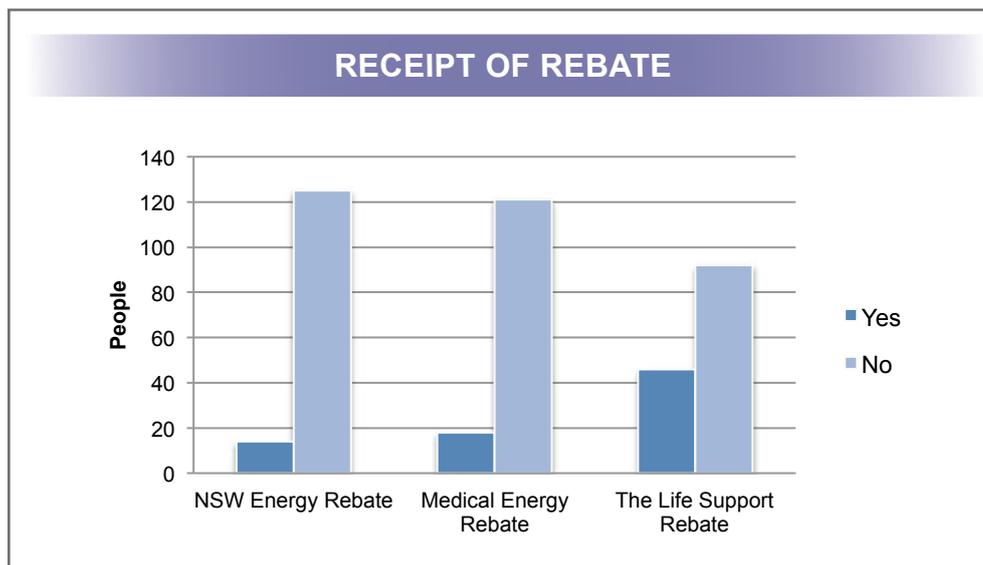


Figure 12. Awareness of rebates (Question 9)

32 Known as the NSW Energy Rebate prior to 1 July 2011.

There were reasonable levels of awareness of the NSW Energy Rebate with 52.8% (n-75) of respondents reporting they were aware of this rebate. Awareness of the Medical Energy Rebate and the Life Support Rebate was lower with 28.9% (n-41) and 27.7% (n-39) of respondents acknowledging awareness of these respective rebates.

Since July 2010, the NSW Energy Rebate has been available to Health Care Card, Pension and Department of Veteran Affairs (DVA) concession card holders, who have an account with an electricity retailer. Surprisingly, while 97.9% (n-143) of those who returned the questionnaire reported they held an eligible concession card, only 10.1% (n-14) of those who answered this question reported receiving the NSW Energy Rebate. It is impossible to assess whether these eligible card holders were entitled to the Rebate, as eligibility also requires the recipient to be the electricity account holder.

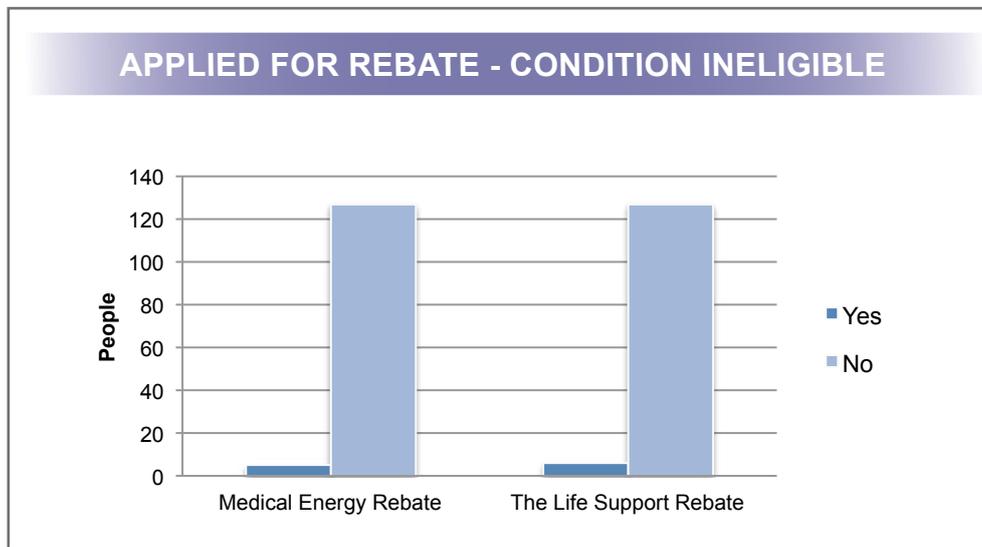


**Figure 13.** Receipt of rebates (Question 10)

Though awareness of the Medical Energy Rebate and the Life Support Rebate was reasonably low, there were a larger proportion of respondents receiving each of these rebates than the NSW Energy Rebate as shown in Figure 13. An eligible consumer can receive all three rebates concurrently.

The Life Support Rebate provides financial support for the running costs of a range of approved life support equipment. To establish eligibility for the Life Support Rebate a person must have their medical practitioner sign the application form. The person who uses the approved equipment does not need to be the account holder; however, the address needs to be their primary place of residence.<sup>33</sup>

<sup>33</sup> NSW Minister for Energy and Resources, 'Ministerial Guidelines for the Life Support Electricity Rebate', 2011, 4, 8 & 9, <[http://www.trade.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0003/349149/retailer-guidelines-life-support-electricity-rebate.pdf](http://www.trade.nsw.gov.au/__data/assets/pdf_file/0003/349149/retailer-guidelines-life-support-electricity-rebate.pdf)>.



**Figure 14.** Found ineligible for Medical Energy Rebate/Life Support Rebate (Question 11)

Establishing eligibility for the Medical Energy Rebate requires the signature of a medical practitioner who has been treating the person for more than three months. The practitioner must also certify that the person has an inability to regulate their body temperature and is suffering from one primary and one secondary condition — as noted on the Medical Energy Rebate Application Form.<sup>34</sup> Additionally, the applicant must hold an eligible Health Care, Pension Concession or a DVA Gold Card.<sup>35</sup> The person with the inability to self-regulate their body temperature must primarily reside at the address on the account.

Establishing eligibility for the Life Support Rebate and Medical Energy Rebate is quite involved. The need to establish primary and secondary qualifying conditions, makes the Medical Energy Rebate available in a very limited manner. As such, it does not offer assistance to many who have a physical condition that necessitates the control of temperature in their living space.

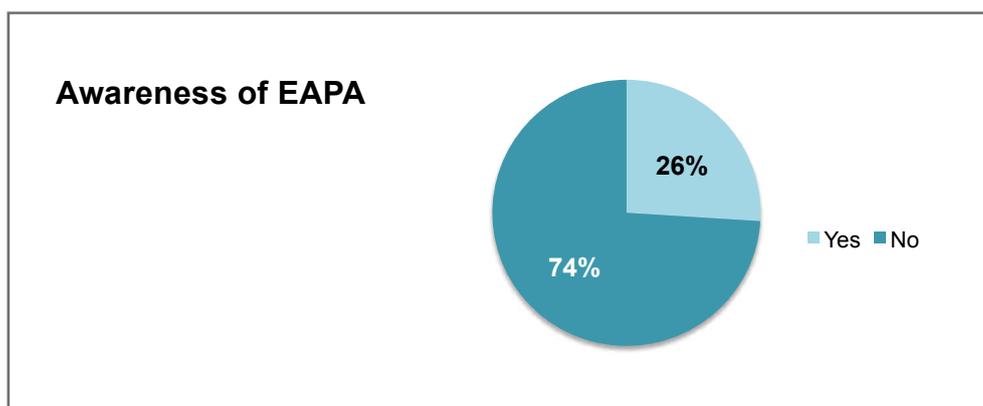
Acknowledging that the processes of applying, and establishing eligibility for the Life Support and Medical Energy Rebates are quite involved, the questionnaire sought to establish to what extent people had applied and been found ineligible because their condition was not recognised under the criteria. In both instances, the survey data did not produce any evidence that this was the case for many people (see Figure 14, Q11). However, the questionnaire data does show that while 103 respondents have a physical condition that requires heating and cooling, only 18 respondents receive the Medical Energy Rebate. Adjustment of the eligibility criteria would allow for less prescriptive and therefore more equitable access to this assistance measure for those unable to self-regulate their body temperature.

34 NSW Government, Resources and Energy, *Application for the NSW Medical Energy Rebate* (2 June 2012) <[http://www.trade.nsw.gov.au/\\_data/assets/pdf\\_file/0014/312062/application-for-nsw-medical-energy-rebate.pdf](http://www.trade.nsw.gov.au/_data/assets/pdf_file/0014/312062/application-for-nsw-medical-energy-rebate.pdf)>.

35 NSW Government, Trade & Investment, *Energy rebates* (22 June 2012) <<http://www.trade.nsw.gov.au/energy/customers/rebates>>.

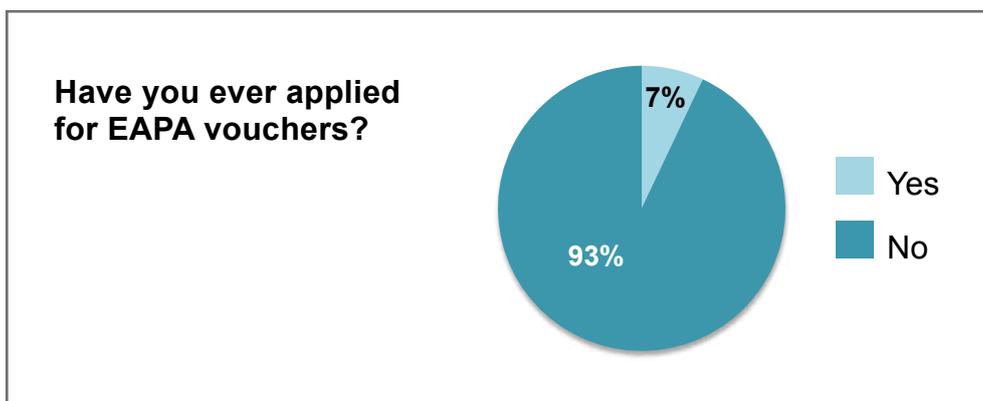
## Emergency Assistance- EAPA

The NSW Government funds the Energy Account Payment Assistance (EAPA) Scheme. The Scheme provides vouchers to those in emergency or crisis situations, which can be used to pay energy bills. In an effort to better understand whether the EAPA Scheme is known among people with physical disability, the questionnaire asked respondents if they were aware of the EAPA Scheme. The question also included a reference to vouchers, in an effort to gain a response from people who didn't know the name of the scheme but were aware that this kind of assistance was available. Of those surveyed, only 26% (n-36) reported awareness of the Scheme.



**Figure 15.** Percentage of respondents aware of the Energy Accounts Payment Assistance (EAPA) Scheme? (Question 12)

The survey also sought to establish how many people had actually applied for assistance under EAPA. As Figure 16 (Q 13) illustrates, just 7% (n-10) of those who answered this question, had applied for EAPA vouchers.

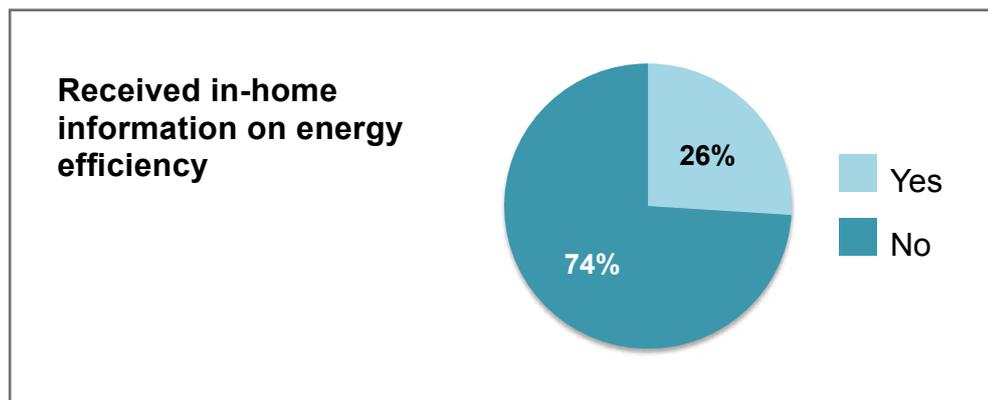


**Figure 16.** Percentage of respondents who had EAPA vouchers? (Question 13)

## Energy Efficiency

*I have often heard that there is a pamphlet that gives you the price on different electrical appliances for the time you are using it, roughly how much it is costing you right – I have never seen one of those pamphlets – I wouldn't know where to get one and if they are out there it would make me more aware and I would be able to work it out myself when to turn something off or if I am going overboard. I have not come across that. Have they got them out there?<sup>36</sup>*

The NSW Government administers the Home Power Savings Program (HPSP). The Program offers energy efficiency audits, an energy savings kit and information to low-income consumers in NSW. Given focus group participants displayed a high level of motivation to reduce their electricity costs through careful consumption, the questionnaire sought to determine whether people had used the HPSP, or any other service providing information about energy efficiency in their home.



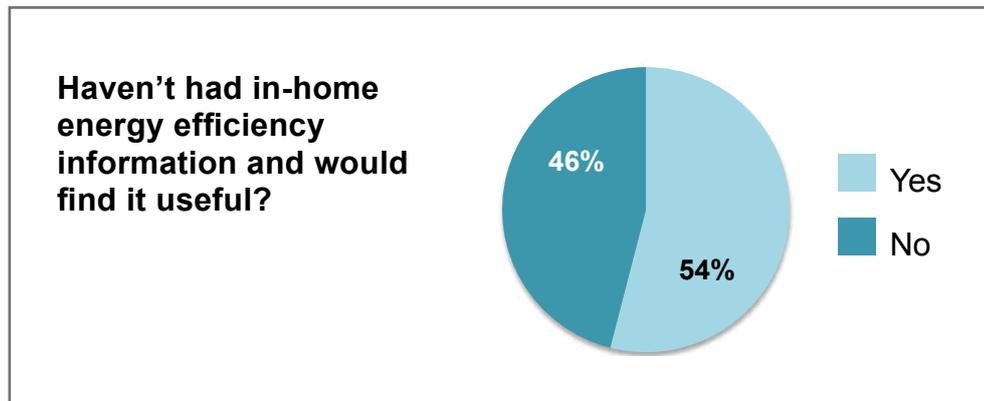
**Figure 17.** Percentage of respondents who received in-home information on energy efficiency (Question 14)

As Figure 17 shows, only 26% (n=37) of people who responded to this question reported receiving energy efficiency information in their home.

The research team also wanted to test whether an in-home energy efficiency audit would be useful for people who had not taken up this opportunity. As Figure 18 shows, over half (n=55) of the 101 responses to this question noted they would find this kind of information useful.

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36 Focus group participant



**Figure 18.** Percentage of respondents who have not had in-home energy efficiency information but believe it would be useful (Question 15)

During the focus group, people spoke of different strategies they employed to reduce electricity consumption, such as rationing their television use or cooking with stand-alone appliances rather than their oven. In noting these examples, people also acknowledged a lack of clarity about whether these strategies were having the desired results. They also mentioned knowledge of energy efficiency resources but a lack of awareness about how to access this information.

Certainly, the focus group and questionnaire results point to the fact that more information about efficient electricity consumption would be welcomed. Given there is a reasonable amount of energy efficiency information available online, perhaps what is needed is a better understanding of how people with disability access information so energy efficiency information can be accessible and appropriately targeted.

The most recently available figures from the ABS suggest that there are a large number of people with disability in NSW who do not regularly use a computer or the internet. The ABS estimates that, of those living in households, 532,500 people with disability did not use a computer and 568,600 people with disability did not use the internet in the twelve months prior to being surveyed.<sup>37</sup> It is clear that any resources aimed at providing information to people with disability should not rely on the internet as the sole source of distribution.

Targeted promotion of the HPSP to people with physical disability would be a way to boost numbers of people with physical disability accessing the program, allowing them to benefit from energy audits, energy saving devices and tailored information.

<sup>37</sup> Australian Bureau of Statistics, 4430.01 – *Disability Ageing and Carers Australia: Summary of findings, 2009: State Tables for NSW* (13 February 2012). Table 23 Persons with a Disability Aged 15 and over, living in households, disability status by computer and Internet use–2009 (2012).

## **Actions that can help people with energy related costs**

### **A high profile, strong and responsive safety net**

The findings of this research indicate that people with disability would benefit from greater awareness of the three NSW energy rebates and emergency assistance schemes such as EAPA. Low receipt rates for energy rebates may also be improved if people had a greater awareness of eligibility criteria and the process of applying for rebates. Given relatively low levels of internet/computer use among people with disability in NSW, a campaign to promote the availability of assistance, should be developed based on the advice of disability organisations and their understanding of how people with physical disability access information. Low cost, non-web based methods of promoting assistance could include articles in community and peak body newsletters, stalls at targeted community events and/or promotion via local government age and disability workers and their networks.

There is also an urgent need to review the levels of assistance and eligibility criteria so that rebates are capable of providing assistance that is accessible and has a relationship with contemporary electricity costs.

### **Indexing rebates**

In 2011, some welcome and generous increases were made to the Medical Energy Rebate and the NSW Energy Rebate – now known as the Low Income Household Rebate (LIHR). Effectively, both rebates increased from \$145 to \$200 per year. On 1 July 2012, both rebates increased to \$215 and yearly increases are set until 2014 when payment rates will rise to \$235.

IPART estimates that electricity price rises that came into effect on 1 July 2012 will mean increases of between \$208 and \$427 per year for an average annual electricity bill.<sup>38</sup> While many households will be compensated for the carbon-related aspect of this price rise, about half of these costs stem from network charges<sup>39</sup>— meaning low-income households will have to absorb a large chunk of these increases without adequate increases to energy rebates. Without yearly indexation against electricity price increases, the value of assistance erodes with each price rise.

NSW has three regulated retail electricity prices that align with the supply area of the state's three distribution networks. Electricity prices vary markedly between these three areas. Therefore, indexation should take account of these differences. Alternatively, the NSW Government could consider paying a supplement to consumers located in areas of high cost, such as rural and regional areas of NSW, where average annual electricity bills are approximately \$600 higher per annum than those experienced by metropolitan households.<sup>40</sup>

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38 IPART, as above n 8, 8.

39 Ibid, 3.

40 Australian Energy Regulator, *State of the Energy Market 2011*, 2011, 114.

## Life Support Rebate

While yearly increases to the LIHR and Medical Energy Rebate are set until 2014, there is no schedule for increasing payment rates for the Life Support Rebate. The Life Support Rebate provides financial assistance for eligible consumers who use nominated life support equipment.

Many of the rates have remained unchanged since 2002, even though NSW electricity prices have more than doubled in this period. In 2002, Energy Australia's regulated retail price for electricity was 10.68 cents per kilowatt-hour; in 2012/2013 it is 26.84 cents per kilowatt-hour. At the same time, the rebate rate for an enteral feeding pump remains unchanged since 2002, at a rate of 20 cents per day.

The Ministerial Direction for Social Programs issued to NSW Electricity Retailers<sup>41</sup> (the Direction) provides the framework for delivering the Low Income Household Rebate, the Medical Energy Rebate and the Life Support Rebate. Under the current Direction, both the Low Income Household Rebate and the Medical Energy Rebate increase on 1 July every year until 2014.<sup>42</sup> The Direction includes no rate increases or formula for indexation for the Life Support Rebate. With no schedule to index the Life Support Rebate in place and no change to the rebate rates since 2009, the rebate has effectively lost 52.38% in value since 1 July 2010, due to increases in regulated retail electricity prices.

The Life Support Rebate is offered to assist eligible consumers with the electricity costs of running essential equipment. These costs are not discretionary and households can do little to reduce them through energy efficiency measures or load shifting to take advantage of off-peak pricing. As such, each electricity price rise must be absorbed by rebate recipients—often requiring significant sacrifices.

It is important that rising electricity prices do not place additional pressure on the ability of life support recipients to afford the electricity they need to survive and lead dignified lives.

## Holes in the safety net

Financial assistance is not available for all energy-related costs of disability in NSW. The cost of charging a motorised wheelchair is not currently supported by the Life Support Rebate or any other energy rebate. The batteries that power motorised wheelchairs must be charged for significant amounts of time. Though it can be argued that motorised wheelchairs are not life support equipment, for many people who use motorised wheelchairs, life without a working wheelchair is a life devoid of mobility—and consequently makes the vast majority of activities impossible.

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41 Chris Hartcher, MP, Minister for Energy, *Ministerial Direction for Social Programs issued to NSW Electricity Retailers* (NSW Government, 2011), annexure 1 sch 2.

42 Ibid 4, 13.

The Australian Bureau of Statistics estimates that there are 5700 people in NSW who use motorised wheelchairs.<sup>43</sup> The energy used in keeping wheelchairs charged is not discretionary where people rely totally on motorised wheelchairs for their mobility. Based on 2011/2012 electricity prices, the cost of charging a motorised wheelchair is approximately \$80 per year.<sup>44</sup> This means in 2011/2012, a Low Income Household Rebate recipient will have used approximately 40 per cent of their rebate solely on mobility costs – leaving less support for general electricity costs that the rebate is meant to provide to low-income recipients.

People with physical disability have a range of disability-related energy needs including electric door openers, communication devices and temperature control. The fact that NSW offers assistance through a range of rebates should be acknowledged. However, there is a principled argument to make that this assistance should be provided on the basis of need and not as a result of prescriptive eligibility criteria that recognises one life-saving device, or inability to self-regulate body temperature, to the exclusion of others.

The Productivity Commission recently acknowledged that it was difficult to assess whether energy-related financial assistance provided to people with disability was set at appropriate levels or targeted broadly enough to meet need.

*It is not clear the extent to which these schemes sufficiently cover the additional costs of electricity arising from the disabilities concerned, particularly when energy costs differ between regions. Nor is it clear whether the eligibility criteria are sufficiently broad for people with disabilities to benefit from these concessions —some of the current schemes appear narrow in their focus, with some employing diagnostic-based eligibility criteria.<sup>45</sup>*

Of course, eligibility for financial assistance must be able to be proven in a manner that is administratively sound. A non-prescriptive system supporting disability-related energy costs could include verification by an appropriate registered medical practitioner that has some discretion. Maintaining the ability of people with physical disability to remain connected to electricity and use it to facilitate a dignified life will require a reassessment of the financial supports provided and their delivery systems.

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43 Australian Bureau of Statistics, as above n 2, Table 15 Persons with a disability, Living arrangements by use of aids and equipment - 2009. Please note: ABS attributes a 25-50% relative standard error to these figures.

44 These costs are based on a motorised wheelchair using 2 x 12V 40AH batteries with energy consumption of .96 KWh per recharge. The GST inclusive regulated retail price of Integral Energy (24.035 cents per KWh) was used for the calculation.

45 Australian Government, Productivity Commission, as above n 15, 235.

## Action plan for recognising disability-related energy costs

- Develop a targeted promotional campaign to raise awareness of energy rebates and assistance among people with disability.
- Index all energy rebates against electricity price rises.
- Supplement rebates with additional payments to reduce inequities caused by locationally specific electricity pricing.
- Review the Life Support Rebate and calculate payment rates using contemporary electricity costs.
- Index all energy rebates, including the Life Support Rebate, annually.
- Investigate introducing a needs-based financial support for disability-related energy costs.
- Align increases in the EAPA Scheme budget with electricity and gas price rises.

## Innovations in the market: choice, options and protections

*Smart meter and grid technologies will fundamentally change the tools available to consumers, retailers and networks for increasing energy efficiency. New tools could include visible real-time monitoring and enhanced information (for both consumer response and loss detection), a wide range of off-peak tariffs, and direct load control of appliances.<sup>46</sup>*

Currently, innovations in the energy market are being heralded as ways to give consumers more choice and the ability to respond to price signals through behaviour change. Innovations include smart grid technology, time-of-use tariffs, smart meters, embedded generation, real time monitoring of price and consumption, and remote or fixed load control. These innovations are generally grouped by the term 'demand side participation'.

On a broad scale, demand side participation has the potential to reduce the need for costly infrastructure by producing more agile methods of responding to peak demand. With network charges making up 51% of the cost of electricity in NSW,<sup>47</sup> efforts to reduce investment in infrastructure could have an impact on the price paid by residential, commercial and industrial consumers in the future.

Additionally, there are gains to be made by commercial and industrial consumers of energy as their higher usage makes investment in energy management systems a cost effective prospect.

There is a theory that where electricity prices are cost-reflective, and residential consumers are armed with knowledge and skills to make informed choices, they will use electricity more efficiently.<sup>48</sup> While this may be true, cost reflective pricing may mean that efficient use will enable people to avoid high or extreme costs—while not necessarily making electricity affordable.

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<sup>46</sup> Australian Government, *Report of the Prime Minister's Task Group on Energy Efficiency*, 2010, 168.

<sup>47</sup> PART, *Updating regulated electricity price increases for 1 July 2012*, (Fact Sheet, December 2011).

<sup>48</sup> Australian Energy Market Commission, *Power of Choice - giving consumers options in the way they use electricity*, Directions Paper, 2012, 43.

It is not unreasonable to say that innovations will provide well-resourced and technologically savvy consumers with choices about how to manage their energy consumption. For instance, remote load control may allow a consumer to turn off their pool pump or air conditioner using a web-portal or smart phone application upon receipt of a peak-pricing message. However, care should be taken not to assume that all residential consumers have a number of options to consider when making choices about their electricity consumption.

For those who have low levels of discretionary electricity use, necessity will trump choice. If we are moving to a future where tools, such as in-home displays, web portals and appliances that can be controlled remotely, facilitate the most efficient electricity use (and help to reduce costs) then there must be an assessment of whether they will be available in an equitable manner. This is especially important if energy policy focuses on energy efficiency over affordability – heralding innovations as tools consumers can use to off-set continuously higher prices.

Energy policy needs to be forward thinking and technology and innovation are essential components of the modern energy market. The market does not need to be designed specifically for consumers who have low incomes or are otherwise vulnerable, but it does have to include mechanisms to ensure that these consumers have ongoing access to an essential service in amounts that allow them to meet their own needs in a dignified manner. This safety net needs to be developed and implemented in conjunction with any new energy policy initiative in order to ensure vulnerable consumers are not negatively impacted.

### **Action plan for a fair future energy market**

Measure the impact of any new or amended energy policy and/or electricity price structure on people with physical disability and develop mechanisms to protect them from negative price impacts. Ensure this protection is delivered from the time of implementation.

- Allocate a budget to provide adequate consumer protections and include any required consumer protection in all cost benefit analyses and budgets.
- Do not expect existing safety nets to provide adequate assistance.
- Harness the motivation of people with physical disability to consume energy efficiently.
- Develop programs to make devices and/or technology available to assist people with physical disability use energy efficiently.

Work with people with physical disability to develop technological skills needed to gain benefits from energy management products and services.

### **Time-of-use tariffs**

It may be challenging for people with physical disability to reduce electricity bills where time-of-use tariffs are applied. For example, people's use of in-home services, need for life support devices or the nature of their disability may dictate the ways they use electricity, limiting their ability to reduce consumption and make savings.

With 75% of questionnaire respondents acknowledging the need for heating and cooling, and 41% of respondents noting the use of in-home services, it is difficult to measure the extent to which people prioritise affordability over necessity when they note they can shift electricity consumption to other times of day to achieve a lower electricity bill (n- 71/136).

Harnessing the motivation of people with physical disability to keep their bills affordable may not be enough to reduce electricity bills under current tariff structures. While time-of-use tariffs offer low off-peak rates, they also include higher fixed charges – making it even more important to gain savings from timing usage according to price bands.

Using Energy Australia's (EA) 2012 time-of-use pricing for illustrative purposes, a person using an in-home service may be paying anywhere from 13.09 cents per kWh to 54.547 cents per kWh for the power being used during a visit – this compared to 26.84 cents per kWh on EA's regulated retail flat electricity price. The fixed or service availability charge on EA's time-of-use tariff is 13.09 cents per day higher than that charged on EA's untimed regulated retail electricity price.<sup>49</sup>

These tariffs can provide people with the ability to make savings. However, where set timetables dictate when energy is used, there is an additional risk that factors beyond the consumer's control could lead not only to an erosion of these savings, but also to higher than expected bills. The higher fixed charges are also sunk costs that consumers have no ability to reduce.

## Energy efficiency

*I use the clothes dryer all the time because I can't reach up to peg out my washing.<sup>50</sup>*

Common energy efficiency strategies may not be as productive for people with physical disability. The nature of people's disability may dictate the ways they use electricity, limiting their ability to reduce consumption and make savings using commonplace energy efficiency methods. For example, it may be difficult to avoid using appliances such as clothes dryers when a physical condition prevents a person from lifting their arms above shoulder height; or because the washing must be completed during a service provider's in-home visit.

It is important that services providing energy audits take account of the circumstances of people with physical disability and tailor their advice accordingly. Similarly, there may be opportunities for a range of stakeholders, including electricity retailers and network businesses, to work with disability organisations to develop energy efficiency resources that are appropriate for people with physical disability. A research project that explored the most accessible energy efficiency options for people with physical disability could also be very useful in developing any such resources.

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49 Energy Australia, *Residential Customer Price list*, 2012 (1 July 2012) Prices quoted are inclusive of GST, <[http://www.energyaustralia.com.au/\\_\\_data/assets/pdf\\_file/0005/54824/EA\\_Resi\\_Final\\_v1.0.pdf](http://www.energyaustralia.com.au/__data/assets/pdf_file/0005/54824/EA_Resi_Final_v1.0.pdf)>.

50 Focus Group participant.

## Access to energy efficient appliances

*You can't afford to replace these appliances and get the energy reduced kinds and that's hard for a lot of people.<sup>51</sup>*

Being energy efficient relies on having a certain amount of control over your home and the funds available to purchase efficient appliances. Hot water heating and temperature control are the two top users of energy in the home.<sup>52</sup> Hot water services are fixed appliances and temperature control often uses fixed and/or high cost appliances such as reverse cycle air conditioners or gas space heaters. This means that those in private rental accommodation and those on fixed or low incomes may have low levels of control over the efficiency of appliances responsible for the two largest consumers of energy in their home. While this is the case, there are barriers preventing people from maximising the benefits of being more informed about energy efficiency.

People in the focus group also noted difficulties in accessing energy efficient appliances – including the accessibility of stores that sold whitegoods. Many participants relied on public transport. As such, they were unable to shop around at larger stores that were only accessible by car.

Focus group participants were aware that an efficient appliance could save them money in the long run; however, the additional upfront cost of purchasing a more efficient appliance was seen as prohibitive. It was also noted that large appliances were replaced as a matter of urgency, when older appliances “die.” This dynamic hampered people’s ability to save up for a more efficient appliance.

The No Interest Loan Scheme (NILS) provides loans that can be used to purchase larger appliances such as energy efficient refrigerators. Though NILS is a valuable service, people with physical disability, who have low incomes, still have difficulty purchasing the higher-cost, more efficient appliances because they are only able to borrow amounts they can repay.

As has been shown throughout this paper, the low incomes of people with physical disability are stretched even further because of energy-related and other costs of disability. Under these constraints, it is difficult for people to take on extra debt to pay for efficient appliances – even if energy efficiency savings will repay that investment in the future. PIAC has long advocated for the establishment of a grant program that could be used to remove the cost difference between a cheap inefficient appliance and a more expensive and efficient appliance. The program could set a minimum energy efficiency star rating on purchases to ensure funds are appropriately targeted.

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51 Focus Group participant.

52 Ausgrid, *Where does your household energy go?* (2011/2012) Information brochure < [http://www.ausgrid.com.au/Common/Ways-to-save/Energy-efficiency-at-home/Understanding-your-energy-usage/~/\\_media/Files/CommonRetail/Energy%20save/EUG%20Translations/EA0081EUGuideEnglish2011.ashx](http://www.ausgrid.com.au/Common/Ways-to-save/Energy-efficiency-at-home/Understanding-your-energy-usage/~/_media/Files/CommonRetail/Energy%20save/EUG%20Translations/EA0081EUGuideEnglish2011.ashx)>.

## Action plan for realising efficiencies and avoiding disadvantage

- Conduct research to understand levels of discretionary consumption and the impact of time-of-use tariffs on people with physical disability.
- Assess whether uniform rebates are capable of delivering necessary assistance under time-of-use pricing scenarios and use this information to develop contemporary assistance measures.
- Work with disability organisations and consumers to develop targeted energy efficiency materials that promote achievable strategies for people with physical disability.
- Understand how people with physical disability access information and use these channels to distribute energy efficiency information.
- Provide one-off grants with NILS loans to remove financial barriers of purchasing more energy efficient appliances.

## Conclusion

Like many consumers, people with physical disability face the impact of rising electricity prices — especially where they have low or fixed incomes. However, non-discretionary disability-related energy costs place people with physical disability at further risk of disadvantage as electricity prices become less and less affordable. An inhibited ability to realise benefits from traditional energy efficiency strategies also contributes negatively to this dynamic.

Electricity is an essential service and for people with physical disability the amenity it provides is not limited to light, heat and hot water. It is also powering life support equipment and devices that provide mobility, communication and independence. In these circumstances, disconnection is not an option. In lieu of adequate support, sacrificing other essentials has become a common method of keeping electricity affordable.

This is not acceptable.

This paper indicates that people with physical disability are motivated and resourceful at maintaining their connection to electricity. Channelling that motivation into targeted programs that assist people to use electricity as efficiently as possible will be an investment that will provide direct assistance and extend the value of energy rebates. These programs will need to go beyond audits and information provision to provide higher level interventions such as discounted energy efficient appliances or specified home modifications aimed at lifting the efficiency of accommodation. Without this kind of action, financial assistance will struggle to keep electricity affordable for people with physical disability.

It is undeniable that state and federal budgets are under considerable pressure. This means making the case for additional financial assistance will be all the more challenging. Energy policy and the electricity market should not be set up to meet the needs of specific consumers. However, the safety net that facilitates people's ability to remain connected to essential services must recognise those whose circumstances prevent them from affording electricity at levels that enable a dignified life. While that safety net must necessarily include customer protections and policy responses, it must also

## More power to you: electricity and people with physical disability

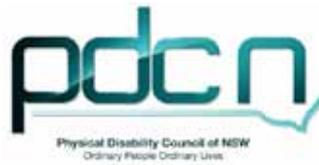
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include financial assistance that has a relationship with contemporary electricity prices and provides additional support for disability related energy costs that are not a matter of choice but a necessity.

PIAC and PDCN commend the Action Plans contained in this report to all levels of government. Taking action as laid out in these plans won't remove all disadvantage faced by people with physical disability. However, action can reduce the disadvantage caused by inadequate support for disability-related energy costs that are a necessity, not a choice.

## **Appendix A**

### Questionnaire for household survey



# Physical Disability Council NSW & Public Interest Advocacy Centre's Energy & Water Consumers' Advocacy Program Questionnaire

## Affordability

1. In the last 12 months have you had trouble paying your electricity bill on time?

- Yes  No

a. If yes, was this the first time?

- Yes  No

2. Which of the following strategies you have used to pay your electricity bill?

- Borrowed money  
 Used a credit card  
 Put off paying other bills that were due  
 Sold an item  
 Used a voucher  
 Other .....

3. Have you ever gone without essentials in order to pay your electricity bill?

- Yes  No

4. If you answered yes to question 3, please tick any of the following that you have gone without to pay your electricity bill.

- Food  
 Medicine/health expenses  
 Heating/Cooling  
 Education costs (e.g. school excursions, books, fees)  
 Transport costs (public transport fares, petrol, taxis)  
 Telephone or internet access  
 Social activities  
 Other .....

## Energy Use

5. Do you try to use less electricity in your home because of the cost?

- Yes  No

6. If your electricity was charged at different rates depending on the time of day, would you be able to change when you use electricity so your bill was lower?

- Yes  No

7. Do you receive in-home support from a service? (eg Home Care or Attendant Care)

- Yes  No

8. Do you have a condition that requires you to heat or cool your living space?

- Yes  No

## Access to Assistance

9. Are you aware of the following?

- a. The NSW Energy Rebate  Yes  No  
b. The Medical Energy Rebate  Yes  No  
c. The Life Support Rebate  Yes  No

10. Do you receive any of the following?

- a. The NSW Energy Rebate  Yes  No  
b. The Medical Energy Rebate  Yes  No  
c. The Life Support Rebate  Yes  No

11. Have you applied for any of the following and been found ineligible because your physical condition was not recognised under the eligibility criteria?

- a. The Medical Energy Rebate  Yes  No  
b. The Life Support Rebate  Yes  No

12. Are you aware of the Energy Accounts Payment Assistance Scheme (EAPA) that provides vouchers that can be used to help pay your electricity bills?

- Yes  No

13. Have you ever applied for EAPA vouchers?

- Yes  No

## Energy Efficiency

**14. Have you had someone come to your home to give you information about energy efficiency?**

- Yes  No

**15. If you answered no to Question 14, would you find it useful to have someone come to your home to give you information about energy efficiency?**

- Yes  No

## Information

**16. Please tick one option:**

Age

- 18-29  40-49  60-64  75-84  
 30-39  50-59  65-74  85 plus

**17. Please give us your postcode .....**

**18. Please tick any of these aids if you use them.**

- Motorised Wheelchair  
 Manual Wheelchair  
 Stick  
 Walking frame  
 Guide Dog or Assistance Dog

**19. Please tick one of these if they apply to you.**

- I was born with a physical disability.  
 I acquired my physical disability during my life, either by accident, injury or illness.

**20. Do you have any of the following?**

- a. A Commonwealth Health Card  Yes  No  
b. A Pensioner Concession Card  Yes  No  
c. A Department of Veteran's Affairs Gold Card  Yes  No

**21. Is there anything you would like to add?.....**

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**Notes:**

**Notes:**