



23 June 2022

Dear Energy Ministers

The Councils of Social Service, are the peak bodies for the community services sector and represent more than 3 million people experiencing poverty and inequality. We are writing urgently today with proposals to consider as part of addressing the financial pressures facing households because of rising energy prices and other costs of living pressures.

It has become increasingly difficult for people to afford the basics, with the recent surge in household electricity costs in most States and Territories compounding the pain felt by the rising cost of food, housing, health, transport, education, recreational activities and insurances over the past year.

People are being forced into making invidious choices between putting a meal on the table or paying a bill or going without hot showers and turning off the heater in the depths of winter to bring costs down. The significant increase to electricity prices is only going to make an already bad situation worse. Especially for those still struggling with enormous energy debt coming out of COVID.

We acknowledge some States and Territories have already announced packages to help low-income households.

However, we believe more is needed both in the short-term and short-to-medium term to deal with the immediate crisis and help people on low incomes to become more resilient to future crises.

Targeted help to the households who are in the most severe financial distress should be a first priority. We call on Energy Ministers to support the following:

#### *Protections and Retailer Measures*

- Update the Federal Government guidelines to the Australian Energy Regulator to set the Default Market Offer at an efficient price by lowering retail margins, as has been done in Victoria, and require the AER to undertake a review within the next 6 months, in line with the new guidelines.
- Require retailers to only disconnect people as a last resort, and ensure in person contact is made before they disconnect.

- Suspend debt collection procedures including via external debt collectors and ensure in-person contact is made to establish safe, reasonable payment arrangements, with debt write-offs to occur without delay if repayment is unsafe and unaffordable.
- Require retailers to ensure all customers who are struggling to pay their electricity or gas bills are moved to the best retail offer for their current circumstances.
- Require retailers to urgently implement systems to ensure every customer who is entitled to a concession or rebate is receiving it.

### *Income and Cash Measures*

- Urge States and Territories who have yet to provide an increase or supplement to energy concessions and emergency payments, to do so.
- The Federal Government should provide emergency energy debt relief to people on low-incomes of up to \$2,000 per household to reduce the incidence of energy debt, which sky-rocketed during Covid-19. This could be done in partnership with retailers.
- Increase income support payments to at least \$70 a day to provide immediate cost of living relief. Households on low, fixed incomes are unable to cover the cost of electricity, petrol, and housing, as well as other essentials. An increase to JobSeeker and related payments is critical to ensuring they can cover basic costs.
- Increase Commonwealth Rent Assistance to assist lowest-income private renters who are in severe financial distress.
- Work with State and Territory colleagues to fix energy concessions so they are more adequate, responsive to price changes and targeted, so the greatest help goes to those who need it the most (ACCC recommendation). This is particularly important to provide additional support for those households who are least able to reduce their exposure to market prices through self-generation.

### *Demand measures*

- Partner with State and Territory governments to implement an energy efficient appliance upgrade scheme prioritised to people on low incomes, that could include:
  - replace old, highly inefficient appliances – such as fridges – with new, efficient models;
  - replace energy guzzling heaters – such as resistive electric heaters and gas heaters – with efficient reverse cycle air conditioners for heating and cooling;
  - replace inefficient hot water systems to heat pumps and low flow shower heads; and
  - install window coverings, and where safe, draught proofing.

Programs could be quickly established building on similar schemes in the ACT ([ActSmart Replacing old appliances scheme](#)), the Victorian heating upgrades (<https://www.heatingupgrades.vic.gov.au/about-us>) and NSW ([appliance replacement offer](#)). This would provide ongoing energy bill reduction, create jobs, improve health and wellbeing, and reduce emissions (see page 8 of [NLEPP proposal](#)).

- Supercharge effort on a national home energy rating scheme to enable:
  - Rollout of mandatory minimum energy efficiency rental standards.
  - Disclosure of energy performance at point of sale and lease, and programs that enable ambitious home energy performance upgrades.
- A nation building program to install energy efficiency and solar in roughly 1.8 million homes of people on low incomes (social housing, low-income homes and low-income rentals) to provide ongoing bill reduction, reduce poverty, improve health, cut emissions, and create jobs. The scheme could be phased in – for example, social housing retrofits would be prioritised, and funded jointly with jurisdictions (see [NLEPP proposal](#)).

Progress should continue to be made to transition to a zero-emissions energy system, in a fair and inclusive way. This will assist with future proofing all Australians from future hikes in coal and gas prices and will deal with our ageing and unreliable coal generation.

No single policy in isolation will address the energy price issues the country faces. It's important that measures implemented by governments target people most in need – people on the lowest incomes. We would welcome the opportunity to work collectively with you.

Yours sincerely,

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