



PURPLE HOUSE

Submission on proposed amendments to customer payment under RAES scheme

July 2021

Purple House is a community-controlled organisation providing remote dialysis and associated health and social services for remote living people in Central Australia, including in northern South Australia. Our clients will be impacted by the RAES scheme, and we understand that energy security is fundamental to health and wellbeing, and to the services we provide for people with healthcare vulnerabilities.

We welcome the opportunity to comment on the proposed amendments of the RAES scheme and the recognition that there are significant implications for vulnerable populations. Within this submission we hope that SA Department of Energy and Mining can make substantial progress in an often overlooked yet highly important aspect of society and wellbeing.

It is our opinion that the main deficit in this Issues Paper is a true and accurate appreciation of the extent of self-disconnection rates in remote communities, and the implications that such extreme rates have on health and wellbeing. In the Northern Territory where the majority of our clients reside, there is emerging evidence that energy insecurity is not only profoundly severe, impacting every single remote dwelling, but that it is also a much greater driver of poor health outcomes than has been previously recognised. In Tangentyere's submission to House of Representatives Inquiry into Homelessness in Australia 2020 (supplementary submission), it was demonstrated that Town Camp dwellings disconnected on average once every week for approximately five hours per disconnect, with each disconnection lasting approximately 5 hours. There is Central Australian research that is in the process of being published that demonstrates that remote houses have even more substantial burden of self-disconnect. Whilst the national average is less than 0.1% of houses disconnecting from power each year, in remote NT it is almost every single house, many times per year.

The implications of this long-standing issue cannot be understated. Firstly, many remote living people now live with an expectation that multiple disconnects per week is normal. As such, many remote dwellings do not have refrigerators, as residents have learned to offset food storage costs to community stores. This has a dramatic impact on food security and healthy choices. Secondly, in extremes of weather, it is known that disconnection rates increase. Just as cooling or heating is most required, energy security is at its worst, leading to dwellings becoming either very hot or very cold. Such conditions have immediate impacts on health and wellbeing, and immediately contribute to over-crowding of dwellings that have not disconnected. Overcrowding is directly responsible for a multitude of infectious diseases that significantly contribute to the very poor health status of remote living people. And finally, in the NT there is an almost complete deficit of social contract between governing bodies, energy utilities and consumers in regard to electricity supply and wellbeing. We are aware of a number of recent cases where energy insecurity for people with significant health



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conditions, for instance those requiring oxygen concentrators as an example, where electricity disconnection has had tragic outcomes.

In response to the SA Department of Energy and Mining's Issue Paper July 2021, we would like to comment on the following aspects of this document.

1. There is mention in the Issues Paper of the implementation of a 3MW solar farm as a means of offsetting utility costs (diesel) and subsequent CO2 emissions. Solar Farms for remote communities that are run by private providers will reduce costs of energy production (economic and environmental) for that provider, and will prevent such economic gains from solar technology reaching the communities that they are servicing.

In Alice Springs, the vast majority of private home-owners are the direct beneficiaries of solar technology through rooftop solar installations, with return on investment being estimated to be between 2-5 years. Almost all of these rooftop installations have been achieved with direct Government incentives programs.

Remote community Rooftop Solar represents an opportunity to assist remote dwellings to lift out of energy poverty, and if coupled with prepaid metering that would allow feed-in tariff to offset cost, then could resolve the most vexing aspects of remote community energy insecurity. The sun would come up and debts would be resolved.

In the NT, residents in Town Camps and Remote Housing are locked out of the economic benefits of solar power, and there is not a single dwelling with panels on its roof. Smartmeters in the NT do not allow for rooftop solar. NT PWC has refused to allow smartmeters to have feed-in tariff. There is no broader energy policy about remote and public and solar opportunities to assist lifting householders out of poverty, and no attempt to realise this very tangible solution.

2. The Issues Paper makes pointed reference to the impact of inability to receive bills in remote housing, and the impact of over-crowded housing on billing. The first issue relates to both lack of ambition and investment to ensure remote communities meet nationally accepted social standards, and the second issue is the principal driver of almost all social and health inequities for remote living Indigenous Australians. Whilst it is reasonable that the Issues Paper recognises these two issues as impacting the capacity of residents to engage in post-paid meters, there is no mention that addressing these principal issue is essential, and until appropriately addressed, then issues of energy security need to be viewed through a completely different lens that goes well beyond just addressing consumer fiscal responsibility.
3. The Issues Paper makes reference to a staged introduction including an engagement and education program that will be rolled out to vulnerable communities. This initiative is to



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be congratulated but does not include ongoing monitoring and reporting of outcomes in terms of community engagement with the program, measures of increased awareness and understanding as demonstrated by measurable behaviours (for instance, disconnection rates). From an understanding of energy security outcomes in the NT, it can be predicted that addressing the issues of energy insecurity in the context of poverty, overcrowded housing and limited financial literacy will require long-term commitment and engagement that is wholistic in its approach. A three year program is not enough.

4. The preferred option of power purchase in the Issues Paper is prepaid, which we concur with. However, there are a number of issues that are not adequately addressed in the Issues Paper. Firstly, prepaid “smartmeters” construct a relationship between energy utility and meter, not consumer. Thus, there is no requirement for a social contract between the energy utility and the consumer. Such a construct will not be amenable to develop a more sophisticated relationship between provider and consumer. Secondly, the use of “friendly credit” as referred to in the Issues Paper is problematic. It is our understanding that people in our community who live in remote housing find this aspect of smartmeters in the NT very challenging. Issues of financial literacy, tenancy, overcrowding and individual responsibility mean that “friendly credit” often results in Mondays being financially challenging days where households have to decide between re-crediting their meter or buying food. Thirdly, the means by which smartmeters in the NT have been rolled out are inadequate in a number of ways - although smartmeters in the NT were planned to have a number of flexible payment options, there was no apparent community engagement in this plan and it has not worked. Remote residents have poor access to internet devices and online platforms are unavailable for many. Phone payment options are limited as they require the consumer to pay by credit card, when most consumers only have Basics Card.
5. This Issues Paper recognition of new-to-payment customers and prepayment customer protection policy is to be commended. SA Department of Energy and Mining is in a pioneering space that if successful would have pointed implications for other states and territories that fall well short in these areas.

Recommendations:

1. For remote communities, until overcrowded housing, deficits in literacy and western education, and the most basic of infrastructure and function such as postal services are addressed, the issue of energy provision needs to be viewed from a greater social and economic perspective than just consumer fiscal responsibility. Other economic implications directly attributed to energy insecurity such as aeromedical retrievals and other healthcare associated costs, as well as opportunity costs such as impact on educational attainment of



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students living in energy poverty, need to be considered in the construct of how to address the vexing but real issue of energy pricing signals to consumers.

2. For remote communities, we recommend a price signal of 10c/KWh is sufficient to achieve improved consumer energy efficiency.
3. Rooftop solar coupled with prepaid smartmeter installation should be considered as a holistic and sustainable solution to remote community energy poverty.
4. Implementation of prepaid smartmeters should ensure a contract between provider and consumers, rather provider and meter.
5. Prepayment meters should be linked to dwelling address rather than meter ID number to allow any resident of the house (rather than just the holder of the card with the ID number on it) to credit the meter.
6. Payment methods for prepayment meters need to be designed around community consultation and take into account community circumstances including limited online access and limited access to credit cards and telephones.
7. Payment methods should allow for all consumers to automatically direct debit from welfare payments at regular intervals, and such direct debit should be negotiated with residents of households in more innovative ways.
8. In remote community dwellings, having a resident with significant health vulnerabilities is the norm not the exception. As such, policy and practice should ensure that all dwellings are protected from energy disconnection, without imposing “friendly credit”, when environmental conditions are dangerous to human health – during very hot and very cold periods.
9. Previous efforts to improve energy security for specific aspects of health-essential infrastructure in remote community houses have been successful. For instance, Bushlight (as referenced in this Issues Paper) developed a household User Interface that allowed residents to identify energy consumption and critical energy-dependent infrastructure that would never disconnect (a single light in the kitchen, and the refrigerator). Such innovative approaches to energy security in remote houses need to be re-engaged and further developed.

We thank you for considering our submission.

Sarah Brown AM
CEO
Purple House
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