

# Energy Efficiency Information for Low Income Households

Town Hall, St Arnaud

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## Helping Low Income Households Reduce their Energy Bills

As the cost of living continues to rise in Victoria, many people on low incomes report that they are finding it harder than ever to manage their gas and electricity bills.

As key workers assisting vulnerable members of the community, you have the opportunity to assist people better understand energy usage in their home. Today's workshop has been designed to assist you explore these ideas in fun and innovative ways.

This resource paper covers the running cost of common household appliances and smart ways to use them efficiently. There is also information on concessions and grants and advice on what to do if the people you care for are having difficulty paying their bills.

## Energy Basics

Getting the basics right is the easiest way to keep energy costs affordable. Many of these actions are common sense and you might already be doing some (or all) of them!



### SUMMER

Keep the heat out – shades & blinds (or vines!) reduce the heat load coming into the house.

### WINTER

Keep the heat in – close off gaps to prevent the warm air flowing out and the cold wind coming in.



### Use the thermostat to control the cost!

Aim for comfort:

Winter 18-21°C

Summer 25-27°C



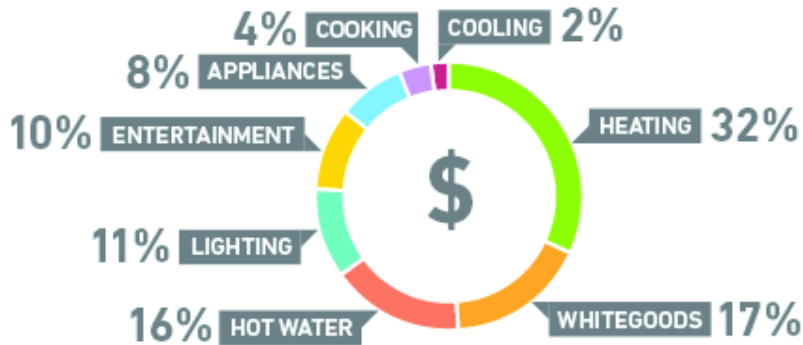
**Good insulation helps keep the temperature in the home at a comfortable level.**

Bulk = keeps heat in (winter)

Reflective = bounces heat away (summer)

## Energy usage in the home

Be careful with the *BIG appliances*: heaters, air conditioners, tumble dryers & hot water systems. The longer they run, the more they cost! Thermostats give you control by keeping the running time to a minimum.



Source: Sustainability Victoria 2013

## Counting the cost

The average household in Victoria spends around \$1800 on electricity each year. Households with natural gas for heating will spend an additional \$1500.

More and more people on fixed incomes are finding it harder to make ends meet. Not being able to pay a bill can be quite stressful, particularly if you've always paid your way. Some people find it easier to pay in small regular amounts (eg bills smoothing, monthly bills). There is a range of concessions that can also help.

## Costs of common appliances

Energy bills are typically made up of a service (or supply) charge plus the cost of electricity or gas that is measured by the meter at the home.

Electricity is measured in units called kilowatt hours (kWh). A kWh is used whenever 1000 Watts of energy is used in one hour. Energy use is determined by how much energy an appliance needs to do the job and how much time it takes. For example, a kettle needs the same amount of energy (around 2000 Watts) as a portable fan heater, but it only takes a couple of minutes to boil the water whereas the heater may be on for hours. As the heater is on for a lot longer, it will end up costing a lot more.

The cost of electricity tariffs varies across Victoria and from provider to provider with the average cost around \$0.26 per kWh. To make it easier, we have assumed a cost of \$0.30 (or 30 cents) per kWh for the examples below.

Let's look at the cost of running some typical household appliances. It's worthwhile comparing the cost of *BIG appliances* with some cheaper options.

Appliance	Watts	Cost per hour
Oil column heater	2400W	\$0.72
Tumble dryer	2000W	\$0.60
Reverse cycle air	500-3500W	\$0.15-\$1.05

conditioner		
Evaporative cooling	500-1000W	\$0.15-\$0.30
Fridge	100W	\$0.030
LED globe	5W	\$0.0015
Halogen globe	50W	\$0.015
Laptop	30W	\$0.009
Ceiling fan	75W	\$0.022
Portable fan	50W	\$0.015

Note: calculations based on a tariff of \$0.30 per kWh. Actual tariff may differ depending on area and time of use.

Reverse cycle air conditioners are now commonplace in Victorian households and are sometimes used for heating as well as cooling. Running costs will differ depending on the size of the unit (which determines the output of heated/cooled air). Modern air conditioners also typically use inverter technology which means the unit will use less energy as the room temperature gets closer to the target temperature. This is why setting the thermostat to a 'comfortable' temperature is critical.

You can work out the cost of running typical household electrical appliances using this approach. You will find the energy usage label on the back or base of the appliance.

$$2 \text{ kW} \times \$0.30 \text{ cents} \times 5 \text{ hours} = \$3$$

$$\text{Energy needed to work} \times \text{Tariff} \times \text{running time} = \text{Cost } \$\underline{\hspace{2cm}}$$

## Energy Rating Labels

Most common household appliances now feature energy rating labels that can help the consumer make an informed decision.

### What you need to know:

- More stars mean a more efficient appliance with lower running costs.
- Each extra star is worth a 20-30% saving in running costs
- Dishwashers, washing machines & dryers use 1-6 star system.
- Fridges, freezers, TVs & air conditioners use 1-10 star system.



← **More stars = More Savings!**

← **A smaller number = lower running cost.**  
Use this number to work out the running cost over a year. For example:  
**505 kWh x \$0.30 = \$151.50**

## Considering the real cost of an appliance

Sustainability Victoria recommends consumers look at the annual running cost as well as the purchase price to consider the real cost to the hip pocket. This short video explains how to use energy rating labels.

## Energy smart tips

Energy smart suggestions for every room in the house.

### Heating tips

- Avoid overheating – set the central heating thermostat at 19-21°C.
- Close doors to unused areas. Smaller spaces are faster & cheaper to heat.
- Curtains and drapes can help reduce the 25% of heat lost through windows.
- Turn off heating overnight and whilst out of the house.
- Draught-proofing can reduce the 5–15% of heat lost through air leakage.
- Block off unused fireplaces/cooling ducts to prevent heat loss.
- Insulation will stop 25–35% of heat typically lost through your ceiling, and 15–25% lost through walls.
- Open curtains to let the winter sun in during the day.



Source: Sustainability Victoria

### Cooling tips

- Avoid overcooling – aim for 25-27°C instead of lower.
- Use external blinds, shade cloth or plants to shade your windows from the sun.
- Seal draughts around doors and windows.
- Close doors to unused areas. Keep the living areas cool.
- Use portable fans and ceiling fans.
- Seal the gaps to keep unwanted heat out.

### Hot water tips

- Install a low flow, AAA-rated shower head (unless tank is in roof).
- Keep your shower short and sharp (3-5 minutes).
- Set hot water storage thermostat at 60°C (around 50°C at the tap).
- Insulate hot water pipes with lagging to reduce heat loss.

### Refrigeration tips

- Set fridge temperature to between 3°C and 5°C.
- Clean and check fridge seals.
- Make sure there's enough space for air to circulate around the fridge.

- Keep fridge away from direct sunlight or any heat (e.g. Oven).
- Turn off extra fridges and freezers if they are not needed.
- Add tubs of water to your freezer if empty.
- Adjust Freezer thermostat to between -15°C and -18°C.

### Dishwasher tips

- Use dishwasher when fully loaded.
- Use the program with the shortest running time and lowest temperature ('Eco' setting).
- Interrupt the 'Drying' cycle and let drip dry.

### Washing machine tips

- Use the cold water setting.
- Wash a full load of washing.
- If a smaller load is used then adjust the water level (if possible).

### Clothes dryer tips

- Use clothes line where possible.
- Good ventilation = faster drying. Leave a door or window open.
- Avoid overloading the dryer.
- Clean the lint filter.

### Lighting tips

- Switch to LED globes or Compact Fluorescent Light Globes (CFL's).
- Check out VEET installers who can replace halogen downlights with LED globes.
- Use lamps instead of halogen lights.
- Turn your lights off when not using them.
- Try LED globes for outside security lighting.

## Concessions

Concessions can help make energy and water use more affordable for households on low incomes. Eligible cards are:



### Common concessions you can check for include:

- **Annual Electricity Concession** – 17.5% off, applies year round.
- **Controlled Load Electricity Concession** - for larger electric hot water units or slab heating systems. Additional 13% discount on controlled load usage costs. Was previously called Off Peak Electricity concession.
- **Winter Gas Concession** – applies 17.5% off gas bills during winter, only from 1 May to 31 October.

- **Water & Sewerage Concession** – 50% discount on water & sewerage costs. (Note, tenants only pay for usage).

### Concessions for households with high usage:

- **Excess Electricity Concession** – if annual cost above \$2763. Customer needs to fill out application form. Call the retailer or DHS to get the form.
- **Excess Gas Concession** – if annual cost above \$1462. Customer needs to fill out application form. Call the retailer or DHS to get the form.

### Concessions for households with low usage:

- **Service to Property Charge Concession** – for households with very low usage. The standard service charge is reduced to match the usage charge.

### Concessions for people with chronic health issues:

- **Medical Cooling Concession** – additional 17.5% discount on electricity for people with chronic medical conditions. Applies summer period (1 November to 30 April). Apply through energy retailer or DHS Concessions.
- **Life Support Concession** – provides a further discount for households dependent on life support machines (such as dialysis and oxygen concentrators). Water retailers provide further discount if haemodialysis machine in use. Apply through the retailer or DHS Concessions.
- **Essential Medical Equipment Payment** – a payment each year of \$147 to help with the cost of medical equipment in the home (e.g. heart monitor, dialysis machine, respirator and electric wheelchair). Client must have chronic health condition (such as brain or spinal cord injury, neural disease, burns or stroke). Apply through Veterans' Affairs or Centrelink.

### Concessions for households using LPG, firewood, generators & heating oil:

Need to complete a **Non-Mains Energy Concession** form each year. Applications close on the 30 June each year. Late claims and claims for the previous year will also be considered. Forms are available from LPG and fuel suppliers or the DHS Concessions Information Line on **1800 658 521**.

#### What you need to know

- Households receive a rebate of up to \$496 depending on how much is spent on each fuel type in the year. Payments are made by cheque to the householder.
- Need to provide copies of invoices or a statement from the supplier.
- To claim a rebate on firewood, there must be no other form of fixed heating in the home. Can apply again if household needs to spend more on additional fuel.

### What to do when someone is having trouble paying their bills

By law, energy & water companies have certain rules they have to follow to help people who tell them they are having difficulty paying their bills.

Retailers usually have dedicated staff that provide this assistance. If your client can't pay a bill and is experiencing financial hardship, encourage them to let the retailer know as soon as possible so that they can get protection and assistance. Ask to speak to the **Hardship** team.

Some of the options an energy or water retailer *may* offer include:

- A payment or instalment plan.
- Check all available concessions.
- Check eligibility for a government grant (Utility Relief Grant, see below).
- Assistance to repair or replace faulty appliances.
- Energy efficiency advice or home audit.
- Review best available tariffs.
- Referral to independent financial counselling services and community agencies.

## The Utility Relief Grant Scheme (URGS)

The Utility Relief Grant Scheme (or URGS) provides a payment of up to \$500 towards utility bills for households experiencing financial hardship. It is aimed at concession card holders or those on extremely low incomes such as asylum seekers. There is no requirement to repay the grant. Contact the water or energy retailer to apply.

### What you need to know

- Households can apply for the URGS for electricity, gas and water.
- Can only claim the URGS once every 2 years.
- If approved, the grant is paid to the retailer.
- Eligible concession cards include Pension, Health Care and some Veterans' Affairs Gold cards.

### Eligibility criteria

To get this grant, households need to demonstrate they **do not have sufficient savings** to pay their utility bill. They must meet at least one of the following criteria:

- A big increase in usage due to a fault (e.g. faulty heater or leaking hot water unit).
- Loss of income (for example, due to family breakdown or a loss of work).
- High unexpected expenses on an essential item (for example, new fridge or car repairs).
- Large part of income is going to rent or mortgage payments (needs to be 30% or more of income).
- Utility bills are 10% or more of household income.

## Non-mains Utility Relief Grant Scheme (NURGS)

The Non-Mains Utility Relief Grant Scheme (or NURGS) is available for households that rely on bottled gas (LPG), oil or firewood for winter heating or hot water, or who rely on electricity from a generator or embedded network. Eligibility criteria is same as for URGS (see above).

### What you need to know

- Households receive a rebate of up to \$500 depending on the balance owing (and capped at 6 months of usage).
- Only available to eligible concession card holders.
- Call DHS Concessions on **1800 658 521** to commence the application process.

## Financial counselling services

People from all walks of life can suddenly find themselves without enough money to pay their way. At such times, financial counselling services can help you assess your options.

Financial counsellors are non-judgmental, qualified professionals who provide information, support and advocacy for people in financial difficulty. They work within community organizations and their service is confidential and costs nothing.

Call **MoneyHelp** on **1800 007 007** to find the nearest financial counselling service. MoneyHelp also provide free financial counselling over the phone.

Lots of useful information can be found online at <http://www.moneyhelp.org.au>.

## Problems with energy & water retailers

The Energy and Water Ombudsman Victoria (EWOV) is a dispute resolution service that helps people sort out unresolved issues with their energy or water retailers. It is confidential and there is no cost. Issues can be raised online at [www.ewov.com.au](http://www.ewov.com.au) or by calling **1800 500 509**.

Before calling EWOV, customers need to give the retailer a chance to resolve the issue first. Complaints or queries can be raised over the phone or in writing. If you're not happy with the retailers first response, you can always ask to speak to someone else or a team leader.

## Looking for a better energy deal?

There are many websites promising cheaper energy deals but these are not always the best option. Most sites are commission-based and restricted to just a handful of energy retailers.

If you are shopping around, these government sites offer a comprehensive and independent view of all the retailers in your area.

Electricity market offers: [www.switchon.vic.gov.au](http://www.switchon.vic.gov.au) to use **MyPowerPlanner**

Gas market offers: [www.yourchoice.vic.gov.au](http://www.yourchoice.vic.gov.au)

It is worth looking at different offers as, depending on energy usage, substantial savings can be made. But it does take a bit of time and effort to shop around. It is also worth asking your current retailer to match a better offer you find elsewhere.



Source: [SwitchOn](http://www.switchon.vic.gov.au) website

Make sure to check the **supply (or service) charges** as well as the **usage tariff**. It's also worth asking if any discounts apply to the whole bill or just the usage charges.

Some retailers offer contracts for **flexible** or **Time of Use tariffs**. This gives households access to cheaper off peak electricity rates, but means daytime charges will be higher than average tariffs. Flexible tariffs only work well for households who can shift the use of energy-hungry appliances (eg clothes dryer, pool pumps, dishwashers) to off peak times.

## Resisting the sales pitch



Householders who spend a lot of time at home are particularly vulnerable to calls and visits from energy salespeople. As carers, it is worth being aware of your rights so that you can encourage others who are more vulnerable to protect themselves from unnecessary or harmful approaches.

You can remind them that there is no need to sign anything at the door or agree to a new contract over the phone. Consumers have the right to say “No”. If they feel uncomfortable, some affirmative actions they could take include:

- Asking for time to ‘think it over’.
- Hang up the phone.
- Tell them to leave and close the door.

If a householder is unhappy with the conduct of a telemarketer or door-to-door agent, they can contact the retailer involved to report what happened. If not satisfied with the response, they can then contact the **Energy and Water Ombudsman (EWOV)** on **1800 500 509**. If EWOV receive enough complaints, an investigation into the actions of the company may follow.

Suspicious activity can be reported to **ScamWatch** on **1300 795 995**. Physical threats should be reported immediately to the Victorian police on 000.

### Do Not Call Register

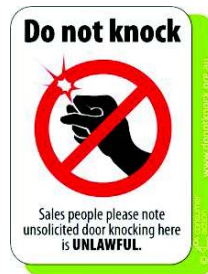
Households can prevent unwanted calls from telemarketers by registering their phone numbers with this service. You only need to register once.

A free service for home, mobile and fax numbers that prevents marketing calls from businesses including energy retailers. Registration lasts for 8 years.

You can register over the phone by calling **1300 792 958**, online at <https://www.donotcall.gov.au/> or by completing a form available from most post offices.



### Do Not Knock Stickers



Households can also stop unwanted visits from door-to-door salespeople by displaying a ‘Do Not Knock’ sticker on their front door.

Under Australian Consumer Law, salespeople are not allowed to approach households where a sign like this is clearly displayed. Available from local councils and community agencies or at <http://donotknock.org.au>.

The sticker does not apply to religious visitors, politicians or charities.

If a salesperson ignores the sign, contact the Australian Competition and Consumer Commission on **1300 302 502** to report the breach.

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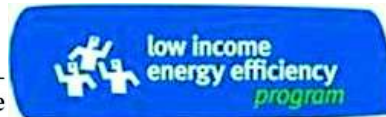
*This material has been prepared by Kildonan UnitingCare on behalf of Sustainability Victoria as part of the Northern Grampians Shire Council (NGSC) Low Income Energy Efficiency Program (LIEEP). The LIEEP program aims to improve the energy efficiency of homes occupied by disadvantaged members of the community who live independently and receive an age or disability pension.*

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