



ACOSS
ENERGY AND COST OF LIVING SNAPSHOT
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Energy is an essential service. It plays a critical role in the health and wellbeing of people. However, the combination of high energy prices, poor energy performing homes and inadequate income support payment is resulting in acute financial and social disadvantage.

In August 2023, ACOSS surveyed 427 people receiving income support about their experience of energy costs, to gain insight to the capacity of households to meet their energy needs.¹ Of the people surveyed 54% were in receipt of Jobseeker Payment, 9% Austudy, 6% Parenting Payment Partnered, 3% Parenting Payment Single, 1% Youth Allowance and 38% on other payments which includes Age Pension, Disability Support Pension and Carer Payment.

Energy prices are a top cost-of-living issue for households.² While there have been fluctuations in electricity and gas retail prices over the past 15 years, energy prices have generally risen substantially faster than incomes over the period.³ The past two years have seen an electricity price spike, increasing in NSW, QLD, Victoria and South Australia between 7% and 18% in 2022⁴ and between 21% and 28% in 2023.⁵

Of people surveyed⁶, 49% were in private rental, 15% in social housing, 12% were homeowners with a mortgage, 10% were homeowners, 7% were living with family, 5% were without secure housing, 2% couch surfing, and 1% living in a retirement home. The survey findings show that people's ability to make their homes more energy efficient, including by transitioning to more sustainable and efficient energy sources and appliances, is greatly affected by their housing circumstances.

The responses make clear that most people on income support are struggling to afford their energy bills and are running out of options. People are taking drastic measures like not heating their home in the middle of winter, turning fridges off overnight, limiting showers, and going without food or medicine to afford their bills. Seventy-seven per cent of people reported that their homes were really cold and that they struggled to heat them.

People reported getting sick because they couldn't heat their home, including aggravating chronic respiratory conditions, increasing arthritis and joint pain, and increasing depression and anxiety.

Most people already have or will seek support from their energy retailer around making payments. Despite reaching out to retailers, almost a fifth were already in energy debt with another fifth were expecting to go into energy debt with their next bill.

Trigger warning: This report refers to suicide.

Almost all people surveyed are cutting down their energy use and some are going without food or medicine to afford energy bills.

Of the 427 people surveyed, almost all (97%) are taking some action to cut back on their use of energy to lower their bills, including:

¹ The differences in data findings between this Energy Snapshot and the ACOSS 2023, [“It’s not enough”: why more is needed to lift people out of poverty’ report](#) is due to the larger sample size for data used in this Snapshot.

² <https://www.aer.gov.au/system/files/State%20of%20the%20energy%20market%202022%20-%20Full%20report.pdf>

³ <https://www.aer.gov.au/system/files/State%20of%20the%20energy%20market%202022%20-%20Full%20report.pdf>

⁴ <https://www.aer.gov.au/system/files/AER%20-%20Default%20Market%20Offer-%20Price%20determination%202022-23%20-%20Final%20Determination%20-%202026%20May%202022.pdf>

⁵ <https://www.aer.gov.au/system/files/Default%20market%20offer%20prices%202023-24%20final%20determination.pdf> and https://www.esc.vic.gov.au/sites/default/files/documents/FDP%20-%20Victorian%20Default%20Offer%202023-24%20Final%20Decision%20-%2020230525_0.pdf

⁶ Percentages may not equal 100% due to rounding.

- 74% are cutting back on cooling and heating.
- 62% are cutting back further on use of lights.
- 55% are taking fewer hot showers.
- 51% are changing how they cook meals (i.e. not using the oven).
- 49% are going to bed early to keep warm or cut down their use of lights.
- 33% have stopped having people over.

Other actions taken to reduce energy use include: washing during off-peak times and/or using only the cold cycle; disconnecting power to all devices on standby; turning off the hot water heater, fridge and/or television; dressing warmly, wearing blankets indoors and using hot water bottles to keep warm; reducing time spent in the home; and placing bubble wrap on the windows as an insulator.

A third of the people surveyed said they have already cut back their energy use as much as they can and do not know what else to do.

“Our water and electricity bills keep getting higher and higher, now we drink tank water to try and cut down the cost. We also turn our fridge off at night and back on in the morning.” – Brock, QLD

Most concerningly, 60% of the people surveyed are going without food or medicine to afford their energy bills. These actions can have particularly severe consequences for people with compromised health.

People are struggling to pay energy bills, despite many accessing energy concessions.

Most (59%) of the 427 people surveyed have applied for energy concessions to help them afford energy bills.

Sixteen percent of people have asked their energy retailer to put them on a hardship plan or have deferred payment of their energy bill. Despite this, many people indicated that they are still struggling to make repayments.

“My most recent bill for 19 days is double the cost and energy used in comparison to my last one for 40-50 days. What the government and the energy companies are doing is shameful. They are more concerned about profits over the poor and vulnerable people who are practically freezing to death.” – Bonnie, SA

Of concern, some people said they have faced challenges even accessing a hardship plan, including bureaucratic hurdles, encountering unsympathetic staff and having their existing plan expire. A few people felt too embarrassed to request assistance. One person indicated that they were unaware of hardship assistance being available. Further, it is worth noting the survey was only available in English and so responses would not account for people facing challenges accessing hardship assistance due to language and literacy barriers.

Energy debt is a reality for nearly a fifth of people surveyed and disconnection is a possibility for some.

- 19% of the 427 people surveyed currently have an energy bill debt.
- A further 17% expect to go into energy debt with their next bill.
- 8% have been disconnected or expect to be because they can't afford their energy bill.

These numbers were higher for people on JobSeeker, with 32% of JobSeeker recipients reporting they had an energy debt and a further 32% reporting they expected to go into energy debt after the next bill.

These findings reflect the Australian Energy Regulator's (AER) data, which showed that the number of people in energy hardship debt and the amount of energy hardship debt is increasing.⁷

"I'm currently in energy debt due to not being able to pay for my electricity and gas, as it costs too much. This has led to a huge bill and almost getting disconnected. I live in a rural area that can get to -8 degrees in winter. I can only afford to keep one area of the house heated, so the rest of the house becomes like ice cubes. This makes going to bed and getting up quite hard when you feel frozen." – Hazel, NSW

"Nobody understands the humiliation at 59 years of age you are basically begging just to keep power on."

Many people surveyed spoke about the stress, anxiety and increasing social isolation created by the unaffordability of energy bills and threats of debt and disconnections. People mentioned having taken all the measures they can to reduce their energy usage and other costs, and the despair of seeing bills mount despite severe compromises to their daily lives. One person spoke of suicide seeming the only escape.

"The high price of energy affects my mental health and my motivation. Expecting the gas and electricity bills to go up further is stressful." – Melissa, VIC

More than half of all people surveyed have difficulty heating their home.

People surveyed in southern regions of the country reported frustration at the lack of efficient heating options available in their private rentals, citing poor insulation. Some remarked that they have been waiting for repairs from their landlord. Others in northern, more humid regions, reported an inability to keep their homes cool, which affects their sleep. Many stated that they are forgoing heating or cooling because they fear increasing their energy bills.

- Only 98 of the 427 people surveyed describe their home as comfortable and, of these, 66% still need to heat it when the weather gets cold.
- Of the 329 people who describe their home as "really cold", nearly two thirds (65%) said they are not able to heat it when needed, while 35% said they are able to.
- Of the 325 people who have heating at home, 42% have reverse cycle air conditioning (highly efficient), 36% have portable heaters (less efficient) and 23% have gas heating (less efficient and more polluting).
- However, the vast majority of people who have heating said they avoid using it because it is too expensive – for 82% of people, they avoid using heating often, very often or all the time.
- Of the total 427 people surveyed, 24% said they have no heating in their home at all. Of those with no heating, 38% said this was because they can't afford it, while 28% said they rent and are unable to install heating. Only 2% of this group said they don't need heating.

Cold homes have negative physical and mental health impacts on occupants.

Almost half of the people surveyed (47%) said they get sick because they struggle to keep warm in their homes, and a few were worried about how they will keep their home cool in the coming summer months.

⁷ AER [Quarterly retail performance report January- March 2023](#)

The types of health impacts people said they experienced due to cold indoor temperatures include:

- aggravating chronic respiratory conditions like asthma and temporary illness like bronchitis
- aggravating arthritis, joint pain and neurological conditions like fibromyalgia
- aggravating heart and circulatory conditions
- the health impacts of mould arising from damp conditions
- being more susceptible to colds, flu and sinus infections
- mental health impacts, such as depression and or anxiety
- loss of productivity and feeling lethargic.

“I’m chronically ill and being unable to keep the house warm enough causes joint pain, and temp fluctuations increase my migraines. It makes it harder to do things that help with my depression because it’s too cold to be up in the house.” – Freya, SA

Recommendations

High energy prices, poor energy-performing homes and inadequate levels of income support are increasingly making energy unaffordable to people experiencing financial and social disadvantage. Many people experiencing disadvantage live in houses that are drafty, too hot in summer and cold in winter, with no or inadequate heating and cooling. Having gas appliances or inefficient electric appliances they are expensive to run. We know that many low-income owner-occupiers cannot afford to retrofit their homes to be more energy efficient, switch from gas to electric appliances, purchase more efficient electric appliances or install solar. Those who rent lack control over the energy performance of their dwellings. This places people experiencing vulnerability in a precarious position, where they face the prospect of energy debt, compromised health, cutting back on essential energy, or other essentials like food and medicines, just to stay afloat.

Based on these findings and our previous research, ACOSS recommends the Federal Government:

1. Provide investment in energy efficiency, electrification and small-scale renewables for low-income housing, including further investment to retrofit more social housing, help low-income owner-occupiers, and support states and territories to implement minimum energy performance rental standards.
2. Work with states and territories to reform energy concessions to ensure they are accessible, adequate and equitable. Ideally, concessions should be applied as a percentage of household energy usage, as used in Victoria. Concessions should be automatically applied to those eligible, and eligibility should be expanded to all people who need additional financial support.⁸
3. Provide greater retail protection through a stronger energy hardship framework which:
 - a. Encourages earlier hardship detection and support;
 - b. bans disconnections for non-payment; and
 - c. introduces pricing reform and regulation to ensure people on low incomes are on the cheapest and best deal.
4. Work with energy retailers to provide energy debt relief to people in energy hardship.
5. Shift subsidies off energy bills or offset the costs for people on low incomes.
6. Substantially lift income support payments, including JobSeeker and Youth Allowance to provide people with sufficient income to access energy as an essential service.

⁸ See report [Reforming Electricity Concessions to Better Meet Need](#), for more details on policy recommendations.