

**Household Energy and
Financial Sustainability
Scheme: A Culturally
and Linguistically
Diverse Perspective**

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The Federation of Ethnic
Communities' Councils of
Australia (FECCA)

1. Executive Summary

FECCA is the national peak body representing Australians from culturally and linguistically diverse (CALD) backgrounds.

FECCA provides advocacy, develops policy and promotes issues on behalf of its constituency to government and the broader community. FECCA supports multiculturalism, community harmony, social justice and the rejection of all forms of discrimination and racism so as to build a productive and culturally rich Australian society. FECCA's policies are designed around the concepts of empowerment and inclusion, and are formulated with the common good of all Australians in mind.

FECCA commends the Government's Household Energy and Financial Sustainability Scheme and the overarching Household Assistance Package for recognising the disproportionate effect that climate change, carbon prices, and the clean energy Australia plan will have on low-income households. Low income households typically spend proportionately more on essential and carbon intensive goods and services such as energy and food. There are many culturally and linguistically diverse (CALD) communities in Australia that are particularly marked by high rates of low income households, such as newly arrived refugees and humanitarian migrants and the elderly. These groups already face intersectional disadvantage as a result of language and cultural barriers. As a result, it is CALD individuals and communities already vulnerable to poverty and inequality who will be affected most and earliest by the impacts of climate change and energy issues.

Many of Australia's CALD communities, particularly those of refugee or humanitarian entrant background, are classified as low income households and experience significant financial vulnerabilities due to the settlement process, chronic unemployment or underemployment, larger family sizes, low systems knowledge, expensive private rental housing, and lack of experience with

budgeting and navigating Western financial systems. Moreover, both new and longer established CALD communities often live in older houses, due to their lower cost, or in public housing, with such housing typically not being energy efficient or equipped with energy efficient appliances. As a result, the use and expense of heating and cooling systems can be disproportionately high for CALD communities, while knowledge of how to be energy efficient is low due to a lack of in-language information.

FECCA therefore supports the Household Energy and Financial Sustainability Scheme for their support in assisting with estimated increases in living costs for low income households. However, FECCA is concerned that the lack of acknowledgement of CALD consumers as a high vulnerability category may lead to their needs in the arena of energy efficiency and climate change being unmet. To ensure that CALD Australians – as individuals, small businesses, and service providers alike – do not face increasing inequities and difficulties related to climate change and carbon pricing in future, the Government needs to ensure that cultural competency is integrated throughout the Household Energy and Financial Sustainability Scheme.

FECCA recommends:

1. That culturally and linguistic diversity is explicitly acknowledged in all manifestations of the Government’s plan for a clean energy Australia, with culturally and linguistically appropriate information, measures, and support resourced and supported in various avenues.
2. That the Household Energy and Financial Sustainability Scheme’s energy efficiency and financial management advice educators are trained in cultural competency and include those who are bicultural, and/or recruited from within CALD communities, to ensure that all CALD Australians are able to

understand and implement energy efficiency practices in their homes.

3. That culturally and linguistically appropriate energy information and promotion is targeted at older CALD Australians who are often living in uninsulated houses and lack awareness of available programs and services, as well as at newly arrived migrants who experience the same, but whose access is compounded by settlement stressors and low English language proficiency.
4. That the Emergency Relief and Commonwealth Financial Counselling program and microfinance options to assist low-income households with the purchase of more energy efficient appliances, including the No Interest Loans Scheme (NILS®), are resourced to be culturally competent with information about these programs translated into various languages and distributed via ethnic community radio, ethnic communities' councils, service providers, and other organisations catering to CALD Australians.

2. Key Energy Issues and CALD Communities

While CALD communities in Australia are extremely diverse in their financial and housing situations, it is nevertheless incontrovertible that many CALD communities are comprised of high numbers of low income households which are most at risk of energy issues leading to energy and financial hardship. New and Emerging Communities (NEC), and in particular those comprised of refugees and humanitarian migrants, suffer from high rates of low income or poverty, unemployment, and financial insecurity, and often live in old and poorly-maintained public or private rental housing. Such housing is generally not energy efficient which, when combined with the tendency for low income households to spend proportionately more on carbon-intensive goods and services including energy and food, renders large sections of the CALD community vulnerable to the escalating costs of climate change and carbon pricing.

Moreover, the 2006 Census found that almost a quarter of Australia's population were born overseas, 16% of Australians speak a language other than English at home, and 30% of Australians aged 65 and over will be of CALD background in 2021. This means that not only do a significant proportion of Australia's population require culturally and language-appropriate information about energy efficiency, but almost a third of Australia's increasing aged population are particularly at risk of energy issues as a result of compounding issues of loss of English language, social isolation, low digital literacy, and poor financial status leading to difficulty buying energy efficient housing or appliances even where awareness of the need for this exists.

In light of this, for the Household Energy and Financial Sustainability Scheme to be able to assist at-risk and vulnerable CALD communities, including low income households and elderly or newly arrived CALD individuals with low English language literacy in terms of design and delivery is essential. In addition, its energy

efficiency and financial management advice educators need to be culturally competent. At one level, educators will need to be trained in cultural and linguistic competency and supported by interpreters, but at another, and more beneficial, level, the Scheme should employ bilingual and bicultural workers from within CALD communities to engage in education, information, and outreach to CALD communities regarding energy efficiency.

The Emergency Relief and Commonwealth Financial Counselling involved in the Scheme must also incorporate language and cultural competency, while the microfinance options to assist low-income households must be promoted in different formats and a variety of languages so that all people living in Australia are made aware of the options for energy efficiency appliance assistance available to them.

Without incorporating culturally and linguistically appropriate support and competency into the Scheme at all levels, CALD Australians will be unable to benefit from the education and assistance available to them with regard to actively reducing energy use. Low English language literacy, living in older and uninsulated houses that require intensive heating and cooling throughout the year combined with the lack of in-language energy efficiency information, and lack of bilingual educators regarding financial management and energy efficiency are all key barriers to CALD Australians become energy efficient as both home-owners and business owners.

Both the phone and home assessments to be incorporated into the Scheme's design must be culturally and linguistically appropriate. Bilingual and bicultural workers must be employed and recruited from within CALD communities, with other workers also trained in cultural competency and supported by interpreters. In this way CALD Australians, and particularly those with low English language literacy such as new arrivals and the aged, will be able to understand and incorporate energy efficiency practices into their day-to-day

living and therefore avoid significant financial strain and inequity in future.

In order for financial education and advice to be targeted correctly, it must be provided in CALD-appropriate formats. This relates to both providing translated information and distributing this information through formats amenable to CALD uptake, such as community radio and television, community centres and organisations, settlement and migrant support services, and other such avenues for CALD engagement.

FECCA does commend the Scheme for ensuring the households will not need to apply for the Household Assistance, because it is built into existing social security and will be paid automatically. This ensures that the barrier of low systems knowledge, which inhibits CALD Australians in many facets of life, will not be an issue here. That said, culturally and linguistically appropriate avenues to systems knowledge regarding microfinance options and personal energy efficiency practices will need to be actively implemented, with cultural and linguistic diversity consistently acknowledged and addressed as a key indicator of vulnerability throughout the Household Assistance Package and Household Energy and Financial Sustainability Scheme.