

# LIVING IN THE COUNTRY

*Consumer perspectives on energy supply in rural Tasmania*



A research project carried out for the  
Tasmanian Council of Social Service  
January 2011

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**Tasmanian Council of Social Service**



**This research project was carried out for the Tasmanian Council of Social Service by Suzanne Vallance.**

**Cover photo by Suzanne Vallance.**

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We would also like to thank the Tasmanian branch of the Country Women's Association for its assistance in recruiting participants, and the neighbourhood houses and community health centres for the use of their facilities to conduct interviews and their help in organising focus groups.

This project will assist TasCOSS to better understand the experiences and views of rural Tasmanians and therefore to advocate more effectively for positive changes to improve energy supply in rural and regional areas of Tasmania.

## Executive summary

This study was undertaken to provide TasCOSS with information about the experiences and concerns of rural and regional energy consumers in order to enable TasCOSS to better advocate for the interests of rural domestic energy consumers in various consultative processes at both national and state levels.

The project involved direct consultation with 66 residents in eleven rural communities across Tasmania. The focus of the study is on domestic consumers; however, a number of those interviewed were also small business owners, farmers or emergency relief workers, and their views are also included in this report.

The consultations were undertaken through interviews and small focus groups during the second half of 2010. This coincided with the announcement by the Tasmanian Economic Regulator of significant increases in electricity prices in Tasmania in the 2010-2012 period. Consequently, a high level of public debate and media coverage created lively and well-informed discussion in the course of the consultations.

A questionnaire / discussion guide was used to elicit information on a range of matters concerning the supply and use of household energy, and participants were encouraged to share both their experiences and opinions. As much as possible the report quotes directly from interviews and focus groups to allow rural consumers to speak for themselves.

According to the participants, the major energy source they use is electricity. However, wood is used by more than half for space heating (in part or in full) and for both cooking and water heating by a few. Some households use liquefied petroleum gas (LPG) for space and water heating and for cooking, and none used natural gas.

Participants raised matters that relate to particular regions where issues such as reliability of supply, timely re-connections and cloud seeding by Hydro Tasmania are major concerns. In many rural areas where household water and sewerage systems rely on electric pumps, frequent outages have particularly serious effects. The effect of outages on telecommunications is also a problem reported in some areas where mobile phone coverage is marginal and households and businesses rely on telephones and computers.

Many participants spoke of the very poor quality of housing in rural Tasmania and the consequent problem of maintaining affordable warmth in the cool seasons. Houses in rural areas are generally old and thermally inefficient, and are therefore difficult and costly to heat. For those living on low incomes, this can result in financial hardship and in health problems being exacerbated by living in cold, draughty and damp houses.

While participants demonstrated a good understanding of energy efficiency measures that can help reduce energy bills, it was clear that those who are

most in need do not have the financial means to purchase more efficient appliances, install insulation or retrofit their homes to increase thermal efficiency.

The cost of energy was a key issue raised in the consultations and is reported on in some detail. The increasing cost of electricity is the greatest concern reported by participants and is causing significant hardship. It is not only those on Commonwealth pensions and allowances who are struggling to meet the cost of electricity, but also other households, particularly those with children. Small businesses and those in the agricultural sector who are high energy users also reported experiencing difficulties with the increases in cost.

The current level of concessions for electricity is thought to be inadequate to provide any real relief from the increases in electricity prices.

Poor quality housing, increasing energy costs, inadequate concessions and Tasmania's cool weather combine to make maintaining affordable warmth difficult for many rural Tasmanian households.

Participants discussed the various methods they used to pay for energy and the difficulties some had with paying for electricity in particular. Only a small number of participants use the prepayment system Aurora Pay As You Go (APAYG), and many avoided it due to the travelling distance to re-charge agents and the higher costs of the APAYG tariff.

Service quality and reliability of electricity supply was explored with participants, and the frequency and duration of electricity outages proved to be a concern for many. As previously mentioned, the loss of other essential services during power outages can have a significant impact on the lives of rural Tasmanians. There was also some voltage variation reported, with damage to appliances as a result.

In general, most interviewed were happy with the level of service they received from Aurora Energy, although there were some complaints about delays in re-connection after outages in some of the more remote areas.

Participants were asked about their views and experiences of alternative energy sources for households. While 11 participants had either solar hot water systems or photovoltaic generation systems or both, most of those we spoke with had little understanding of alternative energy systems. We observed a clear need for better information and community education about alternate energy sources for households.

Almost a quarter of our participants run agricultural or other small businesses from their rural homes, and they spoke about the impact of the cost and reliability of electricity on their businesses and the local communities in which they live. All were concerned about both increasing prices and the impact on their businesses of frequent outages. This has caused some to consider

installing solar or wind generation as alternatives to relying on electricity from the grid.

# 1. Introduction

This research project, funded by the Consumer Advocacy Panel and carried out for the Tasmanian Council of Social Service (TasCOSS), involved direct consultation with Tasmanian energy consumers living in rural and regional areas of the state. In the second half of 2010, 66 rural Tasmanians were interviewed regarding their experiences and opinions on issues associated with their household energy supply and use.

The project aim is to identify and document issues that are particular to or especially significant for Tasmanian energy consumers living outside of the state's two largest cities of Launceston and Hobart. This information will inform the ongoing Advocacy Panel-funded TasCOSS Energy Research and Advocacy Project, which has been advocating for the past five years in national and state energy policy arenas for the interests of low income, vulnerable and disadvantaged Tasmanians.

This qualitative research focuses on consultation with rural energy consumers in order to contribute to building the capacity of TasCOSS to advocate more effectively for the interests of a broader range of Tasmanian consumers. It identifies issues of concern to rural consumers and records their experiences and opinions. Through this report and associated advocacy activities, the project will inform regulatory, political, energy industry and government decision-makers of the concerns rural Tasmanians have regarding their energy supply.

Tasmania is the most regionally dispersed state in Australia with the majority of the population – around 60% – living outside of the Greater Hobart area. More than half of the Tasmanian population resides in the rural areas, small towns and communities in the northern part of the state.

Many rural consumers are disadvantaged simply by their geographical location, experiencing difficulties with access to goods and services, including high quality and reliable household energy services. And many live on low incomes, in poor quality housing and have relatively high electricity bills.

Almost 34% of the Tasmanian population rely on Commonwealth pensions and allowances as their major source of income; however, this is not evenly spread across the state. In Hobart the figure is 26%, while in rural and regional areas around 39% of people rely primarily on Commonwealth income support. In addition, Tasmania generally has the lowest average household income of any Australia state or territory.

Tasmania also has the highest electricity usage per capita due to its cool climate and the limited availability of natural gas. Tasmanian households spend more on electricity than other Australian households, both in total and as a proportion of income.

In recent years, like many other Australians, Tasmanians have experienced significant increases in the costs of household electricity. Since January 2008, Tasmanian prices have risen by nearly 40%, with further increases set for 2011 and 2012. It is likely that the Aurora Energy Distribution Revenue Determination for the 2012-2017 period will result in additional increases in electricity prices due to the need for further investment in distribution infrastructure in Tasmania.

While this research was in progress, the Tasmanian Economic Regulator released a Retail Price Determination that allowed for price increases totalling 26% from December 2010 and over the following two years. The issue became a major focal point for the local media and the Tasmanian Government has been under pressure to do what it can to rein in prices.

The heightened awareness of rising electricity prices in this period is a factor that is likely to have influenced some of the responses we received from rural consumers in relation to electricity prices. It is certainly a major issue for many Tasmanian households, both rural and urban.

Interviews and focus groups were carried out across the state in 11 different regions and 31 locations. Consumers on the Bass Strait Islands were not included because their electricity is generated locally and the islands are not connected to the Tasmanian or national grids. In addition, conditions of supply and costs are different on the islands, as is the regulatory system.

This report does not analyse the issues raised in detail, but presents direct quotes from the participants involved in the consultations and puts the issues raised in context. In doing so, it provides access to the experiences, opinions and concerns of rural and regional energy consumers in Tasmania, for the most part in their own voices.

TasCOSS welcomes feedback on this report and invites you to share the report with others who are interested in rural energy issues.

## 2. Methodology

### Focus of project and questionnaire

The project was designed to identify consumers' views and experiences with energy supply and cost in rural and regional Tasmania. Information, experiences and opinions were sought on issues associated with the maintenance of an uninterrupted supply of household energy and the effects of energy pricing and tariffs. It was hoped that the interviews might also elicit information on energy issues as they impact on the general well-being of rural communities. The focus of the project is on domestic consumers; however, matters relating to small business and the agricultural sector were raised by a number of participants.

Interview questions were developed to provide a range of information and opinions on:

- The type of energy used by participants
- The thermal efficiency of dwellings
- How energy is paid for
- Hardship in paying for energy
- Quality and reliability of supply
- Access to information and complaints about energy supply
- Energy efficiency and alternative energy use
- Attitudes to the proposed introduction of retail competition in the electricity market
- General cost of living issues for rural consumers
- Demographic details of participants

The questionnaire developed (see Appendix A) was used as a guide for each interview and focus group. The questionnaire was trialled on four interviewees and modified slightly for the remainder of the project. Not all participants chose to answer all questions. Interviews lasted for about 30 minutes, although the time varied depending on the discussion generated through the process. Focus groups lasted for well over an hour, as discussion between the participants was frequently lively.

### Recruitment

Recruitment of participants focused on finding willing volunteers who would represent the diversity of people living in rural Tasmania across different geographic areas of the state. Interview subjects were sought from regional townships, isolated communities and farming areas to provide participants from higher and lower density communities (as defined by the Tasmanian Economic Regulator in relation to distribution performance standards).

The Country Women's Association of Tasmania (CWA) and Tasmanian Farmers and Graziers Association (TFGA) were approached to assist in recruitment. The CWA was very helpful and through their State Annual

Conference recruited many participants from across the state. The TFGA placed an announcement in its on-line newsletter calling for participants. Volunteers were also recruited from a 'Sustainable Living' event, referrals from other participants, and using TasCOSS members and contacts such as the neighbourhood house network and community health centres.

## Interviews and focus groups

A total of 66 participants were interviewed individually or in focus groups.

Most participants were contacted initially by phone and most were provided with an *Information Sheet* (see Appendix B) by e-mail. Arrangements were then made for a suitable time and place for interviews or groups.

All participants (except those interviewed by phone) were given a copy of the *Information Sheet* and signed 'Consent for Interview Form' (see Appendix C). The interviewees were given an undertaking that the information provided would not be attributed to named individuals and no one would be identifiable in the report. With the permission of the participants, the interviews were recorded to ensure accurate reporting.

## Geographic coverage

### Location of interviews

Location	Number of Interviewees
Lower East Coast (Swansea, Triabunna, Bicheno)	7
North East Coast (St Helens, Scamander)	4
Huon Valley (Huonville, Glen Huon, Judbury, Lonnvale)	7
West Coast (Strahan, Rosebery, Zeehan, Queenstown)	12
Far North West (Smithton, Crayfish Creek)	8
North West (Ridgley, Elliot, Burnie, Eugenana, Sassafras, Ulverstone)	10
Tasman Peninsula / Southeast (Nubeena, Sorrell)	7
Derwent Valley (New Norfolk,	4

Molesworth)	
Bruny Island (Adventure Bay)	1
Midlands (Oatlands, Cressy)	2
North (Lilydale, Hadsphen, Deviot)	4
<b>Total</b>	<b>66</b>

Most interviews were conducted in people's own homes or businesses. The focus group interviews were held in neighbourhood houses or community health centres, while a few individual interviews were held in other locations such as cafes.

The consultations comprised:

- Individual – one-to-one or family interviews 40 participants
- Focus Groups 18 participants
- Phone Interviews 8 participants

Focus groups were conducted in:

- Zeehan (West Coast)
- Nubeena (Tasman Peninsula)
- Swansea (conducted with residents from across the North West Coast who were attending the CWA State Conference in Swansea on the East Coast).

## Demographic profile of interviewees

### Age of participants

Age Range	26 - 35	36 - 45	46 - 55	56 - 65	66 - 75	75+	No answer
Number	8	5	10	9	13	5	16

### Income source of participants

Waged Full time	Waged Part time	Pension	Part Pension/ Part Superannuant	Part Pension/ Part waged	Super-annuant	Self employed/ Farmer
15	2	21	8	5	5	10

While not sought out specifically, four interviewees were employed in the community services sector as social workers or emergency relief workers. They gave information in general terms on their client groups and communities.

### Ethnicity

Non-English Speaking Background	Aboriginal
3	3

### Timing of the interviews

The interviews were conducted over a 12 week period from mid-August to November 2010. This proved to be an interesting time as many consumers had just received their electricity account for the winter quarter. It was also during a time when there was a high level of media coverage on electricity price rises.

At the end of August, the Office of the Tasmanian Economic Regulator released a draft report recommending an up to 16.6% increase in electricity charges for 2010. This resulted in many days of media coverage of the proposed increases, particularly on talk-back radio. It certainly heightened the awareness of participants in the project of the impact of energy prices.

At the end of October, the final report of the Regulator's Retail Price Investigation confirmed that price increases of 26% would be phased in over the next three years.

*. . . customers may expect an average price increase of 8.8% on December 1 2010 . . . and similar increase of around 8.5% on July 1 2011 and 8.7% in July 2012 . . .*  
(OTTER 2010)

This high level of exposure in the media put electricity pricing in the forefront of participants' minds and made them very aware of energy costs and the impact of possible future increases on their household budgets. How much this influenced responses to the questionnaire is not possible to estimate, although it was likely to have been a factor.

As a social research project this report is based on a qualitative approach designed to capture the views of a range of consumers living in rural and regional Tasmania. The report includes many quotes from those interviewed to ensure that their perspectives on energy issues are clearly expressed.

People who participated in the project are not necessarily a representative sample of rural Tasmanian residents, but represent a range of views and circumstances of rural Tasmanian energy users.

### 3. Energy supply and use in rural Tasmania

This section examines energy supply and use in rural Tasmania and reports on the types of energy used by participants, some energy supply and use issues for particular regions raised by participants and views expressed about retail competition and the disaggregation of Tasmania's electricity supply industry.

#### Energy use

For the participants in this research, electricity is the dominant energy source and Aurora Energy is the only provider. Wood is used by more than half of the participants for space heating, often in combination with electric heating. None of the participants use natural gas as rural access to gas is confined to very limited areas near large industrial gas customers. However, a number use liquefied petroleum gas or LPG.

#### Energy source for residential consumers

	Electric only	Wood Only	Electric/Wood Combined	Gas (LPG)	Solar	Other	No answer
Hot Water	48	2	1	7	5		3
Cooking	46	2	2	6			10
Space Heating	20	19	17	2		Passive solar 1	7

Participants clearly expressed that the major cost of energy was for heating during the winter period. Hot water heating was seen as the second most costly energy expenditure.

#### Specific regional issues

##### West Coast issues

The West Coast residents interviewed believe they experience significant disadvantage due to the weather. There is a strong feeling that there should be a level of recognition by government of the inclement weather conditions and that some form of rebate or concession should be provided for electricity costs across the West Coast region.

The West Coast experiences lower temperatures than many other Tasmanian regions, has high rainfall and the housing stock is generally old and poor. The cost of living is considered high due to the remote location and the cost of transport for all goods and services.

Many interviewees referred to the cloud seeding program of Hydro Tasmania as a major problem affecting their energy use. They expressed a belief that the number of days of cloud seeding that are officially acknowledged by Hydro

Tasmania is under-estimated and that in fact, there are many more. Some participants from the West Coast reported that the program has a negative impact on their lives.

The cloud seeding program has been a controversial issue on the West Coast for many years. In 2006-07 a study into the socio-economic impact of cloud seeding on the West Coast was undertaken by Hydro Tasmania and the West Coast Council. This followed repeated criticism from residents and businesses about the adverse effects of cloud seeding and its induced increase in rainfall in the municipality. Residents at that time identified an increase in heating, lighting and drying costs as an issue (Hydro Tasmania 2008).

**Strahan resident**

*I have three school aged children and they [the electricity companies] get us both ways. They make it rain with cloud seeding and then they charge us more and more to get the kids' clothes dry in a machine.*

**Zeehan resident**

*My place looks like a Chinese laundry most of the winter with clothes over everything trying to dry. I can't afford a clothes dryer and even if I could, I could not afford to run it. If they stopped cloud seeding I might be able to put it on the line.*

**Rosebery resident**

*The cost of living is so high in Rosebery and the power costs are a major component of household expenses. Most people with a couple of kids have power bills around \$1300 - \$1500 a quarter, they have to run a clothes dryer every day.*

Strahan residents in particular report a high level of outages, and some outages last for prolonged periods. This has a major impact on both residents and visitors. As the water supply and sewerage systems are both reliant on electricity, these services are also interrupted by power outages.

Outages have a major impact on businesses in the town. With most financial transactions occurring electronically in some way (EFTPOS, credit card transactions, etc), when the power is out, so is business. This causes major problems particularly in the tourist industry, as guests in hotels often ask for refunds if they are left with no power or water. Some of the bigger hotels have standby generators but most do not.

**Strahan small business owner**

*If the power went off now it's not only the inconvenience today but tomorrow morning you would have no hot water and a cold shower is not what tourists want. The time delay in fixing outages is influenced by where the crew has to come from. These days they often have to come from Burnie because there is insufficient staff on the West Coast and there is no one in Strahan.*

The reason for outages appears to be that there is only one line into Strahan. Participants report that it is old and subject to weather, trees falling, motor vehicle accidents and damage by native animals. Residents and the local government have been requesting a second line in from Zeehan for many years.

### **Tasman Peninsula issues**

The frequency and length of outages is the major issue raised by consumers on the Tasman Peninsula. This area is rated as a 'poor performing community' by the Tasmanian Economic Regulator (OTTER 2009a). The impact of electricity outages is amplified by the fact that there is no reticulated water supply or sewerage system in the municipality and many people rely on electric pumps for their water tanks. When there is no electricity toilets cannot be flushed, and this presents major hygiene issues. Residents reported that if the power is out for more than a short time, the local school sends children home because the toilets cannot be used. While the Multi-Purpose Centre (a health and aged care facility) at Nubeena has a backup generator, it is only able to operate a limited number of power outlets and residents there have at times been left without heating.

The high number of outages in this area represents major disruption to individual consumers, businesses and the community as a whole.

#### **Nubeena resident (pensioner)**

*When I hear the weather forecast and there is a gale or storm warning I just fill up a few buckets with water and keep them so I have water when the power goes off. At least then I can flush the toilet and have something to drink. We also all make sure we have a phone that works when the power is off. The mobile phone reception here is a bit variable so I keep an old fashioned wall phone.*

#### **Tasman Peninsula resident**

*Aurora put in a second line to overcome the power failures but they put the second line next to the first one. So when a tree goes through the line it goes through both. Now how clever is that?*

### **East Coast issues**

Participants on the East Coast reported improvements in the reliability of electricity supply over the past twelve months or so, although it was still not considered by many as 'good service'. A number of those interviewed on the East Coast had solar photovoltaic cell (PVC) generation installed and the low feed-in tariff rate was an issue with these consumers.

### **North West Coast issues**

Participants from the agricultural and farming communities on the North West Coast reported some issues specific to the operation of their businesses and the associated cost of energy. Many felt they were always the last to get the power back on following outages and the delay was seen as unfair, as they have businesses that are reliant on electricity.

The cost of electricity is also a major consideration in planning the future of some rural properties. Irrigation of crops is proving increasingly expensive and this, according to one interviewee, is making some crops very marginal to grow.

The cost of connection when there is more than one power pole or when underground lines are required was raised by several in farming communities. Some farmers also raised the issue of the cost of fixed charges to multiple connections required by farming operations. Aurora Energy once provided a 'curtilage discount' which meant that farmers paid the 'fixed daily charge' on only one meter. This discount has not been offered to new customers since 2008, and is being phased out over ten years for existing customers. Now fixed charges must be paid for each metered site on a property for meters fed by a single transformer.

#### **North West Coast farmer**

*Our major gripe is about fixed charges. We have eight or nine connections for house, sheds, irrigation pumps and electric fences. You have to have pumps where you need them not all in one place for power supply. We only irrigate for about three months and the rest of the year we just have to keep paying the connection cost. You can get a temporary disconnection but it's only for so many days. We tried that but it was so much fuss to get it back on again. If you have it off for longer, then there is a re-connection fee of 70 something dollars and you have to have an electrician sign off that it's all safe and it's hard to get an electrician when you live out here and then they charge travelling time too. In the end we keep it connected all year but it costs a fortune. With the increases they are talking about in power prices I think there are some crops that will just be too expensive to grow. I know we are seriously looking at our irrigation and just how much we can afford.*

The other issues raised on the North West Coast are the poor housing stock and the costs involved in heating dwellings. These are discussed in detail in a later section of this report.

#### **Huon and Derwent Valley issues**

The cold climate and fog in winter were raised as issues in these valleys. Several participants reported living in old, damp houses with mildew in cupboards and on ceilings. The cost of heating these houses to an acceptable level was a problem for householders. Health problems exacerbated by living in damp conditions were also raised as issues in this area, and are seen as particularly affecting children and others with health conditions such as asthma.

### **Retail competition in the Tasmanian electricity market**

Competition in Tasmania's electricity retail market is being introduced incrementally and the Tasmanian Government has yet to decide whether to extend competition to the final customer tranche that includes small business and households. It has been an issue in Tasmania for several years and

participants were asked if they thought the introduction of full retail competition would have an impact on them and their household as rural energy consumers.

There were mixed responses to this question with many people expressing very definite opinions and others maintaining that they could not comment because they did not know enough about it.

There were a number of participants who said they did not know that competition was being considered as an option by the Tasmanian Government and suggested that much more information was needed at a community level about how this would be implemented and what impact it would have for consumers. It was felt that wide community consultation and debate would then be needed before any final decision was made by government.

There was a marked lack of knowledge of the policy debates and legislative reforms at both state and federal level relating to the national energy market. Not all participants were aware that there were competitive retail markets already operating in other states. There was also little understanding of the role and function of the Tasmanian Economic Regulator in relation to electricity pricing and other regulatory activities in Tasmania.

Of those participants with strong opinions, the two major views to emerge were, firstly, that competition would be beneficial as it would drive prices down and, secondly, that a competitive market would have no real impact on pricing but would make the whole electricity system more complicated for consumers to understand.

The experience with competition in the telecommunication field was referred to frequently. There has been confusion created for consumers by persistent marketing from telecommunication companies with offers people do not understand.

A common view expressed was that Telstra remains the only reliable service for mobile phones in most of regional Tasmania and hence there is very limited competition in reality. Similarly, a number of those interviewed thought that competition in the retail energy sector may be beneficial to urban consumers and those in high population areas, but is unlikely to have much impact on service or prices in rural areas. The potential changes to levels of service to rural customers in a competitive market were a concern expressed. There was a view that while Aurora Energy owns the infrastructure, any other competitor would not be able to deliver the same level of service as Aurora.

**Huon Valley resident**

*About competition in electricity – well when you run a business from your home it is hard to find the time to look about for the best deals. If there is competition there will be a price review and the price and service has to be right but if it goes like the phone it's hopeless. I have calls all the time about the best phone/internet deals and I have just got sick of changes and I don't really know whose offer is best. If you had time perhaps you*

*could get it a bit cheaper but I just don't worry any more. You also end up with three bills to pay instead of one and then that is a lot of hassle.*

**Derwent Valley resident**

*Yes bring in some competition. Aurora is top heavy with bureaucracy – someone else could give them a run for their money and we might get cheaper power.*

**East Coast resident**

*My sister lives on the mainland and they have a number of suppliers to choose from. She says it's no cheaper and the service is worse. They have more outages than ever before and she is in the city.*

A number of people made comment on the 1998 disaggregation of the Hydro Electric Commission into the separate three entities – Hydro Tasmania, Transend Networks and Aurora Energy. Some believed that this decision has increased the cost of electricity to consumers because of an increase in the bureaucracy and the number of executive salaries that need to be paid. Participants also noted that there was a degree of 'buck passing' between the three entities and they could blame each other for problems and price rises. It made any public debate about electricity issues very difficult for consumers to understand. Many said there was a need for more transparency in energy matters.

**Midlands resident (pensioner)**

*Bring back one entity. Hydro, Transend and Aurora should be back together; it's ludicrous that they were split up. Just costs more in the end. There must be more transparency, the Economic Regulator works within such confined guidelines.*

*I don't see how they can do it; it's just not possible when Aurora owns all the lines. If they do it will not be true competition.*

**Northern resident**

*The Hydro should never have been split up. That was supposed to introduce competition but all it has done is cost us more. Now we have three lots of bureaucracy and three lots of executive salaries and no one talks to each other and they can all blame each other for the mess. Don't worry about competition until those are put back under one entity.*

The construction of the Basslink cable, an undersea interconnector linking Victoria and Tasmania, was also viewed with some scepticism by several participants, who expressed concerns that Tasmania was now importing electricity generated by 'dirty' brown coal at a high price. Some also believe that Basslink has forced Tasmania into debt, leading to the continuing rise in power prices.

**East Coast resident (pensioner)**

*I have strong issues about the environment and climate change and I think since we put in Basslink we never know when we are using dirty coal power from Victoria.*

**Northern resident**

*It would be nice to have a 'green option', a totally green provider. We would probably even pay more for that. There needs to more transparency in the whole thing.*

Two participants suggested the best and easiest form of competition in the energy market would be to bring natural gas to much more of rural Tasmania.

**North West Coast resident**

*There is a natural gas pipeline about 300 metres from my property that runs to Port Latta but no one has access to it. It is ridiculous that we can't get access to that line. It could provide gas to lots of households and businesses along the route. If we want competition it would be good to have that choice.*

**North West Coast business owner**

*Gas could give them some competition so putting gas into some of the bigger rural areas would be a help.*

One participant suggested that smaller rural communities should look at local or 'mini' alternative energy options to become self-reliant and opt out of the main grid.

## 4. Housing stock and affordable warmth

Major issues of concern to most consultation participants were the poor quality of housing stock in rural Tasmania and the linked issue of affordable warmth. In Tasmania, a key component of energy affordability is the ability to warm a home sufficiently to provide a reasonable level of comfort and to maintain a healthy environment. We therefore consider in this section the thermal efficiency of housing stock and the issue of affordable warmth.

### Housing and living arrangements

Among those interviewed there was a high level of home ownership, with homes either owned outright or mortgaged. This corresponds closely to statistics for Tasmania as a whole: that is, 36.4% of Tasmanian households have mortgages and 34.9% own their homes outright. Although no question was asked regarding the length of residence in the home, it appeared that many people had been at their addresses for a long time. Many on farming properties were second generation. The number of interviewees in private rental was lower in comparison to the Tasmanian average (17.2%), as were those in public rental (6.9%) (Australian Bureau of Statistics 2010).

### Housing tenure

Public rental	5
Private rental	8
Mortgaged	26
Own outright	18
Not answered	9

### Housing type

Unit	2
House on block	34
House on acreage	10
House as part of farm or business	11
Not answered	9

Participants were asked about their living arrangements to ascertain those living with children, those living alone and other household arrangements.

### Living arrangements

Two parents with children	15
Single parent families	6
Two person households	18
Shared housing with more than two adults and no children	2
One person households	14
Not answered	11

### Age and condition of housing stock

Tasmania has the oldest housing stock in Australia and the highest proportion of timber homes. Outside of Hobart, 30% of dwellings have outside walls constructed with timber (ABS 2008). It is estimated that almost a quarter of Tasmanian homes remain uninsulated (Anglicare and TasCOSS 2010).

Of those participants who knew the approximate age of their homes, only 19 were less than 25 years old. There were 13 houses between 26 years and 75 years, while 15 houses were older than 75 years. Those who did not know the approximate age of the homes rated them as 'old' if they thought they were over 60 or so years.

This project has identified that much rural housing is old and has poor thermal efficiency. Housing that is over 25 years old is likely to have been built with little consideration for its thermal qualities (Mallett 2009).

### Housing age

Under 5 years	3
6 – 15 years	9
16 – 25 years	6
26 – 35 years	4
36 – 45 years	2
46 – 55 years	2

56 – 75 years	5
76 – 100 years	5
100 years +	10
Unknown	20

## Affordable warmth in rural Tasmania

The ability to stay warm in a Tasmanian winter is essential for a good quality of life. Affordable warmth is dependent on two factors: the ability to pay for the energy to heat the home and the capacity of the home to retain that warmth.

### Thermal efficiency of housing

Participants were asked to rate their homes in terms of thermal efficiency. Only two participants rated their homes as very good and both of these dwellings had been built in the past three years. 16 houses were rated as good and the remaining 36 were considered fair to poor or very poor. Over half the participants rated the homes poorly due to the age and construction of the house, because they are draughty, damp, with poor orientation to the sun and a lack of effective insulation. These homes are difficult to heat and require a high input of energy to maintain an acceptable temperature.

### Thermal efficiency

Very good	2
Good	16
Fair	10
Poor	22
Very poor	4
Not answered	8

### Smithton emergency relief worker

*The government housing stock in Smithton is so poor. Roof insulation was put in, "3.5 fluff" [insulation blown into roof cavities rated at 3.5R, that is a measure of its resistance to heat transfer] which has now all blown down to one end of the house. There is no silver paper and moisture collects in the fluff and makes the ceilings damp and mouldy.*

*There is no floor or wall insulation, no carpet and if there are carpets, there is no underlay.*

*They [Housing Tasmania] took the wood heaters out a while back and replaced them with electric heating – to ‘go green’. Now the tenants can’t afford to heat their homes. At least with wood lots of people could collect it themselves or get it quite cheap in the country.*

*There are no curtain rods or pelmets so people put up curtains from the op shop on pieces of string. They also use old sheets as curtains. It must be pretty depressing looking at that all winter.*

*They [Housing Tasmania] give out a booklet on Home Energy that recommends putting bubble wrap on windows to save energy. What an insult! Looking at that all winter would not make you feel great.*

*They [Housing Tasmania] should have a home energy assessment done on all the public housing stock in Smithton. The houses were built in a low lying area with rising damp. Last year some houses flooded. Lots of houses have mildew on the walls and ceilings. The floor boards leak and so the draughts come through.*

*The cost and quality of the maintenance on Housing [Tasmania] houses has changed since they stopped employing local tradesmen. Now they come from anywhere, do a lousy job and disappear. When it was the local bloke if they did not do a good job you could follow up, at least you could collar them in the supermarket or at the pub.*

*The quality of the work is awful. One lady moved into a house as a new tenancy so the place had been painted. After a month there was mould on the walls and ceiling so she wiped it to clean it off but the paint came off as she wiped. The whole place had been painted with no preparation just over dirty and damp walls and so the paint just came off. She was very worried that she would be blamed for not caring for the house.*

Concerns were also raised in Zeehan on the West Coast. Zeehan’s weather is often cold and wet, and is affected by Hydro Tasmania cloud seeding.

### **Zeehan resident**

*The housing stock in Zeehan is appalling. Small, cold, damp houses built 100 years ago as miner’s cottages. They have had little or no maintenance in that time. Many are now privately owned by absentee landlords. Rent was very high during the mining boom but has now dropped somewhat but is still very high – \$150 plus a week – for the poor quality and remote location. You just can’t really keep places like that warm.*

### **Huon Valley farmer**

*The main part of this house is over 100 years old. It has been added on to over the years and now there are gaps everywhere and it’s damp and draughty. The sun has gone by 2.30 in the afternoon in the winter. Nothing is square so when you want to do some repairs it’s very difficult.*

**West Coast resident**

*This house has got twelve foot ceilings so all the heat goes up there. We only live in a small part of the house and just keep the rest closed off.*

**Midlands emergency relief worker**

*The public housing in some of the towns like Kempton, Oatlands and Bothwell is a problem as they [Housing Tasmania] upgraded the heating to electric but most of them are the old style radiant heaters that are very costly to run.*

**Fuel poverty**

The interview participants were asked if they ever went without heating in winter due to lack of money. Seven people had and considered their situations as bleak. Six of these were pensioners and one was a waged sole father with three children.

A further four participants said that while they had heating this winter, it might be unlikely next year if the price of electricity keeps rising.

Many people with 'heat pumps' (reverse cycle air-conditioning units used in Tasmania almost exclusively for heating) told of running them 24 hours a day because they had been told that it is the most economical way. It was typical to run the heat pump on 17 or 18 degrees during the day and on 14 degrees at night in order to save on operating costs.

There was a strong sentiment that the recent price increases are too much for pensioners to cope with while maintaining a good standard of living. Going without the 'luxuries of life', such as going out, having visitors, eating meat and buying clothes is common. Many people are becoming socially isolated in cold homes with no prospect of their situation changing.

For households with children, the heating costs are now a major part of the family's budget. It has become a juggling exercise to balance energy costs with all the other demands on the family income. Families with young children find it very difficult to heat their homes for the whole day. They tend to 'ration' the heating to those times of the day when it is coldest, early morning and evening.

**Defining Fuel Poverty**

*Internationally, 'fuel poverty' is defined as the inability to afford sufficient warmth for comfort, health and quality of life. Fuel poverty has significant health, social and financial impacts for individuals, communities and governments. Temperatures inside the home of less than 18 degrees Celsius for active individuals and 21 degrees Celsius for aged and less mobile individuals is deemed too low for good health. Physiological changes in the body due to cold and damp homes include hypothermia, cardiovascular and respiratory disease, asthma and mould sensitivity, stress and depression, and even premature death. Quality of life is affected when individuals and families are isolated in the one heated*

zone of the house, or go to bed early, or become reluctant to invite friends over because of the temperature of their home. Educational outcomes for children can also be compromised by the lack of private warm study space . . . Households over represented in the fuel-poor population identified internationally include older people on low incomes, single parents especially those with young children, people with disabilities, unemployed people especially those under 25, and the long term unemployed. Fuel poverty is ultimately the interaction of low income, high energy costs, poor building standards and expensive heating systems. (Mallet 2009)

#### **West Coast resident**

*For my family I would rather be warm and go without food. Here you just can't go cold. I hate the winter school holidays because it means that I have to run the heater all day. When the kids are at school you put up with less heat because you keep busy.*

#### **North West Coast resident (pensioner)**

Jenny is a pensioner on the North West Coast. She lives alone in a small old farm house. It is damp and draughty and she can't afford much heating. She lights the fire when it is very cold and cooks on the top of the slow combustion heater. Her father, an 82 year old, gets her 'a bit of wood'.

When asked what she does to save on power costs she said she wears more clothes, goes to bed at 6.30 with a hot water bottle and a jumper, has less showers than she should and volunteers more.

Jenny said, *'It's warm at the Neighbourhood House and you can make a coffee.'*

#### **Tasman Peninsula resident (pensioner)**

*I set the heat pump to 17 degrees and that seems to work as far as cost goes, but sure is not warm.*

## **Factors affecting affordable warmth in rural Tasmania**

### **Cool climate**

Tasmania has lower temperatures for a greater proportion of the year than any other state in the country. The need to heat a home is essential and not a luxury. Many rural areas of Tasmania, in particular, experience prolonged periods of cold, wet and windy weather. While the whole of Tasmania is rated as cool/temperate climate, some rural areas have specific climatic conditions. The West Coast, for instance, is particularly wet and cool. Both the Huon and Derwent Valleys are subject to many days of valley fog which makes houses damp and subject to mould and mildew. The Central Highlands area is subject to snow and very cold temperatures.

### **Poor quality housing**

The rural housing stock in general is old, largely of weatherboard construction, generally has no floor, ceiling or wall insulation, is often poorly oriented to the

sun, has large windows or is dark. As mentioned above, most housing over 25 years old has been built with little regard to thermal efficiency. Large old farm houses often have had many additions over the years that have been poorly planned and executed, leaving houses in a worse state in terms of their thermal efficiency by increasing gaps and draughts and cutting out sun.

Public housing stock in rural areas is considered by participants as very poor in terms of thermal efficiency. Some years ago insulation was installed in the roofs of some houses, but it appears to have mainly been 'fluff' insulation blown into roof cavities which has deteriorated over time and now has limited effectiveness.

The one rural area we visited where more modern housing was most apparent was the East Coast where many new homes have been built with good orientation to the sun and consideration of thermal efficiency. Many of these properties have been built by people who are part of the 'sea change' movement and who tend to be relatively affluent people nearing retirement age.

### **The move from wood heating to electric heating**

Wood heaters in many public housing dwellings have been replaced by electric heating, usually wall heaters, to assist with the reduction of smoke pollution. This has been a mixed blessing for tenants in country areas; many tenants have benefited from the convenience of electric heating and from no longer having to obtain, carry and chop wood. However, many public housing tenants (and others) in rural areas frequently do not pay for wood, but collect it themselves within their area, barter for wood or are supplied with wood by friends or relatives. Now the cost of heating for many has increased with rising electricity prices.

Many other households have moved from wood heating to either total or partial electric heating. The high uptake of electric heating has been seen by consumers as environmentally responsible, economical and clean. Aurora Energy has widely promoted the use of heat pumps as cost effective, clean and 'green'. Having made the substantial investment in electric heating, many consumers are now finding the cost much higher than anticipated. Some participants reported they are fearful that with the rise in electricity costs they may not be able to afford to heat their homes adequately. Many people also believe that wood heating is more effective in heating the whole house than the electric systems.

### **Concessions and other assistance**

As mentioned earlier, Tasmania has the lowest average household income in Australia and the highest percentage of recipients of Commonwealth income support.

In 2009, about 150,000 Tasmanians held a Health Care Card issued by Centrelink or a Pensioner Concession Card. This figure includes people on Commonwealth income support and on low incomes from other sources. Holders of a Health Care Card are entitled to claim an electricity concession, as

are Pensioner Concession Card holders. In May 2010, 77,290 individual electricity account holders were in receipt of electricity concessions. This concession is a Community Service Obligation of Aurora Energy and in 2008-09, \$23.3 million was paid to Aurora by the State Government to fund this obligation (Tasmanian Government 2009). The concession is currently paid as a \$1.00 per day discount all year round to eligible consumers, and is indexed to electricity price rises. In 2010, the Tasmanian Government provided an additional one-off payment of \$100 to eligible concession recipients for electricity costs.

In addition to the electricity concessions, since 2005 Aurora has given funds to community organisations providing emergency relief assistance to customers experiencing financial difficulties with electricity accounts. In 2009-10, Aurora Energy provided \$270,000 to assist customers through this scheme, which is run in partnership with non-government community service agencies.

The Department of Health and Human Services administers a means-tested heating allowance scheme to assist eligible pensioners with the cost of heating. This allowance is paid twice a year in May and September and is currently \$28 per payment. This allowance must be applied for each year.

Low income households have access to the concessions and allowances mentioned above, but many participants in this consultation believe these measures are inadequate to provide any significant assistance in heating their homes though a cold Tasmanian winter.

#### **Derwent Valley resident**

*[Prior to December 1, 2010] The concession is currently 92.55 cents per day and the fixed charges are 73.8620 cents for power and 14.3060 cents for hot water. That means apart from the fixed charges we are getting the great help of about four cents a day.*

#### **Lack of natural gas as an alternative energy source**

There is limited access to natural gas in rural Tasmania so it is not a heating option for most rural consumers. Some people interviewed expressed the view that with a natural gas pipeline running along the North West Coast and through the Tamar Valley, more natural gas should be made available to residential consumers. They believed that this would introduce a level of competition into the energy market and possibly make heating more affordable.

#### **Energy efficiency**

Many of those interviewed who own their homes had undertaken some measures to increase the energy efficiency of their homes with the installation of roof insulation, curtains and pelmets and the exclusion of draughts. However, the cost of retro-fitting large old farm houses is often beyond the means of most residents.

Participants were asked if they had ever done anything to reduce energy use. There was a good understanding of the behaviours that would help achieve

lower consumption. These include the use of energy efficient light globes, turning lights out, washing in cold water and cooking in a microwave oven. Less well understood was the effect of turning off appliances at the wall switches instead of leaving them on standby and of lowering thermostats on hot water storage cylinders.

The majority of people interviewed had some form of insulation in the roof, but wall and floor insulation was rare and was generally only in newer homes. Few had retro-fitted these in older houses. Curtains or blinds and pelmets were present in most homes although their insulation qualities vary considerably. The energy 'star rating' on new electric appliances was an important consideration for some when purchasing electric goods; however, few people could afford to buy these.

**North West Coast resident**

*Who can afford to buy new things when you are on a pension? My fridge gave up a couple of years back but I had to get one from the second-hand shop and they don't have star ratings.*

**Huon resident**

*Half the plates on my stove don't work but I can't afford a new stove, I can't afford to get the old one fixed.*

**West Coast resident**

*There is just my daughter and me and we turn everything off at the wall and we are really strict about it . . . lower energy bulbs and wash in cold water, we do it all and we are out all day and the bill was \$750 for the last quarter so I don't know what else we can do.*

When asked about seeking information or advice on energy efficiency, people had gained knowledge from the general media or from brochures and pamphlets from unidentified sources. Three interviewees had had an energy efficiency assessment done of their homes.

**East Coast resident**

*I had an assessment done because I wanted to get a Green Loan for solar. The assessment was free but when I finally got it after months and months it was pretty useless and by then the government had scrapped the scheme anyway.*

The conflict of interest between Aurora as the provider of power and as a promoter of energy efficiency was seen as problematic to some.

**Northern resident**

*There should be established an independent advisory body to give energy efficiency advice. When I went to Aurora it was all about putting in a heat pump. Then they sell more power. That is what they are in business to do. I think it is a conflict of interest.*

## **Problems with staying warm**

Those interviewed identified a range of problems for their households caused by living in under-heated homes. The major groups affected are families with younger children and older people. It has been suggested that keeping a home warm for young children means running a temperature at around 20 degrees.(Mallett 2009). This is not always easy and many families we spoke with reported that they try to heat one room adequately and the whole family lives in that room during the winter months. This has the potential to create tensions within the family and may, for instance, affect the ability of children to do homework successfully.

Older people we spoke with also reported having problems keeping warm. That health problems can be exacerbated by cold weather and living in cold, damp housing was an issue mentioned by some participants.

### **Northern resident (pensioner)**

*My husband has a disability and is not well so we just have to heat the house. It means we go without other things to pay for heating. It is getting harder each year. Now we really only heat the living room and at night if it's really cold I put a heater on in the bedroom for a hour just to take the chill off or my husband will have breathing difficulties in the night.*

### **North West Coast resident**

*One of my boys has asthma and it can get bad in the winter. I have to run a heater in his bedroom just to try and keep him well. I know those small heaters are expensive to run but I can't afford to heat the whole house with the heat pump 24 hours a day. In the end you just have to pay somehow.*

### **Northern resident (pensioner)**

*I don't drive because of my disability so I have to get the bus into town to get a recharge for the APAYG meter, so if you run out on Sunday when there is no bus, bad luck, you just go cold; that does not help my aches and pains.*

While participants were not specifically asked about social isolation caused by lack of heating in their homes, many stories emerged which described how isolated people can become.

### **Huon Valley resident (pensioner)**

*One thing I have got now so I can keep warm at low cost is a wonderful electric rug. I can sit in my chair and wrap it around me and be warm. It only takes 120 watts and cost \$80.00 from [department store]. The government should subsidise them for all us oldies on the pension. I do feel embarrassed if people come and the house is freezing and I am just sitting in my chair wrapped up in a rug. I make a cup of tea or grab something to eat quickly and get back to my rug. It's not much of a way to live.*

**Northern resident**

*In the winter I have no social life; I go to bed at 6.30 with a jumper and beanie on and hope no one comes to visit.*

**North West Coast resident**

*I think some of the kids' friends don't come around anymore after school because our house is cold. I really only noticed it this winter just in the last few weeks. No one has said anything, but that's my guess. I will see if it changes in the summer.*

**General cost of living issues for rural consumers**

Participants were asked some general questions about the cost of living and whether they thought there were any specific influences on the cost of living for people in rural areas. By asking these questions it was hoped to elicit information about particular expenses which impact on household budgets and therefore on people's ability to pay for energy.

All participants agreed that there had been a significant increase in the cost of living in the past few years. The items that were particularly noted as increasing were fuel, food, general grocery items, health care, water charges, rates and electricity. Those with children pointed to the increases in education expenses and child care. Several said that giving their children the opportunity to play sport was now beyond their means.

One of the major cost of living issues identified by people living in rural areas is the cost of fuel and transport. There was a clear belief that goods in rural areas were more expensive because the cost of transport is added to all items. The lack of competition in country towns with only one supermarket or corner shop was a common theme in the interviews. For necessities, such as health and medical services, clothing and household goods, people have to travel to a major centre as the goods are not available in smaller towns. This adds significantly to the cost of services and purchases.

The higher cost of living in rural areas has an impact on disposable income. Many said they had to cut back on non-essential items such as outings, entertainment, sport and 'treats'. Others on low incomes were cutting back on essentials, such as medications and health care, basic food items and heating, and they are juggling bills by paying them off as they can afford it.

**West Coast resident**

*You can't buy a decent pair of socks in this town and unless you want a tee-shirt with tourist stuff written on it you have to drive to Burnie.*

**North West Coast resident (pensioner)**

*When I have to go to Burnie to the doctor I try and do a big shop. Things are so much cheaper there at the big supermarket and the choice of things, especially food, is much more.*

**East Coast resident (pensioner)**

*When I go to Launceston I try and save up some money to go shopping there because it is much cheaper. It would be really good if you had more cash to do a big shop and bulk buy but you have to have the money to start with.*

**West Coast resident (pensioner)**

*You can't drive all the way to Burnie very often, it just costs too much in petrol but what can you buy in this town? Nothing much. The vegies are all limp and if the fresh meat does not sell they put it in the freezer and then it's all that you can get.*

**Midlands resident (pensioner)**

*Whatever you buy is dearer in the country, not only at the supermarket but everywhere.*

*There is not even a petrol station here so you have to drive to the next town to get petrol.*

**Huon Valley resident**

*The closest shop is 30 minutes way so that is an hour round trip. You don't drive that far just to get some milk. When you live in the country you learn to plan ahead and be organised. It's not just the cost of the petrol, it is also the cost of keeping a car on the road, especially on these bad dirt roads.*

**North West Coast farmer**

*It's not just what you have to buy, shopping for things, but if you need something serviced it costs a fortune to get someone out here – if they will come at all. I have waited for months to get a plumbing job done and it's still not fixed. All the service people charge travelling time and mileage so you just have to pay.*

**East Coast resident**

*When I built this house the transport charges were a significant part of the cost. I was astounded. I am sure it would not cost that much in the city but then I choose to live here.*

**Tasman Peninsula resident (pensioner)**

*Getting tradesmen is a real problem. If you can you get them from Sorell but sometimes they have to come from Hobart and then you really pay. It's a real problem if you are a pensioner. You really have to think twice about getting something fixed.*

**North West Coast resident**

*Rural people's wages have not gone up, but everything else has – petrol, power, food, the cost of keeping a car. You have to have a car in the country because there's no public transport.*

**West Coast resident**

*It's not just the price that is high, it's also about no variety and the quality is awful. You can't buy decent fruit and vegetables. The population is too low and so the shopkeepers get left with stuff and have to chuck it out so they give up buying it. Feeding kids a good diet is hard when you are on a budget.*

### **Increasing poverty**

With the relatively high proportion of Tasmanians relying on pensions and allowances as their major source of income and with the cost of basic services increasing, people are finding it difficult to manage and provide the essentials of life.

The 2009 TasCOSS research project, *Just Scraping By?* (2009), shows a clear increase in the number of Tasmanians experiencing poverty. Citing Tasmania *Together* benchmarks for costs of living, the report notes that for people dependent on Commonwealth income support:

*. . . the cost of essentials (food, electricity, transport, housing and health) as a percentage of income had increased from 73% in 2001 to over 98% in 2007 (TasCOSS 2009).*

Emergency relief providers interviewed identified electricity bills as a major reason for in people seeking assistance from emergency relief agencies.

### **Midlands emergency relief worker**

*We have hardship payments of \$100 available which is for both those with [electricity] bills and APAYG customers. It's not much when people have bills of \$1,200 but it helps.*

*These big bills have an ongoing impact on people on low incomes. It's just poverty. It has ongoing impacts on relationships. People have to sell assets to pay bills. Power bills are now one of the major expenses that these people have. They go cold and hungry and their clothes are poor. It's especially bad when people have a mental illness or a disability. Electricity is a necessity of life now you can't live without it. These price increases will have a big impact, they are struggling now.*

### **West Coast emergency relief worker**

*These people have children at home all day. You can put them on an Aurora Hardship Program but I am sick of them [Aurora] telling me to teach my clients about energy efficiency. They can't afford food, how are they going to buy a four star fridge or a new washing machine. They cope by coming to us for a food order but that is not much with the high cost of living on the West Coast. We can put them on a payment plan or Centrepay and just hope they keep it up. The houses here are so old and poor they take a lot to keep even a bit warm.*

### **Rosebery resident**

*The cost of power in Rosebery of an average family with a couple of kids is about \$1300 to \$1500 for the quarter. Now even those with jobs find*

*that hard to come up with. One of my staff – her last bill was \$1800, how does someone cope with that?*

#### **Huon Valley resident (pensioner)**

*I was in hospital for nearly six weeks so not home for half the time of this last power bill and it is \$880 and I just don't know how I could have used that much power. I got them to come and check and they were most helpful but the man said the meter was right but he could not see it made any sense either. It cost me more money to have the meter checked too, I think it was \$55 more. I have a small house and am very careful with the power.*

*I have negotiated to pay \$75 a fortnight by Centrepay and they were very nice about it but I still don't know how I will manage it on the pension. I have my doggie and he is really the only luxury I have now.*

*I was nearly disconnected last year and had to borrow the money to pay, that was difficult for me. Now I do prepay at \$30 each pension which is a lot for someone living alone and making big sacrifices and being very careful. I just don't know how one person can cope if the price keeps going up. It's all very well for people to suggest more efficient appliances and solar power but if you are on a pension you don't buy new things it's just too expensive.*

#### **North West Coast resident**

*I have approached Aurora for more time to pay. It was very difficult. They were not rude or anything but they want to know exactly when you will pay and how much. I have got help with the bill from family and from the church for food vouchers. I got financial counselling too. It was not much help because I was already doing all the things they suggested. When you are by yourself with three boys you learn to cope. There are no treats, we don't go out, they can't be in sports teams, and we get second hand clothes. I can't afford for the prices to go any higher. We need some help to reduce the cost of bills. I get about \$1000 a fortnight; \$500 goes straight out on the mortgage and the PrePay for power. That leaves me \$500 for everything else. This last bill I still owed \$600 even after paying \$100 a fortnight that means I must have used \$1,200 of power in the quarter. Now I am behind again and then you get overdue fees on top of that.*

#### **Kate's Story**

Kate is a young woman with two children under four on a sole Parenting Payment. She had been paying her Aurora Energy account on the internet at \$35 a fortnight. She received a bill from Telstra for over \$700 following a boyfriend staying for two weeks. He has now gone. She was unable to pay the account and now the phone and internet have been disconnected.

With no access to the internet and with the stress of trying to get it re-connected and pay something, she got behind with the Aurora account. Aurora could not phone her and she has now received a disconnection notice unless she pays the full amount in a few days.

If she pays there will be no money in her bank account to cover the automatic payments that come out of her account. She will then get three dishonour fees of \$33 each, \$99 in total. She is now receiving financial counselling and is very distressed.

## 5. Paying for energy

In this section we report on responses to questions about how rural consumers pay for the energy they use, including electricity, wood and LPG.

### Paying for energy

All participants use some electricity in their homes and the majority receive a quarterly account from Aurora Energy. While most said they read the account, there was little understanding beyond the total to be paid. The tariffs and tariff blocks (or steps) mean little to most consumers we spoke with, and several people suggested that there should be some explanation of the tariffs and steps and what these mean to their accounts.

### Payment options

There was a good level of knowledge of the range and relative convenience of the payment options available.

For rural consumers, payment at the local post office is a frequently used option, although some in small communities said that they did not use that option because of privacy issues. The number of people paying via the internet using BPay is also high. People using this method stated that it allows people to pay their accounts in instalments and remain private about it, a particularly important consideration to many in small rural communities.

Those on low incomes were more likely to use Centrepay and EasyPay (regular instalments based on annual average usage, paid by direct debit) as payment methods.

### Method of payment for electricity

Post Office	11
Internet / BPay	20
Centrepay / EasyPay	8
Direct Debit	6
APAYG	5
Phone	3
Mail	1
No answer	12

A number of people had initiated their own informal 'easy pay' by paying a certain amount (what they could afford) off their account in advance each fortnight. They do this by BPay or at the Post Office. In fact this is a payment method authorised by Aurora and known as PrePay; on request Aurora will issue customers with a card with their account details on it to facilitate such payments.

### **East Coast resident**

*The cost of electricity is a major consideration in my budget. I pay by instalments through the Post Office. Not on a payment plan but informal. I find then I can just manage it. I have had to phone up and ask for an extension of time a couple of times and they are always very polite and helpful. I was nearly disconnected once.*

People using direct debit said that the discount offered (\$5 when paid in full before the due date) was a significant incentive in choosing this option.

With the exception of those on very low incomes, most people paid their account (in full or in part) by the due date.

A few participants raised the issue of late payment fees, but were not aware of how the late payment fee operates. We were able to inform participants that Aurora Energy does not charge late payment fees to those consumers who are in receipt of a concession, or who are in financial difficulty and contact the retailer to let them know prior to the due date of the account.

### **Aurora Pay As You Go**

This prepayment electricity metering system was introduced to Tasmania for general use in 1997 and currently almost 20% of domestic consumers use this payment method. The pricing of electricity use through these meters has remained unregulated, unlike the standard residential tariff system.

The Tasmanian Economic Regulator, however, monitors APAYG prices and prepares an annual *Aurora Pay As You Go Price Comparison Report*. The July 2009 Report states,

*It is difficult to make a definitive comparison between APAYG and standard tariffs because the bills for standard tariff customers are calculated on consumption for each tariff over a quarter and APAYG charges vary according to time of use and summer and winter rates (OTTER 2009b, p. 1).*

The Report goes on to detail comparisons across low, medium and high consumption APAYG customers with those on standard residential tariffs.

The 2009 report states that,

- Low consumption standard APAYG customers (using standard light & power and hot water tariffs) are likely to pay around \$92 more a year.
- High consumption standard APAYG customers are likely to pay around \$57 more per year (OTTER 2009b, p. 3).

Most of those interviewed were aware that there are price differences between APAYG and standard tariffs. Many people expressed concern that APAYG was

promoted to those on low incomes as a way of better managing power bills but that they were in fact paying more. This was considered unfair and poor practice on behalf of Aurora Energy.

**Huon Valley resident**

*I think it's awful that APAYG people pay more, it should be less. They [Aurora] don't need to send someone to read the meter or send out an account so it should be cheaper. I think it's a rip off.*

**North West Coast resident**

*We had APAYG in the house when we moved in. It is expensive and inconvenient. I did have to come to Burnie to get a re-charge but now the [local] shop has them but it is open only limited hours so you have to plan ahead. I do use the off-peak time for the washing machine and the veggie dryer. I do think about moving back because of the expense.*

When asked about APAYG, several respondents said they had moved from APAYG back to quarterly accounts because of the inconvenience factor and the fact that it costs more per unit. They talked about friends and relatives who had also moved away from APAYG.

**Former APAYG customer**

*We were on APAYG because I thought it would help with budgeting and the price at different times would mean I could do things like washing and ironing at a cheaper time at night.*

*But we have changed back because it was too inconvenient and the benefits were outweighed by the inconvenience. Over about 3 years we ran out of credit about 5 times and had no power at all. Once we had all gone to Hobart and got back late and the power had run out and the shops where you can get recharges were all closed and I had hungry children and no power and we had candles and cold water until the next day when shops opened. That kind of thing happened a few times so we have just gone back to the three monthly accounts and I put \$20 away each week so I have the money when the bill comes.*

**Tasman Peninsula resident**

*When we moved into the house it had APAYG, but after a while we realised it was not convenient, we had trouble working out how much we used with the changes between summer and winter. We ended up on emergency power a few times when winter came. I suppose we would have worked it out in time but it was just easier to have it the other way with a bill.*

**Tasman Peninsula resident (pensioner)**

*APAYG seemed like a good way to budget and not get a big bill. I get the re-charge at the local shop which is convenient for me because I live in town and can walk. I usually get \$50 each pension day and that works OK. I have not run out of power because I always have a \$20 card in the*

*house just in case. I did not know I could get a concession with APAYG so I will apply for that now.*

**Northern resident (pensioner)**

*APAYG was in the house when I moved here and I thought it was a good idea because it was supposed to be cost effective. I have since found out that it is more expensive which is not right. I have run out of credit say five times in the last year. Sometimes I can get more credit that day but I have been without up to three days because I have not got the money and I will not borrow money. I go next door to boil the kettle and have a shower. It's good I have great neighbours. I work on emergency credit all the time but I know how to make it last – no lights on, just the TV and I sit with lots of jumpers and a beanie and gloves. I look pretty funny but who cares, there is only me and my dog. Emergency credit will last about two days if I am careful. I do washing and other things after 10 pm because it's cheaper. It's just wrong that APAYG is more expensive. I would change back but I think even that costs money.*

*I phoned Aurora once and asked about hardship help that other people can get. But they said there was no way that was possible with APAYG. They were very defensive about the power.*

[Note that Aurora Energy Hardship Policy funds are available to APAYG customers in need through community service emergency relief providers.]

**Difficulty in paying the electricity account**

Among the participants, only those with dual incomes and no children at home said they had little difficulty in finding the money to pay the account. Those on income support and fixed incomes (superannuants) said they had to budget very carefully for the power account and at times this meant going without other household necessities. For those on pensions the cost of electricity is a major expense and many struggle to keep warm in winter and to find money for food and other necessities.

As demonstrated in the previous section, electricity costs are a significant source of stress for people living on low incomes, as well as a major contributor to financial hardship.

**Paying for Wood**

Over half of those interviewed use wood for part or all of their space heating. Those with both electric and wood heaters use them to heat different parts of the house or use a heat pump for background heating. Some use slow combustion stoves or wood heaters at night.

Many rural people source their wood locally, some from their own properties. Friends and family often provide wood in exchange for other services including childcare and meals. While wood is not cheap, few people complained about the cost of wood and said they buy it as they can afford it, whereas electricity costs must be paid regularly and consistently.

**Huon Valley resident**

*I can't really afford to buy the amount of wood I need so a friend gets some of it for me and I make him frozen meals. It works well for both of us.*

**West Coast resident**

*I paid \$320 for wood which only lasted four months. There aren't many people who get wood these days so you have pay a premium.*

**Huon Valley resident**

*I have always got the wood off the farm. I try to stay a year ahead and that was lucky when I had a heart attack, at least we did not have to worry about it for a bit.*

**Huon Valley resident**

*I buy wood bit by bit, half a ute load or something. I know it's probably the expensive way to do it but if you have not got the money that's what you do. I have burnt cardboard boxes and paper just to have a bit of warmth for the kids. It only lasts a few minutes but it's something.*

Many people believe that while wood is not a cheap heating source if you have to buy it, it gives a better heat that warms the whole house and is therefore cheaper in long run, or at least more comfortable.

The Heating Allowance is appreciated by eligible pensioners but they believe that it is inadequate now, given the price of wood and other fuel.

**Huon Valley resident**

*How much wood does \$28 buy? I could burn that in less than a week, probably a day if I put my mind to it. A ton of wood cost \$120 so really \$28 is just a few sticks.*

**Paying for gas**

As mentioned above, no consumers of natural gas were interviewed. There is some use of LPG for cooking and hot water, and only two people used LPG for space heating. The use of gas was limited and no one saw the cost of gas as a major expense.

**East Coast resident**

*I use gas for cooking and only have the small cylinders and they last about four months so that's not much – about \$30, so less than \$10 a month.*

## 6. Service, reliability and quality of supply

This section reports on participants' experiences and perceptions of the services they receive from energy suppliers, and of the quality and reliability of their energy supply. Given the dominance of electricity use in rural Tasmania, all participants discussed these questions in relation to their electricity supply.

### Services: Connections and re-connections

Participants were asked if they had moved in the past few years and how they found the process of getting the electricity connected. All of those having standard reconnections in established dwellings were happy with the process and reported that it was prompt, timely and courteous.

The only areas of complaint related to time delays for connections to new homes and the cost of new connections where several power poles were needed. In addition, both households that had recently installed solar photovoltaic cells (PVC) complained that there was a three month waiting time to have new metering systems installed.

#### **East Coast resident (new home owner)**

*When we were building the house we needed the power connected to the site for the builder. We needed a power pole and underground cables etc.*

*We contacted Aurora and they came up twice to check everything and we had the work done that was our responsibility. When we asked to have it connected they then said it would take three months as they needed a new transformer and they had none so it would have to be built.*

*We complained and there was no way we could get the power on short of three months. The builder then started another house so our house was put back some months.*

*We complained again and eventually they found a transformer and the power was connected but after a big delay.*

#### **Northern resident**

*We had to have 11 power poles put in and I think the cost was about \$7,000. I suppose people who live in the city don't have that expense. It was fine when they came and it was all done in two days and very efficient service.*

#### **East Coast resident**

*When all my solar was up and running they told me it would take three months to put the feed-in meter in. I guess they just got free power from me for that time. In the end it did not take that long and it did not cost anything so I was happy.*

**Huon Valley resident**

*When I moved into the house it was all fine. They came when they said they would and it was all very efficient. It did cost something but I can't remember what.*

**Services: Testing of meters**

A few people had requested Aurora Energy to test their meters after receiving high electricity accounts. They reported that the service was performed promptly and politely, but complained that the cost of about \$70 was added to their next account.

**Huon Valley resident (pensioner)**

*I got a horrific bill I just could not believe it so I phoned Aurora to come and check the meter. The man was very nice but said the meter was all OK so then I had to pay an extra \$70 something.*

**North West Coast farmer**

*I rang up Aurora to get the meter checked because we got a very high bill. They told me that they had not read the meter but had taken an estimate based on the previous usage. Their excuse was about too many gates, they will not get out of their cars to open a gate. We run a farm so we need gates. The bill was so wrong because the previous quarter we had been irrigating but this quarter we had done no irrigation. They did not come and check the meter they just came and read it. They said if we had the meter checked it would cost \$72.*

**Reliability and quality**

The Tasmanian Electricity Code sets standards for the quality and reliability of electricity supply across the State. For consumers in rural and regional Tasmania, the reliability standards are lower for performance in terms of frequency and duration of outages. This is due to a number of factors including the complex network of overhead power lines, the age and condition of the supporting infrastructure and the variability of the environment through which the lines must travel.

Aurora Energy is required to report to the Tasmanian Economic Regulator on its performance against the set standards for each supply reliability category. In the 2008-09 *Tasmanian Energy Supply Industry Performance Report*, the Economic Regulator detailed the supply reliability standards as follows.

*Customer numbers and density in urban areas are high, while customer numbers and density in rural areas are relatively low. Due to the varying conditions they face, rural feeders tend to have longer interruptions, with less flexibility in restoration capacity also impacting on performance levels . . .*

. . . Thus, feeders in different areas can be expected to have differing levels of performance. To reflect these differences, the present distribution network supply reliability standards classify each supply area or community into one of five supply reliability categories: the boundaries of four of these categories are defined on the basis of annual electricity consumption density:

- High Density Commercial (Hobart, Launceston, Burnie, Devonport, Rosy, King's Meadows and Kingston);
- Urban and Regional Centres;
- High Density Rural; and
- Low Density Rural.

The fifth has been defined on the basis of its required level of network security, rather than electricity consumption:

- Critical Infrastructure (Hobart CBD emergency services)

The standards also include a guaranteed service level scheme supported by the Tasmanian Electricity Code (TEC) and relevant guidelines (OTTER 2009a).

Thus it is recognised that the level and quality of service to rural consumers will be less than that expected to be provided to urban consumers. The indicators that are reported on to the Regulator are:

- System average interruption duration index –SAIDI (this means the average minutes off supply for a customer during a period);
- System average interruption frequency index –SAIFI (this means how often a customer loses supply in a period on average); and
- Customer average interruption duration index – CAIDI (this means the average duration of interruptions in minutes experienced by a customer for both planned and unplanned interruptions during a period).

Outages were the major reliability concern for the rural consumers we spoke with. In 2009-10, Aurora Energy fell short of meeting Tasmanian Electricity Code standards for many communities classified as Higher Density Rural and Lower Density Rural. (See Appendix D for details)

The frequency and duration of electricity outages impacts on both householders and businesses in rural communities. However, we found that the level of concern about power outages varies considerably from region to region. Those interviewed in Strahan and on the Tasman Peninsula had a high level of discontent and ranked reliability of supply higher in concern than the cost of electricity.

On the other hand, residents in the Huon and Derwent Valleys and on the East Coast reported significant improvements in the past few years and although outages still occur, they tend to be of shorter duration. North West Coast residents in towns like Smithton report good supply but in the more remote rural areas and in farming communities outages were still a major concern.

For many rural residents a range of other essential services are reliant on electricity supply. These include water, sewerage, communication and electronic equipment. The loss of these essential services was of great concern to both domestic consumers and business people interviewed. Both the frequency and duration of electricity outages impacts on all the activities of daily living and particularly affects the elderly and families with young children. Being without water and not being able to flush toilets is a major concern.

Communication problems were raised by many participants as a real concern. Even when people have battery backup for computers, access to the internet is reliant on an electricity supply.

**East Coast resident**

*They are going to give us fast broadband service but perhaps they should look at a reliable power supply first. It is hard if you do a lot of work from home.*

Many phones now are reliant on electricity and mobile phone coverage is generally poor and variable in Tasmanian rural areas. This means that when the power is out, so is communication.

**East Coast resident**

*When we had fires a couple of years back I had almost no communication. I had to walk up the paddock to make a phone call on the mobile to let my family know we were OK. The FM radio station was out and my little transistor radio has a struggle to get AM radio. They were telling us to listen to the emergency radio but I really could not. Perhaps they should have emergency power to the FM station.*

Many people accepted that outages are more likely in country areas because of length of lines, weather, trees and animals. There was a feeling that it is just part of 'living in the country' and something to be expected.

While the longer outages caused by weather events were well accepted, the frequent very short outages for a few seconds or minutes were seen as a great inconvenience.

The time taken to restore supply following weather or other events was also raised as an issue. People believe that Aurora has centralised service personnel in recent years and now it seems to take longer for the repair crews to restore supply. Examples of this were provided, for instance, crews coming from Burnie to the West Coast and from Sorell to the Tasman Peninsula. Farmers on the North West Coast complained that their power supply always appeared to be low priority for restoration because there were only a few of them on a particular line. For dairy farmers this was a major issue and could cause substantial loss of revenue and disruption to milking processes which can have a long term impact.

**East Coast resident**

*I work from home so when the power goes off I have no computer, no internet and no phone even. These days all our communication is reliant on electricity, we are totally dependent.*

**East Coast resident**

*We do have less power failures than a few years back, certainly the long ones, so it has got better here.*

**North West Coast resident**

*When you have long power cuts it's usually because of storms like last week and you just have to accept those, but we do have lots of little short ones, just a few seconds or so and you have to go and set all the clocks and things again – it drives you crazy.*

**North West Coast resident**

*We had a long planned power cut and some people got a note in their letter box to say that they would be working on the line but lots of us did not get the letter so we could not prepare for it. They should make sure everyone knows about these things. If you don't have a letter box because you can't get mail delivery you just don't seem to count.*

**Rosebery resident**

*We don't have outages like they do in Zeehan and Strahan. We've got a big mine on our doorstep and they don't want that going out.*

**Strahan resident**

*Every time it rains or there is a thunderstorm the power goes off. When the kids were very small I would always have bottles heated up and keep them in a thermos thing.*

**North West Coast farmer**

*When the power goes out, even if it's just very short, like a few seconds, I have then got three quarters of an hour's work to go around all the pumps and prime them. You have to do it or the pumps will burn out. I think it's when they are switching and this can happen a couple of times a week. Then you just get back and it goes off again so you start all over again. Recently it was out for the whole day and last year we had no power for days.*

**Strahan resident**

*We put in a heat pump but I would not let my husband take out the wood heater. The power is off so often you can't have the children freezing because there is no power for hours.*

**North East resident**

*We have lots of outages, on average once a month. They vary from just a few seconds to over a day. Recently it went out 10 times in one day. It is a problem because we have a 'Rota-Loo' so when the power goes off*

*the toilet alarm goes off. We are on the end of the line so that might be the problem. When the crew comes they are always helpful. We have got the \$80 payment a few times [Guaranteed Service Level Payment].*

## **Guaranteed Service Level**

A Guaranteed Service Level (GSL) scheme was introduced in 2004 to recognise poor performance to individual customers. Minimum levels of performance were established for both frequency and duration of outages experienced by customers in three categories:

- Critical Infrastructure, High Density Commercial and Urban
- Higher Density Rural
- Lower Density Rural

In 2009-10, a total of 44,485 payments were made to individual customers totalling \$4,697,120 (OTTER 2011, p. 102).

Many people interviewed had received an \$80 GSL payment, some more than once over the past two or three years. There was a level of discontent expressed that people living in the city had a much higher standard of service and would receive the payment if their power was out for only a short time. There was also some confusion about who got the payments and why.

### **North West Coast resident**

*We had the power off for a long time and the whole area was out, no lights anywhere. Our neighbours got the \$80 but we did not so I don't know why or what the rules are.*

## **Voltage Variations**

Participants were asked about voltage variations. There were many complaints about lights flickering and light bulbs not lasting long; most put these problems down to voltage variations. Few people had had damage to electronic equipment or appliances but those who had blamed voltage issues.

### **North West Coast business owner**

*We experience voltage variations all the time. Whenever there is a ship in at Port Latta it is all over the shop. The light globes go all the time. We have had both fridge and freezer go and the electrician told us it was due the power going on and off all the time.*

### **North West Coast resident**

*I had a surge protector blow-up. They are not cheap but you have to have them for the computer and that.*

**North West Coast farmer**

*We had a good surge protector on but the computer still blew up. We lost all the farm records. Aurora said it was not their fault but whose was it?*

**Midlands resident (pensioner)**

*We have a problem with low voltage at times, the lights flicker or dim down. It varies around the neighbourhood because we are all on different transformers so some are worse than others.*

**Northern resident**

*We have low volts at times probably about six times a year. We have to turn off appliances and let them know. I think it is about being the last on the line.*

## **Urgent and Emergency Situations**

Participants were asked if they had experienced an urgent or emergency situation with electricity supply and if they had reported it. A few had and all thought that the response by Aurora was excellent.

**Huon Valley farmer**

*It was 3.30 am and there was a big bang. The power was off but no one else's was. I phoned the emergency number and they were wonderful. They came and the service was efficient and very polite. A tree had been rubbing on the power line into the house. They put in a new line and it did not cost us anything.*

**Bruny Island resident**

*I had a pole problem and they came almost straight away. The crew was from Alonnah [on Bruny Island]. The next day they came from the mainland. All fixed in a day and they said it was their mistake and put in two new poles. It did not cost me anything. The response was good.*

**Northern resident**

*We had a pole fire. They were helpful and the line crew were very polite and efficient.*

**Midlands resident**

*They do come quickly; I take my hat off to them. I had a 'CablePI' go mad. It was eight o'clock at night and they came and tested everything and did what needed attending too. He told me it was dangerous to leave it but I needed to get an electrician to look at the house wiring. I did that and had to have the whole house re-wired. The electrician told me it could easily have burnt the house down. The wiring cost a fortune but it would have been worse if the house had burnt down. I think that service is good.*

## Complaints

Most respondents who had made a complaint had complained about high electricity accounts. The generally expressed view was that Aurora call centre staff were polite but not friendly and were certainly very insistent that the account needed to be paid.

People also contacted Aurora regarding outages. The call centre has a recorded message for listing known outages and most people found that satisfactory, but a few found that the information was not relevant to them and it took 'ages' to get to speak to a 'real person'.

Common complaints on other issues included tree clearing, not getting notices of planned power outages and delays in the supply and installation of APAYG meters and solar feed-in meters.

### **Northern resident**

*We got a very high account and could not understand why so I went and read the meter myself and the numbers were not up to where it said on the bill. I phoned Aurora and explained the situation. It was a \$200 over-charge and they were helpful. They took our word for it and said they would give us a \$200 credit. I asked for a cheque and got it.*

### **North West Coast resident (pensioner)**

*I rang and complained that the bill was too high and the meter must be wrong. It would cost too much to have the meter tested. They don't even come on to the property, they press some buttons on a gadget and tell me it's right and I have to pay.*

### **Northern resident (pensioner)**

*We have probably had ten power failures in the past two years and when I have rung up they are mostly due to maintenance and they have not bothered to let us know.*

### **Midlands resident (pensioner)**

*I have had this problem with a transformer. When I ring up they know about the problem and I have to go through this rigmarole. I have to go to the stove and turn it on and see if it works, then I go to the meter box and check that and come back and see if the stove is working. If it is not working they will come. I have to go through all that and when you have got a disability it's a pain.*

### **East Coast resident**

*We had people just arrive to chop down trees. The trees are right in front of our house but on the road verge. We talked to them and they said they were just contractors doing what Aurora wanted. I phoned Aurora and got nowhere. They said it was up to the contractor. Who is it up to? The contractor was polite but the trees went anyway.*

## **Energy Ombudsman**

While most complaints were either dealt with satisfactorily by Aurora or not pursued by the consumer, some complaints were referred to the Energy Ombudsman for resolution.

Those consumers with experience of the Energy Ombudsman spoke highly of the service provided and believed their matters had been satisfactorily resolved by the Ombudsman's intervention. There was a high level of knowledge among interviewees in the community of the existence of the Energy Ombudsman's Office and its role.

### **East Coast new home owner**

*The house has ducted heating on Tariff 42. When the house was built they [Aurora Energy] put in two meters – one for ordinary power and one for HydroHeat.*

*After a few bills we noticed that we were not on Tariff 42 so phoned up to ask about it and were told we only had one tariff. They came and checked and the HydroHeat was not connected so we had been getting free heating for three bills. We were told it was the electrician's problem and then that the meter was never there. None of this was true.*

*They connected it and after a time calculated that we owed them \$600 based on usage. This was an estimate of what they thought we would have used.*

*We objected to this and got no satisfaction. We were happy to pay what was appropriate but felt this was unfair. We wrote a long letter to Aurora explaining the situation.*

*In the end we went to the Energy Ombudsman who was very helpful.*

*She worked out an appropriate payment and time to pay. We paid a fair amount in the end.*

*The whole experience was very frustrating and it seems that one part of Aurora does not talk to the other part.*

*When you phone up you get passed from one part to another and it takes hours waiting for the phone to answer and when you phone back to follow up no one has any idea that the complaint has already been made and this is a follow-up call. So you have to start all over again.*

*The customer service is appalling with any problem out of the ordinary.*

### **North West Coast business owner**

*Aurora wanted to cut down a big swath of trees and that would have ruined our property's environment. They had several visits and we felt they were demanding and intimidating. In the end it was so stressful we took it to the Energy Ombudsman. They were a very big help, calm and a good negotiator. It just moved us one step back from Aurora. In the end we paid \$25,000 to have the power put underground.*

## 7. Alternative energy

Solar energy generation through photovoltaic cell (PVC) technology has grown in Tasmania over the past few years, but its use remains very small. In 2006 only 33 systems were connected to the grid. By 2009 a total of 337 solar PVC systems were connected to the grid, in addition to 225 stand alone systems (OTTER 2009, p. 16). However, in 2009-10, a further 2,032 PVC systems were installed and connected, bringing the total to 2,369 (OTTER, 2011, p. 16).

The increase over the past two years is largely due to the Australian Government rebate for the installation of alternative energy systems in homes and community buildings. This rebate has since been withdrawn, along with the 'Green Loans' scheme that was intended to provide access to loans for solar panel purchase and installation. The rebate for solar hot water systems has remained in place, although this is not widely known in the community.

### Alternative energy use by research participants

Five of those interviewed had solar hot water systems, four had PVC systems and two had both solar hot water and PVC systems.

Many of those interviewed expressed an interest in alternative energy but could not afford the capital cost, even when a rebate applied to the installation of a basic PVC unit. Among those with the financial capacity to consider purchasing a system, some say they are waiting to see if a new rebate is introduced and for the price of units to come down.

One of the major influences on people's decision to install PVC systems is the availability and level of a feed-in tariff. There was a high level of dissatisfaction with the current price Aurora pays as a feed-in tariff. People also seemed to know that feed-in tariffs paid on mainland Australia are generally higher.

### Comparative Feed-in Tariff in Australia

State	Status of Feed-in Tariff	Max Size	Rate	Contract	Gross/Net
ACT	July 1010	30 kW	45.7 c	20 years	Gross
NSW	January 2010 (recent reduction)	10 kW	20 c	7 years	Gross
NT	Alice Springs only	?	45 c	?	?
QLD	Mid 2008	10 kW	44 c	2028	Net
SA	Operating	10 kW	44 c	2028	Net
Tas	Under review	?	20 c	?	Net
Vic	November 2009	5 kW	60 c	15 years	Net
WA	August 2010	5 – 30kW	40 c	10 years	Net

(Energy Matters 2010)

While the rising cost of electricity was a factor for people considering alternate power, the main driver of those interviewed was environmental concerns. With the opening of the Basslink undersea cable, several interviewees expressed concern about the use of 'dirty brown coal power' from Victoria. The likely introduction of a carbon price at a national level was felt to have a likely flow-on impact on electricity pricing for Tasmanians because of Basslink.

There were some regional differences in the attitudes of participants to alternative energy. Those interviewed from the East Coast have the highest number of installations. This is likely to be due to a higher number of affluent 'sea change' residents with the capacity to afford solar, a belief that it is sunnier on the East Coast, and a recent community project on the East Coast to get houses on to solar energy in a bulk purchase program. It is believed that some 30 homes in the Swansea / Bicheno area have installed solar PVC systems and connected to the grid in the past 12 months.

Many participants on the West Coast and North West had limited knowledge of alternative energy and a belief that the weather would not support effective solar power production.

**Bruny Island resident**

*On solar power – the feed-in tariff is not enough. In NSW you get paid four times what you pay for it. Here we get 19 cents. I put in a solar system when you got the rebate. It only cost me about \$2,500 to get the system. [Note: this is not now correct as NSW has recently significantly lowered its feed-in tariff.]*

**Bicheno resident**

*My main motivation for putting on solar was to save on greenhouse gases. My system is only new so I am not sure as yet what impact it will have on my power bills.*

**East Coast resident**

*We put in a solar system when the rebates were good. It still cost quite a bit but we thought it would be good for the environment as well as saving money. It works well but in retrospect, if it was just about saving money we should have spent the money on the house, it's old and has draughts and is damp. Fixing old houses is expensive and nothing is square so you have to have everything made to fit. We have put in one big window with double glazing and that has made a difference.*

**East Coast resident**

*My solar hot water works very well. I get a bill from Aurora and supply charge is \$13 and in summer the units are nil and in winter it is under \$10. I am happy with that.*

**Huon Valley resident**

*I would love to have solar but when you only have a small business you don't have much money and the cost is high. If there was more help from*

*the government to put it in I would certainly consider it. It would be good on this house because it faces north.*

**Huon Valley resident (pensioner)**

*I have a small water wheel and for years it provided all our power. When my husband died it was difficult for me to keep it maintained. It's still there but now I am on the mains power. I would like to have it going but that's just not possible now.*

**East Coast resident**

*I would really like solar especially hot water. We have looked into it but there are two problems. One is the expense and two is the trees on the north side of the house. They would have to go and that is not really possible.*

**North West Coast resident (pensioner)**

*If you are on a pension there is just no way can you afford to put in a solar system as much as you would like to.*

**East Coast resident**

*We are going to put in solar hot water; you can still get a rebate on that. We would like to do PVC too but will wait till the price comes down. There should be government rebates again in the future. The feed-in tariff should go up too. It has made a big difference to the uptake on the mainland having a good feed-in tariff.*

**West Coast resident**

*People here believe that solar will not work on the West Coast because it rains too much and is cold. That is not true. We now heat the swimming pool with solar and the cost went from \$400 to \$80. That's pretty good.*

**North West Coast small business owner**

*We are looking at wind as an option. There are now new wind turbines available that look like trees and are not so visually obtrusive. If they bring back some form of subsidy I will certainly be looking very seriously at that.*

**North West Coast farmer**

*We run some of our electric fences on solar. We had a serious look at putting in a small hydro scheme but the red tape was just too much.*

**North West Coast resident**

*If the feed-in tariff was comparable to other states there would be people lining up to put in alternative systems. Local government could play a role by giving incentives. New dwellings that put in a system like wind or solar could have the building approval fees waived. That would be a help and send a message.*

**Northern resident (pensioner)**

*I lived in Europe for eight years in the 1980s. When I came back to Tasmania I could not believe how far behind we were in relation to solar power. I had money back in those days and I contacted suppliers about solar for my house and was told it was not effective in Tasmania – what rot. Now of course I can't afford it but I would be glad to have it and go off the grid altogether.*

**North West Coast resident**

*There needs to be a much bigger emphasis on community education about alternative energy and its benefits, especially here on the Coast. I don't think people understand how they could pay for a system in say five years with the savings on their power bills. As the price of electricity keeps going up it will get even better and if there is a carbon tax that will make solar or wind power much more competitive.*

## 8. Issues for agriculture and small business

While the focus of this project was on domestic energy consumers, about 15 participants also had businesses or farming operations, in the main operating from their homes.

Those surveyed who ran small businesses or farms had specific problems, many of which have been discussed throughout this report. The types of businesses owned and/or operated by participants included a dairy farm, cropping farm, mixed farm, bed and breakfast establishments, horse stables, orchard, bakery, trail riding, art gallery and tourist enterprises. None of the participants had high enough use to be currently contestable.

There was a limited understanding among business people of the government decision to extend retail competition to certain small business customers in mid 2011 (Tranche 5a).

Several of these businesses are high energy users and the continuing increase in energy costs was a major concern to those participants. Several questioned the continued viability of their enterprise or said that they were looking at restructuring the way they do business or what they produce because of energy costs.

A Tasmanian newspaper recently reported:

*Tasmanian farmers would be among the hardest hit by the latest proposed hike in electricity tariffs, Tasmanian Farmers and Graziers Association chief executive officer, Jan Davis said yesterday. Ms Davis said . . . "Their problem is they can't pass on the cost" . . . Dairy farmers will be particularly hard hit – electricity is a major cost of production for them while on the other side of the ledger they are being pared to the bone by prices from milk processors. Farm businesses can only continue to absorb input cost increases for a limited time without any increase in returns and . . . a lot of farms are on the edge . . . Some are installing wind, small hydro schemes or using bio-fuel to generate energy. Examiner, 2 September 2010*

### **North West Coast dairy farmer**

*We are on fixed prices for our milk and we use a lot of power so if the price of power goes up, our profit goes down. Our margins are pretty poor now so with the increases they are talking about I think a lot of us will be seriously looking at our futures. Irrigation is a major cost and then running a shed with cooling too, it all adds up. Some of the dairy men at Sassafras have been looking at alternative energy and putting in a wind farm. I don't know how they will go but good luck to them. I know that if too many dairies close down the flow-on effect to the whole community will be substantial, employment will drop and it's bad enough in this area now. It's not just the farmers, we don't employ that many but the factories*

*and the transport, the fertiliser companies and so on. A lot of the wealth of the whole North West Coast comes from dairy farmers.*

At the time of writing, the Tasmanian dairy industry was about to hold workshops and information sessions for dairy farmers on energy conservation, access to contestable electricity and alternative energy systems. In addition, Dairy Tasmania has detailed information on its website on the potential for alternative energy use for dairy farmers.

On the West Coast, the frequency and length of outages made doing business difficult and other parts of the state are similarly affected. One participant suggested that the growth of the tourist industry was being held back because of the power failures.

**Strahan small business owner**

*The number of power failures has a big impact on doing business in Strahan – when the power goes out business stops. We can do some things to help cope with it but if your tills and electronic banking are out what can you do? The locals just come back later but the tourists don't and they just don't understand. You lose that customer for ever. It certainly affects the viability of doing business in Strahan.*

**North West Coast small businessman**

*Electricity is a major cost to our business. We struggle at times to pay the bill. We had gas put into all the units for hot water to try and cut costs. Now the price of gas has gone up too. We have paid the capital cost of the changeover, which was not cheap, so now we just have to wear it.*

**Derwent Valley small business owner**

*We use a lot of electricity and gas. The price for both just keeps going up. A place like this is hard to heat with high ceilings and such an old building but if you run a business you just have to pay and cut down and economise in other ways.*

**Huon Valley farmer**

*When we have to irrigate it puts your costs up a lot and once we crank up the cool room for the fruit you really notice the increase in cost. At our age you wonder if it's all worth it at times. I sometimes think we should just go on the pension but what would we do with the land? You can't just let good farming land go to waste.*

**West Coast small business owner**

*I use a lot of electricity to run ovens. I run the ovens for four hours to make \$400 worth of bread. That is just not economical any more. I recently upgraded the ovens to more efficient types but with the power increases the cost is still more each quarter. I will have to make a decision soon to outsource the bread and move to baking more specialist pastries and cakes. It will be a pity not to have fresh bread in the town but I am going backwards.*

While none of those interviewed were large employers, all did employ some staff at least part-time during peak seasons. Agriculture and small business are the major employers in many rural areas and any loss of jobs can have a significant impact on local communities.

As the North West Coast dairy farmer (above) described, the flow-on effect of job losses is far reaching and can have an impact on the whole community. Poor or unreliable infrastructure can have a constraining effect on the growth of business and, in depressed rural areas, this represents a considerable dampener on the welfare of the whole community.

Some businesses and farmers are looking very seriously at alternative energy sources such as solar PVC systems or wind generation, but the capital cost is a prohibiting factor for many at the present time. The feeling expressed was that if electricity prices continue to rise and a carbon tax is introduced, this may provide the impetus for moving to an alternative energy option.

## 9. Conclusion

Electricity is an essential service and one on which a number of other essential services (water, sewerage and communications) rely, particularly in rural areas. The price of electricity is the major energy-related issue identified by participants in this consultation. There is no doubt that recent and proposed electricity price increases will have a significant impact on the household budgets of the majority of the people we spoke with. The higher cost of living in rural Tasmania puts additional financial pressure on rural consumers.

Those on low and medium incomes are experiencing particular difficulties meeting the cost of energy and reported having problems heating their homes adequately during the cooler months. Many considered that current concessions are not adequate to provide any real relief from increasing costs. Many low income earners and those on income support are finding themselves in ever-increasing hardship with little or no capacity to make further savings. As a consequence, electricity bills are the main reason for people seeking emergency relief from non-government community organisations.

Housing stock in rural areas is considered particularly poor in terms of its thermal efficiency. This has an impact on the capacity of people to maintain adequate warmth in dwellings, increases energy costs and compounds hardship. Participants felt that the problem is likely to get worse unless some action is taken by governments to increase income support, as well as to provide more effective rebates or discounts and to assist with energy efficiency measures.

Another significant issue raised in the consultations is the reliability of electricity supply. The impact on rural communities of poor reliability – in terms of the frequency and duration of outages – is significant. It is disruptive to normal domestic activities and to the conduct of business.

Participants reported experiencing issues in particular regions of Tasmania, with participants from the Tasman Peninsula and Strahan on the West Coast identifying their main problems as the frequency and duration of outages. Both communities are considered 'poor performing' by the Tasmanian Economic Regulator, particularly in relation to the frequency of outages. Cloud seeding on the West Coast by Hydro Tasmania and the perceived increase in wet weather was seen by Strahan and Zeehan residents as a problem that exacerbated an already inclement climate.

Cost and reliability issues converge in the minds of some of the rural business people we spoke with. A number felt that their businesses were increasingly marginal and at least one participant rightly recognised this as having a potential negative impact on the rural community in which the business operates. This underlines the necessity for an affordable and reliable energy supply to sustain rural businesses and rural communities.

The future for alternative energy for rural Tasmanian consumers appears mixed. In general, the low household income of many rural Tasmanians is a major factor that precludes the widespread take-up of alternative energy sources. However, those we spoke with who had the financial means reported that they are considering installing some form of solar power. The technology for alternative energy is evolving quickly and is not well understood. A number of people we spoke with are concerned that it is complicated and requires a high level of knowledge to run.

This, and other comments from participants, highlights the need for information and community education on energy matters in general, and particularly in relation to tariffs, retail contestability and energy efficiency. There was a view that the main source of energy efficiency information readily available in Tasmania came from Aurora Energy and that this was not appropriate as Aurora's interest is in selling electricity for profit.

While the cost of electricity is the same state-wide, it appears that the impact of energy costs is higher in rural areas because of the higher general cost of living. This study has demonstrated that rural energy consumers believe they experience some disadvantage over their urban counterparts.

Once again we thank the rural Tasmanian energy consumers who gave their time to share their experiences and views with us.

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# Appendix A

## Interview Schedule

Name / Location / Date of interview

### General home energy usage questions

Do you use electricity only in your house? Electricity and gas? Natural gas or LPG?

Provider?

Hot water heating?

Cooking? Gas? LPG/Natural  
Why did you choose gas?  
How much do you spend on gas?

Space heating? Wood?  
How much do you spend on wood?  
Is using wood your preferred option?  
Do you have any difficulties in using wood?

Prompts: Electricity: direct wired, eg heat pump, fixed wall panels, under floor heating, mobile electric heaters (convection or fan)  
Gas: natural or LPG  
Wood heater: open fireplace, slow combustion heater, wood stove  
Other

Tariff types?

Prompts: Standard residential light & power (tariff 31)  
Hot water (tariff 41)  
Off-peak with afternoon boost (tariff 61)  
Off-peak night only (tariff 62)  
Hydro heat (hot water + space heating (tariff 42)  
General / temporary supply (tariff 22)  
Irrigation (tariffs 73 / 74)  
Other  
APAYG

How many rooms do you heat?

Prompts: Main living area only  
Main living area + kitchen  
Main living area + bedrooms  
Bathroom while in use  
Other

How long do you heat the house?

Prompts: 24 hours a day  
Only when someone is home

Only after school + weekends  
Only of a evening  
Other

Do you ever use no heating in winter due to lack of money?

### **Housing quality / thermal efficiency**

How would you rate your house in terms of its energy efficiency?

Prompts: Is it warm enough in winter?  
Is it cool enough in summer?  
Is it brick / weatherboard / fibro / other?  
Approximate age of house?  
Is it well- sealed? Any gaps?  
Is it ever damp?  
Aspect to the sun? Is it in a sunny spot?  
Floor coverings? Window coverings?  
Is it insulated? Roof / walls / under floors?  
Double-glazing? Other

Is your house:

Prompts: A free-standing residence on a block of land?  
A unit or a flat?  
Part of a farm or business?  
Other?

How many bedrooms does your house have?

### **Paying for electricity**

How often do you receive an account?

Do you read your account?

Do you understand it all?

How do you pay your account?

Do you ever use a credit card to pay your account? Do you pay your credit off monthly / regularly?

Are you aware of all of the options available to pay your account?

Prompts: Mail  
Internet – credit card or B Pay  
Phone – credit card or B Pay  
Post Office – quarterly account or Easy Pay / Pre Pay  
Easy pay  
Prepay  
Centrepay  
Direct Debit  
APAYG

Do you generally pay by the due date?  
Do you ever find it difficult to pay an electricity account? Can you tell me about this?

How significant are energy costs to your household budget?

Have prices increased in recent years (past three years) affected your household budget?

In what ways?

Do you receive a concession for electricity?

If no: do you know if you are eligible for a concession?

### **Hardship**

Have you ever approached Aurora [or gas supplier] for more time to pay your bill or to arrange a payment plan?

How was that experience?

Did you work out a payment plan that was based on your ability to pay and that suited you?

Did you complete the plan?

Are you aware of any community services in your area that provide assistance with paying electricity bills? Or advice on problems with paying electricity bills? What are they? And where is the nearest?

Have you ever sought financial counselling for help with household budgeting? Was it helpful?

Have you ever been disconnected for non-payment?

How long were you disconnected?

Describe what happened [including how you managed to get re-connected].

Prompt: Re-connection fee?

### **APAYG customers only**

What made you choose a prepayment meter / APAYG?

Are you happy with the way it works for you and your household?

Where do you recharge your card? [how far away is that? In kms or time]

Is that convenient for you?

How often do you recharge your card?

How much money do you usually recharge it with?  
Have you ever had to use the emergency credit provided on the meter? How often?  
Have you ever completely run out of credit – and power? How often has this happened?

How long were you disconnected?

Will you tell me about that / those experiences?

How do you think APAYG prices compare to standard tariff prices?

Do you receive a concession for APAYG?

If no: do you know if you are eligible for a concession?

Is there anything you'd like to add about APAYG?

### **Reliability / Quality of service**

**[If they didn't mention reliability as an issue first up, ask these questions]**

If you've moved or renovated in the past few years, were you happy with the process of getting connected or re-connected?

Prompts: Was the power [re]connected on time?  
How did you find the process?

Do you remember the cost? Was it difficult to meet that cost?

Have you ever had or requested Aurora to test your meter for faults?  
Did you pay for that service?

Have you had any outages in the past year? Past 2 years?  
How many? How long?

Do you know what caused any outages you've had?

Have you ever reported an outage?  
How was it dealt with?

Have you ever received a Guaranteed Service Level payment? [\$80]  
More than once? How many times?

Have you ever experienced low voltage (brown-outs)?  
How often?

Have you ever experienced voltage spikes?

Have you had electronic equipment and / or appliances damaged by voltage variations?

Have you ever experienced an urgent or emergency situation with electricity supply that you reported?  
If so, how would you rate the response?

Are there any other reliability / quality issues you'd like to mention?

### **Information and Complaints**

If you wanted information about your energy supply, use or costs, what would you do?

Have you ever sought such information? If so, can you tell me more about that?

If you had a complaint about your energy supply, account or costs, what would you do?

Have you ever made a complaint about any aspect of your household energy supply? If so, can you tell me more about that?

Prompts:      Who did you complain to?  
                  What about?  
                  How was it dealt with?

Do you know that there is an Energy Ombudsman?

Have you ever lodged a complaint with the Energy Ombudsman?

### **Energy Efficiency**

Have you ever done anything to reduce your electricity use?

Prompts:      Use energy efficient light globes?  
                  Turned hot water temperature down?  
                  Turned off at the wall appliances (eg TVs) with stand-by power?  
                  Washed clothes in cold water?  
                  Insulated your roof? Walls? Under-floor?  
                  Curtains? Pelmets?  
                  Double-glazing?  
                  Cook in microwave?  
                  Purchased more efficient appliances?  
                  Other?

In the case of off-peak or APAYG (time-of-use tariffs), do you try to do high energy use housework at times when electricity is cheaper?

Have you ever sought advice on energy efficiency for your home? Where did you seek that information?

Were you able to implement any or all of the recommendations? If not, why not?

Have you had an energy efficiency assessment done on your home?  
Was it helpful?

Were you able to implement any or all of the recommendations? If not, why not?  
List

Have you considered any alternative energy options for your home?

Is there anything that would assist you to make a decision to change?

When purchasing new appliances, do you consider the energy efficiency (star rating) of the appliance? And how important is that to you?

### **Alternative energy sources**

Do you use any alternative or off-grid energy sources?

Prompts:       Solar – PV panels or hot water?  
                  Passive solar space heating?  
                  Wind? Water? Geothermal?  
                  Other?

What percentage of your energy needs does this source contribute?

What is your primary motivation in using an alternative energy source? Any other reasons?

Did you receive a government rebate or grant to assist with the costs of installing an alternative generation source?

Do you feed excess energy into the grid?

Do you receive a feed-in tariff? And do you think it's set at a reasonable rate?

Are you considering increasing or decreasing your generation capacity?

Are you considering moving to a stand-alone system? Why?

Is there anything that would influence that decision?

### **Retail Competition**

It is possible that competition will be introduced in Tasmania – as it has in most other states – to allow consumers to choose their electricity retailer (that is, for Aurora Energy to have a competitor or competitors in retailing electricity)

How do you think this might affect you and your household?

### **In general**

How would you rate the service you receive from your energy supplier?

Do you think people who live in rural areas in Tasmania are disadvantaged as energy consumers?

If so, in what ways?

### **Cost of living – I'd like to ask you a couple of general questions about the cost of living.**

Do you think the cost of living has increased over the past few years?

What have you noticed has increased in particular for you?

Prompts: Food: fresh vegetables and fruit, meat, other grocery items / Transport / Fuel / Electricity / Gas / Water / Rates / Telephone services / clothing / educational expenses / Healthcare / Medicines / Health insurance / Housing: Rent, Mortgage / entertainment / household appliances / furniture / other

How have increases in the costs of living affected you and your household?

Are there any specific issues you think influence the cost of living for people living in rural areas?

**Do you mind if I ask you some personal details as background information?**

Postcode

Major source of household income?

Prompts: Salary from full-time employment, business or farm (> 30 hours/week)  
Salary from part-time employment, business or farm (< 30 hours per week)  
Pension or allowance from government  
Other

Age range: 15-25 / 26-35 / 36-45 / 46-55 / 56-65 / 66-75 / over 76

Sex

Are you of Aboriginal or TSI background? Migrant background?

What sort of housing do you live in?

Prompts: Private rental  
Public rental [Housing Tasmania]  
Paying off a mortgage  
Own your house outright  
Other?

How many people live in your household?

Adults

Children + ages

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Is there anything that you'd like to add and / or to see come out strongly in our research?

Thank you for your time – do you want a copy of the final report?

Contact details for follow-up and / or postage

## Appendix B



### INFORMATION SHEET

The Tasmanian Council of Social Service (TasCOSS) is the peak body for the Tasmanian community services industry. Its members are individuals and organisations active in providing services to, and advocacy for the interests of low income and disadvantaged Tasmanians.

TasCOSS works to improve the lives of those Tasmanians who live on low incomes, are vulnerable or are disadvantaged in other ways. We do this by advocating for and developing better social policy informed by consultation, research and analysis.

#### **TASMANIAN RURAL ENERGY CONSUMER CONSULTATION PROJECT**

TasCOSS is interested in the particular issues that concern rural Tasmanians in relation to their energy supply.

Tasmania has the highest per capita electricity usage in Australia due to its cooler climate and limited availability of natural gas. Tasmanian domestic energy consumers spend a greater proportion of their income on household electricity.

This project has been designed to assist TasCOSS to advocate more effectively on behalf of rural Tasmanians by understanding the key issues that affect them in relation to the cost of energy, its use and the quality of the supply they receive.

Information, experiences and opinions are being sought from rural and regional energy consumers on issues associated with the maintenance of an uninterrupted household energy supply.

Interviews are being conducted with both individuals and small groups of consumers in twelve rural areas of the state. The interviews and discussions will be recorded, with the permission of the participants, to ensure accurate reporting.

A written report will be produced at the end of the consultations. This report will inform the advocacy work undertaken by TasCOSS in particular the Energy Research and Advocacy Project.

This research has been funded by a grant from the National Consumer Advocacy Panel.

If you have any questions or would like further information about this project you can contact:

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Phone: 6257 8661  
TasCOSS  
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Mobile: 0457 506 571  
Phone: 6231 0755  
July 2010

## Appendix C



### Consent for Interview Form

#### Tasmanian Rural Energy Consumers Consultation Project

1. I have been provided with a copy of an information sheet outlining the project.
2. I understand that the interview is anonymous and my name will not appear in any part of the questionnaire, papers or reports. The information and comments that I provide may be used in the report, but will not be identifiable to me. I understand that all identifiable information will remain confidential.
3. I am willing to have the interview/discussion recorded and understand that the recording is confidential and will be destroyed after the completion of the project.
4. I understand that I do not have to answer any questions which I do not wish to answer.
5. I understand that I may withdraw from the interview at any time.
6. I am aware that my name, contact details or any other information I provide will not be given to Aurora or any other energy provider, any government department or agency or any third party.

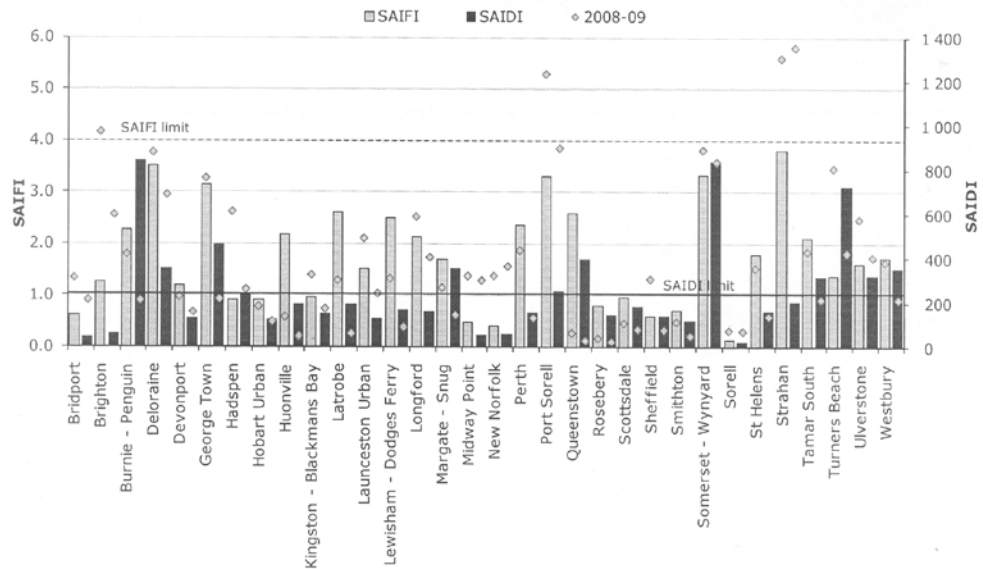
Signature:

\_\_\_\_\_

Date: \_\_\_\_\_

Name \_\_\_\_\_

Figure 6.14 Urban and Regional Centres community SAIDI and SAIFI



There are 32 communities in the Urban and Regional Centres community category, 11 of which were classified as poor-performing in 2009-10. All 11 communities exceeded the duration standard alone. The major contributor to the poor result was a large number of planned outages, while a number of asset and vegetation-related outages also impacted on performance. George Town was affected by a high voltage switchgear failure that impacted on the community's SAIDI result. Community performance against the TEC standards for 2009-10 and 2008-09 is shown in Figure 6.14. Five of the poor-performing communities performed poorly in 2008-09.

Many larger regional towns previously classified as Rural under the old TEC standards are now categorised under Urban and Regional Centres, which may explain poor performance of some of the communities in this category. Reliability improvement projects completed in 2009-10 at Penguin, Port Sorell, Queenstown and Wynyard should result in an improvement in performance in 2010-11.

Of the 33 communities in the Higher Density Rural community category, ten were classified as poor-performing in 2009-10. Community performance against the TEC standards for 2009-10 and 2008-09 is shown in Figure 6.15. One of the poor-performing communities, Pirates Bay – Nubeena – Port Arthur, exceeded both the duration and frequency standards. This result is surprising given that a Targeted Reliability Improvement Program (TRIP) project has recently been completed in the area. Reliability has improved significantly in Campbell Town and Upper Tamar communities, with SAIDI in 2009-10 well within the duration standards after poor performance in 2008-09.

Figure 6.15 Higher Density Rural community SAIDI and SAIFI

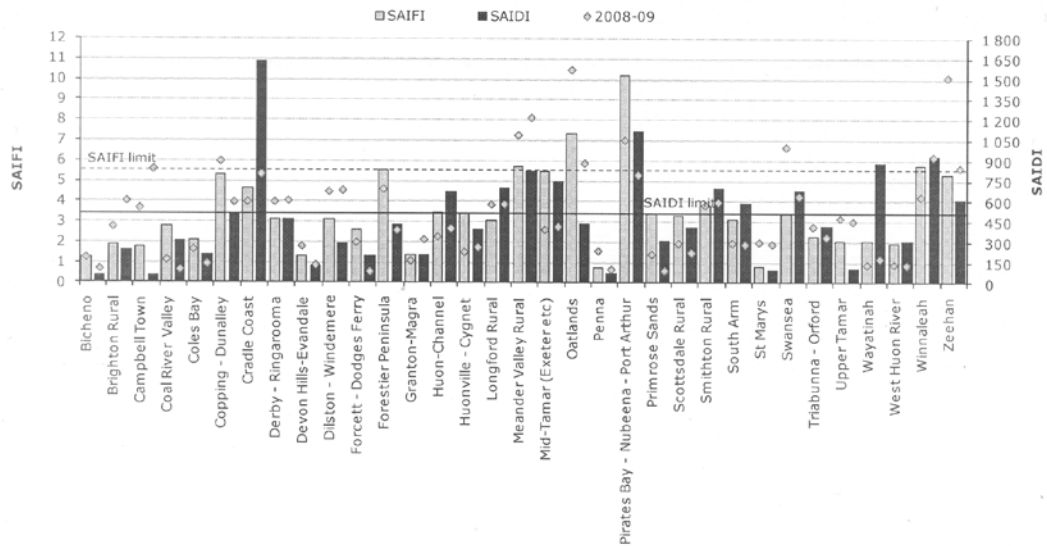
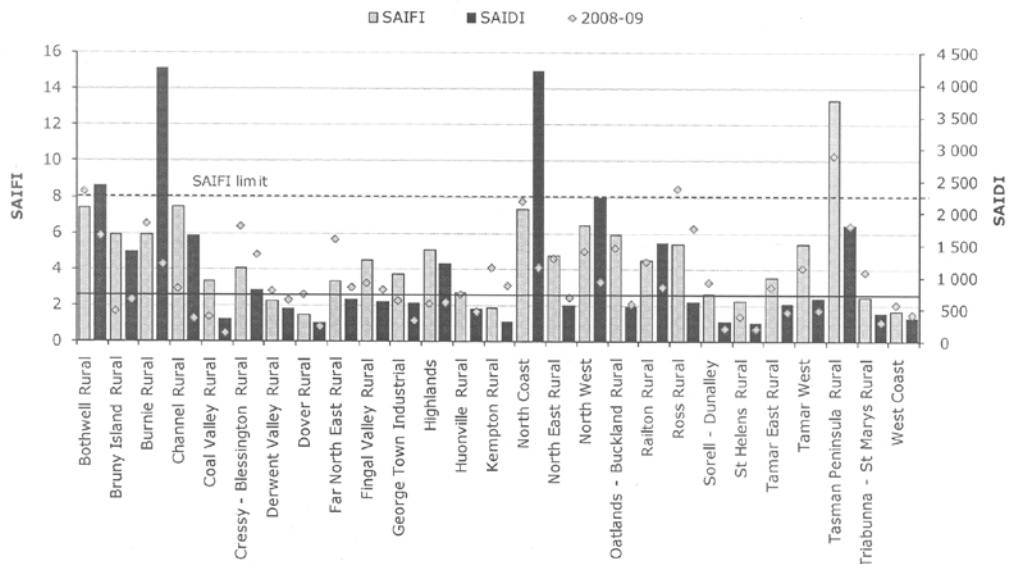


Figure 6.16 Lower Density Rural community SAIDI and SAIFI



Ten out of the 27 communities in the Lower Density Rural community category were classed as poor-performing in 2009-10. Both the frequency and duration standards were not met in one of the communities, Tasman Peninsula Rural. Tasman Peninsula Rural,

Railton, North Coast, Cressy – Blessington, Burnie Rural and Bothwell Rural have all performed poorly against the duration standard for the past two years. Aurora Energy has proposed TRIP projects for 2010-11 in these areas that should see reliability improve in the coming years. The Tasman Peninsula Rural community, which has been classed as poor-performing for three years now, had TRIP projects completed in 2008-09 and 2009-10 that should result in an improvement.

### 6.2.7 Individual feeder performance

The SAIDI and SAIFI values shown in Table 6.8 and Table 6.9 are calculated by summing each of the individual feeders' SAIDI or SAIFI values within a particular supply category area and then dividing by the number of feeders in the area. The resulting figures provide an indication of average performance on a feeder basis, but have little correlation to customer numbers.

**Table 6.8 SAIFI by feeder category, 2009-10**

Area	Average reliability		Lower bound of reliability	
	TEC standard	Actual performance	TEC standard	No of feeders below lower bound
CBD	1	0.54	2	0
Urban	2	1.31	4	5
Rural	6	3.58	9	6

**Table 6.9 SAIDI by feeder category, 2009-10**

Area	Average reliability		Lower bound of reliability	
	TEC standard (mins)	Actual performance (mins)	TEC standard (mins)	No of feeders below lower bound
CBD	30	57	60	5
Urban	120	257	240	29
Rural	480	768	720	42

**Table 6.10 Lower bound performance (poor-performing feeders)**

Area	Total number of feeders	Total no of feeders below the lower bounds limit for either SAIFI or SAIDI or both	% of feeders below the lower bounds limit
CBD	24	5	21%
Urban	140	29	21%
Rural	153	42	27%

As shown in the tables above, there were 76 poor-performing feeders (18 of which were also classified as poor-performing feeders in 2008-09) where performance was below the relevant lower bound