

# Public Interest Advocacy Centre

Close to the Edge  
– a Qualitative &  
Quantitative Study



## Public Interest Advocacy Centre

### Close to the Edge – a Qualitative & Quantitative Study

**Date:** 14/11/2018  
**Client:** Public Interest Advocacy Centre  
**Prepared By:** Gavin White  
**Notes:** Final

**AMSRS**  Our researchers are members of the Australian Market and Social Research Society.

## Contents

Research Methodology .....	5
Language conventions .....	5
Quantitative research .....	6
Qualitative research .....	7
Executive summary.....	9
Who gets disconnected? .....	12
Comparison with previous studies .....	12
Previous experiences of disconnection .....	13
Factors leading to disconnection .....	14
The interaction of factors.....	25
Going over the edge.....	28
Contact with retailers & providers .....	30
Support offered before disconnection .....	32
Circumstances of disconnection .....	36
Impacts of disconnection .....	38
The moment of disconnection .....	38
Impacts of disconnection.....	39
Getting reconnected .....	42
Seeking assistance .....	47
Appendix: Case Study Summaries.....	51
Brendan, full time student, late 20s (phone) .....	51
Caesar, widowed disability pensioner, aged 63 (phone).....	53
Jane, single mother, early 40s (phone) .....	55
Joanne, single parent of 7 children (phone) .....	57
Karen, 55, single, 2 grown up daughters (face to face).....	60
Anya, single, 50s (face to face).....	64
Martin, married, 2 young children (face to face) .....	68
Melissa, single mother, 35 (face to face) .....	72
Natasha, single parent (phone).....	75



Paul, single, 20s (phone) ..... 77

Paula, single mother, early 40s (phone) ..... 79

Sally, mother of four living with husband and mother (phone) ..... 82

Susan, single mother, 20s..... 84

Yousef, single father of four year old (phone) ..... 89



## Research Methodology

This paper outlines findings from a qualitative and quantitative research study conducted by UMR for the Public Interest Advocacy Centre (PIAC) on disconnections from electricity, gas and water for non-payment by households in New South Wales. PIAC has previously conducted three surveys on disconnections (known as Cut Off I, II and III) and the latest research represents a significant extension of the previous methodology. The key changes to the methodology are:

- The sample base now covers those who have actually been disconnected or restricted (water), those who have been notified but not actually disconnected (electricity and gas) / restricted (water) and those who have been seriously worried about disconnection/ restriction but not notified about disconnection/restriction. Comparing the three types of respondents provides valuable insights.
- The time period has been extended from those who were disconnected/restricted in the last three months to those who were disconnected / restricted / notified / worried in the last year.
- The whole quantitative survey is now conducted online.
- Whereas the sample for the previous studies came through retailers and community groups, the 2018 sample is drawn from retailers and community groups, as well as members of an online research panel.
- The qualitative stage has been extended.

Those in the notification group had to also say that they had been worried about disconnection and/or that they had been struggling to pay – the research therefore does not include those who have received notifications simply because they had forgotten the bills. As a result, although there may well be some in the community who habitually delay paying until they receive notifications, this research should only include those who have genuinely been in difficulty (or at least felt that way).

## Language conventions

Throughout this report:

- ‘Disconnection’ should be interpreted as including both disconnection and restriction. Water providers rarely completely disconnect, but restrict the flow of water coming into the home.
- ‘Community group sample’, when referring to the group of participants, means the combined sample recruited by community groups, government organisations, non-government organisations, retailers and water providers.
- ‘Retailers’ is often used as shorthand for electricity retailers, gas retailers and water providers.
- Names of participants in the qualitative case studies have been changed to protect their confidentiality.
- Verbatim quotes from the case studies appear in quotation marks and italics.
- Expletives in quotes from participants in the qualitative case studies have been retained. Although such language may offend, it provides an important illustration of the intensity of participants’ comments.

## Quantitative research

### General methodology

The quantitative survey was conducted online in March & April 2018, and covers n=1113 people once probably invalid responses have been removed. This includes:

- N=240 through retailers and community groups, and n=873 through the online research panel.
- N=250 who had actually experienced disconnection / restriction, n=228 who had been notified but not disconnected / restricted and n=635 who had been worried about disconnection / restriction but not notified (including n=160 who have received a notification simply because they forgot to pay, and n=475 who have received no such notification).

For all apart from the demographic questions, the ‘Worried’ sample is only those who have been worried but not received a notification (i.e. n=475).

All respondents were living in NSW.

### Margins of error and potential sources of bias

The margins of error for 50% figures at the 95% confidence level are outlined in the table below. Margins of error reduce as the percentages in the survey results approach 0% and 100%, so the stated figures are therefore the calculated maximum margin of error for those sample sizes.

MARGINS OF ERROR		
	Sample size	Margin of error (50% figure, 95% confidence level)
Those who were disconnected	N=250	±5.9%
Those who were notified, but not disconnected	N=228	±6.5%
Those who were worried (demographic questions)	N=635	±3.9%
Those who were worried, but not received any notification (all other questions)	N=475	±4.5%

These are the margins of error that would apply if the sample was truly random, and for this survey there is clear potential for selection bias. This includes the two sources of the sample, which almost certainly select different types of people.

- Those coming through retailers and community groups have mostly been **identified by those retailers or community groups** as facing disconnection / restriction, whereas those from the panel have **self-identified** as such.
- It seems likely that some people who are worried about disconnection may never bring this to the attention of retailers or community groups or be unwilling to do a survey for the retailers who have disconnected them (and therefore be unlikely candidates for that part of the survey).

- At the same time, some on the panel may have self-identified to receive the small incentive for participating in the survey (in the panel's case equivalent to \$2). Those participating through retailers or community groups were offered an incentive of a \$20 gift card.

Whereas we can be confident that those who participated via the retailers and community groups really were people who had been disconnected, notified or worried, the panel survey has probably reached people who would have been reluctant to participate in the retailer / community group survey. The two surveys therefore need to be taken together when interpreting the results.

Further, some of the likely contributing factors to disconnection are also barriers to participation in the research, including:

- Literacy (and level of confidence with lengthy documents)
- Personal levels of organisation / complexity of life situation
- Personal confidence and concerns about confidentiality
- Access to technology

For those reasons, along with the fact that the survey was presented in English, it is likely that Culturally and Linguistically Diverse (CALD) households are under-represented in the sample despite considerable efforts to ensure that they were included.

The responses are what people believe (or at least say), not necessarily what is true.

- If specific responses differ from the reality, then insights can be drawn from the differences.
- There are almost certainly cases of participants giving responses which may not be true in order to protect their confidentiality and/or dignity, or to get through the survey more quickly. Although the checking process should have removed those who did so consistently, it is impossible to prove whether a participant chose to do so for an individual question.

## Qualitative research

The qualitative research consisted of fifteen case study interviews.

- 5 were conducted face-to-face (mostly around Sydney)
- 10 were conducted by telephone (covering regional areas and Sydney).

The case studies gave participants more opportunity to describe their experiences, and gave the interviewers the ability to ask follow-up questions to unlock participants' ideas and motivations. As such, they supplement the quantitative survey, by illustrating and elucidating what the numbers mean.

All participants in the qualitative interviews were recruited after participating in the community group part of the online survey, meaning that those interviews could only include those who have been identified by community groups, retailers and others as potentially eligible for the survey. Participants' responses in the quantitative survey were used to ensure that the qualitative interviews covered a broad cross-section of that sample, including a mix of those who have been disconnected, notified or worried. People participating in face to face interviews were offered an incentive of an \$80 gift card, whilst those participating in over the phone interviews were offered an incentive of a \$50 gift card

The case study interviews covered four broad areas:

- A profile of the participant, including information on their personal circumstances
- An exploration of how they came to be disconnected / notified / worried
- Discussion of what they did in response to this
- An exploration of what could be done in future to help them avoid the same situation arising again.

The difference between qualitative case studies and traditional qualitative depth interviews is that, where depth interviews usually treat findings from all participants together, case studies emphasise telling each participant's story in detail. The value for this research is, for example, that the information on the participant's background can help readers to understand why they were disconnected / notified / worried, why they did what they did in response, and how that connects with what would be likely to be effective should similar circumstances arise again.

Summaries of each case study are provided as an appendix at the end of this report.

Observations and quotes from the case studies are also interspersed through the main report, to provide further detail and provide potential explanations for the quantitative responses.

Qualitative interviews were conducted in late May and early June 2018. Because interviewing participants' face-to-face often helps them to feel more comfortable with revealing personal information (because there is more opportunity for the interviewer to build trust), the five interviews conducted face-to-face have provided more detailed and nuanced information.



## Executive summary

For the Public Interest Advocacy Centre (PIAC), UMR Strategic Research undertook research into NSW residential disconnections from electricity, gas and water for non-payment. The purpose of the research was to explore:

- The longer-term reasons that lead to disconnection and payment difficulties more broadly.
- Compare the experiences of those who are disconnected with those who came close to it, but avoided it, exploring the positive and negative actions people take to avoid disconnection.
- Which supports are most effective at helping people avoid disconnection and debt long term.
- What the experiences are of people who are disconnected or come close to it.
- What are the most effective strategies to reduce disconnection, debt and making bills more affordable long term.

This research provides clear evidence that the drivers of disconnection, and payment difficulty more broadly, are diverse.

The quantitative research shows that people who have been disconnected in the last 12 months are relatively likely to come from demographic groups frequently associated with economic disadvantage, supporting the theory that finances and affordability are a major factor in disconnection. It also indicates that unless the longer-term factors that lead to financial problems are addressed, then these households will continue to be vulnerable to being disconnected.

Although prices are a key contributing factor, the research indicates that they are frequently the ‘final straw’, as opposed to the sole cause, and that efforts to reduce disconnections in the future are only likely to be truly effective if they also allow for, and ideally address, the longer-term factors that make households vulnerable when a larger than expected bill comes in.

Key pieces of supporting evidence include:

- Those who were disconnected were often facing multiple pressures.
- The data supports the hypothesis that there is a progression from being worried, to being notified, to being disconnected<sup>1</sup>. In other words, there is evidence that many people who get disconnected have been notified on several previous occasions, and in turn that those who get notified have been worried about disconnection on several occasions before that. If the size of the bill was the only factor, then there would be less relationship between being disconnected now and having been worried in the past.
- Although electricity and gas prices have risen<sup>2</sup>, the number of disconnections participants have had and the services they were disconnected from are similar to those recorded in the 2012 predecessor to this research, Cut Off III.
- Those who were disconnected were actually less likely than those who were notified or worried to say that a larger than expected bill contributed to their problem.

---

<sup>1</sup> In some cases this may be a loop rather than a progression, in that those who are disconnected may well be more likely to be worried about it happening again in the future, especially if the longer term factors have not changed. This research cannot directly prove that this is the case, but factors such as case study participants’ ongoing concern about being disconnected again are supporting evidence.

<sup>2</sup>See for example the Australian Energy Market Commission’s 2017 Residential Electricity Price Trend data, <https://www.aemc.gov.au/markets-reviews-advice/2017-residential-electricity-price-trends>

It certainly would be wrong to suggest that high and unexpected bills were irrelevant, but this research indicates that disconnection is far more likely if the high or unexpected bill arrives at a time when the household is not prepared to deal with it, especially as the bill is likely to have come after a sustained period of vulnerability.

The longer-term factors mentioned in this research are diverse, although they all have a financial implication. Examples include:

- Medical problems and experiences of disability.
- Having experienced periods of homelessness (or having someone in the household who has been in that situation).
- Relationship breakdowns and sole parenthood.
- Complex household situations, including having both family groups and unrelated people living in the same household.
- Being a victim of crime, including domestic violence.
- Being unable to fix problems leading to higher energy bills.

There is also evidence that these longer-term factors reinforce each other – in other words, that the combined impact of multiple longer-term factors is greater than the sum of the parts.

Implications of the importance of longer-term factors include:

- The ongoing financial impact that these factors have on people's lives.
- The pressure and complexity can mean that bills and reminders slip through the cracks. In some cases they may not be available to receive reminders at the right time, while several in the qualitative case studies described feeling unable to face opening envelopes that they expected to include notifications of disconnection.
- Because longer-term factors tend to be ongoing, those who have been disconnected once are at a greater risk of it happening again.

Participants in this research clearly saw being disconnected as humiliating, and as something they would do whatever they could to avoid. The costs of disconnection often exacerbate an already difficult situation. As well as the costs, the primary reason to avoid disconnection is the humiliation of having it happen, and those who were disconnected reported that it was something they would have avoided if they had been able to afford it. Reconnection fees etc. simply make their struggle to balance their bills even more difficult and exacerbate longer-term vulnerability.

For many participants, the potential for disconnection is ongoing and the disconnection itself is not effective in changing consumer behaviour or with dealing with longer-term issues of debt accumulation.

Similarly, participants in the case studies saw pay-on-time discounts as manifestly unfair because they rewarded those who already had the money to pay – meaning that those who were currently struggling were forced to pay more.

- These participants reported that they would pay on time if they could afford to, so missing the deadline just made their problems even worse.

For many, the issue is being disconnected at all, rather than the process of getting reconnected.

- A majority of those who were disconnected said that getting reconnected was reasonably easy (although costly).

- Much of the financial impact of being disconnected seems to be almost immediate (i.e. those who were reconnected in one day or less report having to spend similar amounts of money on replacing spoiled food etc. to those who took two days or more).

This in turn indicates that, if we want to minimise the cost and impact of disconnection, then the key priority should be ensuring that disconnections themselves are kept to a minimum.

From this research, the most obvious barriers to getting the right assistance on the consumer's side, appears to be a lack of knowledge and feeling embarrassed. The research indicates that retailers aren't always effective in proactively identifying people in need nor in providing them with appropriate assistance. In practical terms, this should mean offering customers who have accumulated debt, paid late several times and/or been behind in payments, information about where to get support. It should not take getting a notice of disconnection to come to the attention of retailers, and indeed the rules stipulate it must only be a last resort.

- As well as saying that they did not know where to go for help, respondents expressed interest in having someone to advocate on their behalf and / or explain their situation to the retailer.
- The qualitative case studies indicate that advocates or supporters could also help those at risk of disconnection to get support from government and community groups.

There is some evidence in this research of support not always reaching those who need it.

- Some support seems to be offered to those who seek it out, but not to everyone and others may be prevented from seeking it by embarrassment or lack of knowledge.
- In some cases, the support that was offered would have been more effective had it been offered earlier (but it was not offered because the person's situation had not yet been identified by the retailer).
- In some cases it could be that the support offered or provided was not the best or most appropriate support and did not help avoid the problem. For example, the primary responses to those who have been disconnected, notified or worried about disconnection was being offered a payment plan or an extension on their bill. This is despite these types of assistance being less helpful for people in long term financial difficulty.

If the aim is to reduce the impact of disconnections, this research supports the following changes:

- Identifying people at in payment difficulty as early as possible, and offering support proactively (eg getting them into a hardship program).
- Reducing the occurrence and the costs of disconnection, on the grounds that they often make a bad situation worse.
- Linking people with support services beyond billing issues to help with longer-term factors.
- Ensuring that people know where to go for help and independent advice, including advocates who will help with both retailers and government agencies.

## Who gets disconnected?

### Comparison with previous studies

Previous iterations of this study have focussed only on those who have experienced disconnection, whereas this survey covers those who have been disconnected, notified or worried about disconnection. This survey was expanded so that there could be exploration of the circumstances and experiences of people who come close to disconnection, but manage to avoid it, and understand the positive and negative actions people take to avoid being disconnected. Whereas previously participants had to have been disconnected in the last three months, the sample for this research has been extended to include those who have been disconnected in the last year. Despite this, many of the characteristics of the disconnected sample in this study are similar to those in the previous three surveys.

For example, the proportion who say they have been disconnected two or more times (29%) is within the margin of error of the 2012 result (26%).

HOW MANY TIMES HAVE YOU BEEN DISCONNECTED IN THE LAST YEAR?				
	Disconnected			
	2004	2008	2012	2018
Once	65%	82%	74%	71%
Twice or more	35%	18%	26%	29%

Similarly, the proportion saying that the service they were disconnected from most recently was electricity was almost the same as the 2012 result. The sample sizes for those who were disconnected from gas and especially water (and indeed the combined sample for those who were disconnected / notified / worried about water) are too small for robust comparison between the experiences of those who were disconnected / notified / worried from gas versus water.

WHAT SERVICE WERE YOU DISCONNECTED FROM (most recent)?				
	Disconnected			
	2004	2008	2012	2018
Electricity	76%	78%	77%	75%
Gas	19%	11%	22%	18%
Water	5%	11%	9%	7%

The total number of gas and electricity disconnections in NSW have been slowly dropping each year since 2013. On the other hand, the number of electricity and gas disconnections in 2011-2012 (when previous survey was conducted) is similar to the total for 2016-2017, the last complete year before this survey (32,408 vs 32,916)<sup>3</sup>.

## Previous experiences of disconnection

There is a theoretical linear progression between the three types of participants in this research. If disconnection is not simply an isolated incident but as a culmination of multiple factors, then logically we could expect that:

- Those who eventually get disconnected will tend to have received notifications for several previous occasions.
- Those who received notifications have been worried on several previous occasions.
- Those who have been disconnected in the past will be relatively likely to be worried or receive notifications in the future (because the longer-term factors that put them at risk of disconnection in the past have remained)<sup>4</sup>.

This may in fact be a loop rather than a progression, in that those who have been disconnected in the past may be more concerned about being disconnected again in the future.

The quantitative data cannot quite verify the existence of this progression or whether it is in fact a loop, but the fact that those who have been notified are more likely to say they have been disconnected at some point in the past than those who have been only worried is supporting evidence. A separate UMR Omnibus Survey question in September 2017 showed that 3% of NSW respondents admitted having been disconnected in the last six months, suggesting that the proportion of 'worried' participants in this survey who reported having been disconnected in the past (14%) may well be higher than the population as a whole – again, this is consistent with the theorem that those who eventually get disconnected have typically been worried on multiple previous occasions.

HAVE YOU EVER BEEN DISCONNECTED?		
	Notified	Worried
Yes	24%	14%

The fact that 67% of those who were notified and 65% of those who were worried say that they are still worried about being disconnected in the next year or two supports the hypothesis that the potential for disconnection is largely due to ongoing and longer-term circumstances (including their financial position and the cost of bills), rather than just a single bill. This also indicates that disconnection itself is not effective in changing consumer behaviour or with dealing with longer-

<sup>3</sup> <https://www.aer.gov.au/retail-markets/retail-statistics/nsw-residential-customer-disconnections>

<sup>4</sup> On the other hand, some who are worried will never be notified, and some who are notified will never actually be disconnected. The 'notified' and 'worried' groups in this survey therefore almost certainly include both those who are of serious risk of disconnection in the future, and those who will probably be able to avoid it.

term issues with debt accumulation, because the problem doesn't go away when there is a disconnection.

HOW WORRIED ARE YOU ABOUT BEING DISCONNECTED IN THE NEXT YEAR OR TWO?		
	Notified	Worried
Very worried	29%	23%
Fairly worried	38%	42%
Not that worried	25%	21%
Not worried at all	7%	7%
Unsure	2%	7%

All the case study participants who had been disconnected reported that they had been worried about disconnection on several previous occasions, and those who had been notified about disconnection generally felt that this was an event that had been coming for some time.

The theoretical progression from being worried to being notified, and eventual disconnection, leads to two further hypotheses – both of which are supported by evidence in the subsequent sections.

- If the path to disconnection typically involves having been worried and notified on several occasions in the past, then the demographics and experiences of those who have been disconnected should be broadly similar to those of people who have been notified or worried.
- If people have been worried and / or notified on multiple previous occasions before being disconnected, then the factors that put them at risk of disconnection should be ones that affect them over the longer-term.

As the later sections show, the moment of disconnection typically seems to be a culmination of a multiple factors working together, with a one-off event such as a larger than expected bill being the 'final straw' that pushes them over the edge. In turn, if disconnection is a culmination of those factors, then unless the longer-term factors, particularly the financial implications, are addressed, those who are disconnected once will probably be vulnerable to being disconnected again in the future. The disconnection itself is only likely to be adding further stress and debt and therefore increases the chances of on-going problems.

## Factors leading to disconnection

Both the qualitative and quantitative research show that, for many participants, life is complicated. Electricity, gas and water bills are just some of a wide range of factors they are trying to deal with, and often disconnection seems to reflect an (often understandable) failure to balance these multiple, complex factors.

*"With court and everything going on it's just become overwhelming" ('Melissa')*

*"So stress of the car, knowing that we'd probably have to move and the bill and we just had no money to pay it and at that point I didn't even know if I rang up how am I going to make an*

*arrangement because I don't have the cash to pay so I was focussed just on getting everything done, moving out and hopefully then having the money to pay with the return of the bond"*  
 ('Martin')

The quantitative research shows that people who have been disconnected in the last 12 months are relatively likely to come from demographic groups frequently associated with economic disadvantage, supporting the theory that finances and affordability are a major factor in disconnection. It also indicates that unless longer-term factors that lead to financial problems are addressed, then these households will continue to be vulnerable to being disconnected.

For example, 32% of those who have been disconnected report that they live in social housing, compared with 11% of those who have been worried.

67% of those who were disconnected, 60% of those who were notified and 52% of those who had been worried about disconnection were renting, compared with 32% of all NSW residents.<sup>5</sup>

HOUSEHOLD SITUATION			
	Disconnected	Notified	Worried
Renting – social housing	32%	15%	11%
Renting – privately	35%	45%	41%
Paying off a mortgage	18%	31%	33%
In a home I have fully paid off	7%	5%	12%
Residential park / caravan	8%	3%	2%
Other	0%	1%	1%

A substantial proportion of participants report that someone in their household is unemployed, and those who have been disconnected are relatively likely to say that someone in the household has experienced periods of homelessness and/or been a sole parent.

12% of households who have been disconnected included a person who has arrived in Australia in the last 5 years, and the same proportion contained a person who speaks a language other than English at home. It should be noted that while efforts were made to target Culturally and Linguistically Diverse households to participate in this research, they were difficult to recruit and these figures may not accurately represent the number of these households impacted by disconnection.

**TABLE ON NEXT PAGE**

<sup>5</sup> 2016 Australian Census data,  
[http://www.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/1](http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/1)



AT LEAST ONE PERSON IN HOUSEHOLD WHO HAS / IS (total applies)			
	Disconnected	Notified	Worried
Unemployed	29%	35%	39%
Sole parent	18%	23%	14%
Experienced homelessness	14%	11%	6%
Language other than English at home	12%	6%	8%
Arrived in Australia in last 5 years	12%	4%	4%
Aboriginal or Torres Strait Islander	10%	13%	6%
Frail because of age	10%	4%	6%
Cognitive impairment	6%	4%	3%
None of these	29%	37%	39%

Those in the ‘notified’ and ‘worried’ samples were asked if they had ever experienced disconnection.

- Although this combined sample is not representative of the total population of NSW (as it is only drawn from those who have been notified or worried about disconnection in the last year), it is further evidence of the connection between common indicators of social deprivation and disconnection (i.e. that people from those groups are more likely to have experiences of disconnection at some point in their lives).
- Examples include those with lower household incomes, those with people who have experienced homelessness, and those who are currently living in social housing being relatively likely to have experienced disconnection at some time.

HAVE YOU EVER BEEN DISCONNECTED? (Those who had been notified or worried)	
<b>Combined sample of all who have been notified or worried (n=703)</b>	<b>17%</b>
Someone who has experienced homelessness (n=51)	47%
Aboriginal or Torres St Islander (n=56)	37%
Household income \$20,000 or less (n=107)	32%
Social housing (n=91)	29%
Household has leaking showers, taps, pipes (n=159)	28%
5 or more people in household (n=127)	28%
Main income is disability allowance (n=68)	28%
Medical condition requiring electrical equipment (n=50)	28%



The quantitative research showed that those who had been disconnected were more likely to have children in the household (68% vs 50% of those who have worried about disconnection) but that they are also more likely to live in shared households (as opposed to as family groups), which is likely in many cases to be a result of limited financial means and the cost of housing.

- This, along with the fact that 18% of those who have been disconnected report that there is a sole parent in the household, suggests that a relatively high proportion of those who have been disconnected are family groups (including one parent-one child families) living with others not in their family.
- Those who have been disconnected are also relatively likely to have under 5s in the household (38% compared with 27% of those who were worried).

CHILDREN AGED UNDER 16 IN HOUSEHOLD			
	Disconnected	Notified	Worried
Any children in household	68%	61%	50%
Any children under 5 in household	38%	28%	27%
Any children under 2 in household	16%	18%	15%

HOUSEHOLD SITUATION			
	Disconnected	Notified	Worried
Household is couple or family group	75%	81%	82%
Share household / combination of related & unrelated people	23%	15%	15%
Other	2%	4%	3%

Participants from all three groups reported household sizes above the average for NSW as a whole.

- 35% of those who were disconnected report having four or more people in their household, as did 42% of those who were notified and 35% of those who were worried. This compares with 28% of all NSW households<sup>6</sup>.
- Similarly, 16% of the disconnected, 13% of the notified and 14% of the worried were from single-person households, compared with 24% of all NSW households.

<sup>6</sup> 2016 Census Data, <https://profile.id.com.au/australia/household-size?WebID=100>

Household size is one of the key determinants of higher energy use because of the fixed per-capita costs of energy.<sup>7</sup> Similarly, IPART’s 2015 household water usage survey also found that the number of people in the household is the biggest driver of water usage.<sup>8</sup> The higher average household size of the survey participants indicates that their bills may be on average higher than other households which increases their vulnerability to being able to afford their energy bills.

	NUMBER OF PEOPLE IN HOUSEHOLD			NSW Average
	Disconnected	Notified	Worried	
One	16%	13%	14%	24%
Two	20%	20%	28%	32%
Three	27%	23%	22%	16%
Four	18%	20%	18%	16%
5 or more	17%	22%	17%	11%

There is little difference between those who have been disconnected and those who have been worried in terms of the number of people in their household (supporting the hypothesis that there is a progression or loop between the three groups), and those who have been disconnected actually seem to have slightly higher household incomes.

- This perhaps surprising finding needs to be considered in the context of the relationship between the number of adults in the household and the total potential income – a household with four adults all earning the minimum wage for full-time work (\$694.90 per 38 hour week at the time of the survey) would have a household income over \$120,000.
- The median annual household income for all households in this survey is around \$60,000, which compares with a median annual household income for NSW as a whole of \$77,272<sup>9</sup>. Similarly, around 19% of the NSW population as a whole have household weekly incomes of \$3,000 or more (\$156,000 per annum), compared with 6% of participants in this survey. Again, the households in this survey were slightly bigger than the average for the state as a whole.

**TABLE ON NEXT PAGE**

<sup>7</sup> For example see <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2017/census-insights-energy-poverty-australia.pdf>

<sup>8</sup> <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/investigation-administrative-survey-2015-household-survey/research-paper-residential-water-usage-in-sydney-hunter-and-gosford-results-from-the-2015-household-survey-september-2016.pdf> p29

<sup>9</sup> 2016 Australian Census data, [http://www.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/1](http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/1)



HOUSEHOLD INCOME			
	Disconnected	Notified	Worried
Under \$40,000	32%	33%	35%
\$40-\$80,000	23%	33%	32%
\$80-\$120,000	18%	15%	16%
\$120,000 or more	20%	11%	9%
Unsure / prefer not to say	7%	9%	8%

The qualitative research suggests that ‘pay on time discounts’ were affecting capacity to pay energy bills. Several participants said that being unable to pay the bill in full by the due date, resulting in the discount expiring and the cost of their bill increasing, was a factor in them falling behind on their payments. They believed the practice of offering these discounts was unfair, because it resulted in lower prices for those who had the capacity to pay on time.

If disconnection was only about financial matters, then we might expect those who have actually been disconnected to be more likely than those who have been notified or worried to cite financial considerations as a factor contributing to their disconnection.

In fact, although financial matters still top the list, those who have been disconnected are actually **less** likely than those who have been notified or worried to say that those factors apply to them.

- Those who have been disconnected are less likely to say that it was hard to find money for bills generally or that the bills were higher than expected.
- Instead, those who have been disconnected are more likely to say that there was domestic violence in their household, that they had not received a bill for some time, or that someone else in the household was receiving bills and they were not seeing them.

However, it might also be the case that the longer people are in a financially precarious state, the less likely they are to self-identify financial considerations as one of the reasons for their disconnection or notification. That is, they might have become used to this state and from their perspective it is the norm.

FACTORS IN HOUSEHOLD (total applies)			
	Disconnected	Notified	Worried
Hard to find money for bills generally	34%	54%	55%
Electricity, gas or water bill much higher than expected	27%	40%	55%
Big event had affected household members	23%	21%	21%



Using an unusually high amount of water in household	18%	13%	17%
I had not received a bill for some time	14%	9%	5%
An extra person had come to stay for a long time	12%	8%	9%
Landlord I was renting from failed to pay bill	12%	N/A	N/A
Someone else in the household was receiving bills and I wasn't seeing them	11%	4%	6%
Domestic violence in household	9%	5%	3%

The qualitative research shows individual participants facing many different challenges in their lives. The key consideration seems to be not just the individual impact of each of these, but also that those challenges often reinforced each other.

- 'Martin' had a job which paid well in theory, but where his employers had often failed to pay him on time. He also had a partner who he felt had failed to adapt to a change in circumstances, meaning that the bills were much more expensive than he believed they should have been.
- 'Joanne' was a sole parent of six children, one of whom needs braces soon, while she is also trying to help her father with bills as he has cancer.
- 'Yousef' reported having to leave the workforce because of the need to take care of his four year old, and rented out a room in his house to boarders who have on several past occasions 'skipped out' without paying.

*"I'd been on a bill smoothing arrangement with [retailer], paying a fortnightly amount. One of the boarders we had skipped out and didn't pay their share of the electricity bill and there was quite a bit of overhang. My bill smoothing arrangements went up to \$150 a fortnight"* ('Yousef')

- 'Any'a' has Chronic Fatigue Syndrome and was recently knocked off her bike by a car door (resulting in medical expenses, the mental strain of trying to get an insurance payout and increased anxiety in general).

To illustrate the variety of challenges, the table below shows the main individual challenges faced by the fifteen participants in the case studies. Despite the variety of challenges, the circumstances each household is in (for example, unemployment, health issues) has a negative financial consequence.

Interviewee	Challenges faced by Household
Brendan (Phone)	<ul style="list-style-type: none"> <li>Was made redundant when his employer went out of business</li> <li>Lives with family members with unclear chain of responsibility for paying bills and unreliable contributions from family</li> </ul>
Yousef (Phone)	<ul style="list-style-type: none"> <li>Single father of four-year-old</li> <li>Had well-paid job, but needed to leave workforce to care for child and now receives parenting payment as sole source of income</li> <li>Often sub-lets room in house to boarders to pay for expenses, but they are unreliable. Inability to pay bill was caused by a boarder leaving without paying share of bills</li> </ul>
Caesar (Phone)	<ul style="list-style-type: none"> <li>Needed to leave the workforce to care for ill wife, who has since passed</li> <li>Suffers from chronic pain and is on disability pension, with no ability to work</li> <li>Paying private rent due to public housing waiting list</li> <li>Disability pension not enough to meet life expenses</li> </ul>
Jane (Phone)	<ul style="list-style-type: none"> <li>Single mother with two children</li> <li>Suffers from depression</li> <li>Struggles financially after being retrenched while on maternity leave</li> <li>Is now working, but on a low income from which she struggles to make ends meet</li> </ul>
Joanne (Phone)	<ul style="list-style-type: none"> <li>Single parent caring for six children</li> <li>On parenting payment as cannot find work</li> <li>House is not energy-efficient and heating/cooling is expensive</li> <li>Severe financial difficulties triggered by unanticipated medical expenses for children and providing financial help for ill parent</li> </ul>
Karen (Face-to-face)	<ul style="list-style-type: none"> <li>Single mother living with daughter in public housing</li> <li>Was living comfortably until being diagnosed with breast cancer and stopped paying bills while receiving treatment</li> <li>Income went down by 75% after transitioning to Centrelink payments from full-time employment while receiving treatment.</li> <li>Paying full price for chemotherapy drugs due to not qualifying for Medicare rebates</li> <li>Had not received an income for 3 months before applying for Centrelink benefits, and was told there was an 8 week wait</li> </ul>

Interviewee	Challenges faced by Household
Anya (Face-to-face)	<ul style="list-style-type: none"> <li>• Lives alone in public housing</li> <li>• Suffers from chronic illness and lives on disability pension, and is no longer able to work</li> <li>• Recently had a bike accident resulting in medical expenses and increased anxiety</li> <li>• Has been paying off large phone debt to Telstra for many years</li> </ul>
Martin (Face-to-face)	<ul style="list-style-type: none"> <li>• Lost high-paid job in GFC and has struggled to find work since</li> <li>• Found another job but received inconsistent payment due to mismanagement</li> <li>• Does contract work with irregular and insecure payment</li> <li>• Wife works low-paid customer service job</li> <li>• Lifestyle and housing costs built around high income which no longer exists</li> <li>• Lost significant amount of money replacing the purchase of a defective used car</li> </ul>
Melissa (Face-to-face)	<ul style="list-style-type: none"> <li>• Single mother with two daughters living in a private rental</li> <li>• Father of children left during pregnancy and has never paid child support</li> <li>• Relies on Centrelink payments as primary income</li> <li>• Has accrued large legal bills fighting father of children over access rights</li> <li>• House is heated by old and inefficient bar heater, and has large energy bills</li> </ul>
Natasha (Phone)	<ul style="list-style-type: none"> <li>• Single parent of toddler and is only able to work part-time due to parenting requirements</li> <li>• Lack of help around house leads to disorganisation and forgetting to pay bills</li> <li>• Income is often not sufficient to cover living expenses, and needs to juggle energy bill with other bills</li> <li>• Difficult to budget for quarterly bills</li> </ul>
Paul (Phone)	<ul style="list-style-type: none"> <li>• Living by himself in public housing and is responsible for all expenses</li> <li>• Is on Newstart due to being unable to find employment, which does not cover basic expenses</li> <li>• Suffers from multiple mental illnesses</li> <li>• Difficult to budget for quarterly bills</li> </ul>
Paula (Phone)	<ul style="list-style-type: none"> <li>• Single mother of three children living in regional area</li> </ul>

Interviewee	Challenges faced by Household
	<ul style="list-style-type: none"> <li>• One child has significant disability which requires ongoing care and treatment</li> <li>• Another child has a mild disability and behavioural issues</li> <li>• Suffers from chronic illness and is often required to visit hospital</li> <li>• Lives 90 minute drive from nearest GP and is required to visit regularly</li> <li>• Relies on Centrelink payments for living expenses</li> <li>• Hot water system is very energy-intensive and expensive to run</li> </ul>
<p>Sally (Phone)</p>	<ul style="list-style-type: none"> <li>• Only one worker in household, with three adults and four children</li> <li>• Was under some financial stress, but lack of bill awareness was what led to disconnection</li> </ul>
<p>Susan (Phone)</p>	<ul style="list-style-type: none"> <li>• Living by self in converted garage</li> <li>• On disability pension from anxiety stemming from domestic violence</li> <li>• Didn't disconnect power and gas when leaving previous home</li> <li>• Has been homeless in the past after leaving abusive relationship</li> <li>• 50% of income goes into rent</li> <li>• Mental illness prevents her from seeking permanent work</li> <li>• Is locked into current energy retailer by landlord</li> <li>• Uses energy-intensive household appliances to make living space habitable</li> </ul>
<p>Glenda (Phone)</p>	<ul style="list-style-type: none"> <li>• Currently unemployed, undertaking volunteer work and attempting to find paid work</li> <li>• Her training provider went into receivership</li> <li>• Her elderly parents are reliant on her to support the management of their lives day to day</li> <li>• Feels a real sense of uncertainty and is very concerned about the cost of living</li> </ul>

By necessity the quantitative research could only measure a selection of these challenges. Choosing from a list of six medical and mental health issues, 66% of those who had been disconnected said that they had experienced at least one of them, as did 54% of those who have been notified and 51% of those who have been worried.



AT LEAST ONE PERSON IN HOUSEHOLD WHO HAS (total applies)			
	Disconnected	Notified	Worried
Mental illness (including depression / anxiety)	28%	31%	28%
Medical condition that required regular treatment / medication	18%	26%	31%
Medical condition that required equipment connected to electricity	16%	6%	8%
Physical mobility problem	14%	13%	15%
Serious or potentially life threatening condition	9%	7%	6%
Intellectual disability	9%	9%	5%
None of these	34%	46%	49%

81% of those who were disconnected identified at least one energy or water efficiency issue affecting their bill. It is worth noting that these issues are self-reported and people can get used to poor conditions and be unaware of how low their energy bills could be if their home and appliances performed well. Clearly, the inability of these households to address these energy and water problems is widespread and is a foundational issue reducing these households' capacity to control their bills.

WHICH AFFECTED HOUSEHOLD ENERGY BILLS (total applies)			
	Disconnected	Notified	Worried
Home is hard to cool	54%	47%	51%
Home is hard to heat	34%	37%	40%
Appliances broken or using excessive energy	19%	25%	29%
Leaking showers, pipes, toilets	12%	20%	24%
None of these	19%	25%	23%

Two thirds (66%) of those living in social housing say that their energy bills were affected by their home being hard to cool, compared with 38% of those living in fully paid off homes.



WHICH AFFECTED HOUSEHOLD ENERGY BILLS (total applies)				
	Social housing	Renting privately	Paying mortgage	Fully paid off home
Home is hard to cool	66%	50%	49%	38%
Home is hard to heat	43%	40%	33%	33%
Appliances broken or using excessive energy	27%	28%	25%	17%
Leaking showers, pipes, toilets	18%	21%	24%	15%
None of these	8%	21%	27%	41%

Those who were disconnected were particularly likely to say that the problems (e.g. homes that were hard to heat or cool) were too expensive to fix. This could reflect the seriousness of the problem (i.e. those who were disconnected may live in homes that were especially hard to heat or cool) or other issues, including financial issues, facing the household being seen as more pressing priorities.

Numerous participants in the qualitative case studies reported energy efficiency issues that they felt unable to fix, with the clearest example of this being ‘Susan’.

- ‘Susan’ reported that she used a camp oven to cook, which she suspects is expensive to run but which she does not feel she has the money to replace.
- Her landlord has helped her to buy a dehumidifier because her home has issues with damp and mould, so she feels she has to make a choice between affordable energy bills and making her home as dry and healthy as possible.

#### TABLE ON NEXT PAGE

WHICH STOPPED YOU FROM CHANGING SITUATION (total applies)			
	Disconnected	Notified	Worried
Too expensive to fix/change	47%	37%	39%
Renting so can't change	32%	38%	32%
Don't know how to fix	10%	8%	11%
Something else/none of these	3%	6%	6%
Don't face these problems	19%	25%	23%

### The interaction of factors

Cross-tabulating responses to the survey shows how the factors interact and potentially reinforce each other. In other words, facing one issue can make people more likely to experience others, and it seems likely that, in many cases, the impact of multiple factors can be greater than the ‘sum of the parts’.



- 35% of those with at least one person in the household who is Aboriginal or Torres Strait Islander said that a big event had affected their household, and 22% reported that they had an extra person staying in their household (twice as likely as the average participant).
- 36% of those with at least one person in their household who has experienced periods of homelessness say that they have had a big event affect their household.

<b>FACTORS IN HOUSEHOLD (total applies)<sup>10</sup></b>			
By demographic factors			
	<b>'Big event had affected household'</b>	<b>'Extra person staying in household'</b>	<b>'Not received bill for some time'</b>
<b>Combined sample (n=953)</b>	<b>22%</b>	<b>10%</b>	<b>8%</b>
Someone who has experienced homelessness (n=86)	36%	17%	14%
Aboriginal or Torres St Islander (n=82)	35%	22%	9%
Medical condition requiring regular treatment(n=251)	32%	11%	9%
Someone who arrived in Australia in last 5yrs (n=57)	26%	16%	18%
Intellectual disability (n=65)	26%	23%	17%
In social housing (n=170)	18%	15%	11%
In share household (n=84)	14%	10%	11%

**TABLE ON NEXT PAGE**

<sup>10</sup> These combined figures should be treated with caution, because they are based on the **combined** sample from the disconnected, notified and worried groups. This is unlikely to be representative of the general population of NSW (e.g. it is unlikely that exactly 32% of all NSW households including someone from an Aboriginal or Torres Strait Island background have had a big event affect their household)



FACTORS IN HOUSEHOLD (total applies) By demographic factors	
‘Bill was much larger than expected’	
<b>Combined sample (n=953)</b>	<b>45%</b>
Main income is age pension (n=58)	57%
Medical condition requiring regular treatment (n=251)	52%
Mental illness in household (n=279)	51%
5 or more people in household (n=170)	50%
Share household (n=84)	38%

Many of those who were disconnected were already receiving some form of assistance at the time.

- 61% of those who were disconnected were already receiving some help from either their retailer or the government at the time of their disconnection, leaving a further 39% receiving no assistance at all.
- By comparison, 47% of those who were notified and 39% of those who were just worried were receiving some sort of help at the time.
- 41% of those who were disconnected were receiving help through their retailer, including 36% who were on a payment plan with only 9% who were in the hardship program. Conversely, this means that 59% of those who were disconnected say they were not receiving help through their retailer and possibly not even identified by their retailer as being in hardship.
- 24% of those who were disconnected were receiving help from government, with the low income household rebate (10% of all those who had been disconnected) and family energy rebate (9%) being the most commonly mentioned.<sup>11</sup>

<sup>11</sup> The qualitative research suggests that the quantitative survey might not accurately estimate the numbers receiving each of these forms of support.

- In the qualitative research, several participants described being ‘on Centrelink’, and did not mention specific initiatives such as the family rebate or medical rebate. There may be a tendency to think of all such payments as ‘Centrelink’ without giving much thought as to the specific rebate or allowance. Similarly, some may not have mentioned receiving the Low Income Rebate, because it featured on a bill that participants in the qualitative research often saw as confusing and difficult to look at in detail.
- In the quantitative survey, participants were first asked if they were receiving support from their retailer / provider or support from the government. If people did not recognise support such as the low income rebate as coming from the government (as the qualitative research implies), then they will not be recorded in the numbers below.

Although disconnection is meant to be a last resort, it appears from this research that there are many people who are not getting any assistance at all before being disconnected. If being disconnected is a gradual process then retailers should have ample time to identify and assist these households.

Of those who did receive assistance and yet the householder was still disconnected, then the support provided was either poorly targeted, poorly designed or poorly executed.

WHICH WERE YOU RECEIVING AT THE TIME OF DISCONNECTION (total applies)			
	Disconnected	Notified	Worried
Payment plan	36%	24%	28%
Low income rebate (electricity)	16%	25%	34%
Family rebate (electricity)	14%	11%	12%
Medical rebate (electricity)	10%	9%	3%
Hardship program	9%	10%	7%
Life support rebate	7%	4%	2%
Gas rebate	5%	3%	9%
Medical equipment rebate (electricity)	5%	3%	2%
Pension rebate (water)	5%	10%	14%
No existing support	39%	53%	61%

Officially, it should not be possible for someone to be disconnected while on a payment plan or while in the hardship program, but this research provides evidence of that happening. In some cases the payment plan may have been terminated prior to disconnection, with the respondent not being aware of this. This will be discussed further in the ‘Support Offered Before Disconnection’ section of the report.

## Going over the edge

The case studies vividly illustrate how those who become disconnected have often been living ‘close to the edge’ for some time, struggling both to make ends meet and to manage their lives generally. Although such participants talked about an unexpectedly large bill that they found they could not afford, much of the reason the bill was unaffordable was that they had been struggling to balance their lives for some time.

*“The bill comes along and I just don’t have the money and they’ve said you got this certain period of time to pay and I’m like ‘oh fuck!’ I’ve already paid this other bill... often I found bills came at the same time and it’s like ‘fucking hell I can’t do this’ and then I have to run out and try and get vouchers and it’s never enough”(‘Anya’)*

- Several described, for example, leaving bills unopened because they knew the bill would be difficult to pay, and that they were feeling too stressed by other events in their lives to deal with that at the time.

- Another case study participant described how she thought that she had her household expenses under control until a medical emergency happened. Further exploration showed, however, that balancing her finances had always been difficult, with the medical emergency shifting the situation from difficult-but-manageable to unmanageable.

*“On quite good money, we were quite comfortable until then, paid market rent in housing but we were managing. The sudden loss of income, the fact that I went down from over \$2000 a fortnight to \$500 a fortnight” (‘Karen’)*

Although the actual disconnection might have been a surprise (often partly because they had been preoccupied with other issues), all of the case study participants who had been disconnected felt that it was a situation that had been coming for some time. The actual event of disconnection typically involved a finely balanced situation which was disrupted by an unexpected event.

- ‘Melissa’, for example, is a sole parent with twin daughters. She was generally getting by and paying her bills until the twins’ father reappeared wanting visitation rights, which led to significant legal costs. She was finding ways to pay for that, and then received a larger than expected bill, which she was unable to pay.
- ‘Susan’ is another sole parent who is on disability support because of her post-traumatic stress disorder (PTSD). She has experienced domestic violence and homelessness, and recently became involved in a custody dispute. Having struggled to pay bills in the past, she has been paying off the previous debt in addition to the ongoing amount, and because of her PTSD and experiences with domestic violence she has had her mail redirected which means she has not consistently received it. The actual disconnection involved a larger than expected bill which she did not find out about until several notices had been sent.
- ‘Jane’ was retrenched while on maternity leave and later declared bankrupt because of credit card debt. She suffers from depression, and was unable to face opening bills when she knew she would struggle to pay. Again, a larger than expected bill was the ‘final straw’.

*“I felt so stressed out and depressed that I couldn’t bring myself to open them. I just sat and looked at them” (‘Jane’)*

The research provides no evidence of the often-repeated anecdotes about people in share households avoiding having to pay bills by moving elsewhere or continuously switching retailers without paying. One case study participant did mention that he had switched to another retailer to avoid disconnection, but he reported that this was always because he was finding it difficult to pay and often struggled considerably with other bills (e.g. for the internet).

*“My anxiety rate goes up 100%. I fear they’re going to disconnect me so I switch to someone else. I dread the day my electricity bill comes” (‘Paul’)*

Instead, participants in both the qualitative research clearly saw being disconnected as humiliating, and as something they would make every effort to avoid.

- Even though evidence from this research often shows that people have demonstrated great capacity to balance extremely difficult and often compounded circumstances effectively, they still take responsibility for the disconnection. From the perspective of case study participants, getting disconnected was a sign of their own failure to adequately manage their finances and their lives in general.
- Despite the legal obligation for retailers to assist their customers in need and help them avoid disconnection, criticism of the retailers and providers regarding their disconnection or restriction

was generally about how the disconnection was handled rather than whether or not the retailer had the right to do it. Apart from a few complaints about bills being far larger than expected and / or meters not being checked, any anger at the retailers and providers was generally about the adequacy of their communication and their willingness to assist, as opposed to the disconnection itself. The general view of the case study participants was that retailers and providers did have the right to be paid, and therefore most of the blame for their disconnection (or threat of disconnection) lay on themselves.

*“It’s happened on several occasions so it’s hard to differentiate each occasion, but I remember the absolute fear” (‘Anya’)*

## Contact with retailers & providers

The National Energy Retail Law requires retailers to *“identify residential customers experiencing payment difficulties due to hardship and to assist those customers to better manage their energy bills on an ongoing basis.”* The stated minimum requirements include *“processes to identify residential customers experiencing payment difficulties due to hardship, including identification by the retailer and self-identification by a residential customer.”* In terms of this research, this logically includes two measures:

- Whether or not support has been offered for those who experienced hardship and disconnection.
- Whether or not this support helps to prevent disconnection in the future, and the accumulation of arrears.

If such support is to be successful, then logically the first step needs to be some sort of dialogue between the customer and the retailer. Either the customer needs to contact the retailer (and have the retailer respond) or the retailer needs to contact the customer (and have the customer respond). According to the quantitative research, 74% of those who were disconnected had some sort of dialogue with their retailer (either contacting the retailer themselves or having the retailer contact them and them responding), as did 77% of those who were notified and 62% of those who were worried.

- Although 18% say that there was no contact before they were disconnected, this may not always be entirely the fault of the retailer. As shown in the earlier question, 11% say that someone else in their household was receiving the bill so they were not seeing them, and 18% were living in shared households (where others may have been contacted and not passed on information), and there are also examples in the open-ended responses of people who were away from home for extended periods (potentially leading them to miss contact from retailers).
- On the other hand, the fact that 74% of those who were disconnected had had some sort of contact with the retailer suggests that that contact did not prevent them being disconnected. That is, the dialogue between the retailer and the customer did not result in finding a solution to the problem faced by the customer to avoid the disconnection.

CONTACT WITH RETAILER			
	Disconnected	Notified	Worried
Contacted retailer yourself	50%	50%	50%
Retailer contacted you, and you responded	24%	27%	12%
Retailer contacted you but you didn't respond	18%	15%	5%
None of these	18%	13%	31%

The relatively high proportion of people who were disconnected who say that they were contacted by their retailer but did not respond is illustrated by the qualitative research. In those interviews, several recalled being contacted by their retailers but feeling too embarrassed to respond – the response in this case was that they knew that they had to pay, and the contact from the retailer was simply expected to be another demand.

Some were also embarrassed to seek or accept assistance, which again meant that they ignored approaches.

*“It’s just embarrassing. You’ve got to tell all these strangers why you can’t live” (‘Jane’)*

The fact that 42% of those who were worried about disconnection had no contact with their retailer fits with the conclusion that the main way people come to the attention of retailers as being in danger of disconnection is when they fail to pay a bill, and that some may only find out that assistance is available once they fail to pay. It in turn suggests that there are a significant number of people who are worried about disconnection who are not currently in contact with their retailer and getting the support that they are entitled to.

Although it may not always be easy to reach those who are in danger of disconnection, one of the most effective ways of reducing disconnections is likely to be reaching people as early as possible and addressing the longer-term factors.

- If one accepts the premise that most people who get notified have been worried on previous occasions, and in turn that one of the big reasons why being worried changes to getting a notification is that the longer-term factors leading them to become worried have become worse, then the conclusion has to be that one of the best ways of stopping people getting disconnected in future is to identify and provide assistance with the longer-term factors as early as possible.
- In practical terms, this should mean offering customers who have accumulated debt, paid late several times and/or been behind in payments, information about where to get support. It should not take getting a notice of disconnection to come to the attention of retailers, and indeed the rules stipulate it must only be a last resort.
- The quality and type of assistance offered then becomes a key to the success of ensuring disconnection and debt accumulation is avoided.



## Support offered before disconnection

Those who were in contact with their retailer prior to disconnection were asked what they had discussed with them. Almost everyone who had contact with their retailer reported that they were offered some sort of assistance.

- 97% of those who were eventually disconnected and were in contact with their retailer reported that they were offered at least one of the forms of assistance listed in the survey, as did 90% of those who were notified and contacted their retailer and 96% who were worried and contacted their retailer.

The primary responses to those who have been disconnected, notified or worried about disconnection was being offered a payment plan or an extension on their bill. This is despite these types of assistance being less helpful for people in long term financial difficulty.

- 28% of those who were disconnected while already on a payment plan reported that they again discussed a payment plan. This presumably means that they discussed changes to their existing payment plan to make it more affordable.
- Only a small proportion of those who were disconnected (13%) or notified (13%) said that they discussed going on the retailer's hardship program, suggesting that such programs are not routinely offered.
- Other types of assistance which could make a significant difference to bill affordability such as Energy Accounts Payment Assistance (EAPA) were also discussed at low levels. EAPA are available through community organisations and can assist with short term financial problems and are funded by the NSW Government.
- Also discussed in very small numbers was 'Assistance with how to reduce future bills'. Discussing this issue could help energy and/or water affordability from being a long-term problem, so it seems short-sighted that larger numbers of communications aren't including this crucial information.

**TABLE ON NEXT PAGE**

WHAT WAS DISCUSSED WITH RETAILER (those who contacted retailer)				
	Disconnected	Notified	Worried	Disconnected on payment plan
Payment plan	30%	54%	49%	28%
Extension on bill	27%	40%	58%	21%
Switching to more affordable plan	15%	10%	19%	16%
Paying the bill via Centrepay	14%	11%	13%	19%
Rebate e.g. low income household rebate	14%	7%	9%	14%
Contacting a financial counsellor	14%	6%	4%	15%
Hardship program	13%	13%	12%	12%
EAPA	13%	1%	4%	12%
Contacting community group	12%	11%	7%	12%
Assistance with how to reduce future bills	12%	6%	15%	12%
Writing off some or all of money owed	12%	4%	5%	16%
Emergency relief	8%	2%	6%	14%
PAS / Hardship assistance etc. for water	2%	2%	4%	1%
None of the above	3%	10%	4%	-

WHO SUGGESTED THE PAYMENT PLAN?	
All who discussed payment plan (n=282)	
You	50%
Retailer	48%



Where payment plans were offered, participants reported that they generally found them acceptable.

- Of the total of n=149 who said that their retailer suggested a plan to them, 74% said that the plan took into account their ability to pay.
- Of the total of n=140 who said that they suggested a payment plan to their retailer, 78% said that the retailer accepted their suggested plan.

<b>DID PAYMENT PLAN TAKE INTO ACCOUNT YOUR ABILITY TO PAY?</b>	
	<b>All who said retailer suggested payment plan (n=149)</b>
It definitely did	24%
It generally did	50%
It generally did not	16%
It definitely did not	10%

<b>WAS THE PAYMENT PLAN ACCEPTED?</b>	
	<b>All who suggested payment plan to retailer (n=140)</b>
Retailer accepted suggestion	78%
Retailer proposed alternative	16%
Retailer rejected suggestion & did not propose alternative	4%
Unsure	2%

The sample sizes for those who were offered payment plans after being notified or worried are too small to be compared with those for people who were disconnected while on payment plans, so the quantitative research cannot provide insights into whether being offered a payment plan was what helped those people avoid disconnection, or, if the payment plan was the factor that helped them avoid disconnection, why it appeared to work for them but not for others.

Similarly, the quantitative survey cannot provide clear evidence of why other forms of assistance worked for some and not for others (mainly because of the sample size, but also because it looks at whether they were offered assistance and whether it was helpful, rather than whether that assistance was the decisive factor that helped people avoid disconnection). As discussed below, however, the qualitative research does include some examples of why payment plans did not work for certain people.



The quantitative survey provides two potentially contradictory pieces of information relating to the effectiveness of payment plans:

- Most of those who were offered a payment plan after being disconnected or threatened with disconnection are happy with what they were offered, and most of those who suggested a payment plan to their retailer say that their retailer accepted it.
- At the same time, 36% of those who were disconnected reported that they were already on a payment plan at the time, and 9% reported that they were already on a hardship program. As will be seen later in Seeking Assistance section of the report, 50% of people who were disconnected said that a more realistic payment plan would have helped them avoid disconnection.

As mentioned in the 'Interaction of Factors' section of this report, regulations state that consumers should not be able to be disconnected while on payment plans or hardship programs, but this research provides evidence of that happening.

Although there is a high percentage of people who indicated that they were happy with what they were offered, and most of those who suggested a payment plan to their retailer say that their retailer accepted it, many people still went on to be disconnected. This indicates that the support was not actually enough or didn't actually take into account their ability to pay – or their ability to pay long term. It may be the case that people don't always understand their own capacity to pay – or are just relieved when the retailers allow them to not pay the whole amount all at once.

There is also evidence in the qualitative research of participants finding that the payment plan simply meant that they became further and further behind. In such cases, they were already struggling with their bills, and the need to also pay instalments towards an outstanding debt was enough to put them over the edge.

It may also be the case for some that their circumstances changed and the plan was no longer suitable. The qualitative case studies offer several examples of people who had been on payment plans beforehand and had been managing the payments, only for some new development to happen and the plan to suddenly become unmanageable.

- 'Paula', for example, has struggled with her bills for many years and consequently been on a payment plan for a long time. Part of the reason she has struggled financially is that her two eldest daughters have disabilities, and she recently found that her third daughter would also need medical assistance. Around the same time, she spent time in hospital herself, and missed a payment as a result. When the retailer notified her that the payment plan would be cancelled as a result of the missed payment, she found it impossible to deal mentally with the situation and tried to put it out of her mind. This in turn led to a disconnection notice, so she contacted the retailer again and was offered support from their hardship program. At the same time, she discovered that there had been an error with the set-up for her payment plan with Centrelink, which the retailer helped to correct before reinstating her payment plan.
- In 'Melissa's' case, there seems to have been confusion over exactly what her obligations to continue paying were. She claims that she receives some letters telling her that she is now in credit (i.e. that her previous debt has been repaid) and others threatening her with disconnection for non-payment.

*"I stopped paying it when I realised I was in credit and so that took some stress off but they keep sending me letters saying now I'm overdue and now that's a form of harassment making*

*me feel bad when I just received this one today saying I'm in credit now. That's from everything I've been paying, but they just every week... they just constantly send me these letters and they're all the same saying I owe this much money yet I'm in credit" ('Melissa')*

*"I didn't understand this at first. I thought I owed them money because I was that far behind but nuh... it's just the smoothing plan to get you back on track, but I got so far ahead cause I could manage it, you now, but now I need that \$80 a week for other bills and the rent" ('Melissa')*

## Circumstances of disconnection

The survey results indicate that retailers are generally waiting until customers owe significant amounts of money before resorting to disconnection.

- 51% of those who were disconnected reported that they owed more than \$500 on their bill at the time, with 26% saying that they owed over \$1000.
- 59% of those who were disconnected while on a payment plan reported that they owed more than \$500, with 37% owing \$1000 or more.

It should be noted that energy customers should not be disconnected when owing an amount less than \$300. These results suggest either that it is happening for some people regardless, or that they are misremembering the amount owed on their bills at the time of collection.

These percentages also suggest how a large, unexpected bill can push people over the edge<sup>12</sup>. As discussed in previous sections, participants in the qualitative research often described how they had been struggling with their household finances for some time, with the catalyst for disconnection often being a large bill arriving at an inopportune moment.

They also indicate that any support that is provided is not adequately assisting at risk households in managing on-going costs and avoiding disconnection.

## TABLE ON NEXT PAGE

---

<sup>12</sup> Putting this in context, whilst there are several different estimates for average annual electricity bills in NSW, recently the ACCC calculated it to be \$1697 meaning that a quarterly bill on average would be around \$424. From ACCC, *Restoring electricity affordability and Australia's competitive advantage*, [https://www.accc.gov.au/system/files/Retail%20Electricity%20Pricing%20Inquiry—Final%20Report%20June%202018\\_0.pdf](https://www.accc.gov.au/system/files/Retail%20Electricity%20Pricing%20Inquiry—Final%20Report%20June%202018_0.pdf)

HOW MUCH MONEY DID YOU OWE ON THE BILL?		
	Disconnected	Disconnected on payment plan
\$5000 or more	4%	7%
\$1501-\$5000	10%	11%
\$1001-\$1500	12%	19%
\$501-\$1000	25%	22%
\$301-\$500	16%	14%
\$201-\$300	12%	13%
\$51-\$200	9%	6%
\$50 or less	5%	7%
Unsure	7%	1%

Most respondents reported that they were making some effort to pay before they were disconnected.

- 50% of those who were disconnected reported that they had made some sort of payment in the previous three weeks, as did 74% of those who were disconnected while on a payment plan.
- 74% of those who were disconnected and 89% of those who were disconnected while on a payment plan reported that they had made some sort of payment in the last quarter.

To put this in context, electricity, gas and water bills in NSW are usually charged quarterly, and the National Energy Retail Law requires that electricity retailers issue both reminder notices and then disconnection notices before a customer can actually be disconnected. This therefore suggests that most people who eventually get disconnected attempt to make some sort of payment before disconnection happens.

- In the qualitative case studies, ‘Martin’ reported that he had come close to disconnection before but had arranged a payment plan with his retailer. He had been managing to keep up those payments, until he received the winter bill, which pushed him over the edge.
- Several others reported that they were paying regularly through Centrepay, only to find that they had fallen behind due to a larger than expected bill or unexpected other expenses.

**TABLE ON NEXT PAGE**



HOW LONG HAD IT BEEN SINCE YOUR LAST PAYMENT (of any amount)?	
	Disconnected
1 week or less	31%
2-3 weeks	19%
1 month	12%
2-3 months	12%
4-5 months	6%
6 months or more	6%
Unsure	13%

## Impacts of disconnection

### The moment of disconnection

Participants in the qualitative case studies typically saw disconnection as ‘a sudden event that had been coming for some time’. In other words, most of them were struggling with many factors in their lives, knew that they were in trouble with paying their bills, and had some idea that they were in danger of disconnection, but the actual moment of disconnection came as a shock. Most reported, for example, coming home to find that the electricity, gas or water was off.

*“It was saying you know you owe this much and I was like I know kind of thing and I probably should have called them at that point but I just had a lot going on, and I admit that’s probably my fault, I should have...but it says things like ‘could face possible disconnection’, like it doesn’t say we’re going to disconnect you on... If you don’t pay kind of thing and then I came home and they’d disconnected me” (‘Susan’)*

*“I had a direct debit payment set up, but it never met the bills, and one day I just turned up and [the electricity] was turned off... I just had a note on the door saying I was cut off” (‘Sally’)*

*“A contractor then showed up at the house randomly one day and said he was here to disconnect the electricity” (‘Brendan’)*

*“They had sent letters, but the day it actually happened they sent Ausgrid to go and disconnect it. I wasn’t actually home when it happened. I came home and there was a thing on my door” (‘Joanne’)*

Despite the shock of the disconnection, there was little resentment at retailers for the actual disconnection. Sometimes they had concerns about the way the disconnection was handled, but they typically saw disconnection as the inevitable result of their failure to pay in full.

*“They weren’t being brutal or nasty, it was just ‘you owe this by this date” (‘Joanne’)*

It should be noted, that many consumers may not be aware of their rights and the obligations that are placed on retailers to assist consumers in need and to help them avoid disconnection. This is



likely to especially be the case where consumers have never had the opportunity to speak to a person in the retailer’s hardship team.

## Impacts of disconnection

The effects of disconnection are financial, practical and emotional. In the quantitative survey:

- A third (33%) of those who were disconnected reported that people in the household became anxious and distressed, and 26% reported that people in the household felt isolated.
- 30% said that they had to throw food out, 26% reported that they were unable to keep the household sufficiently warm or cool, and 21% stated that people in the household were unable to wash themselves properly.

IMPACTS OF DISCONNECTION	
	Disconnected
People in the house became anxious and distressed	33%
Had to throw out food because it had gone off	30%
Household felt isolated	26%
Unable to keep household sufficiently warm / cool	26%
People unable to wash themselves	21%
People had no clean clothes to wear	18%
Difficulty caring for infants	16%
Children / students were unable to do homework / study	14%
Someone in household became ill	14%
Someone in household was injured	10%
Someone in household unable to use medical device or machine	10%
Had to move out	10%
Someone in the house was unable to attend work	9%
Bought / borrowed appliances	3%

The qualitative case studies show how the practical impacts contribute to the emotional effects. Not only were they humiliated by the fact that they were disconnected and had to ask for help, but the humiliation was exacerbated by the practical impacts on their household.

*“I was mortified. I didn’t know what I was going to do. I couldn’t have showers, I couldn’t cook, I couldn’t do anything” (‘Joanne’)*

In ‘Martin’s case, his ongoing difficulties with employment were on the verge of destroying his marriage, and the humiliation of the disconnection made that situation even worse. His wife is from



the United States, and is threatening to take the children back there permanently if he does not find secure employment soon.

*“I can’t wait any longer. My wife has given me an ultimatum that she’s going to take the kids to the US on a vacation on the 25th of June and she’s told me that if things haven’t changed by then [crying] that she’s not coming back” (‘Martin’)*

The quantitative results demonstrate how longer-term factors in the household can also contribute to feelings of anxiousness and distress.

- The numbers in the table below suggest, for example, that those with someone in the household who has mental illness or who is unemployed are almost twice as likely to say that people in the household became anxious and distressed.
- Of those who say that they were generally struggling with paying their bills at the time, 58% report that someone in the household became anxious or depressed.

The logical conclusion that this anxiousness and distress is primarily driven by general financial pressure is supported by the fact that those who were disconnected despite feeling generally financially comfortable (likely to be those who simply found one bill more expensive than they had expected) are less likely to say that people became anxious or distressed.

'PEOPLE BECAME ANXIOUS OR DISTRESSED' (total applies)	
<b>Combined sample (n=250)</b>	33%
Someone in household had mental illness (n=70)	59%
Having difficulty with all bills at the time (n=57)	58%
Someone who was unemployed (n=73)	53%
Can't fix household problems because renting (n=81)	48%
Renting from private landlord (n=87)	46%
Disconnected despite generally feeling financially comfortable (n=71)	19%

Those who were disconnected took a variety of actions to manage the disconnection, including using candles or lanterns for light, doing things to avoid being home, taking a cold shower or bath and buying takeaway / pre-prepared food.

**TABLE ON NEXT PAGE**



WHAT DID YOU DO WHEN DISCONNECTED?		
	Disconnected	
	2012	2018
Used candles / lanterns for light	46%	29%
Did things to avoid being home	21%	22%
Had a cold shower / bath or stopped having showers	39%	21%
Bought takeaway / pre-prepared food	32%	20%
Had a shower / bath at someone else's house	19%	14%
Cooked in someone else's kitchen	9%	12%
Stayed somewhere else for free	9%	12%
Sent children to stay elsewhere	14%	12%
Paid to stay somewhere else	N/A	8%
Used a neighbour's electricity or water	3%	12%
Went to bed very early	N/A	20%
Stayed in bed late	N/A	11%

Excluding reconnection fees, being disconnected cost the average household in the quantitative survey between \$200 and \$300 (e.g. the cost of food that had to be thrown out and of alternative accommodation).

HOW MUCH EXTRA MONEY DO YOU THINK YOU HAD TO SPEND (excluding reconnection fees)?	
	Disconnected
\$500 or more	10%
\$400-\$499	15%
\$300-\$399	16%
\$200-\$299	16%
\$100-\$199	22%
Less than \$100	14%
Unsure	7%

Those who took longer to get reconnected report spending little more on average than those who were reconnected quickly. There are two logical explanations for this:

- The bulk of the costs of disconnection may be incurred soon afterwards (e.g. that one day is long enough for many people to start throwing out food from the fridge or freezer).

- In some cases where reconnection took longer, the person may not have been in the household at the time.

Illustrating this second point, several participants in the quantitative research who declined to participate in qualitative interviews explained why they were not home at the time of the disconnection.

*“I’d been assaulted in my flat so I was staying somewhere safe” (Quantitative survey verbatim response)*

*“Had to talk to the family member that was to pay the bill as I was interstate at the time” (Quantitative survey verbatim response)*

HOW MUCH EXTRA MONEY DO YOU THINK YOU HAD TO SPEND (excluding reconnection fees)?		
	Reconnected in 1 day or less	Reconnected in 2 days or more
\$500 or more	10%	11%
\$400-\$499	20%	9%
\$300-\$399	8%	11%
\$200-\$299	13%	15%
\$100-\$199	21%	17%
Less than \$100	18%	8%
Unsure	8%	29%

## Getting reconnected

### Ease of reconnection

Most of those who were disconnected say that they were reconnected reasonably quickly and easily. In the quantitative survey:

- 80% report that they started trying to get reconnected within the first 2-3 days and 77% say that they were reconnected within that timeframe.
- Again, analysis of the quantitative responses suggests that some of those who took longer to start getting reconnected were not home at the time.

**TABLE ON NEXT PAGE**



HOW LONG DID IT TAKE TO GET RECONNECTED?		
	Time to start reconnection	Time to get reconnected
1 day or less	60%	47%
2-3 days	20%	37%
4-7 days	13%	16%
Longer / not yet reconnected	2%	1%
Unsure	4%	-

56% of those who have been reconnected report that the reconnection process was easy.

HOW EASY WAS IT TO GET RECONNECTED?	
	Disconnected
Very easy	21%
Fairly easy	35%
Not very easy	30%
Not at all easy	11%
Unsure	4%

Although some participants in the qualitative case studies had complaints about the attitude of the retailer, they generally believed that the reconnection process had gone reasonably smoothly.

*“I’m just glad they were nice to me when they reconnected me but I just feel like they were only nice to me because they knew they were getting money from me... you know there’s that feeling because they haven’t really cared any other time and they were more than happy to just tell me about the reconnection fee ... and I was like oh fuck... if you look at it from a business perspective it’s very good business but it’s not very good for people” (‘Susan’)*

Those who were notified but not disconnected and contacted their retailer reported a similar ‘tough but fair’ attitude.

*“I felt it to be an awkward encounter, but I was treated with respect, and it was not an undignified transaction” (‘Yousef’)*

*“Very gruff. You just have to pay. I don’t know how to explain it’s just awful” (‘Any’a’)*

‘Sally’, however, reported that her reconnection was delayed because the retailer refused to allow her to pay over the phone, insisting that she pay through the post office.

*“They should have got someone back out there to reinstate it... I could have paid over the phone or however they wanted to. “They told me to go to the post office, pay and give them a receipt number. I told them that could be two or three working days” (‘Sally’)*



## Reconnection fees

In the quantitative survey, 82% of those who have been reconnected report that there was some sort of fee for reconnection, although there is wide variation in terms of what that fee was.

- 15% report that they had to pay more than \$200 to get reconnected, while 31% say that they paid \$100 or less.

As discussed in previous sections, participants were often in precarious situations in terms of balancing their household finances before an unexpected bill or event pushed them over the edge. All participants in the qualitative case studies who were disconnected reported that the primary cause of the disconnection was that they were unable to afford that bill at that specific moment. It is therefore reasonable to suggest that, no matter how small dollar amounts involved, reconnection fees often make a bad situation worse.

*“I said I don’t know how you expect me to pay this, I can afford \$50 a fortnight and that’s about it. If I get some extra money I’ll put some more money on but...it feels like I’m in this rat race with electricity” (‘Susan’)*

WHAT DID YOU HAVE TO PAY TO GET RECONNECTED?	
	Disconnected
A bond	20%
A reconnection fee	34%
A late payment fee	19%
Another fee	8%
None of these	11%
Unsure	7%

WHAT DID YOU HAVE TO PAY TO GET RECONNECTED?	
	Disconnected
\$201 or more	15%
\$101-\$200	14%
\$100 or less	31%
Paid a fee but unsure how much	20%
No fee	11%
Unsure if there was a fee	7%

## Actions to get reconnected

Participants in the quantitative survey report taking a wide variety of actions in order to get reconnected, and in many cases they appear to have taken more than one action. If one accepts the logic that there is a progression (or loop) between the three types of participants in this

research (i.e. the probability that many people who get disconnected have been notified but escaped disconnection in the past, and that many of those who have been notified have been worried but avoided notification at some other point), then comparing responses to this question with those of a similar question asking those who have been notified or worried what they did to avoid disconnection perhaps provides insights into what people tend to do first.

- In other words, the logic is that people will tend to do the relatively easy things first, before trying things that are more difficult and which have more impact on their lives.
- In this way we see that those who have been worried are relatively likely to borrow money from friends or family, whereas those who have been notified are more likely to say they arranged a payment plan.
- Those who are disconnected are relatively likely to have got a loan through a pawn broker or money lender, or asked a company to sort out their debt. The actions taken suggest that many people are not being made aware of the more positive steps they could take to deal with their debt such as getting EAPA or PAS or seeing a non-profit financial counsellor.

ACTIONS TO GET RECONNECTED	
	Disconnected
Cut back on buying food or other groceries	27%
Delayed other payments	23%
Arranged a payment plan with the electricity/gas/water company	23%
Borrowed money from friends/family	20%
Sold personal items	16%
Delayed medical/dental appointments	13%
Used a credit card	12%
Got a loan through a pawn broker or money lender	12%
Joined the Centrepay scheme	12%
Changed to another retailer	12%
Got a voucher/rebate or payment assistance from a charity/community group (e.g. EAPA/PAS)	11%
Made a complaint to the Energy and Water Ombudsman (EWON)	11%
Used a company to help me sort out my debt	9%
Got a Centrelink advance	8%
Asked a non-profit financial counsellor to sort things out with the company on my behalf	6%

ACTIONS TO AVOID DISCONNECTION		
	Notified	Worried
Arranged a payment plan with the electricity/gas/water company	40%	25%
Delayed other payments	34%	37%
Cut back on buying food or other groceries	32%	45%
Borrowed money from friends/family	18%	27%
Sold personal items	18%	25%
Delayed medical/dental appointments	17%	25%
Used a credit card	14%	22%
Got a voucher/rebate or payment assistance from a charity/community group (e.g. EAPA/PAS)	11%	7%
Joined the Centrepay scheme	10%	7%
Made a complaint to the Energy and Water Ombudsman (EWON)	9%	4%
Got a Centrelink advance	8%	9%
Changed to another retailer	6%	7%
Got a loan through a pawn broker or money lender	4%	4%
Asked a non-profit financial counsellor to sort things out with the company on my behalf	2%	1%
Used a company to help me sort out my debt	1%	1%

The qualitative case studies support the idea that disconnection typically happens when people have already exhausted alternatives for paying their bills in the past. As noted, most had been struggling to balance their finances for some time, and had already exhausted most alternatives that they were aware of. In some cases, options such as borrowing from friends or family were not open to them, because they (the participant) were already helping family members themselves.

- ‘Melissa’ had been struggling with all her bills for some time, and was already fighting to avoid eviction and being disconnected from the phone.
- ‘Susan’ already had clothes donated through charities and obtained free food through a co-op.



## Seeking assistance

‘Not knowing where to go’ and ‘embarrassment’ emerge as significant barriers to getting assistance which could help people avoid being disconnected.

- Of those who were disconnected, 39% said that they would have been less likely to be disconnected if they had known where to go for help.
- Saying it would have been easier to seek assistance if you did not have to speak to someone, or if you could feel more confident that you would be treated respectfully, or not having to give personal information all relate to embarrassment about seeking assistance.

WHAT WOULD HAVE HELPED YOU SEEK ASSISTANCE?		
	Disconnected	Notified
Knowing where to get help easily	39%	45%
If I did not have to speak to someone, e.g. getting help by emailing or texting	36%	23%
Feeling more confident that I would be treated respectfully	30%	36%
Not having to give personal information about my situation	22%	23%
Having someone support or guide me	18%	24%
Information available in accessible formats and translation support	8%	11%

Similarly, 40% said that they were discouraged from seeking assistance because they did not know where to look and 26% said that they were discouraged from seeking assistance because they felt uncomfortable or nervous about doing so.

Again, this indicates that people are not aware that their retailer is obliged to help them and/or that retailers are not ensuring that people know that help is available.

A further 23% said that they were discouraged from seeking assistance because there were too many other things going on in their lives. Given the significant impacts of disconnection (e.g. the costs of reconnection and the money spent while disconnected), the fact that almost a quarter of participants still said that other things in their lives had taken priority speaks to the variety of pressures many of them were facing.

**TABLE ON NEXT PAGE**

WHAT DISCOURAGED YOU FROM SEEKING ASSISTANCE?	
	Disconnected
Not knowing that assistance was available or where to go for it	40%
Feeling uncomfortable or nervous about asking for assistance	26%
Too many other things going on in my life	23%
Lack of transport	20%
Problems with phones or internet access	17%
No appointments being available for financial counselling	17%
Being treated poorly by the retailer or provider	16%
Being treated poorly by community groups I approached	8%
Not understanding what I was being asked to do	6%
None of these	7%

Although those who were disconnected were most likely to say that financial assistance would have helped, there were also a substantial proportion who said that it would have been helpful to have someone to advocate on their behalf (33%) or speak to the retailer to explain their situation (30%).

WHAT WOULD HAVE HELPED YOU TO AVOID DISCONNECTION (number saying 'very helpful')	
	Disconnected
More realistic payment plan	50%
More money off bill	49%
Easier access to EAPA (electricity & gas) or PAS (water)	44%
Rebate	42%
Independent person to negotiate with energy retailer or water provider	33%
Someone to speak to retailer to explain my situation	31%
Clearer information on how to lower bills in future	30%
Someone other than retailer to talk to	27%
Help from friends or family	26%
Help with understanding the bill	24%

The fact that 57% of those who were disconnected while on a payment plan said that a more realistic payment plan would have helped them supports the argument that a major reason for getting disconnected while on a payment plan is that the payment plan implemented by their retailer has not properly taken into account their situation or capacity to pay, or perhaps that their circumstances changed and their payment plan was not or could not be re-negotiated.

WHAT WOULD HAVE HELPED (total applies)			
	'A more realistic payment plan'	'Easier access to EAPA / PAS'	'Help with understanding bill'
<b>Combined sample (n=250)</b>	<b>50%</b>	<b>44%</b>	<b>24%</b>
Having difficulty with all bills at the time (n=57)	58%	53%	26%
Those who were already on a payment plan (n=90)	57%	52%	30%
Can't fix household problems because renting (n=81)	57%	46%	25%
Renting from private landlord (n=87)	55%	45%	21%
Household income \$120,000 or more (n=51)	63%	49%	35%
Problems are too expensive to fix / change (n=118)	51%	52%	27%

The qualitative case studies provide examples of how although financial issues are the primary problem, both embarrassment and a lack of knowledge could also be barriers to seeking assistance.

- For 'Martin', who had had a very well paid job before falling on hard times, the idea that he would have to seek assistance was deeply humiliating – he had never pictured himself as someone who would need help from the government or community groups.

*"I've always been very proud of the fact that I've never taken a handout from anyone and while I probably should because it's going to put money in the bank account it's just a hard thing to do and also it's confronting, I don't know what I'm entitled to"* ('Martin')

- Although 'Joanne' had reasonable experience of welfare and support systems, having found herself in difficulty with bills on several occasions, she had come to believe that some forms of assistance were only available to customers of certain companies.

*"You can get vouchers through the Red Cross, but they are only for specific energy companies, like [retailer]"* ('Joanne')

Three of the disconnected participants ('Martin', 'Joanne' and 'Susan') felt that getting information about what support is available had been more difficult to get than it should have been.

*"I've actually called Centrelink to say I'd like to talk to someone to get advice and they said no we work on this basis, you apply for what you think you need and we tell you if you can get it or not. Well I'd rather not get rejected at this stage of my life, I don't need to be told no, I need to be told we're here to help and why don't you apply for these because these are your entitlements"* ('Martin')

*“All they had to do was say ‘you are looking at being disconnected, why don’t you up your Centrepay payments’ and I would have done it” (‘Joanne’)*

*“I’m going to try to get some financial counselling, but there are lots of people that are like ‘we can’t really help you with...so there doesn’t really seem to be anywhere to help so people are like just go to Vinnies and get some money off your electricity bill but I’m like I think there is a problem with the electricity bill and there’s no one really to sit down and look at it so I probably have to send it all off to that ombudsman person and get them to look at it and then take it from there and just try not to worry but I am scared if I get disconnected like they said if I don’t keep to this payment plan that I’ll get disconnected again” (‘Susan’)*

These participants, along with Melissa, definitely would have felt in a better position if they had had someone who would act as an intermediary between them and the retailer, and / or between them and Centrelink.

*“They put you on the spot and you feel obliged to give them money that you don’t have and you’re trying to make promises and make them happy” (‘Melissa’)*



## Appendix: Case Study Summaries

### Brendan, full time student, late 20s (phone)

*“When I initially signed up they promised me the world”*

#### Background

Brendan is a full time student in his late 20s, living with his mother and brother in a rental property in Nowra, New South Wales. He was previously employed, however was made redundant when his company closed down. Brendan has had experience working as a sales consultant for an energy retailer in and a call centre in the past.

Brendan admits the responsibility of managing and paying household bills has been all over the place.

The electricity bill is in his name, however the payment is shared and they have often been behind in payments.

*“Things tend to pile up a bit, which obviously is not good for everybody. But that’s just how it happens”*

While Brendan admits financial strain makes it difficult for the family to pay its bills, he also attributes his retailers lack of flexibility and customer service as a reason he has received a number of notifications of disconnection.

Brendan has had quite a bit of contact with his retailer and he is extremely dissatisfied with the support he receives.

Brendan has been on several payment plans, arranged both directly with the retailer and more recently, via the Ombudsman.

Brendan has dog on his property, so on a number of occasions Brendan said the meter reader had attended the property, stood at the front and then walked off. Brendan has raised this with his retailer, but was informed it was his responsibility to ensure the dogs were tied up to allow the meter reader to safely enter the property. He therefore received estimated usage bills.

#### Disconnection

At the end of last year Brendan was behind in electricity payments and as he understands, one of his payments went through a day late following a public holiday. He then received a letter in the mail notifying him of a cancellation of his payment plan and disconnection.

Brendan insists he contacted his retailer at this point, but did not receive a call back.

*“A contractor then showed up at the house randomly one day and said he was here to disconnect the electricity”*

Brendan stressed to the contractor that he was in consultation with retailer. The contractor agreed to not to disconnect his electricity, but warned Brendan that if he needed to come back he would disconnect it from the front of the house which would result in a \$2000 fee.

Following this visit, Brendan contacted the Ombudsman, who advised him not to contact his retailer in the meantime and she was able to negotiate a revised payment plan on his behalf.

## Support

Brendan has an extremely negative view in terms of the support he receives from his retailer and is currently considering shifting to another retailer.

Brendan claims he has contacted his retailer requesting a call-back on several occasions, however he never receives a follow-up on his requests. His most recent call three weeks ago has yet to be returned.

Brendan believes he wasn't given the appropriate information upon signing the contract with his existing retailer, including how discounts were applied.

*“When I initially signed up they promised me the world”*

Brendan believes his repeated requests have been poorly managed and is extremely frustrated at how long it takes to receive a call back with any request.

*“They are very aggressive when it comes to getting something. They're not like being nice about it or going like, look we can help you with this or we can do this. It's just like, pay the money or that's it”*

He claims on several occasions he's experienced poor customer service due to language barriers with the representative.

*“When you deal with an Australia retailer, you expect to speak to someone on the phone who understands you”*

Shortly after signing up to his retailer, Brendan sought to leverage a payment plan, but he found the proposed agreement unaffordable.

*“There was a time where I said, look I'd like a payment plan, this is what I can afford and they said, well the lowest you can do is \$200. I said I can't afford that and she said, well there's nothing more we can offer you”*

Brendan said he aware of the low-income earners concession, which a door knocker had mentioned to him. He also received a call from an organisation that he couldn't recall the name of who wanted to speak to him about electricity vouchers and directed him to call another source.

## The future

Brendan's capacity to pay his electricity bills will continue to be an issue while he is unemployed and completing his studies. He plans to switch his energy retailers, in the hope that he can find a more suitable arrangement for his family.

## Caesar, widowed disability pensioner, aged 63 (phone)

*“The government payment isn’t keeping up. I’m falling further and further behind”*

### Background

Caesar is a widowed 63-year-old living by himself in a rented granny flat (a converted double garage) on the Central Coast. He has an adult daughter and son who live nearby. Caesar has physical health problems and a series of operations on his hips, shoulder and knees, and is on the Disability Support Pension. He is on the waiting list for public housing, but does not feel that he will realistically get into public housing any time in the foreseeable future.

*“It hasn’t been easy, I’ve had a few rough times”*

*“I’m on a disability pension. The government isn’t keeping up. I’m falling further and further behind”*

*“I’ve been on the public housing waiting list for 7 years. I’m going to have to wait 11 years to get into a social house”*

### Disconnection

Caesar has not been disconnected, but has once before been threatened with disconnection. This was caused by his wife’s illness, at which point he needed to leave the workforce to look after her, significantly reducing their household income.

*“When my wife was very ill I had a lot of bills to pay... we had a bill for electricity that we couldn’t pay and disconnection was imminent”*

### Support

Currently, Caesar has money taken out of his payments fortnightly through Centrepay, and pays the remaining balance at the end of the quarterly billing cycle. He has been on payment plans in the past.

*“I pay private rent, and I put some money away for electricity and hope it’s enough”*

*“I get \$20 a fortnight taken out of my Centrelink, and then out the end of the three months it’s about \$150”*

Caesar moved house recently because he required a residence with no stairs due to his disability. His old retailer wanted him to pay a relocation fee, so he switched to a new one.

*“[comparison website] found me [retailer], who gave me 28% off my bill if I pay on time”*

On the occasion where Caesar was threatened with disconnection, he was able to pay the balance via a donation received from his local church. He believes he may have otherwise been disconnected. He was not aware of any other assistance he could have asked for or received.

*“I was very lucky that the church paid the electricity bill for us”*

His experience with retailers in trying to organise an affordable payment arrangement has differed significantly. He is very favourable towards his current retailer, who have been flexible and accommodating in organising his payment plan, while his old retailer would not assist him in any significant way.

*“I’ve found [new retailer] extremely good... I was with [retailer] before that and they wouldn’t even talk to you”*

*“They couldn’t help me enough – putting me on a payment plan, helping me through MyGov so I could pay them out of my pension, and said if you’re ever late on your payment just ring us. I never had that with [old retailer]”*

*“With some companies it has been very stressful, but with [current retailer] it has been very positive”*

Caesar feels that energy consumers would be better served by monthly bills, rather than quarterly, as this would be more easy to predict and manage.

*“I think companies should look at giving people a monthly bill”*

Caesar is vaguely aware that there are forms of assistance available for people like him to help with paying energy bills, but he has not taken advantage of them, and does not know how to do so.

*“I know there are vouchers available. I’ve never actually gone and done it, I don’t know what the story is there”*

## The future

Caesar feels as though he has been abandoned by the government – that he has worked hard, and now he requires some assistance, the government will not give it to him.

*“I’ve worked hard all my life”*

*“There’s very little work I can do because of my operations”*

*“The politicians needs to be made aware. Somehow”*

Caesar fears that due to rising costs of energy, he may at some point become unable to pay his bills, at which point disconnection may be a possibility. He feels that living by himself has made him more vulnerable to price increases.

*“I don’t know about the winter months, it’s the first winter months under this payment plan”*

*“It will be a problem down the track if the government doesn’t wake up to themselves and help pensioners out”*

*“It’s only been a problem since I’ve been on my own. When you’re living with someone else it’s easier to get the money together”*

## Jane, single mother, early 40s (phone)

***“It’s a matter of choosing to pay the rent and feed my kids over electricity”***

### Background

Jane is a single mother living in Mays Hill, New South Wales. She works full-time to support her two children, the youngest is 8. She receives child support payments via Centrelink and suffers from depression.

Eight years ago Jane was retrenched while on maternity leave. She attributes this to moment where she began to struggle to make ends meet. She was declared bankrupt with a significant credit card debit.

She often found herself in the difficult position of prioritising her payments for the sake of others.

*“It’s often a matter of choosing to pay the rent and feed my kids over paying for electricity”*

Jane is now working full-time again on a low income. Suffering from depression, Jane admits that for a period of time she watched the pile of bills grow on her bench while fully aware what they likely contained.

*“I felt so stressed out and depressed that I couldn’t bring myself to open them, I just sat and looked at them”*

Jane has had a mixed experience with retailers, in the last few years she has been with three, having switched on the first occasion following her experience with the disconnection and recently, for a better deal.

She has relied on a payment plan arrangement with her electricity retailer for some time now, which is set up through Centrelink.

This was her first disconnection, however she had previously been notified of disconnection on one other occasion but was able to make the payment with the support of her family.

### Disconnection

In the lead up to her electricity disconnection a few years ago, Jane said she was behind on several payments and had already received several reminders. She believes the size of the bill was well beyond her ability to meet it.

Jane arrived home from work with her two children in the evening to find the electricity was switched off.

Beside herself, Jane and her children were able to stay nearby with her parents.

The next day she contacted her retailer. She recalls the experience was *“awful and traumatic”*.

Jane found the customer service representative to be very un-empathetic and was advised she would need to pay a deposit before her electricity could be reconnected. Fortunately, her parents were able to make the payment on her behalf and her electricity returned within a few days. Jane acknowledges this was not a long-term solution.

*“I was lucky my parents were able to pay the deposit, but it wasn't ideal”*

## Support

Jane was very disappointed with the support she had received from her retailer following the disconnection, she felt there was very little counsel offered around how she might be able to seek further support to pay her bills and little flexibility offered.

*“The lady was very unhelpful, it was a terrible experience really, I feel like she could have done more to make the situation easier.”*

Jane believes her preference would be to have received a phone call rather than a letter informing her of the disconnection. Though she is unsure whether she would have taken the call given her mental health at the time.

As a result of her experience Jane looked around for a retailer who would offer her better support. She believed she could have received more education around what options in addition to payment plans were available to her.

*“I went looking myself on the internet. I read something about a low income concession and vouchers”*

Upon switching to another retailer and more recently another, Jane has been pleased with her experience around alternatives to disconnection. She has been able to negotiate a fairer figure she is comfortable with and a monthly payment arrangement.

## The future

Jane acknowledges that despite her payment arrangements, she will still continue to struggle to keep her head above water.

Jane was on the way to work at the time of the interview, so our discussion around the future was somewhat limited.

She mentioned her intention to look into meeting with a financial counsellor to discuss how she manages her finances in the future.

## Joanne, single parent of 7 children (phone)

*“It was a hands up in the air type feeling. There was absolutely nothing I could do about it”*

### Background

Joanne is a single mother with seven children, six of whom live at home with her, and are aged between 9 and 20. Joanne lives on the Central Coast, does not work, receives Centrelink payments as her sole source of income, and lives in a private rental.

She is looking for work, but has not worked in 16 years and is unable to find any work. She believes there are no jobs out there for her.

*“I don’t work, I spend my day driving back and forth to school and picking up children”*

Joanne’s house is not energy efficient, and has limited access to hot water.

*“I don’t think it’s got all the thing in it that real estate requires, like low-flow taps and the like”*

*“Our hot water is electric, but we only get three showers out of it”*

Joanne has looked around to get the best deal on her energy, but can’t find any that are affordable.

*“I shopped around for energy to try to find the best energy prices, but it just doesn’t add up”*

### Disconnection

Joanne had her electricity disconnected just after Christmas last year. She has been able to make ends meet prior to this, but was unable to pay her bills after paying the unexpected dental expenses of some of her children, and providing some financial assistance to her unwell father.

*“My father has been diagnosed with cancer, so I was trying to help him out as much as I can while trying to look after my own family and pay my own bills”*

*“My 12 year old daughter needed to get braces, so there’s a \$12,000 bill that I’ve been paying off”*

Joanne knew she was behind in her bills, and was in danger of being disconnected, but felt there was nothing she could do about it. At the point she was disconnected, she was \$1400, or around 6 weeks of usage, behind on her energy payments.

*“I had been paying it off, but \$100 a fortnight wasn’t enough to cover the bill”*

Joanne had received letters prior to disconnection, but no other forms of correspondence. She was not reading her bills closely, so was not aware that her electricity was to be disconnected on a particular date.

*“They had sent letters, but the day it actually happened they sent Ausgrid to go and disconnect it. I wasn’t actually home when it happened. I came home and there was a thing on my door”*

*“I was never given a phone call”*

*“They weren’t being brutal or nasty, it was just ‘you owe this by this date’”*

Joanne described the experience of being disconnected as ‘mortifying’, and inflamed the anxiety that she already suffered from. She immediately called her retailer who put her on a payment plan and turned her electricity back on, although this took six hours.

*“It was a hands up in the air type feeling. There was absolutely nothing I could do about it”*

*“I was mortified. I didn’t know what I was going to do. I couldn’t have showers, I couldn’t cook, I couldn’t do anything”*

*“It ended up costing me more money because I couldn’t cook food, I had to get takeout”*

## Support

Joanne did not feel that the energy retailer was particularly helpful. She felt it should not take this long to turn the electricity back on, and they could have done a better job of notifying her that she was going to be disconnected. If she was offered a payment plan before being disconnected, she would have taken it up.

*“They probably could have done more. I didn’t get a phone call. I was with [retailer] a while back and if you were having trouble paying they would give you a call”*

*“All they had to do was say ‘you are looking at being disconnected, why don’t you up your Centrepay payments’ and I would have done it”*

*“In this day and age you would think there would be a better process than having to wait six hours to turn it back on”*

Joanne is now using Centrepay, and does not need to worry about paying her energy bills, as it is automatically deduced from her Centrelink payments.

*“I don’t have to worry about it now, because with Centrepay, I get my bill quarterly and I’m only \$80 or \$90 away from covering it”*

Joanne was aware of other forms of assistance, but believes many are only available to customers of other retailers.

*“You can get vouchers through the Red Cross, but they are only for specific energy companies, like [another retailer]”*

*“With [retailer], from the get-go when they found out I was on a pension they put me on [hardship program], you have a case manager, and they work out what you need to pay”*

Joanne is now participating in the retailer’s hardship program, which is helping her manage her energy expenses. She finds this useful, but some of the proposed energy efficiency improvements are too expensive to justify.

*“If I go and buy a kettle, it’s going to be a \$15-20 Kettle, but they say you should go and buy this \$70 kettle.. to get a long-term benefit you have to put out in the short term”*

## The future

Joanne would like to see discounts or concessions on energy for pensioners, and to have some level of 'in-between' between having electricity and having no electricity (such as only having access to energy for 8 hours a day if you haven't paid your bill).

*"I think there could be better discounts for pensioners"*

*"I think people should be offered to pay fortnightly, something not as long as quarterly"*

*"Rather than cutting out electricity altogether... could they let you only have electricity for eight hours a day?"*

At the moment, Joanne is not worried about her energy expenses, because she feels like Centrepay has minimised the risk of her being disconnected again in the future, but any unexpected expenses could change that.

*"I don't have to worry about my bill now"*

*"I just have to hope another bump in the road doesn't come up"*



## Karen, 55, single, 2 grown up daughters (face to face)

***“Hugely life changing event... at the end of the day it was Centrelink... 8 weeks waiting for a sickness allowance, it’s ridiculous”***

### Background

Karen lives with her eldest daughter in a public housing unit in Sydney’s eastern suburbs. Her younger daughter lives with her partner, child and Karen’s ex-partner Michael, the daughters’ father, in a public housing unit in a nearby suburb. On the day of the interview Karen and Michael were babysitting their grandchild at Michael’s unit.

Both daughters work, one trained as a butcher and the other a hairdresser. Karen has lived in public housing for over 25 years and credits the stability it has provided for the quality of life she has been able to lead and opportunities for her daughters to get qualifications and off to a good start with their own lives.

Karen emigrated from the UK with her parents when she was 5. Her father was terminally ill through most of her childhood. She regrets leaving school at 17 when most of her friends stayed at school or went into apprenticeships. She moved to Sydney to work in an admin role in the public service soon after leaving school.

Karen has worked in the welfare sector for the last 25 years, currently as a support worker for a charity organisation, working in women’s and families’ crisis accommodation services.

Karen didn’t always earn as much as she has in recent years and so has plenty of experience struggling to pay bills. She was on the EAPA scheme when the girls were young and received financial support from the Salvation Army. All her life she has been on a low income.

*“I used to always put x amount of dollars per fortnight...I’d always been getting overdue notices and what not to terminate, but very rarely did it go that bad...it’s not the first time I’ve dealt with it”*

When the girls were teenagers she had arranged for an ‘in contact’ service with Telstra because her daughters had run up a large debt calling mobile phones. This service allowed her to receive calls and only make outbound calls to emergency services. She also had a prepaid card which allowed her to make other outgoing calls.

She had been on payment plans for gas and electricity in the past but shopped around and renegotiated her deals about 4 years ago. Her improved financial situation meant she could pay her bills in full ahead of the due date and so take advantage of the 20% discount her retailer was offering.

*“Probably because I wasn’t in debt they were really, really helpful getting concessions on there, getting account details sorted out and stuff like that. That time my experience was good”*

## Disconnection

Until she got sick Karen was working 9 shifts a fortnight, covering days, nights and weekends and was living as comfortably as she ever had.

Six months before she was threatened with disconnection, Karen was diagnosed with breast cancer. Three months later she had a mastectomy and was half way through chemotherapy when the disconnection notice came in an email. All her dealings with the retailer had been on email. She received a series of bills and reminders ahead of the disconnection notice. She had no other contact with the retailer either initiated by them or by her.

After being diagnosed and commencing treatment, Karen used up all her sick and annual leave before applying for Centrelink benefits but was told it was an 8 week wait. She had ceased to get any income about 3 months before applying. The daughter she lives with was working and paid their rent. She had help from others to pay bills; her mother paid her phone bill, Michael paid the gas bill but couldn't afford to also cover the electricity bill for her.

*“On quite good money, we were quite comfortable until then, paid market rent in housing but we were managing. The sudden loss of income, the fact that I went down from over \$2000 a fortnight to \$500 a fortnight”*

At the time she was also paying full price for some chemotherapy drugs because she had yet to qualify for the Medicare rebates that come with being recognised and in the system with Centrelink.

Karen renegotiated loan repayments with the bank but was fortunately ahead on payments and had insurance on her loan. Optus pay tv was disconnected but she paid it off and chose not to reconnect.

While the process of applying for rebates and verifying incomes wasn't easy she eventually was also able to get:

- A health care card which lead to discounted drugs for her second round of chemotherapy and a refund on drugs from the first round when she had been paying full price
- Discounted travel on her Opal card
- Rebates on electricity and gas
- Rent rebate on her housing

Unfortunately the 3-4 month period of waiting for benefits to kick in was *“a very, very tough stressful time”* and was the trigger for the threatened disconnection. The situation with the electricity bill was made worse because she was on a plan to get 20% off for paying the bill on time and in full. Missing the cut off date meant she not only couldn't pay the bill but lost the 20% discount.

Even after Centrelink payments started it was still challenging until she claimed against her income protection in her superannuation and eventually received a lump sum ahead of more regular payments which ensured she could get back on an even keel with bills and back to paying them in full and on time.

Ultimately Karen paid the electricity bill in full and avoided disconnection. When threatened with disconnection Karen called the Cancer Council, sent them a copy of the bill and they paid it. The whole process was easy and handled over the phone.

*“That was just one bill we couldn’t manage. At the end of the day I approached the Cancer Council and they paid the bill for me”*

To this day she has had no contact with the retailer beyond receiving emailed bills and notices.

## Support

Having worked for so long in the welfare sector and crisis accommodation, Karen feels she is well aware of the various support services and financial support available. When she became ill she was given lots of information about Cancer support services and how to deal with the financial implications of living through cancer treatment.

*“Vinnies welfare, Salvos, Mission Australia...because I’ve worked in community welfare for 25 years I know what’s out there, not everybody does. I also knew Cancer Council could give assistance of some sort”*

She recognises that she is fortunate to have so much knowledge of support services and doubts many others would be aware of what is available. Her own view is that creating awareness of support services is the first step for people in situations like hers as well as faster processing to obtain Centrelink payments to avoid the financial crises.

## The future

Karen is very concerned about the coming few months and expects she may find herself in the same situation again.

*“It’s about to happen again because I’ve done my chemo, done my radiotherapy, I’m now back at work contracted for 8 shifts even though I used to do 9...but only day shifts, I’m not doing weekend work I’m not doing night work so I have no penalty rates and I’ve got my reconstructive operation in June and Centrelink have just cancelled my sickness allowance eligibility because I’ve earned too much in the last 12 weeks”*

Having returned to work and recommenced earning an income, albeit less than before having not been well enough to resume her night and weekend work, she has lost her Centrelink payments, healthcare and travel concessions. When she goes in to have her surgery in late June she expects to be off work for 2-3 months and then only resume work at 2-3 day shifts a fortnight when she is ready to go back. No income and then very low income over that period, together with the lost concessions and her daughter having changed jobs and only working part time means she expects to find herself in a similar financial situation again, struggling to pay bills. Centrelink have instructed her to reapply when she is eligible because they can’t ‘future plan’ for her. Until then she is doing what she can to try to mitigate the impact though she is very concerned.

*“Just trying to save what money I can between now and then if at all possible...I’m doing a Centrelink appeal. I’ve already seen my local federal member of parliament, went and spoke to one of his staffers about it, I’ve got the appeal document and going to talk to the social worker at the hospital and I’m meeting with them next week and she’s also trying to arrange for to meet up with the legal aid service at the hospital, hopefully on Tuesday...again, because I’m a welfare worker, I know what services are out there”*

Given the uncertainty, she doesn't see any other options for trying to avoid the looming financial crisis while she continues to try to fend it off.

*“What do you do? You've just to keep doing it and keep going”*



## Anya, single, 50s (face to face)

***“It’s always a struggle to keep up with bills because there’s never enough money on disability”***

### Background

Anya lives alone in a Department of Housing unit in Sydney’s inner city. She has been on her own for the last 10 years. She has been on a disability pension since 1995 suffering from Chronic Fatigue Syndrome (CFS). When she was younger she had a long period with anorexia and subsequent gut related issues. This combined with working long hours in 3 jobs later on is what she feels likely triggered the CFS.

Up to that time she had been working as a dancer and musician but did office work to pay the bills. On reflection Anya feels she had plenty of money then though was by no means wealthy. Certainly she felt better off in her 20s than in her years growing up in a disadvantaged family of aboriginal and Sicilian heritage that moved around Sydney a lot.

While she is physically and mentally much better now than when she first went on the pension, she is still not able to work. She suffers from anxiety and has trouble regulating body temperature so gets an electricity discount because of her extra usage need. Anya has suffered from depression in the past and was at one point suicidal.

Anya gets around her suburb on an e-bike but was recently knocked off by a car door and is currently trying to get an insurance payout for that. The incident has triggered her anxiety so:

*“everything is stressing me out right now”*

Anya is no stranger to the challenges of trying to pay bills on a fixed, low income, not being able to make payments and being threatened with disconnection

*“It’s happened on several occasions so it’s hard to differentiate each occasion but I remember the absolute fear”*

*“The bill comes along and I just don’t have the money and they’ve said you got this certain period of time to pay and I’m like ‘oh fuck!’ I’ve already paid this other bill... often I found bills came at the same time and it’s like ‘fucking hell I can’t do this’ and then I have to run out and try and get vouchers and it’s never enough”*

Anya describes herself as not a particularly organised person so unexpectedly high bills and bills coming in at the same time would often be an issue. These also landed on a backdrop of health and other personal issues going on at the same time.

*“You kind of get caught up in the drama of your life that you forget the bills coming, and I’m not organised, or I wasn’t and I think it’s got very much to do with the disability I mean I worked in an office!... you lose track of days and months”*

She had an outstanding landline telephone debt for 10-15 years from a house she used to live in. She felt she had been overcharged but couldn’t prove it and so for many years would go into random post offices and make payments so she couldn’t be tracked down. When she moved into her current place it took her telco a few months to realise it was her and demand payment in full

having already connected her. She believed the law was on her side and so refused to pay off the debt in a lump sum continuing to keep making smaller payments to pay it off. She has been disconnected by her telco.

When unable to pay an electricity bill she would often contact the provider, be met with little sympathy but simply a demand to pay.

*“Very gruff. You just have to pay. I don’t know how to explain it’s just awful”*

*“I think I had to talk a lot. I just had to keep talking...I don’t like being in debt. I really, really hate it and I like to pay things straight away so I get really upset”*

Unable to pay she would then turn to charities to try to get vouchers to cover the bill but they were rarely enough. In order to avoid disconnection she would pay the bill which would often mean going without food.

*“Even some electricity vouchers you get, it’s never enough it’s this constant, constant nightmare struggle that you just can’t seem to get yourself out of and I don’t want loans”*

*“I try to pay my bills first and then unfortunately I sometimes just have to do without food and I’ve had to try to engage the system as far as I could... of my gosh, that’s a nightmare!”*

## Disconnection

Anya believes it’s more than 10 years ago since she was disconnected by her retailer. She was living with her then boyfriend, a Cuban national, who did not have permanent residence status and couldn’t work. They were living together in public housing and Anya was supporting them both with her pension. Her health was poorer then and so he helped with day to day tasks around the house though ultimately she found him some illegal cash work because they were struggling financially. He came from a poor background, was used to living with no power and little food and so didn’t share her stress about the possibility of being disconnected.

She was aware she was getting reminders through the mail but simply couldn’t pay the bill so kept putting it off. She rang the electricity provider but felt she got no support and was simply told she needed to pay the bill. Eventually she was disconnected.

She then went to 3 different charities to get vouchers and managed to make up the whole of the bill, recognising that this was against the rules. (She tried this again later but the system had cracked down on this and she wasn’t able to do it again). As a result she was able to pay the bill and was reconnected.

*“It was back in the time when I didn’t make regular payments and that’s what I do now so it manages it better”.*

A while later she happened on a longer-term solution to this ongoing problem and now has regular direct debits for her electricity, phone and internet...

*“I went into the [Retailer] office at Town Hall and they said do you realise you can go to the post office and just pay on a regular basis. You work out per week or fortnight... what’s your average bill, what would it be per fortnight, how much would it cost... so I did the sums and it cost about \$20 a fortnight, just every time you get the pension just pay it, go to the post office and when you pay your rent do that. I was like oh shit I wish someone had told me that a long time ago! And it works. I mean it’s hard to do that on a weekly basis because you don’t have much money*

*in the first place but I got into the habit and then eventually it all moved online with the whole direct debit thing and I moved it that way... that made it so much easier”*

The advice from the woman behind the counter at the retailer was the most worthwhile and significant piece of support Anya has received and she credits it with completely changing her financial situation. She continues to struggle financially but claims she hasn't been threatened with disconnection for a long time.

Anya finds the internet has been very helpful for exploring services and just keeping informed about *“Things that you can do to manage your life”*.

While she recognises some charity organisations offer help and she has used them in the past, she doesn't have a positive view of those experiences and would be reluctant to approach them again.

*“[charity organisation] and was it the [another charity organisation] that used to have them? [vouchers] I've kind of given up on them, I'd rather starve than go to them now. It was always difficult and they change it all the time... and it would stress me out so hard, my anxiety levels were over the top... no one was sympathetic, no one, and I don't take that kind of stuff very well. I wish I wasn't like that... the more I cried the less I got niceness”*

*“I think they presume from what we can gather that we're all drug addicts”*

Others have used lending organisations though she herself doesn't want the debt and interest charges and so would rather go without. Others have also used pawn brokers but Anya feels that is an endless cycle and that really, she doesn't have anything of value to sell anyway.

Retailers had in the past offered payment plans but the amounts have been too high. She never felt that they believed her argument that her pension couldn't support the amounts they were looking for.

Based on her own experience she feels encouraging some sort of regular payment structure could help others as it has done for her. Before falling ill and going on the pension she had money to pay for things, she didn't budget because she didn't need to but feels helping people budget or at least manage their finances better could be of value though difficult to do in practice.

*“I don't know how to go about that because the thing is you can come off sounding demeaning if you suggest a budget to someone that is struggling, they just can't seem to get above all that debt or bills or whatever...that's a real hard one, how to encourage people to be better with money when there's really not much fucking money”*

In the last few weeks Anya became aware through a Facebook post of an energy assessment service for people on pensions and so followed it up. The City of Sydney sent an independent assessor to review her electricity usage and gave her lots of useful tips on reducing her costs e.g. changing light bulbs, having the Department of Housing reduce her hot water temperature etc. He also recommended she replace her bar heater and dehumidifier with a more efficient three in one air-conditioning unit and pointed out that she is eligible for a bigger discount. She has purchased a second hand 3 way unit and is currently in the process of making the other changes in the hope of reducing her electricity bill ongoing.

## The future

With her regular payments going into her electricity account Anya believes she is currently \$200 in credit. While she feels much more in control of her bills than she did in the past, she is very conscious of how little financial buffer exists for her.

*“Those regular payments definitely help... but it’s difficult when it comes to other things you don’t count on like the fridge breaks. I’m fucked when that happens. Some big thing in my place breaks, I’m fucked!...I would rather if I was going to buy an appliance, cash, I don’t want to pay that off because there are interest rates and stuff like that. If you’re dealing with like Harvey Norman for example you have to have a job to get any kind of thing to pay off something, how am I supposed to do that?”*

Last time she went without a fridge for several months unable to afford a new one. She used an esky and ate raw which was made possible largely because she’s a vegan. The threat of financial crisis is ever present.

*“You don’t want to do it [ask for financial help]... especially when I’ve had a different type of life... you never adjust, doesn’t matter what people say you just never adjust. You’re just constantly in survival mode. It’s painful, but a certain part of me has accepted it. I’m not an unhappy person”*



## Martin, married, 2 young children (face to face)

***“She’s got the job that’s paying for our food, coffee and things like that and my contract work, when it comes, is enough to cover the rent, just, so we’re hanging on”***

### Background

Martin, an Australian citizen who grew up in South Africa lives with his wife Lisa, and two young children in a rented, semi-detached house in a middle class suburb in Sydney’s North West. His older son is in kindergarten at the local public school and his younger son is still at home. Martin and his wife share childcare responsibilities around their jobs.

Martin immigrated to Australia in the late 80’s but then moved to Singapore to work in the early 2000’s. He was subsequently head hunted by another company while in Singapore that collapsed in the GFC and he was retrenched in 2009.

Martin decided to go back to working as a financial advisor but the Singapore government had an approval process for new financial advisors that took 9 months. After getting approved it then took Martin another 15 months before he found a job.

The cost of living in Singapore was high and the family burnt through all their savings over this two year period. Though he then had a couple of good years as an advisor, the government subsequently refused to renew his work visa.

This was obviously stressful as he again wasn’t earning an income. Martin set about trying to find a new company which offered a salary and not just commission but this was difficult given the uncertainty as to whether the government would renew his visa or not. He found a new role and submitted the required government paperwork but 9 months later it still hadn’t been approved.

In the meantime he was offered a very good role back in Australia with a good salary and accepted that given the continuing uncertainty around his work status in Singapore and that by now their savings were again exhausted. Martin had to negotiate to get his first month’s salary in advance, 100% of which was required to finance the family’s move and shipment of their belongings back to Sydney.

Having moved to a rental house in a leafy upper middle class north shore suburb, four months into the new role, an ongoing financial dispute between the company’s two main shareholders came to a head and one pulled out of the business. Neither shareholder had put enough money into the business to cover Martin’s salary so he was being paid sporadically, in irregular amounts, by both parties separately. Four months had not been sufficient to build up a financial buffer. Eventually both shareholders stopped paying Martin and sold the company. Martin then negotiated with the new owner, offering to help manage the transition, but now on contract with half his base salary and very sporadic payments.

*“I went from \$20,000 gross a month to \$3,000 gross a month, and that \$3000... he’s ninety days late in payments right now. Ninety days on one means his sixty on another and coming up to thirty on my last one. So he hasn’t paid me for 3 months”*

Lisa was not allowed to work because she is not a permanent resident.

The rent on the house was expensive but on Martin's initial salary, had been quite affordable. Lisa had insisted on ducted air-conditioning in their rental and she ran it constantly. Neither Martin nor Lisa realised how inefficient these older units could be and didn't realise the first electricity bill would be for three month's supply.

*"I was just completely shocked after having the electricity turned on when we got there to get the first bill 3 months later. In Singapore they bill you monthly and I'd forgotten, I know I lived here before but I'd forgotten... the first 3 months was crazy, I just wasn't thinking about where's my electricity bill.*

They paid the bill in full but didn't know then that Martin was about to get his last pay cheque on his good starting salary and that subsequent bigger bills were going to become a problem.

*"When the next bill came, the winter bill, the first of the winter bills and I hadn't been paid, I was on half pay so that bill slipped as with a couple of telephone bills'*

Martin was sent a series of reminders and eventually a disconnection threat and contacted his retailer to make an arrangement to pay when he got paid. The retailer insisted on a payment plan as well as an upfront payment. By the time he had managed to pay that bill in full, the next one came and it was for the rest of winter, another \$800-900.

By then the new owner of the company hadn't paid him for 3 months and he'd continued to pay other bills, run his car and of course had to buy food.

Just prior to his last pay cheque, their car, which had been on permanent loan from a friend, broke down. Lisa insisted they replace it and so they rushed out and bought a second hand car that she wanted but it was unfortunately a lemon sold to them by an unscrupulous dealer. The car failed its registration check, the service centre informing Martin the car showed signs of major structural repairs. Martin tried to get their money back, went to the Department of Fair Trading and ultimately the tribunal but was unsuccessful. The Department of Fair Trading gave up and suggested Martin sell the car. Martin sold the car for \$700 having paid \$5500 in cash for it. He had paid in cash at the time because he was still working then and everything seemed fine.

A year in to their return to Sydney, the landlord put their rent up from \$960 to \$1060 a week. They had been consistently late on rent payments in the preceding period and made plans to move somewhere cheaper. Martin borrowed money from a friend in Singapore to make their final rent payment.

*"So stress of the car, knowing that we'd probably have to move and the bill and we just had no money to pay it and at that point I didn't even know if I rang up how am I going to make an arrangement because I don't have the cash to pay so I was focussed just on getting everything done, moving out and hopefully then having the money to pay with the return of the bond"*

## Disconnection

Unfortunately, while all this was going on Martin and Lisa were sent a notice saying they had been disconnected though the power hadn't actually been turned off.

*"When I actually rang, after we knew we were moving, to say look, I'm in this situation, I know technically it's been disconnected, I'd like to make an arrangement to pay to keep good faith and I also need to reconnect in a new property and the lady said well to do that you have to pay your bill here and the reconnection".*

Martin and Lisa had Lisa's mother in the US send them money to pay the full bill to get reconnected in their new house. Reconnection in their new rental, where they now live, was added to the first bill. Again, they were very late with the first bill in the new house. Again Martin called the retailer and was asked what he could pay and has arranged to have \$75 a week direct debited from his account.

Around this time they also had to pay \$7000 for the application fee for Lisa's temporary residency visa. This enabled Lisa to go onto a bridging visa and she is now allowed to work. Through friends Lisa found a job working in the local Coles.

Throughout this experience all contact from the retailer was reminders and disconnection notices through letters in the mail. As threat of disconnection drew nearer Martin was the one to pick up the phone to speak to the retailer to explain his circumstances and look for some flexibility in payment arrangements

*"The first time I called the lady I spoke to was very considerate and helpful, but firm, obviously she's got a job to do. She helped me understand that pay something now, that shows your good faith and make sure you make your payments as promised otherwise it looks bad on your record. I took her advice and that time made the payments that I could. It was those words that made me think well, when the next one came, how I make an arrangement you know, if I make a promise and don't keep it it's going to look worse. So the rest of it was letters"*

## Support

Martin was not aware of payment options prior to his financial difficulties and felt the option to go weekly or even monthly from the outset, before his financial problems worsened, would have been helpful and made the process of getting bills paid easier. Once money was very tight he went online to look for options to notify the retailer of his difficulties and look for different payment structures but there was nothing on the website, he was forced into the less convenient approach of having to make phone calls with long wait times in business hours. He feels the option to make payments in advance to offset future bills would also be helpful. Ultimately there was no obvious information or advice on how to manage his situation.

*"I might still have been late but it would have been a lot easier to pay the bill monthly instead of having a \$900 bill hit me at the worst possible time"*

*"While we didn't have any additional income \$75 a week out of our bank account would have been a lot easier to find even if we were selling bits and pieces as we have done to pay bills, than \$900 all upfront, 3 months in arrears"*

His phone retailer makes automated calls telling him when he is overdue with press button options to either pay or make arrangements. While it's not particularly personal he finds this clear, efficient and easy to use.

*"That was also something I thought was strange, my telephone provider at least when I was behind on the mail bill, they send me a reminder by email or text. I know it's my fault for not being on top of my bills and payments with my mail but I also thought that it would have been probably easier for them to follow me up with a text or an email saying if you're having trouble, please contact us but I fully recognise a business doesn't have to do that"*

Martin isn't aware of other options or support available to him beyond Centrelink and has been reluctant to approach them.

*"I've been scared, ashamed, I've talked to Centrelink, I've been through their website, registered but I haven't applied for any benefits yet"*

While he has made contact with them to enquire he has found it very difficult to get any clear advice as to his entitlements and is not comfortable with applying for benefits though he recognises he is probably entitled to something. Given he is technically still working on a contract basis, the FAQs on Centrelink's site don't cover his situation and no one seems able or willing to guide him.

*"Someone said to me the other day all Australians are entitled to this this this and this, you should just go to Centrelink and register and while I feel yeah, that's right, I've always been very proud of the fact that I've never taken a handout from anyone and while I probably should because it's going to put money in the bank account it's just a hard thing to do and also it's confronting, I don't know what I'm entitled to. I've actually called Centrelink to say I'd like to talk to someone to get advice and they said no we work on this basis, you apply for what you think you need and we tell you if you can get it or not. Well I'd rather not get rejected at this stage of my life, I don't need to be told no, I need to be told we're here to help and why don't you apply for these because these are your entitlements"*

As a result he also approached Lifeline but they wanted to talk about budgeting.

*"I'm a financial adviser, I know my expenses to the cent and I know how to handle that. The issue isn't that it's that I'm not getting any income and can I please speak to someone about what I can get through Centrelink?... oh we're not specialists in Centrelink"*

## The future

To this day Martin is officially employed by his company as a contractor and works on and off but payment is sporadic making it impossible to budget effectively. He isn't paid for some months and then \$9000 may suddenly appear in his account.

This situation is obviously unsustainable so he started to look for a new job last year. Last September he was confirmed as CEO of a technology start-up subject to the company getting funding. At the time of the interview the company had secured funding and was very close to finalising the arrangements. This had been in process since January. Martin had a meeting scheduled with the company owner on the afternoon of the interview to review and signoff on the funding contract so was hopeful all would be resolved that day and he would again be back in full time employment. He had a lot riding on this meeting.

*"I can't wait any longer. My wife has given me an ultimatum that she's going to take the kids to the US on a vacation on the 25th of June and she's told me that if things haven't changed by then [crying] that she's not coming back"*

## Melissa, single mother, 35 (face to face)

*“I’m seventeen grand in debt and that’s just to the lawyer”*

### Background

Melissa lives in a private rental property close to Wollongong’s city centre with her twin 9 year old daughters. She has been in the old fibro cottage for almost 8 years. Melissa is an artist who sells work from time to time but relies on Centrelink payments and her work as a tattooist to support the family. She has previously worked in a local art gallery.

Melissa was born in Western Australia but the family moved around a lot as she was growing up, following her father’s work in the mining industry. Ultimately the family settled in Wollongong where her parents had originally been from.

She has raised the girls on her own as their father left her when she was 6 months pregnant, having wanted her to have an abortion. He had no contact with Melissa or the girls for the first seven years of their lives and has paid no child support or made any contribution, financial or otherwise to support the girls.

Up to about two years ago, Melissa was making ends meet reasonably well. They were not well off but Melissa was managing to pay bills and they were getting by.

*“I don’t earn heaps... you know I earn enough to sought of keep us afloat, pay the rent, pay the bills, buy food, you know, we don’t go on holidays, don’t buy nothing nice, just helps us live”*

*“I was going really good before, because things were looking up and then all of a sudden boom, you know, finances, my finances went down, my enthusiasm and just mental health, everything’s been affected.”*

Almost two years ago the twins’ father reappeared wanting unsupervised visitation with the girls. He is an unemployed musician with a history of drug use. Melissa doesn’t want this level of access and the matter is now with lawyers. Over this period the legal bills have mounted which she trying to pay as well as the regular costs of living. She currently has a debt of \$17,000 to her lawyers. Up until the legal issues her earnings were enough to keep them going. This has been the trigger and major cause of her current financial stress.

On top of the mounting legal debt, tattooing work is seasonal and the last couple of weeks have been very quiet. The day of the interview was her first day of tattooing work in over 2 weeks.

*“When it’s good it can be really good but I hadn’t worked already for the last two and a half weeks so there’s no money you know other than Centrelink and on my off week with Centrelink I don’t even have enough money for the rent so that’s where I’m falling behind and on the week I get the parenting payments, that covers the rent. There’s nothing really left over for food or any other bill”*

Consistently late rent payments mean Melissa has been evicted from her rental. This is the third time she has received an eviction notice but this time she really has to move out.

*“My bloody landlord, they’ve evicted me three times this year and like you know my money takes two days to clear so I’m always... on that cusp of two weeks behind now because I keep falling behind, then I try and catch up, I will catch up and then something happens and I fall behind again... I’m sure they’re getting pretty annoyed with it. I’ve just had to sell the girls cubby house out the back”*

Her telephone supplier has cut her off twice in recent months but reconnected when she has promised to pay off the bill.

Melissa has a small, old fashioned bar heater which she believes is likely driving up her electricity bill but has no alternative heating. Her electricity bill is about \$600 a quarter in winter.

## Disconnection

Melissa has been close to disconnection twice before, the second time, which was quite recently, the retailer made her go on a payment plan. Her bill was \$500-600 and she simply didn’t have the money to pay it.

*“They were on the verge of disconnecting me and I had to create a payment plan with them. I started paying it...\$20 every... I think it’s week or fortnight and \$80 every week or fortnight because I’ve got gas and electricity. I stopped paying it when I realised I was in credit and so that took some stress off but they keep sending me letters saying now I’m overdue and now that’s a form of harassment making me feel bad when I just received this one today saying I’m in credit now. That’s from everything I’ve been paying, but they just every week... they just constantly send me these letters and they’re all the same saying I owe this much money yet I’m in credit”*

She has a large pile of letters from her energy retailer on her dining table that she has received over the last couple of months, many unopened because she believes she knows what’s in them. Some of these opened letters show that she is currently in credit, the others are a series of letters threatening disconnection showing outstanding payments.

*“This one here...see they make it really hard to tell the difference between the two, this one’s gas, this is electricity... [so the gas is in credit].. yeah... I think actually my electricity might be as well...might be... I will owe them money... it must be out”*

*“I didn’t understand this as first. I thought I owed them money because I was that far behind but nuh... it’s just the smoothing plan to get you back on track, but I got so far ahead cause I could manage it, you now, but now I need that \$80 a week for other bills and the rent”*

While her gas bill has always been reasonably low and manageable, though it can inexplicably fluctuate, the electricity bill is the challenge. She knows the gas is in credit but isn’t sure about the electricity but clearly believes her retailer is supposed to be managing them in total, consolidating the costs and payments across the two services they provide. Melissa feels confused and frustrated by this. She knows that she needs to get in touch with her retailer to resolve this but is feeling under a lot of pressure from her personal and financial situation right now and hasn’t felt able to make the call.

*“I haven’t had the time. Everything’s just been so hectic but you think they would look at their own records and go, oh she’s already done it, but no... it’s just insane and it actually is really, it’s like they’re trying to constantly be in my fucken head”*

*“I got six months ahead but yet they keep sending the bills!”*

To date Melissa has had no other contact with the energy retailer other than a steady stream of letters. Her telephone retailer sends automated voice messages which she feels do help remind her about bills.

She doesn’t always want to speak to someone but a text reminder would be helpful.

*“Even a text message like, you know, just saying, this is your bill...you know sometimes you like don’t want talk to someone... you just, okay yes, I will do that or if I can’t then I will do something about that... they put you on the spot and you feel obliged to give them money that you don’t have and you’re trying to make promises and make them happy”*

A friend has given her names and numbers for services that may be able to help out with rent. She is aware that some support is available from the Salvation Army and Anglicare but she has tried a number of times to call them and hasn’t been able to get through, left them her name and number but hasn’t heard back. She believes it’s probably a result of a lot of local demand for their services.

While she has a good relationship with her Mother who helps with the children, right now Melissa is feeling completely overwhelmed.

## The future

As a result of the eviction, Melissa and the girls will be moving in with her parents who live in a southern suburb of Wollongong about 25 minutes away. She’s hoping it’s only temporary.

Melissa recognises she will need to contact her energy retailer to resolve the issue sometime soon.

*“Eventually when I have a moment spare and I want to sit on the phone and talk to them I will but lately I haven’t wanted to do that...well I’m going to have to call them soon anyway when I do move because I will disconnect so I might as well just wait for that time”*

*“Obviously when I speak to them they’ll see I don’t owe them money but...”*

In the longer-term Melissa’s mother hopes that at some point she and her husband can give Melissa and the twins some more security. They would like to make arrangements for Melissa to buy their house, taking over their mortgage. Melissa would officially take ownership of their house and they would pay her rent to support the mortgage repayments.

For now, Melissa sees no foreseeable end to her financial stress as she continues to do legal battle with the girls’ father and money is required to pay for lawyers.

*“I don’t know... I’ll do my head in trying to be enthusiastic or optimistic about it because the ball’s in his court...[sigh]...I don’t know...we’re only at the first stage...”*

She is looking into legal aid but believes she falls into a grey area where she doesn’t earn very much but possibly over the threshold. The girls’ father has legal aid.

*“With court and everything going on it’s just become overwhelming”*

## Natasha, single parent (phone)

*“Sometimes it’s really hard with so much happening”*

### Background

Natasha is a single parent with a 9 year old son. She lives in Armidale and works part time in aged care. She lives in a house owned by her parents, and does not pay rent.

*“I have sole custody of the child, so I can only work part-time”*

*“My parents bought me the house, so I’m not paying [for housing]”*

*“We struggle [financially] all the time”*

### Disconnection

Natasha has not been disconnected, but has been threatened with disconnection several times in the past. Often this is because she has ‘just forgot’ to pay her bill, but on other occasions, expenses have prevented her from being able to pay in a timely manner.

*“It’s happened multiple times, I’m really bad at remembering to put money into my account”*

*“Sometimes it’s really hard [to remember to pay bills] when there is so much happening”*

*“Sometimes it’s like ‘oh I need that money for something else, I don’t want my child to miss out”*

On the occasions when Natasha has fallen behind in her payments, she has not been ignoring the bills – she has been paying them, but not enough to cover the full balance.

*“I’ve been paying the bills, but just not enough to cover them”*

Natasha noted that it is difficult to budget for a large bill received every three months. She believes that it would be easier for her to pay her bill if it was received monthly instead.

*“They expect you to pay so much when you can’t afford it”*

*“Receiving it every month would make it easier to budget. I asked but they said they can’t do this on the plan that I’m on”*

The experience of receiving a disconnection notice is a cause of additional stress in Natasha’s already financially pressed life.

*“It makes you feel down. It puts that extra stress on you and makes you feel angry”*

Natasha was given one week from the receipt of her disconnection notice to settle her debts, which she did not feel was adequate.

*“One week... that’s not enough time to get the money together”*

Natasha's sole contact from her energy provider was via email, which is how her bills are ordinarily delivered. When she received notice of a disconnection, she contacted the retailer by web chat, who were able to offer a short grace period for her to pay her bill. They did not offer her the option of going on a payment plan. Overall, she did not think the options given to her were sufficient.

*"I would prefer it to not be as abrupt as they put it... if they offered some kind of alternative"*

Her payment issues were inflamed by an representative of her energy retailer organising an incorrect payment date to commence the repayment of her outstanding bill – a couple of days before she got paid, meaning she would not have the money to pay her bill on the agreed timeframe.

*"The plan was not manageable. It started two days prior to my pay date, and they wanted me to pay \$200. I was like 'I can't afford that'"*

Natasha said she would like to go onto direct debit, but her energy retailer will not allow this because of her late repayment history.

*"I asked them to direct debit my account, but because I am in arrears they refused"*

The process of dealing with a disconnection notice created extra stress for Natasha. She felt that the retailer only had a small amount of concern for her, and was more interested in getting their money. They did not suggest any external supports that might be available to Natasha to help her pay her bills.

*"They basically said 'you owe this much, this is how much you've got to pay... and then you say you can't afford that, and they say 'well that's what we need'"*

*"Some of the [retailer] staff really seemed to connect, and some of them just said 'no you need to pay'"*

## The future

The biggest things that would make a difference for Natasha would be the option to be billed monthly, to be direct debited, and if she was able to monitor her usage in real time, and therefore have a better idea of how much energy she was using, and what her bill will be.

*"I would love it if they could [direct debit], that would mean I didn't have to worry about it"*

*"I think making them so they are monthly would be good"*

*"Coming into winter it would be so handy [to have real-time monitoring]"*

## Paul, single, 20s (phone)

***“Energy costs are just so high. I’ve always had problems with electricity”***

### Background

Paul lives alone in a department of housing unit in western Sydney. He is on Newstart and currently looking for work. He suffers from depression and anxiety.

He has been threatened with disconnection multiple times, most recently last year, but it has also happened previously with different retailers. On both occasions, contact was solely by mail. On previous occasions, he would often switch providers to avoid paying the bill, or would negotiate either an extension on the due date of the payment, or a payment plan.

Paul says that in the past bills have accumulated – as he was on the verge of paying off one electricity bill, he would receive another one. Electricity bills have always been a significant and difficult expense.

*“I got an extension on my first bill, and had nearly paid that off, and then I got a second bill of \$170, so I forgot about the first bill”*

*“Energy costs are just so high. I’ve always had problems with electricity”*

Dealing with payment of energy bills and bill delinquency is a significant point of stress in Paul’s life, compounding by his already existing anxiety issues. In particular, receiving an electricity bill has in the past been a traumatic experience.

*“My anxiety rate goes up 100%. I fear they’re going to disconnect me so I switch to someone else”*

*“I dread the day my electricity bill comes”*

### Disconnection

Upon receipt of a disconnection notice, Paul has sometimes switched to another retailer to avoid disconnection. However, he is aware that this is not a desirable or long-term solution.

*“There’s only so many electricity companies I can switch to before I’m back to square one”*

While Paul expresses confidence that he can pay his electricity bill in isolation, when it arrives at the same time as other utility bills, they collectively become too much to pay.

*“I can manage to pay off my electricity bill in isolation, but then I get my internet bill, I get my insurance bill... that all adds up so I don’t have enough to pay the electricity bill”*

The root cause of difficulty in being able to pay his electricity bill is Paul’s low income – he does not believe Newstart is sufficient to finance even his basic standard of living.

*“Newstart isn’t really enough to keep above water”*

Paul has found it difficult to estimate his energy use, and has been surprised by the size of his bills in the past.

*“With [previous retailer] I had a bill of \$450 – I thought what is going on here, I live on my own, I hardly use the air con... I thought it would be \$100-\$150 for three months”*

Despite living in a public housing building with a shared mailbox area, Paul does not believe his bill has ever gone missing, leading to non-payment.

Paul’s experience of dealing with retailers has been mixed – one retailer was helpful and able to be flexible on payment dates – despite communication issues due to offshore-based call centres. However, the retailer with the Australian call centre were more aggressive and less flexible – they also threatened him with debt collectors when he was unable to pay his bill.

*“With [previous retailer] I had a lot of communication problems, the call centres are overseas-based... with [another old retailer] they are by the book”*

*“[previous retailer] threaten you with debt collectors if you don’t pay it off, and get them to chase up the money... definitely more intimidating”*

*“[another previous retailer] was more on the customer side”*

Other than extensions and payment plans, Paul does not recall any other assistance being offered by any of his previous retailers – he would like to see more assistance in educating him on how to minimise his energy usage (though he believes his new retailer is doing this now), but believes that the fundamental cause of non-payment for himself and people in similar situations to himself is that Newstart is inadequate to pay for life’s necessities.

*“What people like me need is to know how to reduce the amount of electricity they use”*

*“People living on Newstart should receive a discount [on energy bills]”*

## The future

Paul’s experience and capacity to pay his energy bill has improved recently after switching to his current retailer, which provides real-time usage monitoring and expenditure – meaning he can keep track of how much energy he is using, and does not have to wait three months to see how large his bill is.

*“I’m with [new retailer] now, and my life has turned around with my electricity bill. It comes with an app that shows you daily energy expenditure... it has a live meter reading of how much energy I’m using... 1 cent, 2 cents per hour”*

## Paula, single mother, early 40s (phone)

*“My retailer couldn’t bend over backwards enough to help me”*

### Background

Paula, is a single mother, living in Coonamble, 160kms north of Dubbo in New South Wales. Two of her three children live at home with her. Her eldest daughter has a disability and lives in a Newcastle facility where she receives specialised care.

Paula has always found it difficult paying her bills, particularly since the birth of her first child.

Born with a significant disability, her eldest daughter has required ongoing specialised care and treatment. Prior to her moving to Newcastle, Paula would make regular trips with her to Sydney (6 hour drive) and Newcastle.

Suffering from an ongoing illness herself, Paula has been admitted to hospital on several occasions, as recent as three months ago.

The eldest of the two daughters living at home has hearing difficulties and her youngest daughter has recently been diagnosed with a range of medical conditions including ADHD.

They live 90 minutes drive from a GP and are currently required to make several trips each month.

Paula was employed on a low income up until the birth of her last child. However, she now relies on Centrelink payments.

Paula has often needed to prioritise the payments for her family’s medical needs over rent and other bills.

*“So it’s just been hard with money. The money just doesn’t stretch far enough to pay all the bills”*

At one point in time, her medical bills were in excess of \$30,000.

Paula has relied on a payment plan arrangement with her electricity retailer for some time now and just prior to her daughter being admitted to care in Newcastle, she sought support through a hardship program.

### Disconnection

In the lead up to receiving a threat of disconnection Paula remained on a payment plan with her energy retailer, which had been set up in consultation with Centrelink.

Two months ago Paula was in a particularly challenging period of her life, having just spent time in hospital and having received the diagnosis that her third child would have ongoing medical needs.

She received an email from her energy retailer informing her that her payment plan had been cancelled given she had defaulted on a payment.

Paula admits she wasn't in the appropriate state of mind at the time to respond to the email, and therefore shortly after, received a disconnection notice in the mail.

Her bill was \$1600 and the letter advised that if she didn't pay the total amount within a period of time she would be disconnected.

Paula noted that she had received a bill a few months prior, for \$1400, which she found remarkably high, so contacted her retailer to query the usage, which she understands is due to her hot water system.

*"We don't have many electrical appliances to run, but I've found out... we have a solar hot water system. Living in Coonamble and bulk hot water is not the best thing, so I've never got hot water if I've just got the solar hot water going. But they put a booster switch in... I've got to use the booster switch like everyday, sometimes 2 to 3 times a day, so the kids can have a bath"*

Reflecting on how she felt receiving the notice of disconnection, Paula said she felt sick.

*"I'm thinking....what am I going to do? We're not going to have power... In this day and age you can't live without power"*

While she appreciated her retailers recommendation that she seek further support through a number of organisations, Paula also felt embarrassed.

*"It's just embarrassing, you've got to tell all these strangers why you can't live"*

A few days after receiving the disconnection letter, Paula contacted her retailer. She was informed that she would need to speak to someone in the advocacy department who were busy at the time and that they would need to get back to her. But after another few days and no call back, Paula decided to call again in fear that she was getting closer to disconnection.

*"If I could have borrowed money from my family I'd have gone and paid it, but like, everybody is struggling"*

Paula found the customer service representative very helpful.

According to Paula, there had been an error in the set up of her payment plan via Centrelink, which she was not aware of. This matter was rectified and her payment plan was reinstated.

Paula was very positive about the support she had received from her retailer.

*"My retailer couldn't bend over backwards enough to help me"*

She did insist her preference would be to receive a phone call rather than an email informing her of the disconnection.

Paula said she felt well informed of the support available to her. She was aware of and had experience with the hardship program. She had been given a list of other support organisations by the customer service representative, who had also offered to send an adviser out to check and speak to her about her energy usage.

In terms of payment plans, Paula acknowledges that they are a helpful option, however she feels that they could be more flexible in terms of payment dates and amounts.

*"A quarter of the bill is still a lot of money"*

They request a set amount each week, which Paula believes is often not viable.

*“A lot of people living here are on the dole, \$150 per week, that’s like, a lot of money”*

Paula was able to re-negotiate to \$80 a week payment until she is back on her feet.

Paula attributed some of her financial stress to the cost of groceries in her regional town, which she believes are incredibly inflated compared to the city. Paula spends \$300 - \$400 a week on groceries.

*“If I could go to a cheaper place for groceries I would. But when you have the choice of one supermarket, you have to shop there”*

## The future

Paula is somewhat concerned about her ability to pay her bills in the future.

While she remains on a payment plan, she is worried about what expenses may be ahead of her given her children’s medical needs and she is unable to predict when these costs may arise.

Paula has an appointment scheduled with a financial counsellor, which was one option suggested by her retailer. She hopes this will provide her with some direction around how to manage her budget into the future.



## Sally, mother of four living with husband and mother (phone)

*“If I had known I would be disconnected I would have increased my payments”*

### Background

Sally is a stay-at-home mother with five children, four of whom live at home with herself, her husband, and her mother. They live in the Newcastle area.

While Sally's family has been feeling some financial pressure, they are still able to pay their energy bills under ordinary circumstances.

### Disconnection

Sally was disconnected from her electricity without notice around three years ago. She had up until that point been paying her bills via direct debit, with the debited amount being enough to cover the bill in its entirety.

*“I wasn't really worried about it, just assuming my weekly payments had been covering it like it had been doing for years”*

One day, Sally returned home to find that her electricity had been disconnected. Upon calling her retailer, she had discovered that the direct debit was no longer sufficient to cover her bill, and that she had an unpaid balance of \$300 to her retailer.

*“I had a direct debit payment set up, but it never met the bills, and one day I just turned up and [the electricity] was turned off”*

*“I just had a note on the door saying I was cut off”*

*“I felt sick”*

She paid her bill immediately, but had to wait 48 hours until the connection was restored. In that time, her family needed to live in their grandparents' house, and they needed to transfer all of their perishable food and drinks to prevent from spoiling.

*“I rang them straight away to find out why I was disconnected. I had the funds to pay it there and then but couldn't get it connected on that day”*

*“We took the kids to their grandmother's place”*

Sally does not believe that the direct debit became insufficient due to increased energy usage. Rather, she feels that the steady increase of energy prices meant that her bill grew while her payments remained the same.

*“It seems like prices have been going up”*

Sally does not recall receiving any notice that her account was in arrears, and the disconnection was a complete shock to her. She was unhappy that she did not receive any direct contact, such as a phone call, to inform her that she was in danger of being disconnected, or an offer to increase her direct debit amount.

*“Unless it went wayward in the mail somewhere [I didn’t receive notification]”*

*“If I had known I would be disconnected I would have increased my payments”*

*“Maybe a phone call would have been helpful”*

She also felt that her retailer was unhelpful in assisting her get her connection restored. They suggested she pay her bill at the post office, which would have taken up to 2 business days for the payment to clear, and that the connection would not be restored until then. She did not feel this was fair, and would have liked to have paid immediately over the phone and had her connection restored as quickly as possible.

*“I found them quite rude to be honest, they didn’t really try to help me much”*

*“They should have got someone back out there to reinstate it... I could have paid over the phone or however they wanted to”*

*“They told me to go to the post office, pay and give them a receipt number. I told them that could be two or three working days”*

## The future

Sally has since increased her direct debit amount so that it again covers the entirety of her energy bill, and now pays more attention to her bills so that the same issue does not occur again.

*“They offered to increase my direct debit, which I did”*

She has not sought any additional financial assistance in paying her bills, as her husband’s income is sufficient to pay it in full under ordinary circumstances. She is aware of energy voucher programs should she require it, but doesn’t believe it likely that she will.

*“I know that I could get help from like Vinnies if I needed it.. they can help financially to pay the bill or to go around and make sure everything is turned off”*

Sally would like to see the frequency of bills increase to monthly, so that if there is a spike in her usage that requires an additional payment, she does not have to wait until the end of the quarter and experience ‘bill shock’.

She would also like her retailer to be in contact if she falls behind in her payments, or her direct debit needs to be increase to cover the balance of her account.

*“Going back six years ago I paid \$40 per week, now I pay \$80 a week. They should make sure that what I’m paying covers it all”*

## Susan, single mother, 20s

*“I don’t know how to be any more thrifty and frugal in this environment”*

### Background

Susan has been living alone in a private rental in a working class suburb in Sydney’s north for the last 2 years. Her unit is a converted garage space under a house and her rent is subsidised by Housing NSW. She has been on a disability support pension for the last 4 years for post-traumatic stress disorder (PTSD) and also has anxiety, as a result of domestic violence in a previous relationship. At that time Family and Community Services took her son away for safety but she wasn’t able to leave the home for almost another month afterwards. She went to hospital and the perpetrator is now in prison. In her hurry to leave the house they had been living in, she didn’t think to disconnect power and gas and the new tenants didn’t change over the accounts so she was left with bills for both, both of which she subsequently paid off.

Susan has a 6 year old son from an earlier relationship. She sees her son but the father was given temporary custody while she was organising housing for herself after fleeing the later abusive relationship. She was homeless for a while waiting for public housing. Now she has housing but is in a custody dispute, her son’s father is claiming her disability as grounds to retain custody.

She currently earns \$800 a fortnight, half going in rent and also running a car. In the past she has worked in childcare and hospitality but now supplements her income doing casual childcare work (though she needs to be careful with hours to balance Centrelink payments) as well some paralegal work for her own custody lawyer, having completed a related TAFE certificate in the last few years with the aim of being able to help with her own legal case. Susan also volunteers for a local mental health organisation, the legal qualification enabling her to support them with policy work.

Susan would like to go back to regular, permanent work but is not ready yet as the PTSD continues to impact her cognitive function. Doctors are however confident there is no brain damage from the head injuries resulting from the violence.

In the meantime she is slowly studying for two qualifications: she has a yoga teaching training scholarship at a private college and has almost completed Personal Training Certificate III at TAFE. The personal training course she initially started because exercise is good for her own rehabilitation but now plans to use it to get casual work in gyms to start to get back into more regular work. She goes to TAFE and the library to use internet for study because she can’t always afford internet at home.

Later, when the custody issues are finalised, Susan would like to go on to study law, her lawyer who is giving her paralegal work on the side is encouraging her to do that.

Susan’s mother was recently diagnosed with cancer and she is trying to provide some non-financial support for her mum.

Susan had never been disconnected before from any services or utilities. She is on a pension and attending TAFE and so receives an energy supplement from her retailer. She has been asking family and friends to give her money for her electricity bill in place of birthday and Christmas presents and has reluctantly borrowed money from others in the past to pay bills.

Susan considers herself a good budgeter and does what she can to keep costs down:

- Gets clothes donated through charities
- Gets free fruit and vegetables from a co-op, not great quality but good for soups and stocks
- Shops at Aldi and a local farmers market which is cheaper
- Doesn't use the dryer
- Uses candles in winter
- Keeps lights off as much as possible
- Turns appliances off at the wall except for the fridge
- Has worked out peak/shoulder/off peak times with Energy Australia and runs appliances off peak
- Runs a dehumidifier instead of heater in winter but only once a week off peak – gets up at 5am to turn it off.

*“I stay awake sometimes until 11 o'clock at night so I can do two loads of washing so I can hang them out. Or sometimes I...set my alarm super early so I can do my washing in those times and vacuum and stuff... but I still can't get ahead”*

That said, she has a number of concerns around her electricity costs:

- While everyone's bills have gone up a lot she thinks she may be paying too much having recently compared with a friend in a larger house with more appliances and people whose bill was the same as hers. Her bill seems to be the same amount all the time, regardless of what she does and just doesn't understand why that would be. Susan feels frustrated and can't see an end to this cycle and increasing bills until she can get her bill/usage reviewed. She isn't sure how to check or dispute it but has heard there is an ombudsman so is thinking about going there.
- Susan believes her retailer may be a more expensive supplier but is locked into the supplier used by the landlord upstairs even though she has her own meter. She would like to be able to shop around but can't as the retailer doesn't recognise her address separate to the landlord's.
- She uses a camp oven and wonders if that might be expensive to run but is not in a position to replace it.
- Her unit had a mould problem when she moved in and the landlord agreed to buy her a dehumidifier which she suspects might be expensive to run but she has no choice in the winter.

## Disconnection

Susan obtained a bond loan from Housing NSW when she moved into her rental 2 years ago. She had been making regular payments into her electricity account in the past but the first bill in this new rental was \$700 for the quarter. Since then she has been trying to pay off that first bill but it's hard with continued electricity usage, bond loan repayments and other living costs:

*“When you're on a limited budget I prioritise. I make sure I pay my rent then I've got to have some petrol to get a round and I've got to have food. They are like the three things I really really need and I guess because I've never really had issues with electricity, I've had money in an account...I think that's just gone up so much and because I was paying off this bond loan for a year...normally I would be putting that money in so when the bill came... it's a little bit unfair and then these prices are just ridiculous”*

In the lead up to her disconnection she had been emailed bills but only has internet intermittently when she can afford it. After leaving the abusive relationship she had her mail redirected to a PO Box near her mother so doesn't get her mail regularly. That said, she was aware there were electricity bills coming to her but had been making some payments so didn't think she would actually be disconnected. Susan also acknowledges that her PTSD is making her more forgetful, affecting her cognitive function so perhaps she should have been more proactive and called her retailer earlier to discuss her situation.

When she received her final reminder notice she didn't recognise it for what it was and so was shocked to come home to find a disconnection notice on her front door:

*"It was saying you know you owe this much and I was like I know kind of thing and I probably should have called them at that point but I just had a lot going on, and I admit that's probably my fault, I should have...but it says things like 'could face possible disconnection', like it doesn't say we're going to disconnect you on... If you don't pay kind of thing and then I came home and they'd disconnected me"*

Having just been shopping because her son was due for a visit the next day, she put the groceries in the fridge hoping for the best and, quite distressed, crying, rang the retailer.

She found it quite easy to get through and then get them to agree to reconnect the following day. They put the reconnection fee on her bill:

*"I said I don't know how you expect me to pay this, I can afford \$50 a fortnight and that's about it. If I get some extra money I'll put some more money on but...it feels like I'm in this rat race with electricity...it just seems to go up and go up"*

The woman she spoke with seemed really nice and understanding. When Susan had called on other occasions to warn them she'll have trouble making a payment they hadn't been as understanding and she had just spoken to someone in an overseas call centre, this seemed different.

Up to this point all contact from the retailer had been emails/letters. She had expected more warning before being cut off, at least a phone call or text because not everyone has access to email or even to make calls. Any phone contact had been initiated by her.

*"It's never happened to me before and I think that's why it was so scary because yeah, I would have assumed that they would have, I don't know, maybe sent a text or something, or I don't know...it seems that everything's on email or online...yeah I think that doesn't work for everybody which is a shame"*

Susan appreciated that she received supportive and understanding customer service when she was reconnecting though feels it was probably because there was financial benefit to the retailer.

*"I'm just glad they were nice to me when they reconnected me but I just feel like they were only nice to me because they knew they were getting money from me... you know there's that feeling because they haven't really cared any other time and they were more than happy to just tell me about the reconnection fee ... and I was like oh fuck... if you look at it from a business perspective it's very good business but it's not very good for people"*

Susan feels her single biggest issue is her inability to make any substantial inroads into the ongoing electricity debt:

*“I just don’t know, it would be nice if I could just get it wiped and start again or if they could just... something... it’s just so hard this constant \$700 and then you pay off some and then you get another bill for \$300 and that brings it back up to \$700 and it seems like so much money... it seems like it’s never ending, it’s been going on or 2 years”*

To address this, she has tried to get an appointment for financial counselling but wait lists in her area are really long. She believes the Salvation Army doesn’t operate in the area anymore and St Vincent De Paul told her to see Catholic Care. Catholic Care was full and couldn’t give her an appointment. She also tried Lifeline but was told they don’t provide financial assistance anymore. She has received one off payments from these charities in the past and has thought about an interest free loan from St Vincent de Paul but recognises it isn’t a long term solution to her problem.

*“I’m going to try to get some financial counselling, but there are lots of people that are like ‘we can’t really help you with...so there doesn’t really seem to be anywhere to help so people are like just go to Vinnies and get some money off your electricity bill but I’m like I think there is a problem with the electricity bill and there’s no one really to sit down and look at it so I probably have to send it all off to that ombudsman person and get them to look at it and then take it from there and just try not to worry but I am scared if I get disconnected like they said if I don’t keep to this payment plan that I’ll get disconnected again”*

She has used payment plans in the past but they are not always flexible or low enough.

*“I don’t like being in debt and it’s the one thing that’s really stressing me out and giving me more anxiety because I’m worried that they might cut me off... sometimes I can’t stick to the \$50 a fortnight because life is just getting so expensive, like petrol has been so expensive... and so you try to ring them and it’s like, press this, hold here and you don’t even know who to speak to”*

Susan finds that giving conditional discounts on bills is unfair and benefits people who are already better off.

*“They keep saying we’ll give you 20%, everyone keeps offering 20% of if you direct debit and pay your bill on time but if I was to set up a direct debit I might not be able to eat for two weeks...I just feel like I’m sure I’m not the only pensioner that’s struggling when normal families are struggling to pay their electricity”*

Susan recognises that energy retailers need to make money but feels they could do more to support those who are struggling by exploring reasons for non-payment and directing people to support services rather than simply threatening disconnection.

*“Maybe if someone had of called and just said look, you’re getting in a lot of debt... we have this option for you or this option, we can organise a payment plan, you know, maybe even telling me where I could go for financial assistance”*

*“I know there are some people out there that just don’t pay things, I get that, but there are a lot of people out there that do try to pay their rent and all their bills and usually if they can’t pay their bills there’s a reason for it, so... just call to check”*

## The future

The implications of disconnection are far reaching for people like Susan, loss of power impacts their ability to function in other ways that would exacerbate other problems.

*“There’s so much stress in my life that I probably am a bit extra anxious about the electricity. Maybe more than a normal person but once you’ve been disconnected there’s always that fear... like I buy my shopping once a week kind of thing and it all goes in the fridge and then if the fridge was to turn off like...that means I’d have to get food voucher or a food package or something like that”*

While she has plans in place for the future in terms of regaining her health, resolving the custody issues with her son and gradually re-entering the work force more fully, the electricity bill remains a stressful and unresolved hurdle.

*“I’m just terrified of having my electricity cut off again because you know, I know they don’t care. I know they’ll just do it, so I try to check my emails pretty regularly but still...”*



## Yousef, single father of four year old (phone)

***“I had worked out that if I strategically allowed it to drag out to the point where I was in danger of being disconnected, I would have more options open to me”***

### Background

Yousef is a single father of a four year old daughter, of whom he has had sole custody since around the time she was born. They live in a rented unit in south western Sydney.

Yousef previously worked as an IT systems administrator on a high income of around \$150k per year, but needed to leave the workforce to take care of his child, and has not worked since. He is currently receiving a parenting payment as his sole source of income.

*“There was no way I was putting a child that young into day-care, it was a preposterous notion”*

*“When I went onto the parenting payment, I realised I was going to have to do some pretty serious budgeting, I couldn’t really do it by the seat of my pants anymore”*

They often sub-let a room in their house to boarders, who contribute to rent and bills, though they are often unreliable and have in the past ‘skipped out’ without paying. Yousef would prefer not to do this, and is very cautious about who in lets into his home.

*“We’ve had two boarders lodging with us in the time we’ve been here to help out with expenses. Naturally I’d be extremely cautious over who I let into the house”*

### Disconnection

Yousef was first notified that he may have his electricity disconnected around a year ago. He had previously been on a ‘bill smoothing’ arrangement with his energy provider, paying a flat fortnightly fee. He was placed under more financial pressure when a boarder departed without paying his share of expenses. He was, with a little bit of juggling, able to keep up payments for some time, but missed some payments around Christmas time.

*“I’d been on a bill smoothing arrangement with [retailer], paying a fortnightly amount. One of the boarders we had skipped out and didn’t pay their share of the electricity bill and there was quite a bit of overhang. My bill smoothing arrangements went up to \$150 a fortnight”*

*“I managed to keep up for some time, but after Christmas I managed to miss two or three payments”*

Yousef had in fact already determined that he should allow his bill to lapse to the point where he received a disconnection notice, because he believed that would increase the support options available to him.

*“Regardless of what [retailer] told me, I had worked out that if I strategically allowed it to drag out to the point where I was in danger of being disconnected, I would have more options open to me... that was going to be an arrow in my quiver”*

After missing his payments, Yousef was notified and was advised by his retailer to allow his bill smoothing payment to lapse, so that he would receive a disconnection notice and could re-negotiate a payment plan.

*“When I phoned [retailer] to rectify the situation, that’s the advice I received. I was a little bit surprised, but they were trying to help me out from getting disconnected”*

This notification was stressful, but not surprising, as Yousef was aware that he was significantly behind on his payments.

*“It wasn’t a shock, but I was definitely feeling the pressure”*

*“I was quite ashamed of the position I was in”*

## Support

Yousef contacted his retailer to ask what his options were, and they were able to put him in contact with some community groups who were able to assist with energy vouchers.

*“I phoned them to ask about what alternatives were available to me. I was pointed in the direction of a community group who were available to provide me with the vouchers and renegotiate a bill smoothing arrangement”*

Yousef was aware of several forms of assistance that were available to assist him, including energy vouchers and bill smoothing (both of which he used). He believes that the energy vouchers in particular were what stopped his energy from being disconnected.

*“One of the companies I used to provide my services to was Mission Australia... I had read about energy voucher type things that were available to parents, pensioners, that sort of thing...I thought that might be able to cover the rest of the bill”*

He also considered borrowing money, applying for an advance from Centrelink, and trying to ‘scam’ his retailer by pretending to vacate his rental and then re-registering under a new name. However, he did not resort to any of these methods.

*“I know there are short term loans, but with the rates and conditions I wouldn’t touch them with a ten foot pole”*

*“I would have given a false forwarding address and paid [retailer] back”*

*“When it comes to looking after my daughter’s physical and emotional well-being, there is not a rule I wouldn’t break if I have to, because I know it’s only a short-term thing”*

## The future

Whilst the experience was humiliating for Yousef, he felt that his retailer treated him with respect, and were helpful and sincere, even though, as Yousef understood, they would have been tempted to ‘cut the dead weight’ of his business.

*“I don’t feel their communications were inadequate, or that I was treated unfairly”*

*“I felt it to be an awkward encounter, but I was treated was respectful, and it was not an undignified transaction”*

*“I was surprised at the sincerity of the transaction”*

Yousef is now looking at going back to work, and does not feel that paying his electricity bill will be a problem for him in the future.

*“On the brighter side, I’m returning to work next month and my mother is coming down to help me look after my daughter”*

Yousef feels that the government could further assist people like himself by providing an additional subsidy for energy expenses through his family payments, or for retailers to provide a ‘set amount’ type plan (rather than only metered plan), and by providing ‘energy consultants’ to instruct customers on how to use energy more efficiently in their households.

*“It would be helpful if pensioners could arrange to pay a set amount for your electricity and gas, rather than a metered amount... people in this position should receive extra help”*

