

## Women's access to essential services

### Policy position paper

#### Key Facts

- The cost of essential services is often cited as a cause of financial stress for single mothers and women who have fled family violence.<sup>1</sup>
- Women who have experienced family violence are at heightened risk of reduced access to essential services.<sup>2</sup>
- Women often carry utility debts from intimate relationships.<sup>3</sup>
- Low income earners spend proportionally more of their incomes on essential services, however consume proportionally less.<sup>4</sup>
- A multi-faceted response to essential services affordability is needed, which recognises the unique circumstances of women who are vulnerable to disconnection and financial hardship.

Access to essential services - including electricity, gas and water - is a necessity and is critical to the economic security of women and their children.

The cost of accessing essential services is a source of significant financial stress for many women, particularly sole supporting mothers<sup>5</sup> and women who have experienced family violence and economic abuse.<sup>6</sup> This leaves women vulnerable to disconnection from essential services and to experiencing financial hardship.

There are a range of strategies required to ensure women's access to essential services. These include ensuring consumer protections through appropriate regulatory frameworks and policies; reducing household energy and water consumption through energy efficiency and asset building programs; and enabling active and informed consumer participation in the energy market.

These policy and program responses need to recognise the gendered nature of disadvantage and the particular challenges women face.

#### Consumer protections

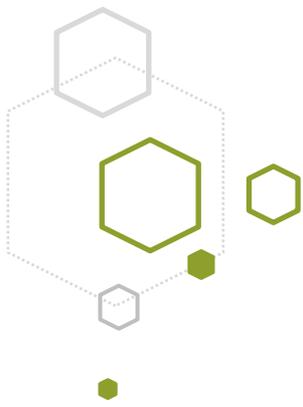
Consumer protections are critical to a functioning essential services market. Protections need to be in place to support women who are vulnerable to disconnection from essential services because of financial hardship and family violence. Energy, water and telecommunications codes need to recognise domestic and family violence as a form of financial hardship, and policies need to be developed and implemented to support companies to deal with the issue.<sup>7</sup>

Programs within essential services companies that identify and deal with hardship must be strengthened, incorporating early intervention strategies and hardship provisions. This should include specialist training for staff who work with consumers in how to identify and respond to family violence and economic abuse. Provisions are needed to enable staff working with survivors to waive or split essential services debts incurred as a consequence of family violence. Women who have experienced family violence need one contact point within industry to deal with their financial challenges in a consistent and fair way. Disconnection or restriction of supply should only be used as a last resort, and the current penalties to companies for wrongful disconnections must be retained.

Regulation of pricing needs to ensure that essential service price rises are reasonable, fair and distributed to those who can afford to absorb them. Requests for price rises to the Essential Services Commission in Victoria, and the Australian Energy Regulator nationally, need to be justified and scrutinised thoroughly. When the costs of essential services increase, there should be a commensurate increase in income support payments and/or energy and water subsidies. Concession increases must be tied to the actual increases in the costs of essential services, and should not be capped.

#### Reducing consumption of essential services

Reducing household consumption of essential services is another important option for people on low income to reduce their overall essential services costs.<sup>8</sup> When developing demand reduction strategies, there must be recognition of the particular circumstances of vulnerable consumers. It should be acknowledged that:



- people on low income spend proportionally more of their income on essential services than those who are on a higher income<sup>9</sup>
- high-energy consuming, low-income households are often in lower quality housing and have less efficient appliances which can be expensive to remedy - this is particularly so for women who have fled violence and are re-establishing their housing
- ill health can require high energy and/or water use<sup>10</sup>
- there has been a steep increase in essential service costs without a commensurate increase in income support payments and concessions<sup>11</sup>
- energy retail competition is not widely understood by consumers and is relatively complex.<sup>12</sup>

Reducing household essential services costs can be facilitated by supporting people on low income to buy more energy- and water-efficient goods. Programs such as no- and low-interest loans and buying services, and government-subsidised appliance replacement programs are vital initiatives to enable this. Asset building strategies are particularly critical for women who have fled situations of family violence. Many women who have fled violence do so with limited economic resources, increasing their vulnerability to financial hardship.

Demand reduction strategies need to strike the right balance between austerity and quality of life. It must also be understood that demand reduction on its own will not necessarily counteract price increases, and hence other responses are necessary.

## Consumer participation

Consumers need to be informed and enabled to engage in the essential services market, particularly when choosing an energy and telecommunications provider. Consumers need access to independent information and advice that is safe and tailored to their needs (for example, through services such as that provided at <http://www.yourchoice.vic.gov.au/>). Responsible selling and marketing practices for energy retailers must also be enforced rigorously, given this is often the only contact point for consumers in choosing their essential services providers. More community-based education programs are also imperative to help de-mystify the energy market.

It is through this combination of strategies that women can be supported to stay connected.

## References

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- <sup>4</sup> Dufty, G (2012) The Consumer Price Index and the Cost of Living, *Good Policy*, Vol. 8, No. 1, Good Shepherd Youth & Family Service.
- <sup>5</sup> ACOSS *Op. Cit.*
- <sup>6</sup> Corrie and McGuire *Op. Cit.*
- <sup>7</sup> Recommendations 109, 110, 111 from: State Government of Victoria, Royal Commission into Family Violence: Summary and Recommendations, Parl Paper No 132 (2014-2016).
- <sup>8</sup> Borrell, J and Lane, S (2009) Energy Audit Program Evaluation, Kildonan UnitingCare, <http://www.kildonan.unitingcare.org.au/uploads/publications/KUCEnergyAuditResearchReport2004-2006final.pdf>
- <sup>9</sup> Dufty, G *Op. Cit.*
- <sup>10</sup> Corrie, T (2011) Microfinance and the Household Economy, Good Shepherd Youth & Family Service.
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- <sup>12</sup> Consumer Utilities Advocacy Centre (CUAC) (2011) Highlights from improving energy market competition through consumer participation, CUAC, [http://www.cuac.org.au/index.php?option=com\\_docman&task=doc\\_download&gid=223&Itemid=30](http://www.cuac.org.au/index.php?option=com_docman&task=doc_download&gid=223&Itemid=30)

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