

Aboriginal Utility Issues

WACOSS recognises that Aboriginal users of energy and water services face high-levels of financial vulnerability in the electricity, gas and water markets¹. Currently, the incapacity to pay for essential services such as water, gas and electricity may result in the restriction, or disconnection of the service. Disconnection from essential services can result in significant detriment to households by reducing capacity to store food, produce light safely and maintain personal hygiene and health.

There are many reasons Aboriginal households may experience higher pressures of utility hardship than other Australian households. For instance, the Australian Bureau of Statistics suggests that Aboriginal households, on average, contain more people than the average Australian household, and may be more likely to be experiencing overcrowding². In addition to likely higher rates of utility use through high household occupancy, Indigenous households may also have a high proportion of essential service users who are children and are unable to contribute to utility bills³.

At certain times, households may be in a position where they are hosting visitors for days, weeks or longer⁴. Extra people in the home using gas, water and electricity, as well as telephone services, will naturally increase the costs of bills during such periods.

High levels of mobility within some Indigenous communities, due to family or other business, can put extra stress on the household budget in several ways⁵. Bills that arrive while the customers are away may not be attended to in time to avoid late penalties or disconnections. Any water leaks which have gone unnoticed will also incur large costs for the period in which they are unattended⁶.

Adequacy of Services

Indigenous communities in remote areas also often face particular hardship in affording essential services. As stated by the West Australian Department of Indigenous Affairs⁷,

“The aim of self-determination has been used as an excuse by governments and service providers to provide an inequitable level of service and to tolerate conditions and activities that would not be accepted in any other sector of the community.”

¹ Altman, J., McDonnell, S. and Ward, S. 2002, *Indigenous Australians and consumer and competition issues: A review of the literature and an annotated bibliography*, Centre for Aboriginal Economic Policy Research Working Paper, Australian National University, viewed 11 March 2008, <http://www.anu.edu.au/caepr/Publications/WP/CAEPRWP12.pdf>.

² *National Aboriginal and Torres Strait Islander Social Survey 2002*, Australian Bureau of Statistics, viewed 29 February 2008, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/4714.0/>.

³ *Population Characteristics, Aboriginal and Torres Strait Islander Australians, 2001*, Australian Bureau of Statistics, viewed 14 March 2008, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/2B3D3A062FF56BC1CA256DCE007FBFFA?OpenDocument>.

⁴ Ross, S, Wallace, A. & Rintoul, D. 2005, *Cut off: The impact of utility disconnections*, report prepared by Urbis Keys Young for the Utility Consumers' Advocacy Project, Sydney.

⁵ Ibid.

⁶ Garwood, R. 2007, 'Report by the Western Australian Council of Social Services on the Water Corporation Customer Charter and Consumer Protection Workshop, WACOSS Water Customer Charter and Consumer Protection Workshop, WACOSS.

⁷ Department of Indigenous Affairs 2002, *Services to Discrete Indigenous Communities in Western Australia*, Discussion Paper prepared by Treavor Tann, Department of Indigenous Affairs, Perth.

There are over 12,000 people living in Indigenous remote communities who are drinking water which has failed safety tests⁸. Several remote communities have no organised water supply at all. Only 18 percent of communities use adjacent town water supplies, and most use bores for drinking water⁹. Some communities are forced to use water that is transported into the area, which is costly. When problems occur with the bores, this is often the only method available. In 2006 alone, over 25,000 people in Australia were affected by restricted access to water in remote Indigenous communities that are not connected to town water supplies¹⁰. 182 communities were affected by water disruptions, mostly due to equipment faults, and many of these interruptions were frequently repeated throughout the year¹¹.

Many remote Indigenous communities owe large sums to the Water Corporation which have accumulated over time. In 2005, nine Indigenous communities owed the Water Corporation \$600,000¹². It is vital that Aboriginal communities have the ability to be financially sustainable into the future, and to ensure the equitable and affordable provisions of essential services¹³.

The majority of remote Indigenous communities source electricity from community, and individually run generators. These generators can cost consumers four to five times more to power electricity than if they were connected to the state grid¹⁴. In such circumstances, consumers are left extremely vulnerable when generators run out of fuel as fuel is often too expensive to purchase or inaccessible because of the distance it needs to be transported to the communities. In other regional and remote communities pre-payment meters are being trialled as an alternative. Whilst the regulated use of pre-payment meters can be seen as an improvement there are inherent problems with the metering technology employed, increased costs that come with accessing PPM cards and an increased risk of disconnection to an essential service due to an incapacity to pay up front.

In addition to experiencing higher costs for electricity or having increased risk of disconnection to an essential service due to incapacity to pay before use, many people living in remote, regional and outer-suburban areas are also often reliant on bottled LPG for cooking and heating space and water. LPG is considerably more expensive than

⁸ Media release: *Updated statistics on Indigenous housing released today*: ABS, April 17, 2007, Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities, Australia, 2006, Australian Bureau of Statistics, viewed 28 February 2008, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/4710.0Media%20Release2006?opendocument&tabname=Summary&prodno=4710.0&issue=2006&num=&view=>.

⁹ Ibid.

¹⁰ Chapter 3: *A Profile of Discrete Aboriginal and Torres Strait Islander Communities*, Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities, Australia, 2006, Australian Bureau of Statistics, viewed 28 February 2008, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/4710.0Main%20Features42006?opendocument&tabname=Summary&prodno=4710.0&issue=2006&num=&view=>.

¹¹ Ibid.

¹² Spagnolo, J. 2004, 'Taxpayer hit for \$16mil debt load', *The Sunday Times*, 4. September, 2005, viewed 29 February 2008, <http://www.news.com.au/perthnow/story/0,21598,16482213-2761,00.html>.

¹³ South Australian Aboriginal Health Partnership, 2005, 'Aboriginal Health – Everybody's Business: A South Australian Strategy for Aboriginal and Torres Strait Islander People 2005-2010', *Social and Emotional Wellbeing*, Department of Health South Australia.

¹⁴ Worth, D and Edean, C. n.d., *Submission to Senate inquiry into Australia's future oil supply and alternative transport fuels*, Australian Association for the Study of Peak Oil and Gas Indigenous Communities Working Group, viewed 28 February 2008, http://www.aph.gov.au/Senate/committee/rrat_ctte/oil_supply/submissions/sub48.pdf.

natural gas and therefore puts many regional and rural consumers at a significant disadvantage¹⁵.

A Human Right

Clearly, many Indigenous utility consumers experience hardship in affording essential utility services above and beyond that experienced by vulnerable, non-indigenous consumers. Access to essential services such as energy and water is a human right and must be promoted and protected by appropriate regulatory responses from government¹⁶.

Future Directions

The Department of Water – through their Indigenous Water Project – is currently examining ways in which water services may best be provided to Indigenous Communities. Responses such as these are significant first step in addressing the significant inequality in access to essential services faced by Aboriginal consumers of water and energy. Significant future investment and commitment by government will be required in order to address this issue, which affects the capacity of Aboriginal communities to participate in society and maintain living standards.

WACOSS strongly believes that it is the right of all people to be able to access safe and affordable essential services, regardless of their capacity to pay. It is only through equitable and fair access to essential services that communities are able to fully participate in the social and economic life of the nation.

For more information, contact the WACOSS Consumer Utilities Project on 9420 7222.

¹⁵Office of Energy, 2006, *Inquiry into the Affordability of Bottled Liquefied Petroleum Gas (LPG) for Household Use: Issues Paper*, inquiry taskforce M Murray and M Trenorden, Office of Energy, viewed 29 February 2008, http://www.energy.wa.gov.au/cproot/912/6507/LPG_Affordability_Inquiry_Issues_Paper-17_Nov_06-FINAL.pdf.

¹⁶ Barker, A. 2008, *Access to Energy Services as a Human Right*, WACOSS, viewed 14 March 2008, http://www.wacoss.org.au/images/assets/eNews_179/energy_as_a_human_right_social_policy_update.pdf.