



Australian Council of Social Service

Prioritising Energy Efficiency for Low-Income and disadvantaged households

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WHY PRIORITISE ENERGY EFFICIENCY FOR LOW-INCOME HOUSEHOLDS

† Social

- ‡ Reduce energy stress.
- ‡ Improve health, well-being and economic participation.
- ‡ Better able to adapt, cope and recover from climate change impacts.

† Environmental

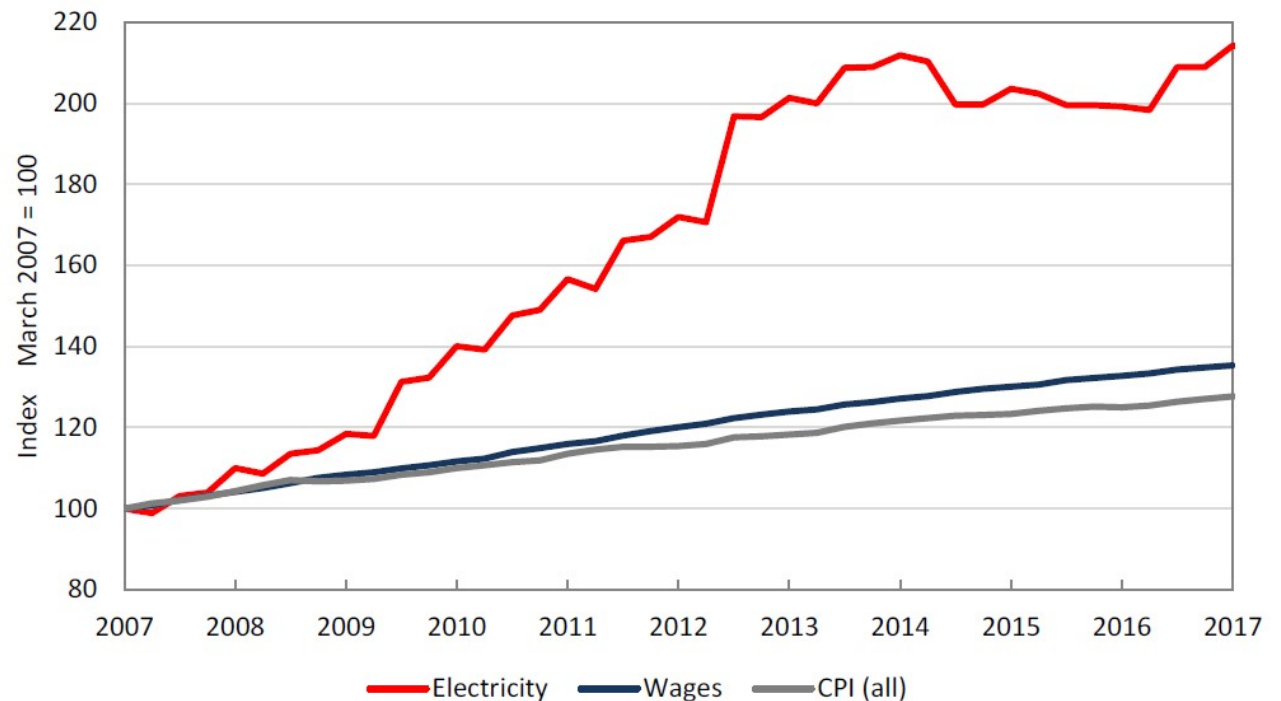
- ‡ Emissions Reductions.
- ‡ Sustainability.



ENERGY STRESS

- Prices increased 63% (real term) in decade
- Over-investment in networks
- Wholesale prices doubled
- Retail competition failing
- Renewable incentives on bill - regressive

CPI for electricity compared with other sectors and wage growth



Source: ABS, Consumer Price Index 6401.0 and ABS, Wages Price index 6345.0, Australia.



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- More than 160,000 disconnections in 2015/16
- More people on retail hardship programs
- More people accessing financial support services
- Rationing of energy to detriment of family, health and well being, and economic participation

'I can never pay on time & I have to go without other things like proper meals to be able to pay my electricity, water & phone bills.'

'Living expenses are so high and it's hard to find work as a single mum. Bills take up whatever income is left after paying high rent.'

'It is hard to keep on top of the bills & the money goes there instead of other essential items I could be buying for my children.'

'I have cut down on electricity everywhere and every way possible. If I cut down any more then we simply would not be using any ever! It is a nightmare. It is causing a lot of anxiety and depression.'



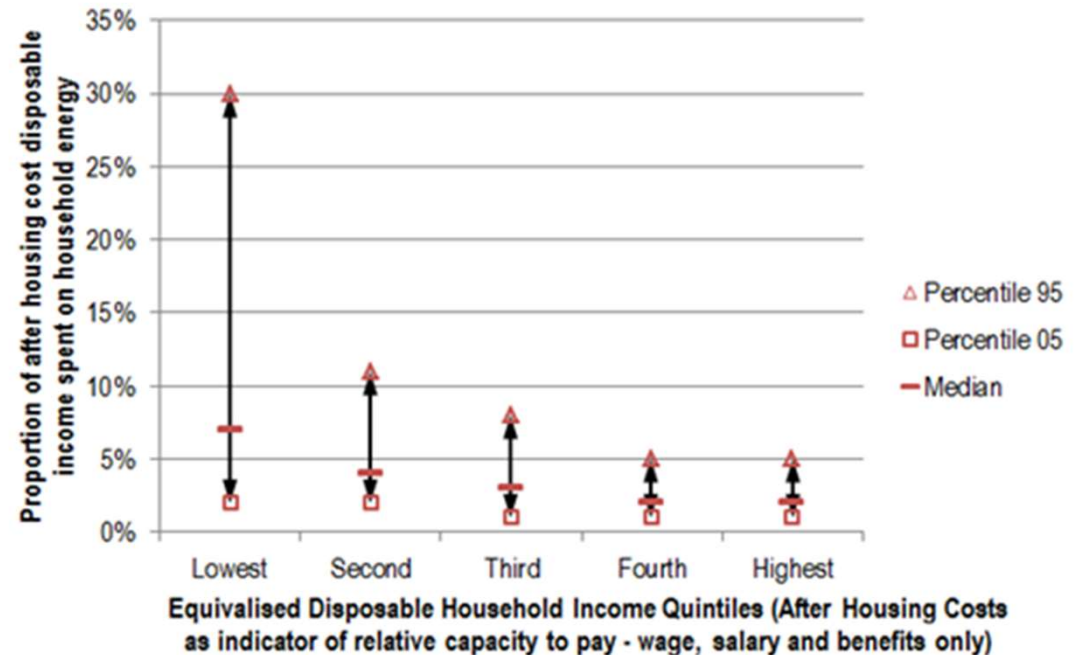
WHO IS VULNERABLE TO ENERGY STRESS?

People who:

- a) need to respond to electricity cost pressures, and
- b) can't

Particularly vulnerable

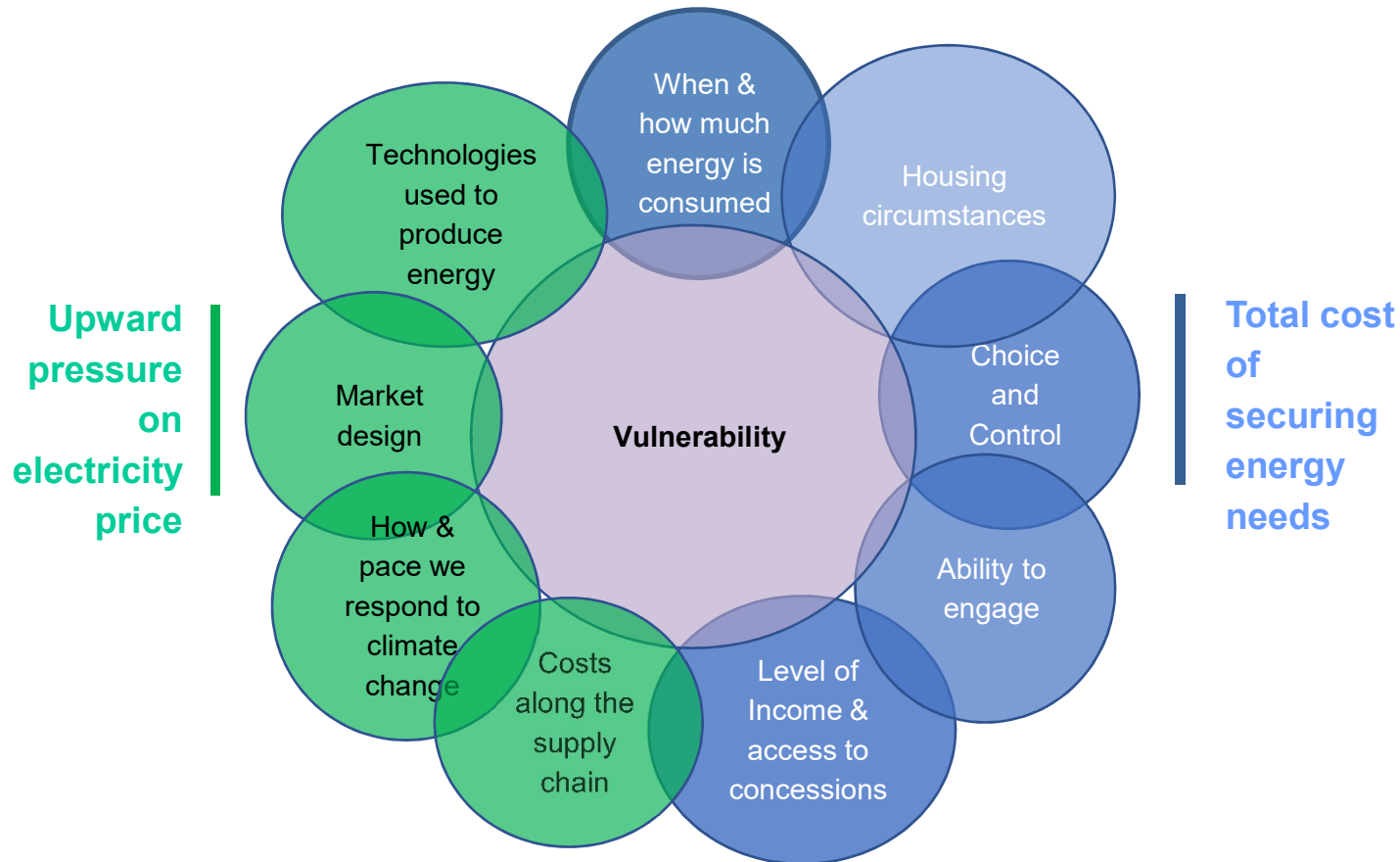
- † Renters
- † Households where someone is living with a disability or health issue
- † Single parent households
- † Aboriginal & Torres Strait Islanders
- † Migrants and Refugees
- † Pensioners
- † Working poor
- † Emerging – Housing stressed





WHAT CREATES VULNERABILITY TO ENERGY STRESS?

Energy price + Total costs of energy + Ability to pay





WHAT IS TO BE DONE? FIVE POLICY OUTCOMES

Empowering disadvantaged households to access affordable, clean energy

By ACOSS, BSL and TCI





BENEFITS - ENERGY EFFICIENCY FOR LOW-INCOME HOUSEHOLDS

† Save money

Raising a home from a 2-star to 5-star can result in a 54% reduction in energy. Equals 32% total energy saving, or up to \$600 in savings a year.

† Improve health and wellbeing

Especially important as climate change increases extreme heat and weather. Increased household expenditure on other necessities like food, medicine.

† Improve economic participation

Increased household expenditure on other necessities like transport to attend job interviews and/or work.

† Emissions Reductions

The biggest gains in household emissions reductions could come from people on low incomes.



BARRIERS - ENERGY EFFICIENCY FOR LOW-INCOME HOUSEHOLDS

+ Cost

Lack of access to capital for high value energy efficiency upgrades.

+ Renting

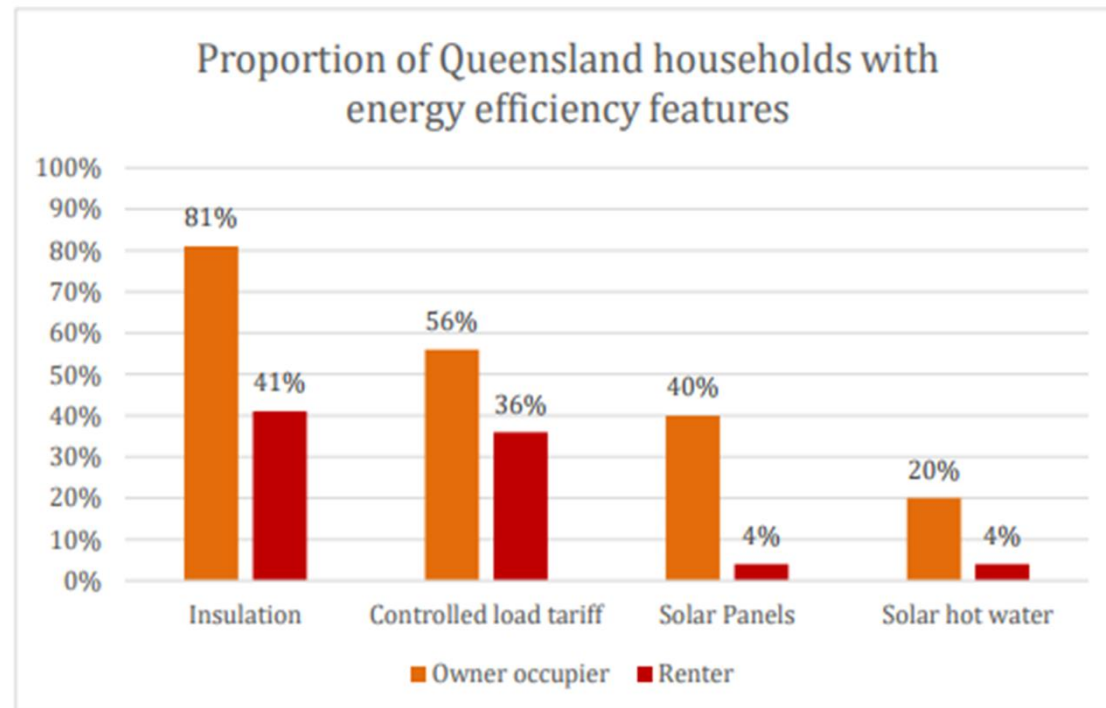
Tenants are unable to improve the energy efficiency of rental properties. There is no requirement or incentives for landlords to invest in energy efficiency.

+ Information barriers

Poor literacy and language. Confusion about product and programs and where to find reliable information. Poor knowledge of the most effective ways to save energy.

BARRIERS - ENERGY EFFICIENCY FOR LOW-INCOME HOUSEHOLDS

- + 49% of people on low incomes are living in rental properties.
- + 74% of low income renters are renting from a private landlord and private renters are significantly more likely to enter energy hardship programs than owner occupiers.





BARRIERS - ENERGY EFFICIENCY FOR LOW-INCOME HOUSEHOLDS

Experience of renters seeking energy efficiency improvements

'I attempted to have insulation installed under the government's free scheme. The owner told us to get quotes, then said he would have the job done by someone who was doing all his properties. It never happened.'

'I asked to have solar panels installed, made all the enquiries re: cost etc., but the request was rejected.'

'My current landlord denied me the right to install flyscreens, despite it being a capital improvement which would improve the value of the property... They were... uninterested in tenant comfort and energy savings.'

'I am charged quite a lot of money for energy, around \$420 per bill, just for two tenants. {The retailer} said there might also be something wrong with the thermostat as the hot water system in the garage takes ages to heat up, which results in hundreds of extra dollars per bill. The landlord will not get this fixed.'

'I requested that they [lessor] remove the gas from our property (as the bill is around \$100/Quarter and we use about \$4 of gas) & put an electric oven in so we only had one bill (the property needed a new oven). They declined.'

'[I] cancelled gas account as could not pay both electricity and gas bill, so chose just to have electricity to the property – no hot water, no gas stove – that's the reality...'

Source: QCOSS (2017) Choice and Control? The experience of renters in the energy market.



SOLUTIONS - ENERGY EFFICIENCY FOR LOW-INCOME HOUSEHOLDS

1. State and territory governments adopt and implement **mandatory energy efficiency standards for rental properties**.
2. Federal government review taxation policy with a view to designing and implementing **landlord tax incentives for energy efficiency measures**.
3. **Raise** minimum **energy efficiency standards** for all new builds.
4. **Federal and state governments invest** in best practice energy efficiency for all **new builds** and provide additional support to **upgrade public and community housing** stock in each state.
5. Federal, state, local councils and energy retailers work cooperatively together to **co-fund ongoing programs for low-income and disadvantage households to provide access to energy-efficient knowledge, products & solar PV**. Higher levels of support should be provided to the most vulnerable households.



Thank you

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