



**REVIEW OF THE SOUTH AUSTRALIAN RESIDENTIAL
ENERGY EFFICIENCY SCHEME (2012)**

Energy Markets and Program Division

**Submission from
UNITING COMMUNITIES
10 Pitt St
Adelaide SA 5035**

Simon Schrapel
Chief Executive
simons@unitingcommunities.org
(08) 8202 5886

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INTRODUCTION

About Uniting Communities

Uniting Communities has provided support to the South Australian community since 1901 and currently delivers over 50 community services programs provided by over 1,400 staff (including 590 volunteers) across metropolitan and regional South Australia.

Uniting Communities has a proud record of compassionate service for disadvantaged and marginalised people. We provide a range of services to people on low incomes or who are otherwise disadvantaged, including financial counselling, energy services, community legal services, microfinance (NILS and StepUP) and emergency relief. We conduct home energy visits across South Australia using the Kildonan model (licensed provider since 2008). We are contracted by Origin Energy to deliver home energy visits to clients of their hardship programs and, as part of the Federal Government's Solar Cities Program, particularly targeting new arrivals. In addition we are funded by the Federal Government to deliver the Home Energy Saver Scheme (HESS).

Overview

Uniting Communities is pleased to see the broad scope of the review being undertaken by the department and the intention to seek comment from a wide variety of stakeholders. We are supportive of the REES scheme and would like to see it continue, but would echo some of the concerns raised in the issues paper. This submission further outlines these concerns and suggestions for improvement.

RESPONSE TO ISSUES PAPER

Householder Survey

- We would like to see a specific target number of low income households for this survey to ensure that their experiences are captured.
- Consideration should be given to appropriate ways to engage with low income households particularly given that some may have low literacy issues and some may be particularly sensitive about being questioned about their behaviour.

Scheme Objectives

- We would support a greater emphasis on addressing peak load, particularly for low income households. Traditionally it is the mid to high income households who install products to address peak load issues and low income

households due to limited funds that are required to adopt behaviour change as their main way to reduce consumption. Targeting low income households for the subsidised installation of efficient active and/or passive heating and cooling products will enable these households to make a far greater contribution to reducing peak load.

- The quality of housing stock for low income households greatly decreases their control over energy consumption within the home. An objective that addressed this would offer long term benefits beyond what behaviour change and minor appliance replacement can achieve.

Greenhouse Gas Reduction Targets

- We believe that the regional areas have been heavily underrepresented in REES activities, and would support measures to address this imbalance. There are many additional pressures that regional households face in managing on a limited budget; this is exacerbated by many regional areas experiencing greater temperature extremes and therefore greater energy needs.

Percentage of target Delivered to Priority Group Households

- We support maintaining the 35% target for priority groups. In order to continue to support the most vulnerable in our community this target should be a minimum and could be increased.

Energy Audit Targets

- Prior to the introduction of HESS we were receiving calls from the general public and requesting assistance for our low income clients seeking energy audits and there were very few cases where they could access a program. The manner in which each retailer makes REES available has meant there is inequity for customers in accessing an audit.
- Our experience shows that early intervention regarding energy reduction assistance is the most beneficial. Low income wage earners are struggling to pay their energy bills but don't become eligible for hardship programs until they have fallen into arrears. If they choose to go without other essentials like food they may never come into contact with a retailer hardship program. Given this we would support a broader definition of eligibility at the discretion of the energy retailers and community service agencies to included households who are struggling to pay their energy bill but are on a slightly higher income.

Energy Audits

- As identified in the issues paper the energy audits can be as simple as a walk through audit which we believe is not adequate. Our experience has shown this. We have conducted audits in a number of homes where they have already received a REES visit and the householder has indicated that the auditor has not been very thorough in their assessment and recommendations. We had an example where an elderly client had a REES audit two weeks prior to our visit; she had considered cancelling our visit but was pleased she didn't. The REES auditor had installed light globes and a showerhead and spoken to her about lighting and standby power but hadn't discussed her heating usage and in particular the amount of heat loss through a double glass sliding door.
- Given that audits are being conducted in low income households without access to many retrofit options the majority of the visit should focus on behavioural change opportunities. In order to adequately assess what opportunities exist the auditor needs to take the time to understand the household and how they live in the house. We would suggest that there should be a greater emphasis on this element of the audit and appropriate time devoted to it.

Energy Efficiency Activities for Priority Group Households

- Whilst linking REES to the provision of NILS is an excellent opportunity it is important to note the limitation of the NILS network in South Australia. NILS currently receive funding under the family and Community Development grant to fund a three day a week state coordinator, but this funding is currently under review. Some schemes in 12/13 will receive a very small amount of funding from FaHCSIA but this is not adequate to run the schemes even with a predominantly volunteer workforce. South Australia is currently unable to utilise all capital funds available from the corporate sector. The state has access to \$1.4 million from NAB for capital but we are currently only utilising approximately 32% of this due to limited capacity to administer more loans.
- We consider it important that any federal and state schemes run in tandem with each other and would suggest that REES and HESS could operate side by side. HESS does not deliver any retrofitting leaving a good synergy between the two programs.

National Energy Savings Initiative

- We would support state based targets remaining if a National Energy Savings Initiative be implemented.
- We support the continuation of REES if/until a NESI is implemented.

Complementing a Carbon Price

- Given the cost implications of the carbon price on low income households there is still a strong argument for REES and other energy savings schemes to exist to reduce costs for low income households

Funding

- In considering funding options it is important to consider the cost implications on low income households as they are passed through to all households. Although \$14 a bill is not significant, it would be important that this does not rise. We know that many low income households for numerous reasons will never be a part of REES because they do not want people they do not know in their house. It is important that these people are not indirectly penalised for making this choice.

CONCLUSION

Uniting Communities supports the continuation of the REES scheme but would like to see the effectiveness of the energy audits increased, particularly in relation to the emphasis placed on behaviour change. Targets should be set for delivering REES to regional areas and measures to assist low income households address peak load issues should be considered.

We support the independent evaluation and householder surveys as a mechanism to conduct a cost benefit analysis. The cost of the scheme must be carefully balanced against its benefits. Given the impact that small price increases have on low income households it is important that these households receive a high level of benefit from the scheme.