Council of Social Service of New South Wales

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ESS Review – Issues Paper 2014
Department of Trade and Investment
GPO Box 3889
SYDNEY NSW 2001
energysavings.scheme@dwe.nsw.gov.au

Dear Sir or Madam,

RE: Review of Energy Savings Scheme

The Council of Social Service of NSW (NCOSS) works towards a society where there is social and economic equity based on cooperation, participation, sustainability and respect. As a peak body for the non-government human services sector in NSW we represent a vast network of service delivery and consumer groups.

Our submission to the NSW Government's Review of the Energy Savings Scheme responds to Question 40 in the Issues Paper: *How can the ESS encourage greater participation by vulnerable households?*

We support the introduction of a sub-target for low-income households as a mechanism to encourage greater participation by these households.

As the Issues Paper notes, analysis of certificates created under the Victorian Energy Efficiency Target (VEET) found that uptake of low cost energy efficiency opportunities was highest in areas with relative socio-economic disadvantage, but that uptake of higher cost opportunities – which result in more substantial savings – was much higher in areas with relative socio-economic advantage.

In NSW, opportunities for low cost measures, such as energy efficient light bulbs, have already achieved a significant market share.[1] In this context, a mechanism to ensure an equitable proportion of savings flow to low-income households is particularly important.

Recommendation 1: A sub-target for low-income households should be established under the NSW Energy Savings Scheme.

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[1] Australian Government, Department of Resources, Energy and Tourism (2012) Progress Report: National Energy Savings Initiative. Accessed 18 February 2014 <http://ee.ret.gov.au/sites/default/files/files/energy-efficiency/esi/ESI-ProgressReport-20121031-PDF.pdf>

In establishing a target, care should be taken to ensure potentially vulnerable households (such as low-to-moderate income high energy users) are not excluded, while still directing efforts at those most in need. We note that the UK's Carbon Emissions Reduction Target (CERT) scheme stipulates that 40% of savings must occur within the priority group; and that within this group, a further 12% of savings must come from a super-priority group of households that are vulnerable to fuel poverty.[2]

Recommendation 2: Care should be taken to ensure the sub-target is suitably inclusive *while still directing efforts at those most in need*.

Given the cost barriers experienced by low-income households, a target for priority households is likely to be more effective when supported by measures that will assist low-income households to access higher value energy efficiency savings – for example, the expansion of existing rebate schemes or affordable credit mechanisms. We would welcome the opportunity to work with Government and the industry to develop such measures.

Recommendation 3: A sub-target for low-income households should be supported by measures designed to assist low-income households to access higher value energy efficiency measures.

Efforts should also be made to ensure data collection and reporting processes support equity analyses of the distribution of benefits flowing from the ESS.

Recommendation 4: Data collection and reporting processes support equity analyses of the distribution of benefits flowing from the ESS.

If you would like any further information on the issues raised in this submission please contact Rhiannon Cook, Senior Policy Officer on (02) 9211 2599 ext 128 or email rhiannon@ncoss.org.au

Yours sincerely

Alison Peters
Chief Executive Officer

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[2] ACOSS (2011) *Energy Efficiency and Affordability for Australian Households.* Accessed 2 March 2014, <http://acoss.org.au/images/uploads/affordability_energyefficiency_20May11_Final.pdf>