

25th September 2007

NFEE
Secretariat
E2WGSecretariat@industry.gov.au

Dear Secretariat,

Thank you for the opportunity to respond to the proposed NFEE Stage 2 measures.

The Centre for Credit and Consumer Law, Griffith University has the overall objective of promoting the attainment of a fairer, safer and more efficient marketplace for consumers including low income and vulnerable consumers. My position within the Centre is funded by the National Consumers Electricity Advocacy Panel. My role is to examine the needs of Queensland small end-users of power (less than 100 megawatt hours of power per annum) in relation to the National Electricity Market and I am advised by a committee comprising Queensland consumer and community service organisations.

Overall I wish to express support for the NFEE measures. Qualitative research undertaken by our centre with fifty-one Queensland small end-user advocates and thirty-one residential users indicates a strong interest in demand management and take-up of renewable energy options. However, our research shows that cost is a barrier for take-up of these strategies particularly for low income groups.¹

Hence I have a number of points and questions in regard to the proposed NFEE measures with respect to this aspect of the residential sector.

- 1) **Cost barrier.** For a national energy efficiency framework to be truly efficient it needs to be accessible to all income brackets of residential users. Cost is a barrier for implementation of these strategies for many residential users. Will NFEE evaluate any cost impact of these measures on residential users and in particular those costs on low income and vulnerable consumers? Will NFEE seek to identify strategies for overcoming these cost barriers? Without identifying cost barriers and solutions to those barriers the NFEE program to identify, collect and analyse energy efficiency data will be limited.

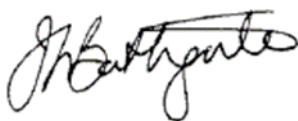
¹ Tenzin Bathgate (2006) *Electricity matters: Interviews with Queensland small end-users and their advocates*, Centre for Credit and Consumer Law Research Paper, Griffith University, Nathan, Queensland., p.27, pp.37-39; Tenzin Bathgate (2007) *Rural and Regional Electricity matters: Interviews with Queensland small end-user advocates*, Centre for Credit and Consumer Law Research Paper, Griffith University, Nathan, Queensland.pp.22-25.

- 2) **Tenants and inefficient appliances.** Will NFEE strategies address the situation of tenants and low-income residents who rely on out-dated energy inefficient appliances or hot water systems? Tenants are currently prevented by law in Queensland from making any improvements to rented premises without the permission of the landlord nor is there an incentive for landlords to invest in energy efficiency in a rental property per se. The Queensland policy to phase out the installation of electric water heaters in existing homes from 2010 is a good start but only occurs when a hot water system ‘expires’ and does not address sub-standard electric hot water systems in rental properties.² There are a few programs interstate where large energy retailers financially assist customers in replacing energy inefficient appliances if they are in their hardship program. This is a private sector initiative. It would be good to see public sector initiatives also in this area.
- 3) **Electricity tariffs.** Will NFEE be examining electricity tariffs as part of its national strategy? Our research with rural and regional Queensland small end-user advocates shows a poor understanding among rural and regional consumers about tariffs generally.³ There are also costs associated with changing tariffs which is a potential barrier to change.

In summary our research to-date indicates a high level of interest in demand management and sustainability matters among consumers and their advocates. I believe many tenants and low income households would welcome the opportunity to be part of national initiatives to tackle climate change, but are not in a financial position to do so. NFEE strategies can potentially enable these sectors to contribute to national efforts in this area.

Thank you for the opportunity to respond. If you have any questions about this submission please do not hesitate to contact me.

Yours sincerely,



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² Queensland Government (2007) Climate Smart 2050. Queensland Climate Change Strategy 2007: a low-carbon future,

³ Tenzin Bathgate (2007) *Rural and Regional Electricity matters: Interviews with Queensland small end-user advocates*, pp.24-25.