



National Framework for Energy Efficiency

Stage two - Public consultation event
Melbourne 25 September 2007



context

- energy is an essential service
- 2 million Australians live in poverty
- 25% of households rent

prices increasing regardless...

- market reform, drought, fuel prices



a nation building project

- efficiency potentials exist now
- information, technology, audits
- benefits: greenhouse, bills, comfort
- industry: infrastructure delayed
- cost/benefit proved
- emissions trading 2012
 - price increases/revenue source
- window of opportunity 4 x years

capacity

ABS Year Book Australia 2002

(data from the 1998-99 Household Expenditure Survey) indicators of deprivation and financial stress

- "*could not pay electricity, gas or telephone bills on time*": three lowest deciles of income, 26 %, 22 % and 15 % of households
- "*could not afford to heat home*": lowest two deciles of income 5 % and 4 % said that they could not afford to heat their home.



price and consumption

- energy is an essential service
- demand is (relatively) price inelastic
- low income consumers may under-consume

- in dollar terms households on low (and often fixed) incomes spend half as much on utilities, but twice as much as a proportion of total household expenditure

national framework

5) NATIONAL WATER HEATER STRATEGY

Description of the measure

Development of a national water heater strategy that:

- improves the energy efficiency of water heaters;
 - develops a national greenhouse rating methodology to underpin national and state-based performance standards;
 - establishes a national greenhouse gas performance requirement for water heaters installed into new homes and major renovations; and
 - facilitates state/territory greenhouse gas performance requirements for replacement water heaters in existing homes.
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- “6 million heaters over ten years”: replacements
 - how will they be paid for?



efficiency and a carbon price

- 1. energy and water **efficiency** improvements for households that include awareness and behaviour, home modifications, standards for building and appliances, upgrades for equipment and appliances
- 2. **tariff** structures that appropriately recognise the essential nature of energy and water while pricing to encourage efficient consumption
- 3. **safety net** provisions to ensure that low income households have the opportunity to improve efficiency but are not burdened with price increases for essential services