

27 February 2012

Attn: Energy Savings Initiative Secretariat
GPO Box 854
Canberra ACT 2601

Via email to: energyefficiency@climatechange.gov.au

To whom it may concern

Re: Issues Paper

COTA Australia welcomes the opportunity to provide comment on the National Energy Savings Initiative (NESI) Issues Paper.

COTA Australia ('COTA') is the national policy arm of the eight State and Territory COTAs. Around Australia COTAs have a combined individual membership of around 40,000 older people as well as over 1,000 member organisations with a combined membership in excess of 500,000.

COTA is increasingly concerned that the rising costs of essential services such as energy are affecting the health and wellbeing of older Australians. Due to this concern COTA is active in energy policy debates and regulatory decision-making processes through submissions and its membership on the AER Consumer Consultative Group (CCG).

COTA is primarily concerned with the costs and benefits of energy savings schemes for older people. This brief submission does not attempt to respond to all of the questions raised in the issues paper but instead focuses on the needs of older people in regard to energy savings, energy costs and essential heating and cooling for health and safety.

COTA is concerned that many current energy efficiency and energy savings schemes offer neither value for money nor tangible savings for low income and low use energy consumers. While scheme costs are in some cases (e.g. the South Australian Residential Energy Efficiency Scheme (REES)) spread across the electricity customer base, the cost savings of activities for low use consumers are limited. This is due to the 'broad' rather than 'deep' coverage of schemes, and contributes to a cost-benefit disparity is more pronounced for older people who live in smaller, more efficient homes.

It is not just older people on limited incomes who are already energy efficient who do not benefit from current schemes however. Older people who have higher energy use for the following reasons are often financially limited from realising the potential of existing schemes:

- Use of old and inefficient appliances;
- Poor thermal efficiency of homes;
- Have medical conditions that require additional heating and/or cooling, such as MS or Parkinson's Disease;
- Use mobility aids such as electric wheelchairs and mobility scooters which require recharging; and
- Require high-energy consumption medical equipment in the home, such as dialysis machines, nebulisers and oxygen concentrators.

In order to achieve tangible outcomes for older people and those on low incomes, the NESI needs to be cognisant of these issues and include significant sub-targets of vulnerable households. This focus would need to be stated in the objectives and principles of the NESI.

COTA also believes that concentration on peak load and/or system-wide aggregate energy savings will do little to alleviate essential services poverty amongst older people. In particular, peak pricing has the potential to disproportionately affect older people and others who cannot shift their load due to age- or health-related factors. Attempts to curtail peak load at the household level also has the potential to cause older people to become 'energy conserving' rather than 'energy efficient' – e.g. choosing not to use air conditioning on hot days – and can lead to significant health problems individuals and the health and emergency services systems during extreme weather events.

System-wide energy savings – while laudable on the grounds of carbon pollution reduction – will also have little a limited effect on older person households who are not making the savings themselves. Under the current energy regulatory regime, if networks sell less energy prices will be forced up to reach revenue allowances.

In summary, COTA believes that to be effective for older people the NESI would need to:

- Have significant targets for households and sub-targets for low income and older person households; and
- Have as a primary focus energy cost savings for households, rather than energy savings in terms of kWh.

For further information regarding this submission please contact Jo Root, National Policy Manager, on (02) 6282 3436 or email jroot@cota.org.au.

Yours sincerely

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