



# National Framework for Energy Efficiency

Stage two - Public consultation event  
Melbourne 25 September 2007



## context

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- 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

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- 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

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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

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- 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

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## 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

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- 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