



ECA Forum 8 May 2019

ACT PERSPECTIVE ON ENERGY CONSUMER ADVOCACY

Background:

The ACT Council of Social Service Inc. (ACTCOSS) represents not-for-profit community organisations and advocates for social justice in the ACT.

ACTCOSS is a member of the nationwide COSS Network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' vision is for Canberra to be a just, safe and sustainable community in which everyone has the opportunity for self-determination and a fair share of resources and services.

The membership of the Council includes the majority of community-based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

SPEAKING NOTES

Acknowledgement of Country

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contribution to the ACT community.

Demographic Shifts

- Increasing population (Gungahlin one of the fastest growing regions in Australia)
- Population growth includes both younger people and older people growing in numbers at the same time
- Household size in reducing with many more single person households
- 30,000 students (15% of population)
- Growing number of long term residents but also have significant transitory population: diplomats, academics, military, fly in fly out workers related to parliamentary sittings

Inequality

- M curve for income distribution
- 37,000 people including 9,000 households living on weekly income of \$500 or less and 26,000 living under the national poverty line, 5 locations on a par with most disadvantaged locations in Australia
- Salt and peppering of low cost housing means invisible and difficult to get economies of scale in responding to needs at local scale
- Market costs driven by high average income
- Experience of exclusion associated with high norms

Influence of demographics and inequality on energy consumer advocacy

- Focus on concessions arrangement – reach and quantum
- Tariff structures hard to get right – need lifeline tariffs and thresholds
- Industry/government/community partnerships are valuable - well tailored, responsive programs like the \$100 voucher program between ActewAGL, ACT Government and Care Financial Counselling Inc
- Working with national advocacy colleagues on how to shift investment and incentive programs back to collective infrastructure that makes sense even in a more disaggregated model of energy generation and distribution
- More finely grained engagement and interventions recognizing differences for consumers in terms of resources, capacity and opportunities to adapt to new energy policy and tariffs

Context for Households: Low Cost High Demand Low Capacity To Pay

- Relatively low cost electricity and a significant catch up (17% in 2017-8, 12% in 2018-19)
- Very poor housing in private rental market – 24,000 rental properties that have less than 5 stars with a cumulative cost of \$39m/year to heat these homes up to the comfort level of a 5 star house with no heating
- Rental housing is most expensive in Australian capital cities so crowds out capacity to pay for other essential costs of living like energy
- Increasing peak demand in summer as well as winter

Issues for Households

- Inelastic demand
- Energy policy levers don't address all the issues
- Industry/government/community partnerships valuable for tailoring responses – smart meter a case in point needing monitoring and refinement to minimize perverse outcomes
- Need to fund transition to new energy arrangements from public revenue not from user fees

Contextual Factors in ACT

- Limited competition
- Transition to zero emissions by 2045
- Live issue re ceasing investment in gas in new suburbs and transitioning off in other locations
- Limited energy consumer advocacy expertise, and constrained capacity to grow this given our size but also limited usefulness of buying in expertise that does not connect with and understand local context.

Implications for Energised Consumer Project

- Significant focus re climate change mitigation policy and programs – including in transport space as we consider EV adoption, incentives and just transition issues
- Strong peer support networks across other jurisdictions vital – share intellectual capital and grow capability
- Consumer advocacy is in a ongoing process of building knowledge and capability, and we are especially focused on improving our capacity to engage in assessment of investment criteria and value proposition of infrastructure investment for household and small business consumers
- Focus on representation rather than thought leadership

Concluding remarks

The Energised Consumer Project is focused on providing information and insights that enable industry and government to build their social license.

A quote from a recent article by Peter Mares in the Public Sector Informant captures how the project does this:

We engage in “Activities in neighbourhoods and workplaces where we rub up against one-another, articulate our differences and learn how to resolve them.”

Thank you