

## **Energy Consumers Australia Housing Summit 2018: Rosemary Sinclair Opening Address**

*7 September 2018*

**This speech was delivered by Rosemary Sinclair at the Housing Summit 2018 on 5 September 2018.**

Good morning, my name is Rosemary Sinclair, I am the CEO of Energy Consumers Australia.

I would like to welcome all of you to this Housing Summit.

### ***ECA's role as a catalyser***

This Summit is not a regular Energy Consumers Australia forum, and the subject matter is certainly outside our normal sphere of operations.

We are outside our comfort zone.

What we are trying to do here is something which always has an element of risk, but when done well can be incredibly powerful, and that is to explore a point of intersection.

In this case, where energy policy, meets health policy, meets social and incomes policy, meets housing and planning policy, meets innovation and technology policy.

I must start by acknowledging and thanking the people and organisations who not only see the need and the opportunity, but who have also been prepared to push the boundaries.

People and organisations who have been instrumental in framing today's agenda.

Can I acknowledge Donna Luckman, the CEO of Renew (formerly known as Alternative Technology Association), Cassandra Goldie, the CEO of the Australian Council of Social Services, and Alison Rowe, CEO of the Moreland Energy Foundation, for your leadership and expertise.

Can I also thank the organisations represented on the Steering Committee, ACOSS, Renew, CPRC and QCOSS.

The members of the Expert Panel... ASBEC, Climate Works and the Energy Efficiency Council.

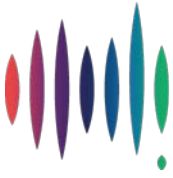
And the Commonwealth Department of the Environment and Energy, for its willingness to engage with consumer groups on housing, and who are supporting the event through ECA's Power Shift grant.

Our aim has been to do what we could to catalyse a bigger discussion about energy and housing, and with this coalition, and everyone here today, I am very confident that together we can do just that.

### ***Why are we here?***

Affordable energy is essential for families, businesses, the community and our economy.

We're having a big national debate about energy prices and what has gone wrong in the market and the system to let them climb to the extraordinary and unprecedented levels they're now at.



This is a debate we need to have, and one Energy Consumers Australia and the other energy advocacy groups here today are working hard to translate into reform and better **outcomes** for the households and small businesses we speak for.

Through the Finkel Review, through the Thwaites Review, through the ACCC Retail Electricity Prices Inquiry, through discussions with electricity and gas networks about their revenue determinations, through market rule changes to improve competition and bring-on innovation.

And by working directly with industry to lift standards.

But if we care about this affordability **outcome** – people living in comfortable homes – we also need a big national debate and a process about the other half of the equation, and that is the quality and performance of our housing.

Housing is often lost in the energy conversation...and when it does figure, we – and here I'm reflecting on our own approach to date.

Either...

We don't go right at it, addressing it as a behavioural problem or a technical matter.

Or we cordon it off entirely from the discussion as something that is outside our brief or our ability to influence the outcome.

This Housing Summit is about **going right at it** to make a very clear and positive statement about our ability, and I think our obligation as a nation, to influence the outcome.

### ***The problem***

The simple truth is that for many people, the gains we make on the price side will be undermined, and in some cases swamped entirely, by poor housing and outdated and inefficient appliances.

It's shocking, for example, that 43 per cent of people renting in one jurisdiction are living in properties that have a '**no star**' energy rating.

And that the quality of our housing is at such a level that, according to ASBEC, an increase of the equivalent of **one-star** under the National Construction Code of new homes and renovations could reduce energy costs by up to \$900.

At a time when according to the ACCC the average bill is \$1600 per year.

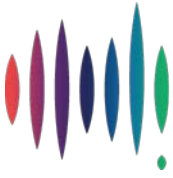
One of the key findings of our Power Shift program is that despite the enormous promise of smarter energy services, no amount of education, information or smart tools can overcome poor accommodation.

And of course, ...

We **hear** this directly from consumers who are making awful trade-offs between the essentials of life – circumstances our colleagues at Consumer Action have documented so powerfully in *Heat or Eat*.

We **see** the unmistakable signature rationing in energy use data and research – in some cases with minimal use punctuated by occasional spikes in consumption, when family and friends are visiting.

And ultimately ...



We *live* with immediate and longer-term consequences: disruption and uncertainty within households that makes it hard to work, learn or be an active member of the community; sickness, including respiratory disease and premature mortality; and at a national level, costs to our health system and measurable productivity losses.<sup>1</sup>

Impacts that we detail drawing on ACIL Allen research in the background paper we have published today.

Finally, poor housing means we over rely on air-conditioning and heating making our electricity grid more expensive overall, but also less resilient and more difficult to manage – particularly during extended periods of extremely hot weather when thermal loads build up over days and we ask more and more of our generators and networks to power our appliances that are straining to keep us cool.

### ***A growing problem***

This isn't simply a problem about old, poorly performing houses, it's a problem that is getting bigger.

In the next three years we will build more than 1 million new homes and a great proportion of them will be a bad fit for our environment.

And more and more people are renting and cannot pick and choose based on energy performance, or to retrofit. QCOSS has shown, the combination of climbing energy costs and rapidly changing technology is putting young people at an increasing disadvantage.

### ***The opportunity – hand-made housing solutions***

The word disadvantage is important because it is a lead-in to the bigger debate about the changing nature of our economy and how we sustain and improve our standard of living and opportunity into the future.

In essence, our ***social compact***.

In a major new report released last month, The Productivity Commission found that 27 years of sustained growth had delivered significantly improved living standards for the average Australian in every income decile.

And that a progressive tax, and highly targeted transfer systems had substantially reduced inequality.

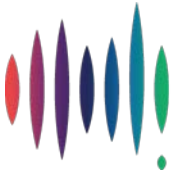
But despite this, many Australians continued to experience deep and persistent disadvantage caused by a complex interplay of factors – income, as well as access to essential services including housing, social and economic exclusion.

The Productivity Commission suggests that we need new policy responses – what it calls '***hand-made***' policy – to address the complex challenges the people in these circumstances are facing.

Policy that goes beyond traditional forms of income support starting with core issues around housing and health.

---

<sup>1</sup> ACIL Allen reports that 7 per cent of the total asthma burden in Australian children under 14 years is associated with damp housing – a disease that cost Australia \$28 billion in 2015.



Our experience and research particularly Power Shift absolutely supports the conclusion that new approaches are needed in energy and I have no doubt in housing and health as well.

We see energy efficiency and other forms of support succeeding where they're layered – tapping into social and community networks, leveraging new technology, better targeting financial support – and where they're tailored to the individual.

City Smart's *Reduce your Juice* and QCOSS's *Switched-on Communities* initiatives demonstrate this beautifully.

Meeting people where they are – which I think is at the heart of a **new** Australian social compact and an updated conception of the fair go.

In this sense, our task today is to figure out where we are now, and to explore opportunities to hand-make solutions.

Start this morning with a deep-dive into where we are now – what the evidence is telling us about how housing and energy intersect.

Then in the session before lunch we will look at where technological and environmental developments are taking our housing and what that might mean for people with vulnerabilities.

After lunch, we have two sessions on solutions – the first on building better houses, and the second on options to improve our existing homes.

Finishing up with a Chair's panel about opportunities to move forward together.

The communique we shared this morning is an important step. A clear, formal statement that the status quo is unsatisfactory and that we need a comprehensive response.

Signatories are ...

Energy Consumers Australia  
ACOSS  
NCOSS  
SACOSS  
VCOSS  
TASCOSS  
WACOSS  
ATCOS  
QCOSS  
Uniting Communities  
MEFL  
Renew

We are hopeful that others can add their names to the communique and this call for action – Kerry Connors is the keeper of the communique if you'd like to discuss it.

I really do sense a great energy and commitment in the room today, thank again for your willingness to take a risk, I look forward to the dialogue starting with our CEOs.

**Thank you.**