

Enabling an equitable energy transition through the National Energy Equity Framework

Submission on the Draft Framework to the
Energy Consumer Policy team at the
Commonwealth's Department of Climate
Change, Energy, the Environment and Water.

Submitted by: Carol Valente

DATE: 18/10/2024

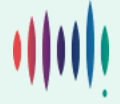


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<p>That Ministers commit to the development of targets and specific outcomes.</p> <p>An outcomes-focused Framework shifts the attention from designing good programs or policies to achieving clear goals by proactively measuring tangible impacts, monitoring progress, and encouraging continuous improvement. Based on the definition of energy equity and the better principles described in the Framework, a few outcomes that could be incorporated (non-exhaustive list) are:</p> <ol style="list-style-type: none"> 1. Reduction in energy hardship and vulnerability; 2. Increased access to reliable, clean and affordable energy services for all Australians; 3. Improvement in transparency and accuracy of data about energy inequity in Australia, so that tailored solutions can be developed; 4. Sustainability of funding for programs to address the drivers of energy hardship (e.g., energy inefficient homes) instead of the outcomes (e.g., high energy bills); and 5. Increased accountability on energy-industry participants towards reducing the risk of harm and inequitable outcomes for consumers. 	p. 5
<p>That the Framework evolve to include all energy industry decision-makers.</p> <p>Equity must be a key consideration for all decisions in the journey to a net zero energy system, from government initiatives to retailers’ offerings, to innovators’ new products, to network tariffs and renewable developments. All stakeholders in the energy system should reflect whether their actions are leading to—to use the Framework’s language—all consumers fairly accessing and benefiting from the energy system.</p> <p>Hence, we recommend that DCCEEW consider mechanisms to encourage that the Framework is also adopted by all energy industry participants—energy retailers and other service providers, distribution and transmission networks and generators—either in its current version, or as part of building that intended community of practice.</p>	p. 5
<p>That the Commonwealth lead by example.</p> <p>The Commonwealth should lead by example with the adoption of the Framework in its policies and programs for a net zero future. Aspects of the Framework, including the definition of energy equity and the better practice principles, could be embedded in the Energy and Electricity Sector Plan, the Built Environment Sector Plan, the First Nations Clean Energy Strategy, and the Trajectory for Low Energy Buildings, among others.</p>	p. 6
<p>The strategic context for energy equity spans beyond the energy sector and must seek to include the built environment and health sectors.</p> <p>We agree that mitigating energy hardship and reaching an equitable transition require a holistic perspective of the challenge. The intersectionality between energy hardship, the poor quality of the homes we live in, and the health and wellbeing impacts cannot be easily disentangled. We believe the Framework should be a guide for policies and programs beyond energy and seek to include the built environment and the health sectors.</p>	p. 6

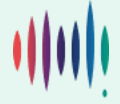


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Note about this submission

The Department of Climate Change, Energy, the Environment and Water at the Australian Government is seeking feedback on a DRAFT National Energy Equity Framework. The draft framework has been developed by the Australian and State and Territory governments, informed by the work of independent researchers from the Group of Energy Efficiency Researchers (GEER). It builds on a body of work agreed to by the former Council of Australian Governments (COAG) Energy Council in response to the Independent Review into the Future Security of the National Electricity Market (the Finkel Review).



Introduction

Energy Consumers Australia (ECA) appreciates the opportunity to provide insights and recommendations to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) as part of its public consultation process on the Draft National Energy Equity Framework (the Framework).

We represent all residential and small business energy users, and advocate for a future Australian energy system that works for, and benefits, all households and small businesses who use it, and one in which no one is left behind on the journey to net zero.

We see the National Energy Equity Framework as essential for ensuring that Australia's energy transition is both just and inclusive. As the nation shifts towards a decarbonised energy system, it is crucial that all consumers, particularly those at risk of vulnerability and disadvantaged groups, are not left behind.

We commend jurisdictions for developing a Framework that is informed by the robust research conducted by the Group of Energy Efficiency Researchers (GEER). That research, and the work done by the interjurisdictional working group, lays a solid foundation to helping ensure that government policies and programs are securing an equitable energy system.

However we have substantive concerns should the Framework be adopted in its current form:

1. While the Framework rightly underlines the importance of ensuring equity of access, its value will and should be measured on what it delivers. In the absence of clear targets and an articulation of intended outcomes, there is a very real risk that the Framework and, just as importantly, the substantial research that has supported it, will become another report on a shelf.
2. Related to the above, that the Framework does not make clear how jurisdictions will work together to continue to build on the Framework. This work is an important first step, but it is only that. The Framework must be tested and used, and there should be a clear feedback loop for jurisdictions to share where it needs to be improved.

Our recommendations below therefore focus on where the Framework could be strengthened to achieve its intended objective, including:

- That it includes a commitment from jurisdictions to develop targets and articulate outcomes.
- That it evolves to ensure that all energy decision-makers – government, regulators and industry – have the tools to ensure equity of access and benefits.
- That the Commonwealth agree to lead by example, embedding the Framework into its policy and program design.
- That the Framework continue to develop to actively engage with the built environment and health sectors, recognising their role in addressing the harm caused by inequitable access to energy.

We would support further consultation with consumer organisations ahead of its finalisation and would be happy to work with the Department. We understand that this version of the Framework will be provided to Energy Ministers at their meeting in December 2024. At minimum, we recommend that the Framework outline a process where consumer organisations could continue to work with officials to strengthen the Framework.



Recommendation 1: That Ministers commit to the development of targets and specific outcomes.

The Framework does a good job in outlining seven better practice principles to guide the design and development of more equitable policies or programs. Whilst the Framework notes that the better practice principles should contribute to more equitable outcomes for Australian consumers, these outcomes are not articulated.

It is our view that the Framework would benefit from a commitment from jurisdictions to clear outcomes that describe its intended impact. Including those would make it stronger and more purposeful.

An outcomes-focused Framework shifts the attention from designing good programs or policies to achieving clear goals by proactively measuring tangible impacts, monitoring progress, and encouraging continuous improvement.

Based on the definition of energy equity and the better principles described in the Framework, a few outcomes that could be incorporated (non-exhaustive list) are:

1. Reduction in energy hardship and vulnerability;
2. Increased access to reliable, clean and affordable energy services for all Australians;
3. Improvement in transparency and accuracy of data about energy inequity in Australia, so that tailored solutions can be developed;
4. Sustainability of funding for programs to address the drivers of energy hardship (e.g., energy inefficient homes) instead of the outcomes (e.g., high energy bills); and
5. Increased accountability on energy-industry participants towards reducing the risk of harm and inequitable outcomes for consumers.

Recommendation 2: That the Framework evolve to include all energy industry decision-makers.

Energy equity is everyone's responsibility, and ensuring we achieve equitable outcomes for consumers in the energy transition must be a collective effort.

Equity must be a key consideration for all decisions in the journey to a net zero energy system, from government initiatives to retailers' offerings, to innovators' new products, to network tariffs and renewable developments.

All stakeholders in the energy system should reflect whether their actions are leading to—to use the Framework's language—all consumers fairly accessing and benefiting from the energy system.

Hence, we recommend that DCCEEW consider mechanisms to encourage that the Framework is also adopted by all energy industry participants—energy retailers and other service providers, distribution and transmission networks and generators—either in its current version, or as part of building that intended community of practice.



Recommendation 3: That the Commonwealth lead by example.

The Framework is a much needed tool, but we'll only be able to truly measure its success if it's widely adopted. If, by the end of the energy transition, we still have people living in hardship, at risk of hardship or being marginalised by the system, then we'll have failed consumers. It would be a real shame to see this Framework 'sitting on a shelf or stored in a drawer'.

The Commonwealth should lead by example with the adoption of the Framework in its policies and programs for a net zero future. Aspects of the Framework, including the definition of energy equity and the better practice principles, could be embedded in the Energy and Electricity Sector Plan, the Built Environment Sector Plan, the First Nations Clean Energy Strategy, and the Trajectory for Low Energy Buildings, among others.

European Union (EU) directives provide a useful template for consistently including alleviating energy poverty as a key focus. The revised [Energy Efficiency Directive](#) (EU/2023/1791), for instance, agreed and published in September 2023, puts a stronger focus on alleviating energy poverty and empowering consumers through a series of wide-reaching measures.

The revised [Energy Performance of Buildings Directive](#) (EU/2024/1275), which entered into force in May 2024, also includes specific provisions related to energy poor, vulnerable households and people living in social housing. It foresees, among other measures, that EU countries include specific plans for the reduction of the number of people affected by energy poverty in their [National Building Renovation Plans](#). In fact, one of the three focus areas of the [Renovation Wave](#) is to tackle energy poverty and worst performing buildings in Europe while aiming to at least double the annual energy renovation rate by 2030.

Recommendation 4: The strategic context for energy equity spans beyond the energy sector and must seek to include the built environment and health sectors.

We agree that mitigating energy hardship and reaching an equitable transition require a holistic perspective of the challenge. The intersectionality between energy hardship, the poor quality of the homes we live in, and the health and wellbeing impacts cannot be easily disentangled.

Contrary to the position in the DRAFT and broadly aligned with the original recommendation in the [Finkel Review](#)¹, we believe the Framework should be a guide for policies and programs beyond energy and seek to include the built environment and the health sectors.

As per the EU example abovementioned, tackling energy poverty and focusing on the worst performing buildings first can and should be pursued in built environment decarbonisation strategies in Australia.

¹ Recommendation 6.6 from the Finkel Review states that "the COAG (Council of Australian Governments) Energy Council should engage with relevant portfolio areas including housing, and with state, territory and local governments, to identify opportunities to accelerate the roll out of programs that improve access by low income households to distributed energy resources and improvements in energy efficiency [...]".



Similarly, research has already demonstrated the impact of energy hardship and inequity on people's health and wellbeing². In Australia, there's a significant opportunity to tackle this issue from a public health perspective too. As noted by VCOSS in their 2024 Provocations Paper,

Health professionals understand the impacts that sustained heat or cold can have on people – especially vulnerable cohorts including young children, older people, and people with a pre-existing health condition. But because energy hardship is not recognised by policy makers or system stewards as a public health issue, health professionals are not resourced, or required, to screen for energy hardship. They are not supported with tools to systematically identify energy hardship or with referral pathways into impactful assistance programs that can address patients' energy hardship.

This is a huge missed opportunity, and one where the Energy Equity Framework could be of extreme relevance. The Warm Homes Prescriptions Program in the United Kingdom, for example, had General Practitioners (GPs) and other National Health Service (NHS) teams identified patients with conditions affected by cold homes and “prescribed warmth” to reduce their risk of a hospital admission. Patients were then connected with an energy charity who credited their heating account and undertook home upgrades where needed. If energy inequity leading to hardship is a public health issue, health professionals must be supported to be part of the solution too.

We thank the Energy Consumer Policy team at DCCEEW for the opportunity to provide feedback and make ourselves available for further discussion and collaboration throughout the consultation process.

For any questions or comments about the submission, please contact Caroline Valente at caroline.valente@energyconsumersaustralia.com.au.

Yours sincerely,

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² Thomson, Harriet, Carolyn Snell, and Stefan Bouzarovski. 2017. "Health, Well-Being and Energy Poverty in Europe: A Comparative Study of 32 European Countries" *International Journal of Environmental Research and Public Health* 14, no. 6: 584. <https://doi.org/10.3390/ijerph14060584>

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