



Ethnic Communities' Council of NSW Inc.

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Energy White Paper Taskforce
Department of Industry
GPO Box 1564
CANBERRA ACT 2601

Submission to Australia Government Department of Industry – Energy White Paper Submission

The Ethnic Communities Council of NSW (ECC) welcomes the opportunity to comment on the Australian Government's **Energy White Paper – Issues Paper**.

Since its formation 39 years ago the ECC has been the peak body for culturally and linguistically diverse (CALD) community members and representative organisations in NSW. The ECC's main activities are advocacy, education and community development. It is a member of the Federation of Ethnic Communities Councils of Australia (FECCA) and the energy advocacy represents FECCA.

It is important to note that three million people in Australia speak a language other than English (LOTE) at home. In the states of NSW and Victoria over 20% of the population speak a language other than English at home. In these states the population numbers of LOTE speakers are larger than the population of some of the Australian smaller jurisdictions such as Tasmania, ACT and Northern Territory and the number of LOTE speakers in NSW is almost equal to the population of South Australia. (ABS 2011)

The ECC NSW has engaged both householders and ethno-specific small to medium sized businesses in reducing their energy use for more than a decade as well as water use. During this time we have demonstrated that the CALD community is willing to change some of their traditional practices to achieve a reduction in resource use (see Saving Water in Asian Restaurants project on www.eccnsw.org.au/What-we-do/Saving-Water-in-Asian-Restaurants-Project.aspx).

In 2010 the ECC NSW conducted research into the experiences of both households and ethno-specific small to medium sized businesses with energy consumption (<http://www.eccnsw.org.au/What-we-do/Advocacy/Consumer-Energy-Research.aspx>). The results of the research indicate that the CALD communities are uninformed about energy matters including energy efficiency but are concerned about the price increases. The research recommended that face to face, in language education was needed by the CALD communities to assist them to reduce their energy usage.

If you have any questions about this submission, please do not hesitate to contact Helen Scott on 02 9319 0288 or 0425 833 892.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Franklin', with a small comma at the end.

Mark Franklin
Executive Officer
Ethnic Communities' Council of NSW Inc.



Energy White Paper 2014 – Issues Paper submission template

Details of person making the submission

First Name	Helen
Surname	Scott
Country (if not Australia)	
State	NSW
Company or Organisation (if relevant)	Ethnic Communities' Council
Position in Organisation (if relevant)	Energy Advocate
Type of Organisation. Please choose from the dropdown list right	Non-Government Organisation
Sector. Please choose from the dropdown list right	Other Services
Email. Please provide an email address if you would like to receive updates from the Energy White Paper Taskforce	energy@eccnsw.org.au

Confidentiality

<input type="checkbox"/>	Submissions may be published on the Department of Industry website. If you do not wish to have your submission made public, please tick the box.
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Issues for comment are listed against each of the Chapter Headings. In making your submission, you are welcome to make comment against some or all of issues in the fields provided. A field for general comments is provided at the end of the template.

1. The Security of Energy Supplies

The Government seeks comment on:

- ways community expectations can be better understood and reflected in reliability standards;
- the value of developing fuel reserves to meet Australia's international oil security obligations, and augment domestic security;
- ways to increase new gas sources to meet demand and measures to enhance transparency in market conditions; and
- issues relating to the regulation of energy infrastructure.

Please provide any comments on The Security of Energy Supplies below:

Community expectations will be better understood and reflected in reliability standards if the standards are based on research which engages all consumers not just those that have access to the internet and the necessary language skills.

Research conducted by the Ethnic Communities Council (ECC) in 2011 in Sydney indicated that a significant proportion of consumers did not understand the issues that result from a power outage. (ECC) This research engaged the community members using an appropriate methodology whereas the research conducted in the past to determine community expectations has been internet based and has not recorded the ethnicity of the participant.

A more comprehensive research strategy that includes methods for reaching those with English as a second language, with literacy problems and/or limited access to the internet (from low income, elderly and indigenous communities) would ensure that the understanding of all the diverse members of the Australian community and their expectations are reflected in the standards.

The ECC supports the concept of more engagement with consumers in setting reliability standards recognising that the standards are based not only on technical or economic grounds but also communities' values. The Consumer Utilities Advocacy Centre has produced a report, 'Meaningful & Genuine Engagement: Perspectives from Consumer Advocates' (2013) (CUAC) developed with input from 28 consumer advocates' interviews and with recommendations. The ECC is working on a strategy for engaging culturally and linguistically diverse consumers that will be published on the ECC NSW website.

2. Regulatory Reform and Role of Government

The Government seeks comment on:

- priority issues, barriers or gaps within the COAG energy market reform agenda;
- possible approaches and impacts of review of tariff structures including fixed network costs, further time-of-use based electricity tariffs and the use of smart meters;
- possible measures to promote greater price transparency in gas markets; and
- areas where further privatisation of government-owned assets would contribute to more effective regulatory frameworks and better outcomes for consumers.

Please provide any comments on Regulatory Reform and Role of Government below:

Approaches and impacts of review of tariff structures needs to be based on consumer information and this has not been collected in a form that engages the diverse nature of the Australian population impacted by the NEM. Customers in the Victorian jurisdiction have already experienced the impact of smart meters and time-of-use energy pricing. This provides a unique opportunity to assess the impacts of these techniques for reducing peak demand, the consumers' understanding of these new tariff structures and the associated technology and how these new technologies and pricing structures can be used to reduce energy use in the home or the small business.

Only research that targets and engages all of the diverse Victorian customers can provide an understanding of the impact and effectiveness of these demand side participation strategies. To achieve this result will necessitate the development of appropriate methods for engaging the different communities to collect the data and not simply using electronic media. Regional/rural, indigenous, low income and culturally and linguistically diverse (CALD) members of the community often cannot respond to the electronic method of data collecting due to lack of access to the technology, language and literacy barriers.

It is only when we have a comprehensive understanding of the impact of these changes in tariff structures and smart meters on the Victorian consumers that represents the diversity of the population can an informed review of these approaches be conducted.

3. Growth and Investment

The Government seeks comment on:

- commercial or market initiatives that could enhance growth and investment in the energy and resources sectors;
- areas where approvals processes could be further streamlined while maintaining proper environmental and social safeguards;
- further ways that regulatory burdens could be reduced while maintaining appropriate levels of disclosure and transparency in energy markets; and
- the impacts of variable land access policy and ways the community could be better informed and engaged on development in the energy sector.

Please provide any comments on Growth and Investment below:

Ways the community could be better informed and engaged on development in the energy sector can only be realised when there are clear and unequivocal results from studies by independent bodies on the impacts of variable land access policy. The most commonly used resource for energy production is coal mining and the community can see the impacts this has on land and water in many areas of Australia.

The new growth energy producing resource is gas. Land holders and communities are at present unsure about the impacts of the practice of 'fracking' to extract the gas on their water supply. They feel disempowered when a company can have access to their property for exploration and extraction of this resource without their permission or involvement.

The community is increasingly aware of the issues of food and water security for their families and communities. It is only when the independent studies' results are clearly communicated to the community by an independent body will community members be able to engage in the planning and development in the energy sector.

4. Trade and International Relations

The Government seeks comment on:

- how to grow the export of value-added energy products and services;
- ways to remove unnecessary barriers to continued foreign investment in Australia's energy sector;
- ways to strengthen support for access to export markets; and
- ways to support business to maximise export opportunities for Australia's energy commodities, products, technologies and services, including the value of Australia's participation in the variety of international forums.

Please provide any comments on Trade and International Relations below:

It is well known that Australia has developed significant strides in the renewable energy field including in photovoltaics and on-site storage technologies. These are value added energy products that business could have invested in and developed in Australia for export. In future the Australian government could develop policies that encourages business investment in such innovative technologies and support the export to the international market. Many of these technologies are in demand in other countries where renewable energy technology is a growth market.

Eric Carlson, senior director of grid systems integration storage at Solar City in the United States said recently "As we look toward the future where we convert our grid to be largely powered by renewable sources [including] solar and wind, we think energy storage will be a key component of that system." Carlson went on to explain that the company had entered the energy storage market early because it was a clear requirement to support high penetration of renewable energy. This is an example of forward thinking for the future and provides an opportunity for export in a country of low population and innovation like Australia.

5. Workforce Productivity

The Government seeks comment on:

- the nature of any current skills shortages being experienced and how these could be addressed by and with industry;
- the capacity of industry and education sector-led programs to meet long-term training and skills development needs of the energy and resources sectors; and
- specific long-term training and skills development needs for alternative transport fuel, renewable energy, energy management and other clean energy industries.

Please provide any comments on Workforce Productivity below:

According to the Business Spectator "in 2013 close to 15,000 people were directly employed in production, sale and installation of solar systems with another 2,500 providing a range of support services." This renewable energy industry alone employs around 17% more people than the oil and gas extraction industry and two-thirds of the the jobs of the entire coal mining sector.

The government needs to ensure that future energy policies continue to support employment in this sector and that the skills and training are maintained and developed. Renewable energy is increasingly being adopted globally to reduce carbon emissions and as a result many people migrating to Australia potentially experience in these industries and their expertise could be targetted in immigration policies.

6. Driving Energy Productivity

The Government seeks comment on:

- the current suite of energy efficiency measures, ways these could be enhanced to provide greater energy efficiency or possible new measures that would enhance energy productivity;
- the use of demand-side participation measures to encourage energy productivity and reduce peak energy use; and
- measures to increase energy use efficiency in the transport sector.

Please provide any comments on Driving Energy Productivity below:

1. Ways the current suite of energy efficiency measures could be enhanced to provide greater energy efficiency. Many newly arrived migrants and refugees are housed in either social housing or private rental as are other low income earning members of the community.

Social housing provides a unique opportunity for improving the energy efficiency of housing stock in a state government controlled process. Insulation has been shown to achieve energy efficiency effectively (an improvement of 35% for heating and cooling (ACOSS)) and the social housing stock provides the opportunity for controlled and safe installation by government.

The private rental market also provides the opportunity for retro fitting insulation and improving energy efficiency of their rental property. The responsibility for safe installation can be managed by the landlord who can be compensated by a tax benefit or rebate. Alternatively a regulation approach could be initiated based on the approach taken for fire alarm installation and maintenance. The flow on effect of insulation has been demonstrated in New Zealand to lower health costs and other benefits.

2. The use of demand-side participation measures to encourage energy productivity and reduce peak energy use will not be successful unless a comprehensive communication and education strategy is implemented both before and during the roll out of any measures. The research conducted by⁶ the Consumer Utilities Advocacy Centre (CUAC) in Victoria recommended.

7. Alternative and Emerging Energy Sources and Technology

The Government seeks comment on:

- ways to encourage a lower emissions energy supply that avoids market distortion or causes increased energy prices;
- the need to review existing network tariff structures in the face of rapidly growing deployment of grid-backed-up distributed energy systems, to ensure proper distribution of costs;
- additional cost-effective means, beyond current mandatory targets and grants, to encourage further development of renewable and other alternative energy sources and their effective integration within the wider energy market;
- how the uptake of high efficiency low emissions intensity electricity generation can be progressed;
- any barriers to increased uptake of LPG in private and commercial vehicles and CNG and LNG in the heavy vehicle fleet; and
- any barriers to the increased uptake of electric vehicles and advanced biofuels.

Please provide any comments on Alternative and Emerging Energy Sources and Technology below:

1. Ways to encourage a lower emissions energy supply that avoids market distortion or causes increased energy prices. This is difficult to address without taking into account the distortion to the market caused by the subsidies paid to the traditional coal based energy producers in the form of government infrastructure provision, a subsidy for the diesel fuel used in mining machinery and trucks in the form of a tax credit at a cost of \$2 billion and in NSW the indirect subsidy for coal used in energy production rather than exported. This equals the amount spent in 2012 (about \$2.2 billion) on subsidies for PV systems including renewable energy certificates and feed-in tariffs which have now been significantly reduced. Only the subsidies for renewable energy have been recognised as causing energy price increases. The subsidies to coal fired generation is less clear as they are part of governments' general budget. These factors need to be taken into account when developing ways to encourage lower emissions energy supply.(Business Spectator)

2. The need to review existing network tariff structures in the face of rapidly growing deployment of grid-backed-up distributed energy systems, to ensure proper distribution of costs. Bruce Mountain suggests that the PV grid-backed-up distributed energy systems have contributed to reduced need for network augmentation valued between \$72 million and \$168 million annually. This needs to be factored in when assessing tariff design to compensate for the revenue lost caused by PV installation. The suggested way to compensate the networks is to increase the fixed charge for those with PVs however this may seem unreasonable when those that installed large airconditioners resulting in the need to augment networks were not required to pay additional charges. An acceptable resolution needs to consider both economic and equity concerns.

3. Additional cost-effective means to encourage further development of renewable and other alternative energy sources and their effective integration with the wider energy market could include:

a) introducing equitable subsidies for all forms of energy production

b) supporting communities to install their own embedded generators. The efficiency gains are twofold: the reduction in energy lost in long lengths of wires and the reduction in the need for infrastructure augmentation and maintenance. This strategy is of particular benefit to Australia with long distances to transport energy and a high level of sun availability for harnessing by photovoltaics.

General Comments

Any further comments?