



# Vulnerability in the Energy Market

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# About ACTCOSS

We represent not-for-profit community organisations working tirelessly for social justice in the ACT.

We are a not-for-profit peak body, working collaboratively to create a collective voice, advocating for positive social change, and justice and self-determination for Aboriginal and/or Torres Strait Islander peoples.

Our vision is for an inclusive Canberra where no one lives in poverty.

**ACT**

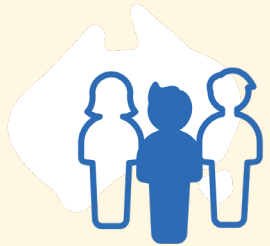
**COSS**

Council of  
Social Service

# About ACTCOSS



What do we do?



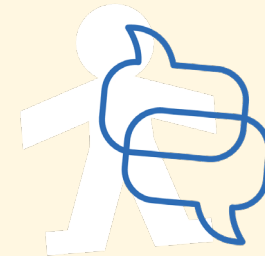
## We Influence

ACTCOSS works to influence Government and Decision Makers to affect positive change.



## We Amplify

ACTCOSS amplifies the voice of excluded groups to publicly highlight injustice.



## We Facilitate

ACTCOSS facilitates member and sector development through training, information sessions, roundtable consultations and more.

# Energy is Essential



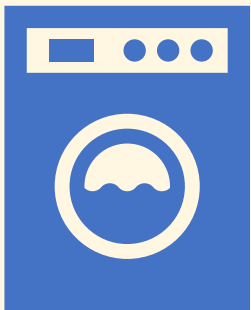
Cooking



Heating/Cooling



Life saving devices



Cleaning



Communication



Lights

# Vulnerability

**Circumstances** that make it more likely that a person will suffer **detriment**, or less able to represent or protect their own interests when engaging in the energy market.

# Detriment



## Health Impacts

- Hypothermia
- Heat Stress
- Respiratory issues
- Poor mental health

### Case Study

Peter had no energy debts,

During his appointment, it became clear that peter was cutting back on food and medicine to keep on top of his energy bills.



# Detrimental Impacts on Housing Outcomes

- Reduced ability to buy a home
- Eviction and homelessness risk increased.



# Other Impacts



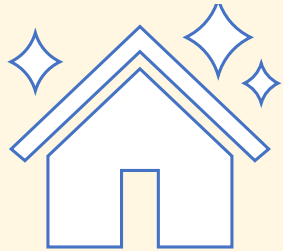
- Social Isolation
- Educational Attainment
- Financial Security



# Circumstances



Existence of these circumstances is not a guaranteed determinant of detriment, but it does increase the risk



## Housing Type

**1/3 of Australians rent their homes.**

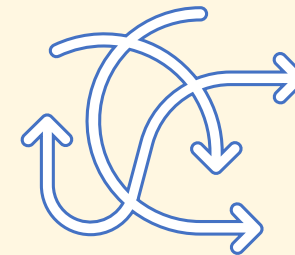
People who rent their home are more likely to live in homes with poor energy efficiency and have less capacity than homeowners to make their homes more efficient or to access solar power.



## Income Levels

People on lower incomes spend a greater portion of their income on energy bills.

Low-income households spend double the % of their disposable income on energy than average- income households



## Energy Market

Characteristics of the energy market can make it harder for people to engage effectively with it making detriment more likely.

Complicated tariff structures, embedded networks

# Circumstances



**1 in 5**



**Australians have a disability.<sup>2</sup> Consumers with a disability may find it difficult to search for and assess energy deals or to keep energy usage to an affordable level without compromising their health or welfare.**

**44%**



**44% of Australians have literacy levels considered to be below what is required to fully participate in society.<sup>3</sup>**

**45%**



**of Australians will experience mental ill-health at some point in their life.<sup>4</sup> People living with mental illness may struggle to effectively use essential services due to difficulties like making telephone calls to their service provider, opening the post or navigating complex online forms.**

**1 in 6**



**Australian women have experienced physical or sexual violence by a current or former partner.<sup>5</sup> Survivors of family violence may have experienced economic abuse, including energy debts accumulated in their own name, or may require additional account security to protect their personal information and safety.**



## Circumstances often compound increasing vulnerability

Household type	Percentage of households in the bottom 20% of income earners	Percentage of total ACT households
<b>Owned</b>	54%	67%
<b>Rented (private)</b>	20%	25%
<b>Rented (public)</b>	19%	5%
<b>Rented (social)</b>	2%	1%
<b>Other</b>	5%	2%

Source: Energy Equity in Electrifying ACT Households by Common Capital

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# Energy Transition & Vulnerability

Risks and Opportunities

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# Risks

Energy transition can exacerbate existing inequities.

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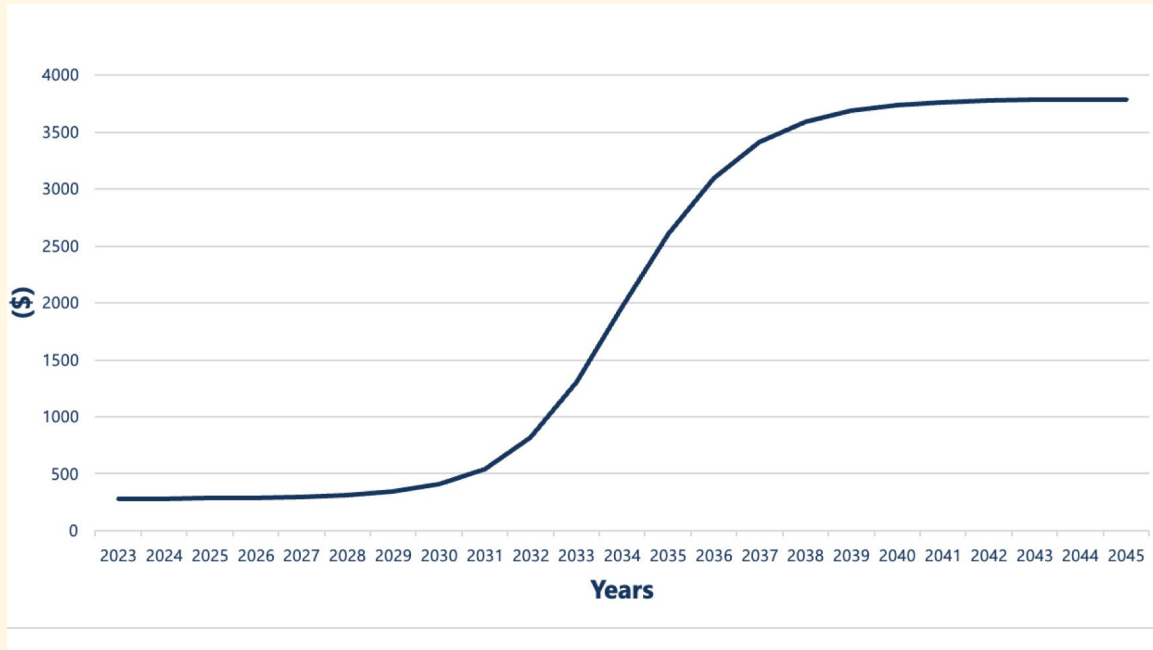
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# Risks in a BAU Scenario



## Standing costs for gas (Modelling)



Source: Energy Equity in Electrifying ACT Households by Common Capital

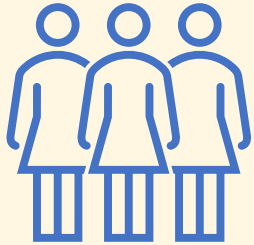
## Gas Transition

As the no of customers on the gas network declines, the cost of the network will have to be spread over a small group of customers. Increasing the cost for each customer.

If government takes no action to limit these charges gas standing fees could rise as follows:

- In 2030 it could be \$ 405
- In 2035 it could reach \$ 2,610
- In 2041 it could reach \$ 3,700

# Equity Risks in a BAU Scenario



## Who will still be using gas

Likely the great majority of the households still left on the network will be those that could not transition.

Renters

Lower Income households

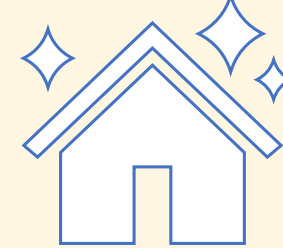


## Why: Cost of Transition

Complete electrification of a typical ACT household requires around \$11,000 in up front upgrade costs

approximately \$4,900 more than replacing these appliances with new gas appliances.

Income of less than \$1,333 per week for the bottom 20% of ACT households



## Why: Other Factors

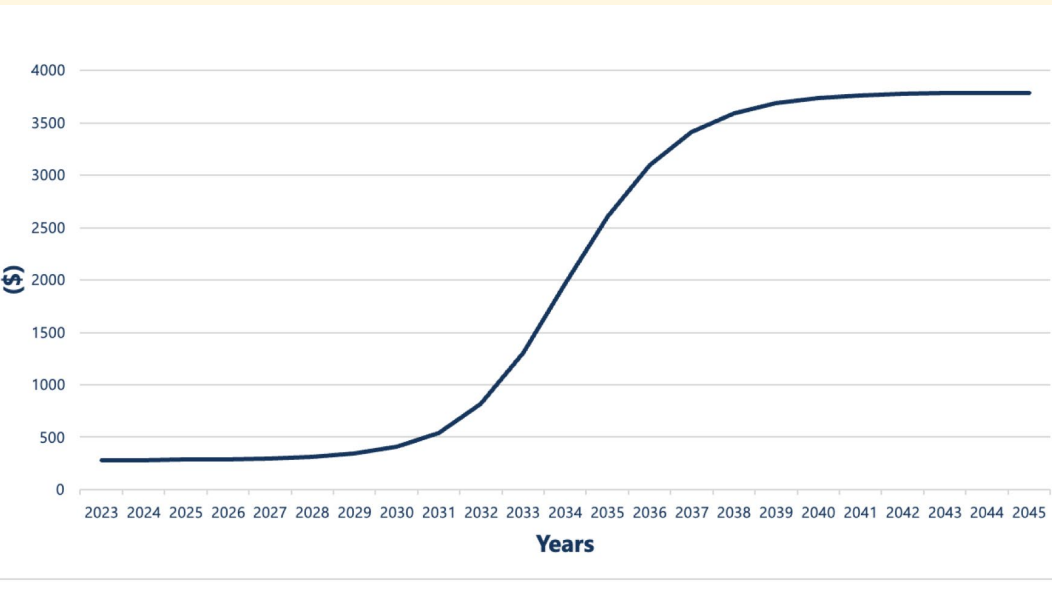
Renters are dependent on their landlords for structural investments in their housing.

They may not be able to install new electric appliance or solar panels to increase the benefit of electrifying

# Risks Business As Usual



## Standing fees for gas



If government takes no action to limit network recovery costs, it is predicted the gas standing fees for households will be as follows:

- In 2030 it could be \$ 405
- In 2035 it could reach \$ 2,610
- In 2041 it could reach \$ 3,700

It is likely the great majority of the households still left on the network will be those that could not transition.

Renters

Lower Income households

Complete electrification of a typical ACT household requires around \$11,000 in up front upgrade costs



# Other Risks



- New technology being deployed w/ adequate safeguards
- Increased Complexity of Energy market



# Benefits

## Health Benefits

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# Benefits

## Equity Gains

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# Solutions?

Prioritizing targeted energy supports  
Regulatory?

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