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Senate Economics References Committee
Lodged via online portal.

Submission to the Senate Economics References Committee Inquiry into Residential Electrification

Dear Chair,

Energy Consumers Australia welcomes the opportunity to comment on Australia's residential electrification efforts. As the national voice for residential and small business energy consumers, this topic is very much front of mind for us.

Over the next two to three decades, Australian households will need to stop using fossil fuels in their homes. Currently, more than 10% of Australia's total carbon emissions are from homes.¹ To reduce these emissions in line with Australia's targeted timeframes, almost all households will need to electrify by 2050. Based on AEMO's 2022 Integrated System Plan, we are assuming in this submission that neither biogas nor hydrogen will be a suitable alternative to decarbonise most Australian homes.

We are confident that residential electrification will lead to better outcomes for all households. This is evidenced in our attached 2023 report *Stepping Up: A Smoother Pathway to Decarbonising Homes* (Stepping Up), and the accompanying technical report by CSIRO and Dynamic Analysis. The report looks at the shared and individual cost impacts of electrification for consumers if the Australian Energy Market Operator's 2022 Integrated System Plan's Step Change scenario is realised.

The modelling in the CSIRO and Dynamic Analysis technical report concludes that residential electrification will not only reduce the bills of those who electrify, it will reduce electricity prices for all Australian households and businesses, leading to wider benefits across the entire economy. It also finds that by 2030, the average difference in total energy costs (including transport) between a fossil-fuelled home and an all-electric home (without solar and battery), will be over \$2,000 per year.²

However, to reach those outcomes, consumers need a smooth, well-planned journey – and we need to make sure that no one is left behind. Some consumers face barriers to decarbonising their homes, particularly those on low incomes, renters and people living in apartments, and the modelling for our Stepping Up report shows that those who remain on fossil fuels will face escalating bills.

To support Australia's residential electrification efforts, our Stepping Up report recommends:

Governments task a new national partnership with developing a clear and comprehensive plan that sets out how all households will decarbonise.

¹ <https://www.energy.gov.au/government-priorities/buildings/residential-buildings#:~:text=Many%20homes%20in%20Australia%20were,total%20carbon%20emissions%20in%20Australia.>

² <https://energyconsumersaustralia.com.au/wp-content/uploads/Stepping-Up-Report-Final.pdf> p 14.



This plan needs to:

1. **Support consumer agency** by effectively communicating with consumers, so that they understand why they are being asked to change, what the energy transition means for them, and what actions they can take on their individual journey.
2. **Provide financial support** to ensure that all Australians can benefit from this transition, and no-one is left behind.
3. **Create the structural policies needed** to ensure the necessary infrastructure and processes are in place to help all households electrify. This needs to include a safe and orderly transition away from gas for households.

We explain these recommendations in greater detail in Appendix A, and respond directly to the Inquiry's Terms of Reference in Appendix B.

Lastly, small businesses need to be a part of this journey, and we recommend a future inquiry to understand how these businesses will decarbonise. Small businesses often face high barriers to decarbonising and use more energy than households. Supporting small businesses creates an opportunity to not only help them manage their bills, but lower overall energy system costs.

If you have any questions about our comments in this submission, or require further detail, please contact Ashley Bradshaw at ashley.bradshaw@energyconsumersaustralia.com.au.

Yours sincerely,

Dr Brendan French
Chief Executive Officer

Attachments:

Stepping Up: A Smoother Pathway to Decarbonising Homes (Stepping Up) by Energy Consumers Australia, August 2023.

Stepping Up Technical Report, CSIRO and Dynamic Analysis, commissioned for Energy Consumers Australia, August 2023.



Appendix A: Key Recommendations

To support Australia's residential electrification efforts, our Stepping Up report recommends:

Governments task a new national partnership with developing a clear and comprehensive plan that sets out how all households will decarbonise.

The plan needs to:

1. **Support consumer agency** by effectively communicating with consumers, so that they understand why they are being asked to change, what the energy transition means for them, and what actions they can take on their individual journey.
2. **Provide financial support** to ensure that all Australians can benefit from this transition, and no-one is left behind.
3. **Create the structural policies needed** to ensure the necessary infrastructure and processes are in place to help all households electrify. This needs to include a safe and orderly transition away from gas for households.

We explain each of these below.

Task a new national partnership with developing a clear and comprehensive plan that sets out how all households will decarbonise.

The scale of change required for households to replace their gas appliances, switch to electric vehicles, and renovate their homes is unprecedented. The transition will require coordination across all levels of government (federal, jurisdictional and councils) to develop a clear approach to decarbonising households.

A single, coordinated partnership is important as it ensures consistent messaging and alignment across all levels of government to avoid inconsistencies that could hinder progress. Councils need to be included in this partnership at a policymaking level as well as an implementation level.

This partnership can draw upon the good work some jurisdictions are already undertaking, for example the ACT Government's decarbonisation plans, which include community consultation on their Integrated Energy Plan.³ We look at this in more detail at recommendation 3.

1. **Support consumer agency by effectively communicating with consumers, so that they understand why they are being asked to change, what the energy transition means for them, and what actions they can take on their individual journey.**

Our Stepping Up report calls for governments to ensure the provision of trusted and independent energy information and support, to ensure consumers can make choices that best suit their needs and circumstances now and for their future.⁴ For example, to make decisions on decarbonising their homes, consumers need to know where to find reliable advice and technical support, help assessing their energy needs, how to find reliable tradespeople, and where to access funding and finance.

³ <https://yoursayconversations.act.gov.au/Integrated-Energy-Plan>

⁴ <https://energyconsumersaustralia.com.au/wp-content/uploads/Stepping-Up-Report-Final.pdf> p 19.



Our June 2023 Sentiment Survey found that approximately only one in five households think that governments and industry have communicated clearly how the transition to renewable energy will affect them.⁵

Further, research we commissioned from The Shape Agency recently found that there is an overwhelming amount of information about energy in the public domain from a wide variety of sources, which causes consumers to ‘switch off’.⁶

Each household’s decarbonisation journey will be different, reflecting their different economic circumstances, housing structure, reliance on fossil gas, and cultural background. As such, a default response of “educating” consumers will not be sufficient in achieving positive outcomes for Australians.

Households need:

- **The right information.**

In 2020, our Power Shift research found that “There is no one size fits all solution” to providing effective information.⁷ Information must be tailored to people’s needs and lifestyle, as households face different barriers and costs to decarbonising their homes, and they will all have different pathways getting to net zero.

- **At the right time.**

There are critical moments when consumers need communications about energy, for example when they are buying a new appliance, or purchasing or renting a home.

- **From the right place.**

The information needs to be readily available from the channels, sources, and personal networks that different consumers prefer. For example, the need to decarbonise will be viewed differently depending on a consumer’s cultural background, so having community champions and local organisations providing tailored advice is crucial.

2. Provide financial support to ensure that all Australians can benefit from this transition, and no-one is left behind.

Many households will face significant up-front costs to decarbonise their homes. To reduce this barrier, we recommend providing access to interest free or low-cost finance options to help consumers make these investments.

However, some households will face greater barriers than others. For example, rental households and multi-unit dwellings will face more complicated barriers to decarbonising their homes. Only 52% of Australian households are stand-alone homes and owner-occupied.⁸ This means that policy must be tailored to address the significant costs and barriers the other half of Australians will face, to ensure that no one is left behind.

⁵ <https://ecss.energyconsumersaustralia.com.au/sentiment-survey-june-2023/featured-content-household-sentiment-june-2023/>

⁶ <https://energyconsumersaustralia.com.au/wp-content/uploads/Energy-Information-Campaign.pdf> p 3.

⁷ [Power-Shift-Final-Report-February-2020.pdf](https://energyconsumersaustralia.com.au/wp-content/uploads/Power-Shift-Final-Report-February-2020.pdf) (energyconsumersaustralia.com.au) p.12

⁸ <https://energyconsumersaustralia.com.au/wp-content/uploads/Stepping-Up-Report-Final.pdf> p 8.



In our Stepping Up report we recommend:

- Expanding support for home and social housing upgrades under the Household Energy Upgrades Fund,
- Providing access to free or low-cost finance options to help consumers electrify,
- Providing grants or subsidies targeted to those least able to decarbonise.

3. Create the structural policies needed to ensure the necessary infrastructure and processes are in place to help all households electrify. This needs to include a safe and orderly transition away from gas for households.

The national partnership should set clear policy foundations now, to ensure households are best placed to decarbonise in an efficient way. Doing so will enable consumers to plan ahead for when their gas appliances need replacing and inform their purchasing choices, and will signal to industry to build their capacity for this decarbonised future.

In addition to measures that support consumer agency (recommendation 1), and targeted support for those who face barriers (recommendation 2), the plan should, as a priority:

Set purposeful, ambitious, and measurable targets and milestones

In our submission to the National Energy Performance Strategy (NEPS),⁹ we recommended announcing a formal target for all homes and small business premises in Australia to be net zero by 2050.

There are good international models for this. In 2016, the Danish Government took a decision to consolidate and take ownership of all gas distribution grids, with goals to switch all households connected to the gas grid to clean heating sources by 2030. The Danish Government also provides funding to households to cover the gas network disconnection costs.

Learnings can also be taken from the ACT, whose government has announced that it will transition away from fossil fuel gas to renewable electricity by 2045, and has informed ACT consumers to consider this when upgrading appliances.¹⁰ Our forthcoming Energy Consumer Behaviour Survey (out in October) will show that the ACT's clear policy settings are leading consumers in that territory to consider transitioning to all-electric households at a much higher rate than the rest of the country.

The ACT Government has also announced that the sale of new petrol and diesel vehicles will be banned from 2035. ACT leads the country in electric vehicle sales – so far in 2023, 22% of new car sales in ACT were electric vehicles. Tasmania is second at only 9%.¹¹ This shows the value of setting clear targets.

In addition to setting these clear signals, the ACT Government has published a list of indicators to measure progress for the transition away from fossil fuel gas.¹² We recommend the national

⁹ https://energyconsumersaustralia.com.au/wp-content/uploads/20230210_Submission-to-the-National-Energy-Performance-Strategy-Consultation-Paper.pdf p 18.

¹⁰ <https://www.climatechoices.act.gov.au/energy/switching-from-gas#:~:text=The%20ACT%20will%20transition%20away,making%20your%20next%20choice%20electric.>

¹¹ https://electricvehiclecouncil.com.au/wp-content/uploads/2023/07/State-of-EVs_July-2023_.pdf

¹² https://hdp-au-prod-app-act-yoursay-files.s3.ap-southeast-2.amazonaws.com/5016/9138/6293/Integrated_Energy_Plan_Summary_ACCESS_FA3.pdf p 13.



partnership implement similar targets to those already set in motion in the ACT, to send clear policy signals across the entire country.

Ban new fossil fuel connections

We agree with The Grattan Institute that there needs to be a national ban on gas connections for new homes.¹³ Some jurisdictions are already moving to implement gas bans for new homes, such as Victoria and the ACT. This is a measure that provides certainty and direction to both industry and consumers as we move towards our decarbonisation goals.

Build up industry capacity

As households decarbonise at scale, it will be crucial to support the related growing demand for relevant skilled workers, particularly electricians. Support should include the upskilling of gas-fitters in electrical work, and providing loans to electrical apprentices.¹⁴ Further, decarbonising homes will also require robust supply chains, which will be supported by the policy certainty.

Improve access to low-cost EVs and charging infrastructure, particularly for those who face barriers to charging their EV at home.

As highlighted in the modelling of our Stepping Up report, encouraging the switch from petrol or diesel vehicles to EVs will provide the most value in terms of individual household benefits, and for all electricity consumers when decarbonising their homes.¹⁵ It is therefore important to support access to low-cost EVs, and charging infrastructure (tailored to address the barriers many face to charging their EV at home). We further discuss supporting the uptake of EVs in our submission on the National Electric Vehicle Strategy.¹⁶

Ensure robust building and appliance ratings and standards

In our submission to the National Energy Performance Strategy (NEPS), we recommended a review of the Trajectory for Low Energy Buildings – Residential Initiatives, which includes the context of accelerating electrification as an efficiency measure.¹⁷ This should include mandatory disclosure of energy efficiency ratings for homes, minimum rental standards (which include all-electric appliances), and minimum performance standards for home appliances.

In the longer-term, governments should consider the phaseout of the sale of new fossil-powered appliances. Doing so can prevent consumers from making uninformed decisions that leaves them with stranded assets. We also encourage the Commonwealth Government to consider introducing mandatory information disclosures on gas appliances that inform consumers about the potential economic consequences of buying new gas appliances that may outlast the cost-effectiveness of local gas service.

Plan a safe and orderly transition away from the gas network for households

Absent of policy changes, all consumers who remain on the gas network will face escalating gas bills. As gas customers leave the network, the diminishing number of remaining gas customers will have to

¹³ <https://grattan.edu.au/wp-content/uploads/2023/06/Getting-off-gas-why-how-and-who-should-pay.pdf> p 3.

¹⁴ <https://grattan.edu.au/wp-content/uploads/2023/06/Getting-off-gas-why-how-and-who-should-pay.pdf> p 40.

¹⁵ <https://energyconsumersaustralia.com.au/wp-content/uploads/CSIRO-Technical-Report-Stepping-Up.pdf> p vi.

¹⁶ https://energyconsumersaustralia.com.au/wp-content/uploads/20221104_Submission-to-DCCEEW_National-Electric-Vehicle-Strategy-Consultation-paper.pdf

¹⁷ https://energyconsumersaustralia.com.au/wp-content/uploads/20230210_Submission-to-the-National-Energy-Performance-Strategy-Consultation-Paper.pdf p 22.



pay a larger share of gas network costs. Declining customer numbers also pose risks for the operation and safety of the gas network (e.g., maintaining pressure in pipelines).¹⁸

If governments don't manage this risk, it could escalate quickly. Growing gas bills will likely create a self-reinforcing effect, prompting more consumers to switch to all electric appliances, which could quickly leave only those who are unable to switch as the remaining customers of the network. Governments need to ensure that those left on the gas network are the consumers who chose to do so, not those who are unable to afford to make the switch.

Diminishing customer numbers may also require parts of the network to retire early, potentially leaving customers with no choice but to electrify anyway. Notably, modelling commissioned by the ACT Government projected that an accelerated decline in gas demand could increase gas retail prices by 300 per cent by the mid-2030s.¹⁹

To mitigate these risks, governments must develop a plan to ensure this transition does not leave a high financial burden for the last households and small businesses using the gas network.

¹⁸ https://energyconsumersaustralia.com.au/wp-content/uploads/230109_Report_Risks-to-gas-consumers-of-declining-gas-demand_final.pdf p 30.

¹⁹ https://www.climatechoices.act.gov.au/_data/assets/pdf_file/0006/2052474/Strategic-Report.pdf



Appendix B: Energy Consumers Australia’s Response to the Inquiry’s Terms of Reference

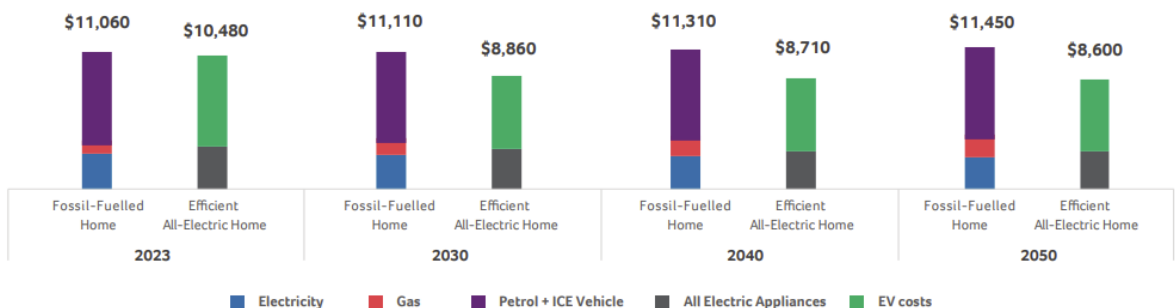
- (a) the economic opportunities of household electrification, including but not limited to: long-term reduction of energy price inflation, long-term employment opportunities, and the scaling up of domestic capacity.

Household electrification will reduce electricity bills for Australians, reducing energy price inflation. This will have flow-on benefits across the broader economy.

Electrification will reduce electricity prices for all Australians

As we discuss above, electrification of transport and buildings will reduce electricity costs for all Australians. The modelling by CSIRO and Dynamic Analysis for our Stepping Up report found that the average household across the National Electricity Market (NEM) is likely to save more than \$2,000 per year by the end of the decade from going all-electric (including from EVs).

In the chart below, the fossil-fuelled household has the same electricity and gas consumption as today and uses the Australian average of 1.7 internal combustion engine vehicles. The efficient, all-electric household takes energy efficient actions consistent with the 2022 ISP Step Change scenario. They use all electric appliances and 1.7 electric cars. Neither house includes solar panels or a battery.



The modelling found that the electrification of vehicles and gas appliances provides ongoing shared system benefits to all customers, not just EV owners, due to increased utilisation of the electricity network.²⁰ It also found that in the long term, average national electricity prices will return to 2020 levels in real terms if the transition is well coordinated.

For households that are currently dual fuel, switching to all-electric will also reduce their fixed energy costs (as they are currently paying for both electricity and gas fixed costs). This may have a significant impact on overall energy bills, particularly for homes that have low levels of consumption.

Electrification will support, and create new jobs in the economy

Additionally, household electrification can be a source of new jobs for the economy if supported. In Esperance, Western Australia, whose community was supported to transition off the gas network, 88% of the work was completed by local trades, with 84% of spending supporting local businesses.²¹

²⁰ <https://energyconsumersaustralia.com.au/wp-content/uploads/CSIRO-Technical-Report-Stepping-Up.pdf> p v.

²¹ Horizon Power, Esperance Energy Transition Plan Project Overview, May 2023.



However, the ACT Government notes that shortages in electrical trades are already apparent and competition for these skills is likely to build as other jurisdictions increasingly electrify.²²

Electrification will reduce Australia’s exposure to volatile gas markets

As you would be aware, domestic gas prices have risen significantly in recent years. This is because gas prices are determined by international gas markets which have become very volatile.²³ Transitioning the economy to electricity will likely provide bill relief to all Australians and reduce exposure to international gas markets. While recently introduced caps on domestic gas prices might mitigate some of this volatility, gas consumer households remain highly susceptible to international prices.

(b) the macro-barriers to increasing the uptake of home electrification.

The barriers to increasing the uptake of home electrification are:

- **The significant up-front costs that consumers incur (under current policy settings).** These include the costs of appliances, leaving the gas network, and accommodating new appliances (for example, upgrading electrical wiring).
- **Housing ownership and housing type.** Notably, only 52% of Australian households are stand-alone homes and owner-occupied.²⁴ Under current policy settings, landlords are not incentivised or mandated to electrify rental properties. Units and other non-standalone dwellings will also face additional challenges to electrification. We discuss these barriers further in our Stepping Up report.²⁵
- **Lack of clear direction and information.** As we discuss in Appendix A, recommendation 1, consumers need the right information at the right time from trusted, independent sources to empower them to make choices that best suit their needs. Different policy signals across jurisdictions makes it confusing for consumers to understand what they need to do, and why.
- **Lack of skilled workforce.** There is already a national shortage of workers in key occupations for electrification. Without policy interventions this issue will increase as households electrify at scale.²⁶
- **Other personal circumstances.** For example, age, level of literacy, and cultural and linguistic background.

(c) the total upfront cost and longer-term benefits of household electrification and alternative models for funding and implementation.

For households wanting to decarbonise, the total upfront costs will vary based on a household’s particular circumstances. The Grattan Institute’s report *Getting off gas: why, how, and who should pay?* provides an analysis of what some of the costs could look like.²⁷ Certainly, these costs indicate it will likely be preferable for homes to changeover with renovation activity or when an appliance dies, when many of these costs will be incurred anyway. Meanwhile, our Stepping Up report provides an

²² https://hdp-au-prod-app-act-yoursay-files.s3.ap-southeast-2.amazonaws.com/9716/9078/0794/Integrated_Energy_Plan_Position_Paper_ACCESS_FA.pdf p 13.

²³ <https://www.rba.gov.au/publications/bulletin/2021/mar/pdf/understanding-the-east-coast-gas-market.pdf>

²⁴ <https://energyconsumersaustralia.com.au/wp-content/uploads/Stepping-Up-Report-Final.pdf> p 8.

²⁵ <https://energyconsumersaustralia.com.au/wp-content/uploads/Stepping-Up-Report-Final.pdf> p 8.

²⁶ https://hdp-au-prod-app-act-yoursay-files.s3.ap-southeast-2.amazonaws.com/9716/9078/0794/Integrated_Energy_Plan_Position_Paper_ACCESS_FA.pdf p 31.

²⁷ <https://grattan.edu.au/wp-content/uploads/2023/06/Getting-off-gas-why-how-and-who-should-pay.pdf> p 21.



analysis of the longer-term benefits of household electrification.²⁸ Appendix A provides our recommendations for how governments can support Australia's household electrification efforts, which includes funding and implementation measures.

We also note that the mix of consumers and their usage of gas varies across jurisdictions, and residential gas usage has varying importance for each jurisdiction's decarbonisation plans. For example, households comprise a larger proportion of overall natural gas use in Victoria and New South Wales (which includes the ACT), than in Tasmania, Queensland, and Western Australia.²⁹

(d) [the marginal cost of abatement for household electrification compared to alternative sectors and options to decarbonise the economy.](#)

N/a.

(e) [the optimal timeline for household electrification accounting for the likely timing of decarbonising electricity.](#)

As we outline further in appendix A, we see the need for a new national partnership now between all three levels of government, to set policy foundations now to ensure households are best placed to transition in time to meet our net zero commitments. Echoing our submission on the National Energy Performance Strategy, we recommend the partnership set a target for all homes and small business premises in Australia to be net zero by 2050, if not sooner. The longer we take to make a comprehensive plan to electrify all Australian households, the more challenging the transition will become.

(f) [the impacts and opportunities of household electrification for domestic energy security, household energy independence and for balance of international trade.](#)

Governments need to further consider the impacts of household energy independence. While increased electrification will facilitate energy independence at the household level, this must be balanced against decreased resilience for households, particularly in remote communities.

Australian consumers lead the world in the adoption of rooftop solar, and increased household electrification provides additional opportunities for households to use their own energy to meet their own needs. However, when the electricity network suffers a long-term outage (felt most acutely during natural disasters), all-electric households will no longer have an alternative energy source to rely on (other than what is stored in any batteries installed at the property).

Accordingly, governments, networks, and local communities need to work together to identify approaches to increasing energy resilience in an increasingly electrified world. We have funded a grant focused on empowering communities on the journey to energy resilience, which will be published later this year.³⁰ It will share a consumer-centric guide to building community resilience.

²⁸ <https://energyconsumersaustralia.com.au/wp-content/uploads/CSIRO-Technical-Report-Stepping-Up.pdf>

²⁹ https://energyconsumersaustralia.com.au/wp-content/uploads/230109_Report_Risks-to-gas-consumers-of-declining-gas-demand_final.pdf p 14.

³⁰ <https://energyconsumersaustralia.com.au/news/new-grants-to-target-energy-resilience-energy-efficient-housing-and-electric-vehicle-charging-incentives>



(g) the impacts of household electrification on reducing household energy spending and energy inflation as a component of the consumer price index.

Household electrification will reduce household energy spending significantly in the long-term. Absent of policy changes, consumers who face barriers to decarbonising will face escalating gas bills. We discuss this further in appendix A, recommendation 3.

(h) solutions to the economic barriers to electrification for low-income households.

In appendix A, particularly recommendation 2, we provide solutions to the economic barriers to electrification for low-income households. as well as others who will face greater barriers.

Low-income households will not be the only households that face barriers. Support will be needed to help most households transition, particularly because:

- **Over 1 in 3 households are rentals.** These households will rely on their landlord to invest in the necessary changes to enable the transition.
- **1 in 4 households are multi-unit dwellings.** These households face multiple issues in decarbonising (for example, access to EV charging at their home). Large changes, such as shutting off the gas supply, can require agreement from all unit owners.³¹

We also note the following recent reports which provide important insights and recommendations on decarbonising households:

- *Enabling electrification: Addressing the barriers to moving off gas faced by lower-income households*, by the Brotherhood of St Laurence;³² and,
- *Supporting a fair, fast and inclusive energy transition in the ACT*, by the ACT Council of Social Service.³³

(i) the effectiveness of existing Australian Federal, state and local government initiatives to promote and provide market incentives for household electrification.

Existing government initiatives are insufficient to promote and provide market incentives for household electrification nationally. As we discuss in appendix A, and in our Stepping Up report, Australia needs a new national partnership to develop clear and comprehensive plan that sets out how all households will decarbonise, and accompanying policies to support this. Currently, consumers are receiving conflicting messages from governments and other parties about what the transition means for them. Inconsistency across the country is sending insufficiently clear signals to industry.

Additionally, as we emphasise in section (h), government initiatives must have broader solutions than market incentives, as many consumers will face significant barriers in decarbonising their households.

Governments can leverage comprehensive work underway, such as the ACT Government's plans for decarbonising, which has provided clear pathways for consumers to electrify their homes,³⁴ including providing strong market incentives. For example, in 2021 the ACT Government introduced its

³¹ https://energyconsumersaustralia.com.au/wp-content/uploads/230109_Report_Risks-to-gas-consumers-of-declining-gas-demand_final.pdf p 33.

³² https://library.bsl.org.au/bsljspsui/bitstream/1/13361/2/BSL_LCC_Enabling_electrification_2023v2.pdf

³³ https://actcoss.org.au/wp-content/uploads/2023/08/ACTCOSS-Report_Supporting-a-fair-fast-and-inclusive-energy-transition-in-the-ACT-Small-energy-consumers-understanding-planning-and-support-needs_FINAL.pdf

³⁴ <https://energy.act.gov.au/our-pathway-to-electrification/households/>



Sustainable Household Scheme.³⁵ This scheme provides interest-free loans of up to \$15,000 to help households upgrade appliances and purchase other energy-efficient products.

(j) [Australia's current standing against international standards, particularly with respect to the uptake of rooftop solar, batteries and electric household appliances.](#)

N/a.

(k) [any other matters.](#)

We note the synergies between energy performance and electrification efforts, as electrification is a way of improving the energy performance of households in Australia. Switching from gas to electric appliances does improve a household's energy efficiency, for consumers to most benefit from bill savings, electrification should be accompanied with other measures to address Australia's generally energy inefficient housing stock. Our Stepping Up report demonstrates the benefits of doing so.³⁶

Energy efficiency measures can also make electrification cheaper, specifically where space heating is a factor (by allowing smaller heat pumps to be installed), as well as reducing a household's impact on the electricity system. In this way, we recommend aligning energy performance and electrification policy measures, to ensure the greatest consumer benefit.

There are also implications from low gas demand for the replacement and repair of sections of the gas networks in the future. If the expected future demand on a section of a gas network is so low that the expected future revenue from customers connected to that section is insufficient to cover the cost of end of life or repairs upgrades, the network will likely opt to decommission instead of replacing it.

In these instances, all consumers in the decommissioned section will have to disconnect regardless of their preference to or ability to cover the costs of transitioning to alternatives. We recommend establishing guidance for networks to ensure consumers across Australia have similar services during this process, which could include minimum notice periods, and methods of communicating with consumers.

Additionally, we note that some consumers will need considerable assistance to prepare them for their gas supply being switched off.

³⁵ <https://www.climatechoices.act.gov.au/policy-programs/sustainable-household-scheme>

³⁶ <https://energyconsumersaustralia.com.au/wp-content/uploads/CSIRO-Technical-Report-Stepping-Up.pdf>