

Energy Markets and Programs Division
GPO Box 1264
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September 8th 2014

Dear Sirs

RE: REES Consultation Paper August 2014

We appreciate this opportunity to provide an insight and some feedback on the Retailer Energy Efficiency Scheme (REES) Consultation Paper of August 2014.

Green Business Audit & Training is both a consultancy and a Registered Training Organisation (RTO) that provides nationally recognised and specialist training and qualifications in energy efficiency, environment, sustainability, waste and water auditing, and business administration.

We declare our interest in providing qualifications in energy efficiency, including mandatory safety training and mandatory home energy auditing training to the REES, and other energy efficiency programs around Australia since 2008.

More critically however, we support the huge potential for REES to continue as a major state government initiative that has multiple outcomes and benefits for householders and the SA economy.

REES is a structured energy efficiency program. It is a catalyst for energy efficiency education. It is a creator of employment. It has stimulated business development. It serves notice that the public has a right and a mechanism to engage for energy efficiency, and that the State values that position.

REES has empowered people to embrace energy efficiency as a job and career pathway. They have invested in their own future and upskilled for new jobs. Through the REES, we continue to deliver on previous State government initiatives to grow 'green collar' jobs and no longer refer to energy efficiency as an 'emerging' sector.

Equally we have witnessed the emergence of many small businesses, consultancies, wholesalers and retailers in this sector, and in turn valued the jobs they continue to create in energy efficiency. A smart government would want that to continue.

It is for this reason that we are concerned about the diminishing focus on the residential sector, and feel that many households are yet to gain the full benefit of the REES, that is, beyond exchanging light globes and showerheads.

Whilst at times it may appear that Utilities may be slow in supporting such initiatives, we have found that the opposite to be true. Utilities want



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customers to remain loyal and to be advocates of their services. The REES allows Utilities to engage with customers who may be experiencing hardship, and to provide a structured pathway to alleviate some of the financial burden.

The REES is a program that has gone beyond changing light globes. REES stimulated the requirement and awareness for energy audits, and more energy efficiency products. Audits provided by a skilled and capable workforce, can provide a beneficial interaction between the customer and the Utility, providing real feedback to customers on energy use behaviours, and recommendations for improving energy efficiency in the home.

Home energy audits should be widely available to South Australian households, and we feel the threshold for Utilities to engage the customer should be removed. Put simply, why should ANY household in South Australia not be able to access energy efficiency advice through an energy audit, and products through retrofit activities?

REES should encourage more energy efficiency products to be considered in the mix. There is a multitude of products available for simple installation beyond light globes and shower heads, including draught stoppers on doors, windows, and exhaust fans, insulation, hot water pipe lagging, glazing and window treatments, outdoor lighting changes and identifying maintenance issues.

Indeed, REES has contributed directly to the emergence of the 'retrofit' industry.

REES could create a specific focus on the home rental market with a minor variation to the program, as we feel this sector may have missed out on energy efficiency opportunities in the past. Previous schemes to engage renters, perhaps at the point of rental contract, have not manifested, and perhaps this is an additional 'market' for REES.

In addition, our stakeholders have reported opportunities exist for assistance to be given to migrant households, particularly new-arrival households, where there may be little knowledge or focus on energy efficiency. Collaborations with peak community bodies (ACOSS, SACOSS, MCCSA, etc) could reach a wider range of household participant in the scheme, and address additional demographic-specific issues.

Further, there may be opportunity for co-contribution by households to receive some energy saving products, but low-income and concession households must not be disadvantaged in the process. Through the REES, we feel Utilities have a real opportunity to address this with, for example, potential LED home-lighting upgrades that have been identified by the Energy Assessor, and subsidised or amortised via the bill pay system (much in the same way a mobile phone handset is purchased incrementally on the phone bill).

Our recommendations are as follows:

Recommendation 1.



REES should be retained and expanded in the Residential sector, with additional structured activities made available to the trained Energy Assessors, such as community engagement (including energy audits, energy education) to promote sustainable behaviour, reduce energy wastage and reduce barriers to installing energy efficient products.

Recommendation 2.

- i. The requirement for Utilities to engage customers based on thresh-holds should be removed – every household in South Australia, as a customer of a Utility, should have access to energy efficiency advice and audit at least.**
- ii. Special needs customers, beyond the ‘low income’ category, should be identified, and specific strategies developed to assist those customers.**

Recommendation 3.

REES should create a specific focus on the Rental Market, perhaps at the signing of a rental contract or soon after, to engage the Tenant for a home audit and for energy efficiency advice.

Recommendation 4.

REES could encourage some activities on a co-contribution model, but ensure low income households are not disadvantaged in receiving energy efficiency advice or product.

We recognise that more work can be done for ‘greater return’ in the commercial sector, yet the same logic applies as previously discussed. That is, empower people and businesses to engage, audit, educate and help reduce the waste of energy in the commercial sector, and you help make those entities more competitive and resilient in the marketplace.

REES could structure commercial opportunities to include Energy Assessors in collaboration with trades-people for maximum energy efficiency outcome.

The potential for energy efficiency work in the hospitality sector, warehousing, office, accommodation, aged care, and community services sector is significant. Energy Assessors trained in the process could facilitate large-scale energy efficiency transformation in partnership with Trades-people licenced to perform a range of activities, including lighting, motor and pump exchange.

The commercial sector could be assisted towards energy efficiency measures with creative solutions that could involve financing options to stimulate retrofitting.



Specifically, conducting energy audits in the commercial sector would provide a significant opportunity to engage and then provide pathways for further energy efficiency measures.

Regional South Australia, both residential and commercial, must be assured that they have equal access to the REES activities. Whilst we are aware of very good efforts for residential customers, there will have to be a concerted 'ramping' of services for the commercial customer.

Recommendation 5.

REES should encourage the collaboration between Energy Assessors and Trades-people in the commercial sector to capitalise on the significant opportunities for energy efficient retrofit.

Recommendation 6.

- i. **As a starting point for energy efficiency strategies to the business and community services sector, REES could facilitate energy audits, via qualified auditors.**
- ii. **All those conducting REES audits commercial or residential, will need to have nationally accredited training.**

Recommendation 7.

REES could investigate and facilitate creative solutions for large-scale energy efficiency measures, including the emergence of financing options for commercial retrofit.

Finally, our stakeholder feedback has consistently indicated that potential customers are not aware of the REES, whilst others have minimal understanding of the program. Is there any possibility of a co-ordinated, low-cost marketing to raise the awareness of the REES to the potential client base? Marketing that is beyond the door-to-door promotion of REES, marketing that can be targeted via mainstream media, community interest groups, and business groups?

Recommendation 8.

Market the REES, let people know REES is a major South Australian Government initiative, and encourage their participation in the scheme.

We thank you again for the opportunity to contribute to the REES Consultation Paper 2014 with constructive feedback and recommendations that would enhance the future program.





Winner 2013 Australian Training Awards
Skills for Sustainability
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Yours Sincerely

A handwritten signature in black ink, appearing to read "Steve Kostoff".

Steve Kostoff, CEO



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