

To

Ms Lily D'Ambrosio MP, Minister for Energy and Resources, Parliament of Victoria
Mr Chris Bowen MP, Minister for Climate Change and Energy, Parliament of Australia

cc

Kat Theophanous MP, Member for Northcote; Nathan Lambert, Member for Preston
Ged Kearney MP, Member for Cooper

21 March 2023

Dear Ministers D'Ambrosio and Bowen,

Proposals for the 2023 budgets of Commonwealth and Victorian Governments on gas demand reduction

We are writing on behalf of Darebin Climate Action Now (DCAN). DCAN is a local community group that is deeply concerned about the climate emergency. Over 4,500 DCAN supporters have taken action in support of a stronger and speedier Government response to the climate crisis.

The latest IPCC report reinforces the urgency of action to reduce greenhouse gas emissions now. In this letter we make proposals for the forthcoming budgets of both Commonwealth and Victorian Governments, with a particular focus on reducing demand for gas amongst householders. (We acknowledge that demand reduction for commercial and industrial gas users is also critical, but this is not the focus of this letter).

In doing so, we present an anonymised account of the experiences of one DCAN member ('Angela'), to illustrate the lack of information and support available to householders to significantly reduce gas use.

Angela owns and lives in an older weatherboard house in an established suburb. The dwelling already has an array of **solar panels**, installed some time ago. She is concerned to lower her energy bills and lessen her carbon emissions further, but accessing the information she needs to do so has not been easy.

In the last 12 months, Angela has replaced her **gas hot water service**. She needed an emergency replacement, but now wishes that she had known of a reputable supplier who could have sold and installed a heat pump instead of another gas unit. *We estimate that across Australia there will be over 3 million gas hot water units replaced over the next 10-12 years. With the right policies in place, they can be all heat pumps.*

Angela heats her house with **gas-fired hydronic heating**. She could probably save lots of money, and become more energy efficient, through measures such as relatively cheap draught-proofing, improved insulation, and installation of one or two **reverse cycle air conditioners** to cool the house in summer and heat it in winter. However, she needs an audit by a qualified person to show her what is possible. Angela also didn't know that she can use an infrared camera to detect where heat is being lost - one is available, but with a long wait list, from Darebin library.

Angela intends to replace her **gas cooktop**, but it uses only a tiny amount of gas compared to the hydronic heating and hot water service, so it is questionable whether this is a top priority. Buying a cheap portable induction cooktop with one or two heating units would be a better short term option.

Angela's home may or may not be suitable for **automated demand management** behind-the-meter. However, advice on manual actions that can be taken such as changing temperature settings on the heating and for the hot water service may be appropriate.

Until recent discussions with DCAN members, Angela did not know **where to seek advice**. She now knows about the Facebook group [My Efficient Electric Home](#), now approaching 100,000 members. Governments should ensure that authoritative advice and support, including information on available subsidies, is made much more easily available.

Targets for budgetary measures

First, big household users of gas should be targeted with information and incentives, especially given the urgent need to rapidly reduce demand for gas on peak days in winter. The big users are known to the gas distributors (AGN, Ausnet and Multinet), and AEMO and the Essential Services Commission have access to this information.

Many of these big users will be shared houses with tenants. We acknowledge recent Victorian Governments to strengthen the tenancy laws on energy saving issues. Further action is needed to require landlords to undertake energy efficiency assessments, do draught proofing and insulation, and to replace gas appliances with electric when they break down.

Second, people like Angela who seek help in their energy choices need to get the right information quickly and easily. We need:

- the equivalent of a 000 help line for expert advice
- shop-fronts for people to visit
- independent expert advisers to do energy audits of dwellings

Third, policy reforms are needed to help fund the speedy and large scale roll-out of such measures (along with other measures to cut emissions). Doing so has the potential to quickly reduce overall gas use, and also cut the number of days in winter when high gas use (over 1,000 terajoules/day) strains the system. (For details on our research on this, see Jim Crosthwaite's [research and submissions](#))

In order to help to fund these measures, it would be particularly appropriate to implement an effective company tax regime that includes:

- taxing the super-profits of energy companies
- cracking down on multinational companies that are over-pricing intangibles (like intellectual property) to shift profits offshore
- preparing ahead of time to effectively tax the super-profits of companies that will inevitably become dominant in providing behind-the-meter and other demand management services, noting that this space is potentially opening up to companies as diverse as Telstra, AGL, Amazon and Google.

Yours sincerely,



Prof. Ann Sanson
Convenor, DCAN
darebincan@gmail.com
0408 948 811

and

Jim Crossthwaite
DCAN Planning Group member, independent environmental economist