

SUBMISSION TO THE

Firm Energy Reliability Mechanism

16 December 2024

Submission authorised by

Miranda Starke

Chief Executive

Prepared by:

Tahlia Cua

Research and Engagement Officer

COTA SA

Kaurna Country

Level 1, 85 Hutt Street

Adelaide SA 5000

E cotasa@cotasa.org.au

P 08 8232 0422 1800 182 324 (Country callers)

www.cotasa.org.au

COTA SA welcomes the opportunity to contribute to the Firm Energy Reliability Mechanism.

COTA SA is an older people's movement run by, for and with older people. We represent the rights, interests, and futures of around 700,000 older South Australians. We engage widely with older South Australians across the state and the lived experiences of the diverse community of older South Australians shape and inform COTA SA's policy and advocacy work. COTA SA cares deeply about ageing well and is committed to ensuring older South Australians have the opportunity, capacity and ability to navigate the changes of ageing in their place of choice. The Firm Energy Reliability Mechanism is an opportunity to ensure reliable and secure electricity for older South Australians now and into the future.

Our population is ageing. In June 2020, approximately 16% of Australians were aged 65 and over and this is projected to increase 21-23% by 2066¹. Our ageing population should be a major trend and driver that will shape the future of planning in South Australia.

We have responded to the discussion paper where we feel we can meaningfully contribute to decisions that could improve the quality of life for older South Australians for the next generation.

¹ [Older Australians, About - Australian Institute of Health and Welfare](#)

Climate Change

COTA SA supports South Australia's renewable energy target of 100 per cent by 2027 and recognises the critical importance of addressing climate change in achieving this goal. The adverse effect of climate change on the health of the community is evident in the rising cost of energy, heat and cold-related ill health and extreme weather events. The impacts of climate change are disproportionately felt by those on low and fixed incomes and vulnerable community members, including a substantial proportion of older people who are renters, as they will have the least capacity to mitigate climate change and adapt to extreme weather conditions.

Like Australians of all ages, many older people are concerned about climate change, viewing it as a significant and real threat to our national interests and livelihood. COTA SA takes the threat of climate change seriously and our passionate Climate Change Group is focused on the actions that can be taken at a policy, organisational and personal level. Our [Statement of Interest](#) on Climate Change outlines our commitments to climate change action.

In COTA SA's 2021 climate change survey, 85% of older South Australians respondents were concerned about the impact of climate change². Older people are concerned about climate change for a number of reasons, with 85% saying they want to leave a world for grandchildren and/or future generations that is healthy, productive and sustainable and 84% wanting to enjoy clean air and natural and green spaces around the state, country and the world. The survey found that older South Australians were already taking practical and direct steps in their own lives to limit their impact on the climate. Increasing recycling and reuse, managing water usage and efficiency, installing solar panels, planting more trees, and installing water tanks were all cited by more than 50% of respondents².

COTA SA believes that the future impact of climate change on South Australia will highlight the importance of community and social cohesion. Provision for community-building activities and projects such as community gardens, cool/warm refuges in days of extreme heat or cold (such as being explored currently by the City of Campbelltown), community batteries for solar electricity, and community virtual power plants we expect will be the sorts of activities that South Australians will search out to help them through the extremes of weather. Tree canopy and green spaces are also important, not only for their cooling effects, but to provide environments that enable active travel and connection to nature.

The proposed Firm Energy Reliability Mechanism provides an opportunity to embed climate change considerations at the forefront of renewable energy planning. By ensuring the scheme prioritises equitable access to reliable and sustainable energy, it can address the impacts of climate change and create a sustainable energy system.

² [COTA-SA-Climate-Change-Group-Report-Act-on-Climate-Change-June-2022.pdf](#)

Energy and Thermal Efficient Homes

COTA SA welcomes the case for action section focusing on “the importance of maintaining power system reliability and resilience during this change.” This further elaborates on the need for the power system “that can flexibly respond to factors such as seasonal variability and longer-term demand trends”.

The number of days over 40 degrees at Adelaide Airport have tripled since the 1970’s³. Older people with pre-existing health conditions are particularly vulnerable as exposure to even short periods of heat can aggravate their health conditions by worsening disease-specific symptoms⁴. Research has shown that excess heat related morbidity and mortality has been associated with poor thermal efficiency of housing⁵. It has been recorded for public housing tenants in SA, when asked if their prioritised amenities were met, only 55 percent stated that their need for thermal comfort was met. This was the lowest score across Australia for thermal comfort⁶.

COTA SA would like to see higher levels of energy efficiency and thermal efficiency to be considered for households. This can be done by building climate-safe, thermally efficient homes in new housing developments and significantly tighten building standards to insulate and seal homes and reduce energy demand.

We acknowledge that the new National Construction Code, which introduces updated minimum standards for newly built homes, came into effect in October 2024. We commend SA Housing Trust for its ongoing efforts to construct the majority of public housing to standards that exceed these minimum requirements, and we strongly encourage the continuation of this practice. We would like to see incentives offered to support private developers to create housing that align with the National Construction Code. Thermal comfort (for both hot and cold weather) and affordable energy costs is critically important to older people for healthy ageing in place and incentives that support private developers to create these buildings are welcomed.

Supporting renters access to renewable energy

COTA SA welcomes the primary purpose of the Firm Energy Reliability Mechanism Scheme is to provide long-duration firm capacity, ensuring a secure, reliable, and affordable electricity supply for the state. As home ownership and access to public housing decreases, an increasing number of older South Australians rely on private rental housing. Currently, 20% of older (55+) Australian households are renters⁷. This shift highlights the growing inequality

³ [Heatwatch](#)

⁴ [The Impact of Heat Waves on Mortality among the Elderly: A Mini Systematic Review](#)

⁵ [Energy efficiency of housing for older citizens - Does it matter? \(apo.org.au\)](#)

⁶ https://www.sacoss.org.au/sites/default/files/public/Improving%20thermal%20efficiency_Final.pdf

⁷ [Home ownership and housing tenure - Australian Institute of Health and Welfare](#)

in access to renewable energy among renters, as their lack of control over the property often limits their ability to adopt renewable energy solutions for their homes.

COTA SA welcomed the Residential Tenancies (Miscellaneous) Amendment Regulations 2024, mandating a minimum energy ratings and water efficiency for appliances in rental accommodation. In our 2023-24 state budget submission, we recommended that: *'The State Government introduces a targeted energy efficiency strategy for public and community housing tenants for a period of four years to encourage modifications, retrofitting and appliance replacement'*⁸. Our engagement with older people has highlighted the significant challenges faced in 2023, particularly concerning the cost of living and financial strains. Our end of year 2023 snapshot survey outlined that 52% of survey respondents identified the cost of living as their primary challenges for the year⁹.

COTA's State of the Older Nation (SOTON) 2023 report, further explored these difficulties, revealing that nearly one in five older Australians had overdue bills, with electricity and/or gas being the most commonly overdue (a trend that has increased since the 2021 report)¹⁰. Minimum energy ratings and water efficiency regulations would see to relief some of these financial pressures faced by this older cohort within South Australia.

COTA SA welcomed recent initiatives by SA Housing Trust to create community batteries which will support renters' reduced energy costs. These initiatives will support South Australians who rent on low or fixed incomes that have little opportunity to control their electricity bills due to the investment in renewable energy being costly to install and difficult to arrange with landlords. We would welcome incentives for similar schemes to be introduced in the private rental market.

The Firm Energy Reliability Mechanism consultation paper outlines the share of electricity generation in South Australia from 2016 to 2023, as shown in Figure 3. Over this seven-year period, the contribution of Storage-Battery energy remains relatively unchanged. In 2022-23, Storage-Battery accounted for just 0.5% of the total energy generation, making it the smallest contributor¹¹.

COTA SA sees a significant opportunity within the Firm Energy Reliability Mechanism to expand access to storage-battery energy sources. Projections indicate that the share of storage-battery energy is expected to grow over the next decade¹¹. COTA SA is hopeful that this growth will stay on track, ensuring that older South Australians can benefit from this cost-effective power source.

⁸ [Priorities for older South Australians • COTA SA](#)

⁹ [What older Australian's experienced in 2023 and anticipate in 2024 - The Plug-in \(theplugin.com.au\)](#)

¹⁰ [SOTON-2023-Summary-Report.pdf \(cota.org.au\)](#)

¹¹ [2023-south-australian-electricity-report.pdf](#)

In closing and for future discussion

COTA SA recognises the importance of ongoing consultation and development over to drive meaningful change in our South Australian communities. We welcome the opportunity to have an ongoing commitment to contribute to the framework and ongoing planning. We would be pleased to meet with the Commission to discuss our submission. Please contact Chief Executive, Miranda Starke in the first instance.

Acknowledgement of Country

COTA SA acknowledges and respects Aboriginal people as the traditional custodians of the land of South Australia. We honour Aboriginal peoples' continuing connection to Country and recognise that their sovereignty was never ceded. We pay our respects to First Nations Elders past, present and emerging and extend that respect to all Aboriginal people.