

# HOUSEHOLD ENERGY EFFICIENCY FACT SHEET

*Australian energy prices are predicted to continue rising for the foreseeable future, taking electricity bills with them. Energy efficiency is key to easing the power price pain for Australian consumers of electricity.*

## What is energy efficiency?

Energy efficiency is about using less energy to achieve the same outcomes, like running appliances or heating and cooling a home. Improving energy efficiency is also a cost-effective way of reducing greenhouse gas emissions. Research by the Australian Bureau of Agricultural and Resource Economics estimated that energy efficiency could account for around 55 per cent of Australia's emissions abatement to 2050.

### The benefits of energy efficiency

Energy efficiency remains one of the most important policies that governments can deliver to both reduce emissions and protect consumers from rising electricity bills. ClimateWorks Australia estimated that if we improved the energy efficiency of Australian households and businesses, we could save a potential \$5 billion per annum by 2020<sup>1</sup>.

The response from consumers to rising electricity bills has already started, with the Australian Energy Market Operator (AEMO) identifying falling demand for power across Australia from the 2010-11 to 2011-12 financial years.

Lower overall energy demand, particularly peak demand, means that governments avoid costly network investment and also potentially avoid building new power plants to meet demand. With 40 to 50 per cent of all household bills being attributed to network costs<sup>2</sup>, energy efficiency could play a crucial role in managing the rising costs of network investment, which is expected to continue driving retail electricity cost increases over the next decade.

The energy efficiency industry also creates jobs in a broad variety of associated industries, including the manufacturing, construction, services and retail sectors.

### Australians are saving electricity

Multiple surveys from agencies like Auspoll, the Australian Industry Group and CHOICE suggest that consumers are concerned about rising energy costs and are willing to take action to use less energy, but that more information and the right tools are needed<sup>3,4,5</sup>.

The ABS found that in 2011-12<sup>6</sup>:

- 89 per cent of Australians took steps to limit their personal electricity use.
- Younger Australians aged between 18 and 24 were less likely to act, with 79 per cent taking some kind of action compared with 92 per cent of those aged 35 to 74.
- While many people took steps to curb their power use, less than half were successful at actually reducing their bills. Approximately 7.2 million people (42 per cent) were successful in reducing their bills in 2011-12 compared with the year before.

<sup>1</sup> ClimateWorks (2011) Low Carbon Growth Plan for Australia 2011 update

<sup>2</sup> ROAM Consulting (2012) Impact of renewable energy and carbon pricing policies on retail electricity prices (update)

<sup>3</sup> Auspoll survey for the Clean Energy Council, June 2011

<sup>4</sup> Energy shock: pressure mounts for efficiency action, AIGroup, July 2012

<sup>5</sup> CHOICE online survey of Australian household energy decision makers, June 2012

<sup>6</sup> Sources: ABS, 2012, 4604.0 Energy Account Australia and ABS, 2012, 4626.0.55.001 Environmental views and behaviour



Clean Energy Council



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The Clean Energy Council is the peak body representing Australia's clean energy sector. It is an industry association made up of more than 600 member companies operating in the fields of renewable energy and energy efficiency.

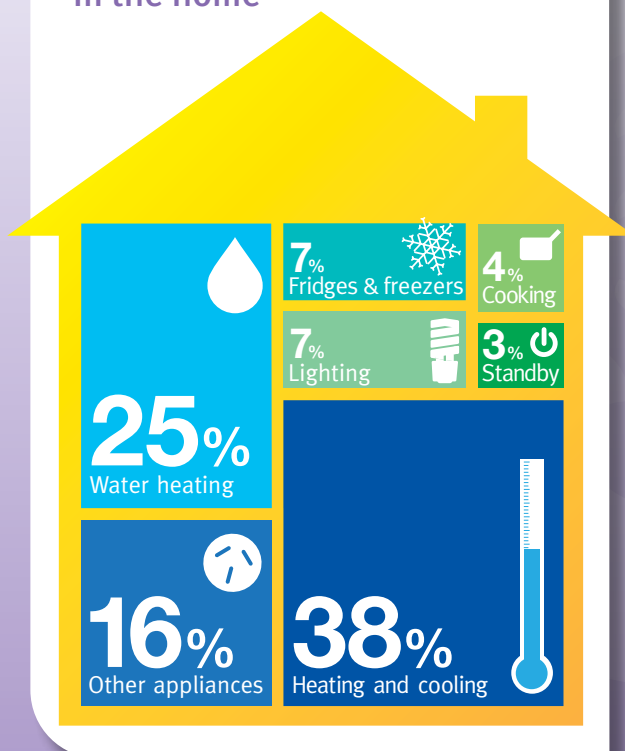
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## Australian snapshot

The residential sector accounts for around a quarter of Australia's total energy consumption<sup>7</sup>

**Figure 1:**  
Where energy is used  
in the home<sup>8</sup>



Some appliances have a greater impact on overall electricity use than others, with appliances such as air-conditioners and clothes dryers being very energy intensive. Heating and cooling uses the most energy in the home.

There are many different steps Australians are taking to reduce their electricity use and, in turn, their power bills. These range from simple actions such as turning lights off when not needed or switching off appliances at the power point, to purchasing more efficient appliances and installing energy saving products such as solar hot water heaters or insulation.

The factors influencing Australians when purchasing appliances include price, water efficiency and energy efficiency. Energy efficiency was an important factor in buying air-conditioners (75 per cent) in particular, suggesting that the high running costs of these appliances is understood by consumers. Energy star ratings were considered by around half of all households when purchasing or replacing refrigerators (51 per cent), separate freezers (42 per cent), dishwashers (52 per cent), washing machines (49 per cent) and clothes dryers (53 per cent).

The ABS found that 69 per cent of households had some form of insulation in 2011, up from 61 per cent in 2008. The states showing the largest increase were Queensland and New South Wales (15 and 10 percentage points respectively)<sup>9, 10</sup>.

There are many ways to use energy more wisely. Simple day-to-day changes in behaviour to purchasing energy-efficient products and appliances can save money on electricity bills<sup>11, 12</sup>.

<sup>7</sup> Australian Energy Market Commission (2012) Household electricity use fact sheet

<sup>8</sup> <http://www.sa.gov.au>

<sup>9</sup> Australian Bureau of Statistics (May 2012), Year Book Australia 2012, Cat 1301.0

<sup>10</sup> Australian Bureau of Statistics (2010), Energy Water and Environment Management 2008-09, Cat 4660.0

<sup>11</sup> <http://www.savepower.nsw.gov.au/households/save-power-in-your-home.aspx>

<sup>12</sup> <http://www.switchon.vic.gov.au/home>



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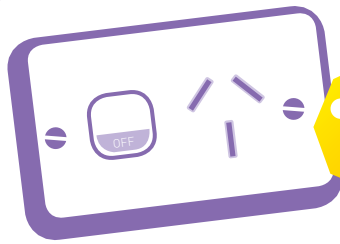
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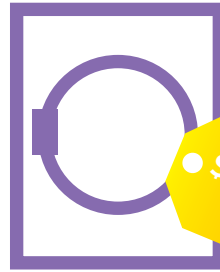
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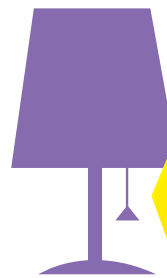
## Some tips to help save energy in the home:



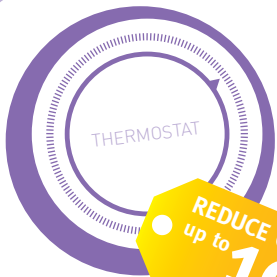
Switch off your TV, computer and other electrical appliances at the power point to reduce the use of standby power. The cost of appliances on standby can add over \$100 to your annual power bill. You can also install Standby Power Controllers that switch appliances off when not in use.



Wash your clothes in cold water and dry them on a clothes line or rack instead of using a dryer. This can save you over \$100 a year.



Change any incandescent light globes in your home to energy-efficient light bulbs. This can save you up to \$19 per globe per year.



Don't overheat or excessively cool rooms. Setting your air-conditioner a few degrees higher can save you up to \$80 per year. Likewise, turning down your heating thermostat to between 18 and 20 degrees can reduce its running costs by up to 10 per cent.



Fridges run 24 hours a day, 365 days of the year. Turning off that second fridge can save you over \$200 a year.



Install insulation in your roof and seal up any gaps around doors and windows using weather stripping and door snakes. Installing roof insulation can save you over \$150 a year.



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