AUSNET VULNERABILITY RESEARCH GRANT 2023

PROJECT REPORT

Our energy futures

Older Victorians navigating the energy transition

COTA VICTORIA

AusNet

Seniors Rights VICTORIA

Acknowledgements

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We acknowledge the Traditional Owners and Custodians of the lands on which we work and pay our respects to Indigenous Elders past, present and emerging. Sovereignty has never been ceded. It always was and always will be, Aboriginal land.

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1. Summary of findings

Older Victorians exhibit widely varying attitudes and approaches to the energy transition. Some are in the vanguard of progressive change; others are clearly not convinced or comfortable with the change agenda and face many practical challenges to action.

Contributing factors reflect vulnerabilities commonly associated with ageing as well as those related specifically to the way the current energy market impacts on older people.

Older people's perspectives on the changing energy landscape

- Older people generally have a positive view on the need for the energy transition, many citing their responsibility to "do the right thing" for their grandchildren.
- Three quarters of survey respondents said that climate change and the environment was somewhat or very likely to affect their decisions on household energy use.
- A small minority expressed serious doubts as to the factors driving climate change and the need to reduce gas use urgently.
- There was a widespread feeling that energy changes are being imposed on them and being pursued too much for ideological or commercial reasons.
- Many participants were concerned about the security and capacity of the electricity grid and what they saw as lack of a clear plan for replacing gas.

Positive drivers for change

- Focus group participants reported a spectrum of action consistent with the transition, a few having gone all electric and the majority retaining some gas appliances.
- 54% of survey respondents had taken no action - around half of whom had not even considered change - while 29% had made some significant changes.
- The dominant driver for change was clearly financial, with a strong sense that the high cost of gas had recently become a motivating concern.
- Focus groups suggest that there needs to be at least one other trigger for action – the main factors being health, environmental responsibility, and household change.
- There was a strong opportunistic approach, with people saying that they would make changes only once existing appliances broke, kids left home or their needs changed.

Barriers to change

- Reasons for not making or considering change were more varied, covering both attitudinal and practical factors.
- The strongest willingness to change barrier was personal preference for existing appliances, especially gas heating and cooktops.
- Participants demonstrated attitudes ranging from hesitancy and sense of being overwhelmed, to scepticism about benefits, through to active resistance to perceived pressure to change.
- Strong concern centred on reliability of electricity supply, sometimes accompanied by scepticism about the capacity of renewables such as Rooftop Solar to provide reliable supply.
- The costs of change were a major theme, with people doubting they would ever see recoup of outlays, and concerned about hidden costs in replacing systems. Two thirds of survey respondents said cost was somewhat or very likely to be a barrier.
- Renters and people living in retirement villages cited a range of practical barriers, with 95% of these respondents saying they had no way to make desired changes.

Information and advice

- Key concerns for focus group participants centred on trust, comprehensiveness and transparency of information and advice.
- There was strong feeling that much information was “ideological” or “preachy” rather than factual, criticising government advice (for being too political) and industry advice (for being too commercial).
- Older people said they wanted to speak directly to experts and to other older people who had gone through the process themselves.
- People wanted integrated sources of information to overcome perceived fragmentation, a centralised website and call line, and face to face engagement opportunities.
- Participants expressed preference for advice to be provided by government with industry (but not retailers) and community agencies focused on supporting older people.

Recommendations

Targeted effort is needed to make older Victorians more comfortable and accurately informed about the energy transition as it ramps up, and to empower them to make well-informed decisions about changing their energy arrangements as they age.

We have assigned lead responsibilities against actions in the full recommendations section of this report but note that these are suggestions only. Improving outcomes through the energy transition will require a whole-of-society response from governments, industry and community agencies, with older people actively engaged as adaptable and autonomous consumers. We encourage all readers to think about how they can apply or support the findings of this study in their own work.

In particular, we recommend:

1. Development of a dedicated web and phone hub that can provide general and personalised practical information and advice to older people on all energy transition matters.
2. Support for local community education initiatives to help older people better understand and respond to the energy transition.
3. The Victorian Government to review and revise concessions, subsidies, rebates, and other financial tools to make them more accessible and easier to navigate for older people, and that they support and encourage shifts to cleaner energy.
4. Additional support and incentives for landlords to upgrade energy connections and appliances, with particular targeting of older long-term renters in largely unrenovated properties and those renting homes as part of independent living arrangements for older people.
5. Enhanced collection and sharing of data on the role and impact of the energy transition on ageing to inform government and sector responses.

2. Purpose of project

COTA Victoria and Seniors Rights Victoria have a long history of engaging with and supporting older Victorians on a wide range of everyday living issues including energy use. Concerns about the costs and processes involved in sustaining and updating energy supply are consistently among the top matters raised by the over 2000 inquiries we receive each year from older people. As the independent peak body for older Victorians, we engage in energy issues through policy advocacy, community information and education, and consumer research.

Over recent years, we have become increasingly concerned with the question of how older Victorians - particularly those over 65 years - are dealing with the new challenges presented by the energy transition from fossil fuels to cleaner, more sustainable energy sources. While older people are a hugely diverse group, there are many common factors that increase their vulnerability as consumers in the energy market. Policy development and consumer research on older people and energy has tended to focus on current cost pressures but less so on the larger question of the risks they face in the energy transition.

> *So, our energy needs and heating needs have reduced quite remarkably since the pandemic. All the kids have left. And then we've had the gas ducted heating turned off.*

Focus group participant (Homeowner)

Through the AusNet Vulnerability Research Grant, we have been able to explore this broader question and shine a light on the factors that are either facilitating or preventing older Victorians from making the kind of energy changes at a household level that we know are critical for their own wellbeing as well as for that of the overall community. In this context, we were interested in how shifts in energy supply interact with vulnerabilities commonly associated with ageing, and how challenges in engaging with the energy transition may heighten these vulnerabilities (see further discussion of this below).

The research objectives were:

- To explore the views of older consumers on their experience and awareness of energy transition processes and opportunities including any impacts and key concerns
- To develop a greater understanding of how older people are experiencing the ongoing energy transition including its relationship with age-related vulnerabilities and how to support a more vulnerable cohort with diverse capabilities regarding energy change
- To identify potential opportunities to address identified risks or impacts on older consumers regarding energy transition including possible policy changes and program options

3. Context

3.1 How should we understand the vulnerability of older people in the energy transition?

This research has been conducted under the framing concept of the "vulnerability" of certain groups of consumers in the energy market. This vulnerability is generally seen in terms of susceptibility to common risks experienced by energy consumers – cost pressures, supply interruptions, inefficient energy use, and constricted options to use energy sources and appliances of choice. These negative energy market outcomes heighten older consumers' vulnerability to ill health, loss of independence, housing insecurity, and financial hardship.

COTA Victoria believes it is important to stress that this vulnerability – real as it is for many older people – is not an inherent effect of ageing and is not experienced in the same way across diverse older populations. Rather, it is largely a product of the position of older people in social and economic structures, together with the emergence of distinct needs in relation to health, disability, safety, and financial security. It is often society's failure to respond adequately to these needs that creates vulnerability, exposing older people to harm, discrimination, abuse, and exploitation. At the same time, over-emphasising such vulnerability can, if we are not careful, become a form of ageism in itself.

Most older people remain highly competent, adaptive, and resilient consumers. In the context of the energy market, we need to avoid assumptions of diminished capacity and of generalised unwillingness or inability to embrace progressive change. Older people are often savvy consumers and established leaders of progressive energy change (noting, for example, the many who have been pioneers of home solar panels). In this context, the main vulnerability that we should be concerned about may be that some older people get left behind in the energy transition and that this weakens their position in the existing energy market.

In short, older people's vulnerability around energy futures must be tested not assumed. It must be seen in the context of other social, economic, and cultural forces linked to older people – such as digital exclusion, housing insecurity, financial hardship, social isolation, and exclusion from the workforce. Some of these factors are not about ageing per se but about the current generation of older Victorians, predominantly the Baby Boomers – a group who are not "digital natives" and have long established habits and expectations in regard to energy (such as decades of encouragement to use gas) that may make some less keen to embrace the transition to a low carbon future.

A critical factor in responding to vulnerability in this area is the importance of personal agency and sense of control. Older people's strong desire to retain autonomy and independence is overwhelmingly clear. This means that we must find solutions that genuinely empower older people and persuade or "nudge" them towards progressive behaviour change. At the same time, we need to remove those external factors that present practical barriers to change and which may play into older people's own internalised sense of vulnerability.

3.2 What do we know from existing data sources?

Recent research on energy use and older Australians has tended to focus on current concerns regarding cost-of-living pressures and the navigability of the energy market for consumers. Relatively little research has been dedicated to the role that older people play in the energy transition and the barriers and facilitators of progressive action and behaviour change that impact on older people. Some relevant survey work has been done in the context of research on older people's views about housing, the environment and climate change.

State of the Older Nation survey

The COTA Federation has supported three iterations of the State of the Older Nation, a national survey of Australians over 50. The most recent survey, undertaken in late 2022, asked a series of questions about people's homes.1 Overall, 21% of respondents regarded their ability to keep their home warm in winter and cool in summer as poor or very poor, and 34% rated their home's energy efficiency as poor or very poor. Satisfaction on these issues differed markedly between renters and owners. While 71% of older homeowners rated their energy efficiency at 7 or more out of 10, only 46% of renters did so.

Respondents were also asked about the desired features of a potential new home should they move. Having a more energy efficient home was the second most highly ranked feature, being nominated by 34% of respondents. By comparison, greater affordability (including lower bills) was ranked fifth at 24%, although this rose to 50% of renters and 32% of owners with a mortgage. This resonates with survey questions on financial issues, where one in five respondents reported having overdue bills due to payment difficulties – the largest part of which (11%) were electricity and gas bills.

> *Energy's a contentious issue where I live. It's a necessary evil of life, all we can do is try to mitigate issues around it.*
>
> Focus group participant (Homeowner)

These results highlight that many older people have a high level of concern about energy efficiency and capacity to heat and cool their homes, especially amongst renters. While this is clearly related to bill cost pressures and cost of living affordability for many, it is also a distinct issue.

It is also important to note the high level of awareness and concern about climate change amongst older Australians. A COTA South Australia survey in 2022 found that well over 80% of older South Australians were "very concerned" about climate change with 90% most worried about the impact on future generations.[2] Older people frequently express this in terms of concern for their children's and grandchildren's futures rather than their own situation. The underlying challenge is to translate this intergenerational concern into beliefs and behaviours around older people's own energy consumption patterns.

1 All data cited here can be found in the Report of the State of the Older Nation Survey 2023 at: https://cota.org.au/policy/state-of-the-older-nation/

2 See report at https://cotasa.org.au/advocacy-policy-engagement/climate-change

AusNet consumer sentiment tracker

A useful source of data on energy transition issues is the regular customer sentiment tracking surveys conducted by AusNet across the company's electricity network. Data from the most recent May 2024 survey was kindly provided by AusNet to the COTA Victoria team including breakdowns for respondents aged 61 and over.

When asked about AusNet's strategic priorities, consumers aged 61 and over gave the highest rating to 'Lowering costs for consumers' (75%) followed by 'Improving network safety' (69%) and 'Improving reliability' (64%). Priorities related to 'Preparing for a low carbon future' (31%) and 'Reducing impact on the environment' (26%) were nominated by relatively fewer but still a substantial minority.

Compared to younger people, older consumers are a little more concerned about costs, reliability, and safety. This is likely to reflect their greater dependency on power and sensitivity to outages and bill shock, and awareness of safety risks during emergencies. At the same time, more older consumers rate climate and environmental factors as low priority, reflecting a split in older people's attitudes.

The tracking survey also provides a picture of the way older energy consumers are thinking in relation to changing their home energy arrangements. Of those older homeoweners who currently use some gas appliances, 25% reported being somewhat or very unlikely to still have gas connected in ten years' time, compared to 52% being somewhat or very likely to retain gas.

Reasons cited for staying connected to gas varied by age with older people more likely to not see major benefits in disconnecting (55% compared to 40% for total sample) and to see gas as good value for money (39% compared to 33%). Older people were less likely to cite a perception that their electricity supply was not reliable enough as a barrier. Older people's reasons for leaving the gas network ranged widely, the top-ranking factor being that gas is too expensive (47%) and that gas is bad for the environment (13%).

In regard to the electrification, significantly more people 61 and over reported having not taken any steps (60% compared to 41% for all ages). More older people suggested that they expect to replace gas appliances with electric ones all at once (33% compared to 19% for all ages) rather replacing them than one by one (50% compared to 69% for all ages).

When asked about the main trigger for starting electrification, half of older respondents cited bill shock, while 17% cited "seeking convenience". Similar proportions cited replacing an ageing or broken appliance and climate change/environmental benefits.

Relatively fewer older people have considered or initiated changes compared to younger people, with significant numbers remaining very attached to gas appliances and/or simply not seeing the benefits of transitioning.

Summary

These surveys, combined with more anecdotal sources, present a somewhat mixed picture of the perspectives and behaviours of older people in the energy transition. Overall, they suggest that older Australians are reasonably well aware and accepting of the need for change in the energy market flowing from environmental factors - while being strongly motivated by personal financial factors and preferences. Survey data is likely to mask considerable variation between individual attitudes and circumstances.

3.3 Intersecting factors to consider

Older people's vulnerability in the energy transition needs to be seen in the context of many other factors that interact with ageing to create the kinds of risks outlined above. Some of these are inherently linked to energy issues, such as living in a regional or rural location, being a renter or resident in a retirement village or similar collective living situation, and being dependent on income support.

Other factors likely to influence older people's behaviour in the energy transition in slightly less direct ways include being isolated from family – or on the flipside being heavily influenced by adult children - having certain forms of disability or chronic illness, migrant status and English language proficiency, level of formal education, and digital exclusion.

Many older people become vulnerable in the energy market in the course of major life transitions - retirement, losing a lifelong partner, downsizing from an established family home, move to supported living situations, just to name a few. These key transitions create additional challenges around energy use but also create opportunities for older people to pursue progressive change towards lower carbon futures.

This study does not have the capacity to unravel all these factors but has attempted to be alert to the way in which they may underpin some of the views expressed by study participants.

> *I don't know that the technology is there for us to [move away from fossil fuels] smoothly, and easily, and relatively inexpensively to make a lot of changes.*

Focus group participant (Homeowner)

Another important perspective to keep in mind here is the intergenerational relationships that may impact on older people's energy behaviours. As in many other policy areas, older people are often heavily influenced by their sense of responsibility to future generations. This has generally been heightened by the emergence of climate change (as noted above). It is not clear however that this sense of responsibility necessarily translates into actions that older people take in regard to their own energy use. In some cases, it may be impacted by a low sense of self-efficacy and an emphasis on helping their children and grandchildren while neglecting their own situation.

Any attempt to identify older consumers' vulnerability to being left behind in the energy transition needs to address the accessibility, acceptability and trust that older people have for various sources of information and advice. Underpinning this is the issue of technology, with the current generations of older people experiencing high levels of digital exclusion.

There is a large body of research on older people's information preferences. While these do not always show consistent results, some common findings include the strong orientation to use of family members and friends, heavy reliance on radio and television, preference for face to face advice, suspicion of commercial information and of political undertones, and frustration with fragmented and inconsistent information.

4. Methodology

The research project comprised two main components both designed to hear directly from a range of older Victorians:

First, we conducted a series of focus groups designed to explore the attitudes of older consumers towards the energy transition, largely in the context of changes at the household level, and the positive drivers and barriers in relation to recent and potential future action.

We then used a brief online community survey of older Victorians to test some of the key themes emerging from the focus groups and generate some quantitative data, as well as further practical suggestions on helpful support.

4.1 Focus groups

In April 2024, COTA Victoria engaged Wallis Consulting to organise and facilitate a series of focus groups to support this research, to engage with older Victorians to understand more about their views and experiences of the energy transition.

This research primarily focused on older consumers (aged 65+) who live within AusNet's electricity distribution network areas, while there was a secondary category that focused on 'younger' older consumers (aged 50 to 64) and their views around future energy consumption. Participants could be owner-occupiers or renters.

On the advice of Wallis Consulting, the decision was made to deliver the focus groups online, due to their experience in this making it easier for respondents to attend as they do not need to allow for travel time, while also allowing for a more inclusive and representative sample.

Four focus groups were organised, with the aim for 5 participants each. The small group size was chosen to support the process of 'group formation' and building rapport with participants, to hopefully make participants feel secure and encourage fulsome engagement and participation.

The focus groups were aligned around:

- 65+ homeowners (2 groups)
- 60+ renters
- 50-64 homeowners

The decision was made to divide participants based on home-ownership status to enable participants to engage with others of a similar experience to facilitate a supportive environment. Due to issues in finding participants 65+ and renting, the age for the focus group focused on renting was lowered to 60+. Participants were from AusNet's distribution areas.

Ultimately, there were 18 participants across the 4 focus groups. Each focus group lasted 1.5 hours, following the format and questions of the discussion guide that was developed for this research. Participants received a $120 electronic gift card for their participation.

4.2 Community survey

In June and July 2024, COTA Victoria undertook an online community survey to elicit information on the experiences and views of older Victorians on the energy transition.

Questions focused chiefly on respondents' assessment of factors that would be likely or unlikely to influence their action on transitioning to cleaner energy sources and appliances in their own homes. We also asked about preferred sources of information and advice on energy transition issues and what people would like to see done to improve their understanding and comfort with these issues, and the accessibility and affordability of solutions.

The full set of questions is provided at Attachment.

> *It scares the pants off me. There's no real plan to do anything. We're putting the brakes on everything…I don't see a plan for how to secure future supply.*

Focus group participant (Homeowner)

The survey was conducted online only and the sample was generated using COTA Victoria's membership base and communication networks. A total of 80 responses were received and the average time taken to respond was 16.5 minutes.

- Overall, the sample included a wide spread between metropolitan and regional areas of Victoria.
- Just over 40% of respondents were aged 65-74 years and a further 40% were aged 74 years and above. The remaining 19% were aged 55-64 years.
- The sample included slightly more women (56%) compared to men (43%).
- Regarding living situation, 78% of respondents were owner-occupiers and 14% were renters. Of the remainder, five were living in a retirement village and two living with relatives.

Overall, the sample can be seen as fairly representative of older Victorians in general, especially those over 65 living independently in their own homes as either owner-occupiers or renters.

5. Discussion of findings

5.1: Orientation to changing energy landscape

While the focus groups focused primarily on how older people are acting and thinking about energy changes in their own homes, they did also throw some light on broader perspectives on the energy transition as the critical context for these changes.

Participants were asked up front what they understood by the term energy transition. Most people were able to provide a fairly clear and accurate explanation in terms of the move away from fossil fuels to renewable sources to achieve net zero targets. The shift from gas to electricity was clearly seen as the most prominent aspect of the transition. Some people also interpreted the transition in terms of decentralisation of power production "because alternative sources tend to be scattered around." Another theme raised was the need to cope with continuous expanding demand on energy because of population growth and the explosion of technologies that require more power.

> *I think it's really important for our grandchildren that we try and do as much as possible.*

Focus group participant (Homeowner)

Generally, participants seemed to have a positive orientation to the transition with several people talking about the need to take an intergenerational perspective. At the same time, a few participants expressed serious doubts about the factors driving climate change and were keen to downplay the extent of the problem. Others were inclined to question the imperative to reduce gas production and use, and some pointed to perceived negative aspects of new energy sources ("more space used up for renewable sources" and "wasting good farmland").

There was a strong sense from many participants that they see the energy transition as something imposed on them. Repeatedly people used terms like "we're being told this is necessary" or "we're being pushed into change" suggesting that they do not entirely own and accept the rationale for change and that governments (and to some extent industry) are pursuing change for (largely unspecified) "blindly ideological" reasons. Several participants were very keen to assert what they clearly believe is an entitlement to retain current home energy arrangements and see the situation as one that should be dominated by individual choice and freedom.

Attitudes to the energy transition were more diverse when the discussion drilled down to the process and timeline for change. Several people questioned the speed for closing fossil fuel production, especially gas, and expressed concern about alternatives not being properly in place in time, or simply that the alternatives were not yet adequately identified and planned. Recent experiences of electricity outages are clearly feeding into this type of concern.

The community survey did not explore broader perspectives specifically but did ask respondents to rate how strongly climate change and the environment were likely to impact on future changes to their home energy mix (Q6). Overall, 75% of respondents rated this factor as somewhat or very likely to influence their decisions. This was reinforced by the finding that when asked about barriers to change (Q7) just over 70% of respondents said that not being convinced about benefit for climate and the environment was somewhat or very unlikely to influence them (see also further discussion below).

5.2: Personal and family influences

Focus group participants exhibited mixed experiences of action consistent with the energy transition. Some wealthier homeowners in the groups had taken significant steps including fitting solar panels – in some cases doing this in early days of the technology – or in a small number of cases having gone totally electric, while the majority of homeowners engaged had taken partial steps but still retained some use of gas. Among the renters engaged, there had been very little change unless – as was the case for a minority – landlords had taken up government incentives.

A mixed picture also emerged in relation to uptake of new cleaner energy appliances. Changing hot water systems from gas to electric or from storage tanks to heat pumps was the most common significant change made. Gas heating had been retained by many even if they had added electric split-system appliances and moved to limit their use of gas central heating. Gas cooktops had been retained by many too due to a strong stated preference. This is clearly the single biggest issue stopping many from going all electric (see Theme 3 below).

This profile is closely mirrored in the COTA Victoria's online survey data which indicates that a total of 22.5% have not considered any changes to the energy mix in their homes and 31.3% had considered but not made any changes – that is, over half the sample had not made changes.

> *Economic reality has basically forced us to change the way we think, and whether or not we subscribe to the philosophy or ideology, it's just something we have to do.*

Focus group participant (Homeowner)

At the same time, 29% reported having made some changes to major appliances used and 6% had gone all electric. Notably, some 24% had installed solar panels or batteries over the past five years.

The predominant driver for change for focus group participants is clearly cost and what one participant referred to as "economic reality." Many people reported becoming increasingly aware of the large part of their utility bills consumed by gas heating and hot water in particular. A consciousness that gas is expensive appears to have been fairly recent for many. For some, this merely means that they now "use [gas heating] sparingly" or make a conscious decision to "spoil myself" (amongst those who can afford it). For others, it has tipped them into more definitive change. Those least able to afford their current energy mix of course are also those least able to afford to change.

Figure 1 below presents community survey responses on factors likely to influence respondents to make energy changes consistent with the transition.

The focus group discussions suggest that there needs to be at least one other significant factor as well as cost to trigger change. For some it is health and the environment. One participant who had moved from gas referred to the fact that gas "gives off noxious fumes." Others reported making the change only "when the kids left home" and the perceived benefits of gas became less persuasive.

Those who had adopted solar panels almost all spoke of the large financial benefits accrued, although there was some concern about that impact now diminishing. This commentary is clearly affecting both their own enthusiasm to go further and for others to do similarly.

Some participants spoke about seeing their adult children make significant positive energy changes and applaud them for doing this. This might suggest an increased impetus and comfort level in making such changes themselves. Yet this was not the case with some participants who cited a range of reasons why they could not follow suit (see Theme 3 below). Nonetheless, intergenerational responsibility is undoubtedly a driver for some. As one person put it "[i]t is really important for our grandchildren that we try and do as much as possible."

There was also a strong element of opportunistic approaches to change, with people saying for example that they will change but only when a certain appliance breaks down. As one person said "[a]t my point in life everything works. I'll upgrade when it packs up." This could be used as the basis for a strategy to nudge people out of inertia into acting earlier.

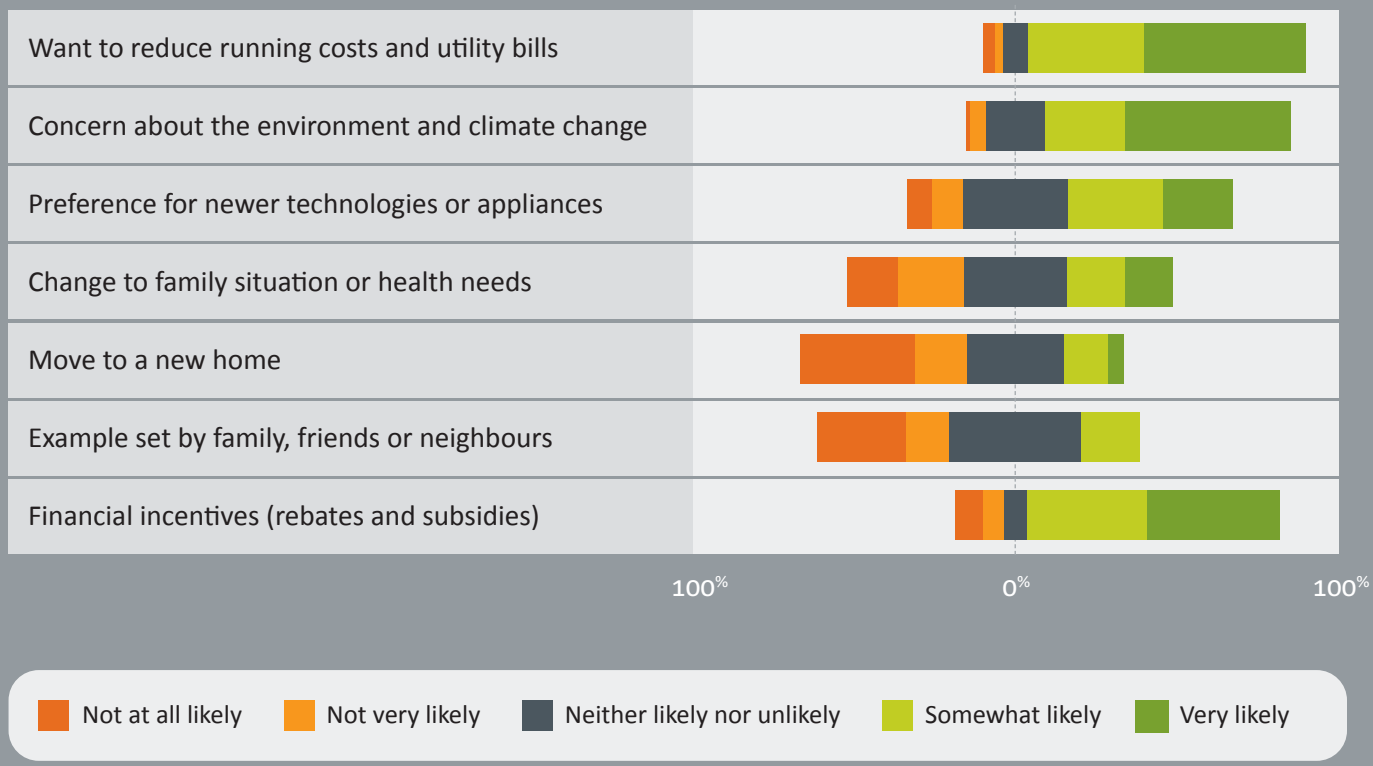
Another key aspect of this is how older people see their personal energy futures. While some participants said they saw their energy needs declining – for example as children moved out and they down-sized homes – others thought their needs would increase as they became more reliant on energy to deal with illness and disability. Either scenario could be the basis of triggers for progressive change in energy sources.

Finally, it is worth reporting that older renters had comparatively little to say about drivers for change, although some did express positive sentiments about transition and a general desire to be do more, and some had made efforts to lobby landlords. Cost pressures were the most common driver for this but broader environmental concerns and a sense of missing out on better heating and cooking solutions also played a role.

Figure 1

Community survey (question 6):

Thinking about changes you might consider in coming years to the energy mix in your home, how likely are these factors to influence your decision to



5.3: Concerns and barriers to change

Understanding what is preventing older consumers from changing their energy mix is critical to unblocking the transition and responding to vulnerability factors that may be at play. The fact that our community survey found that 54% of respondents had not made changes, but more than half of these people had seriously considered change, suggests that there are significant practical as well as attitudinal barriers.

Focus group participants spoke to a diversity of factors, some but not all of which were the flipside of the positive triggers for change outlined above. In summary, the issues raised (largely without prompting) were as follows - noting that many of these factors are interrelated and mutually reinforcing:

Strong personal preference for existing energy sources and/or appliances

This was the most common and most strongly expressed factor, the chief issue being attachment to gas heating and cooking. Gas hot water was also being retained by some as the last remaining gas appliance. Quite a few participants reported that nothing could replace the quality of warmth provided by gas heating and the experience of cooking with gas – even amongst those who had installed some electric heating and cooking as well. This appeared to correlate to some extent with persistent beliefs that gas is a clean, efficient and trusted energy source. One participant referred to the fact he grew up with gas and "while I have a choice I'll still pursue as much as I can with gas."

> *I'm concerned about outages. I'm not swapping over yet so I'll just grin and suffer.*
>
> Focus group participant (Homeowner)

Attitudinal and psychological factors

Participants variously expressed hesitancy, scepticism, a feeling of being overwhelmed and a resistance to being pushed. These factors are worth noting quite independent of the particular beliefs and knowledge that may accompany them. One participant said "I'm hesitant to do anything at the moment until we …it's a bit more, a bit further down the track" suggesting a general hesitancy and lack of urgency rather than any more specific barrier. A related factor was a resistance to perceived pressure to change. As one participant put it "I feel like I'm being pushed into it. I hate being pushed…" and another said "[i]t's not confusing or clear it just seems preachy to me." [See further commentary about information and communications below.]

Concern about reliability and security of supply

A common topic of discussion in the groups was the reliability of the grid and the perceived risk of going all electric, particularly in regional areas. This was clearly impacted by recent experiences of outages. Looking at the bigger picture one participant said "[t]he power situation's going to get worse. We're experiencing more outages now. What's it going to be like in five years when everyone building now has electric?" Another said "I feel insecure. I feel stressed about blackouts and not being able to keep warm." Many others expressed strong sentiments about the need for back-up non-electric energy sources and scepticism about the self-sufficiency promised by solar.

Cost of making change

Unsurprisingly, the cost of making significant changes to energy sources loomed large in the discussion. The cost of replacing systems (especially gas ducted heating and hot water) clearly represents a very large outlay for many, noting that older people are more likely to be living in houses that have not had any significant energy upgrades for decades. One participant spoke about an exorbitant quote for replacing gas ducted heating with an equivalent electric system, although there was some understanding that costs are changing. The main impact of high costs is that many participants are deferring change or deciding to wait until an appliance actually breaks down.

Older people's assessment of cost is taking into account rebates and subsidies but some of these (especially on solar) are perceived to be less attractive now or just still leaving too much of a hurdle for those struggling with their finances. In addition, quite a few participants said they just could not understand the rebates and subsidies available.

Lack of understanding and information

Discussion about access to good information is covered in the next section below but it should be noted here that lack of information and understanding is definitely a key frustration and an independent barrier to change. This was specifically associated with government rebates as noted above and coping during outages, as well as more generally regarding not having a full and open assessment of options and risks.

Barriers linked to rental and body corporates

The focus group comprising renters expressed many similar sentiments, especially a dislike for being pushed towards going all electric and "being dictated to." This was accompanied by a clearer greater concern about bill increases and notably higher level of sensitivity around supply security concerns. The additional factor for this group was the poor quality of insulation in their homes, reliance on landlords doing the right thing and concern that improvements or changes would result in unaffordable rental hikes.

> *Yeah, I feel like I'm being pushed into it. I hate being pushed… I mean if I'm a bit younger maybe I can get used to using more electricity, but I grew up with gas.*

Focus group participant (Homeowner)

Most of the renters saw this in terms of a lack of adequate incentives for landlords, together with a general lack of responsiveness to agents to address their complaints and requests. Renters seemed to suggest that they would encourage and support changes – both minor improvements and shifts to cleaner energy generally – if they had better assurances that these costs not be just passed on through higher rents.

Some of the discussion in groups suggested how these factors relate to the vulnerability of older people specifically. Most commonly this was expressed as concern about keeping warm and coping with emerging needs regarding health, frailty, disability and simply spending more time in their own homes as they age. As one person put it "the older you get the more it impacts us. Frailness and illness, that sort of thing comes with age. It gets more dramatic."

A different perspective emerged around resilience and adaptability. Quite a few participants spoke about their generation being hardier and stoic about energy outages. As one person put it "[w]e manage better being older with the power shortages, a lot better than the younger generation." This appears to act as a barrier to changing their energy sources because they do not feel the need, despite acknowledging that older people might be more vulnerable. This is perhaps partly explained by the evident reluctance of many in their late 60s and 70s to think and talk about getting older themselves.

The community survey (see Figure 2) tested these findings by asking respondents to rate to the likelihood that a range of named factors would prevent them from making a progressive change to their energy mix. Just over two thirds in all said that the cost of change was likely to have this impact, with 35% rating this as very likely and 34% somewhat likely.

Two factors stood out as being unlikely to prevent change. First, not being convinced about the benefit for climate and the environment was seen as unlikely or very unlikely to stop change by over 70% of respondents. This of course may mean that people are already convinced about the benefits or simply that they do not see this as relevant.

Second, inability to make changes under rental or body corporate type situations was seen as unlikely to influence decisions for 55% of all respondents. Looking only at renters and those living in retirement villages or similar (n=16) 56% said these factors were very likely and 38% somewhat likely to prevent change. Some 23% of respondents overall said such issues were neither likely nor unlikely to influence them.

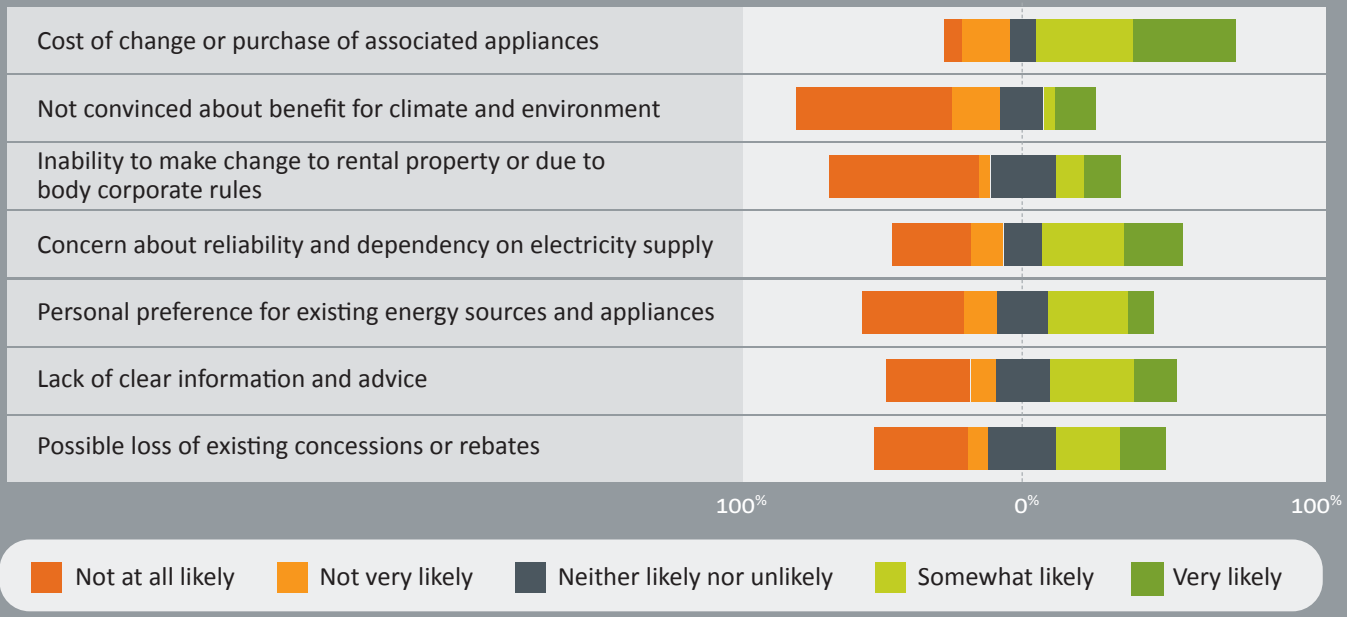
The remaining four factors tested all drew an almost even split of responses. While this does not help identify stand out factors, it does reinforce the fact that significant minorities of older consumers are influenced negatively by concerns about reliability of electricity (nearly half citing this as likely or very likely to prevent them changing), and a similar proportion feel that the lack of good information is likely to be a barrier. On the positive side, it appears that personal preference for certain appliances is not seen as a barrier by nearly half of older consumers.

Free text responses on what more could be done to support older people transition (Q10) focused heavily on more concessions and rebates and for existing concessions to be more oriented to replacing outdated appliances and shifting energy sources, providing targeted incentives to get older people over the line. See further specific suggestions below.

Figure 2

Community survey (question 7):

How likely are each of the following factors to prevent you from making a change to the energy mix in your home?



5.4: Sources of information and advice

This theme was pursued vigorously by focus group participants. There were three main elements: 1) trust and distrust of different sources of advice and underpinning motives 2) the form and platform for communication of advice, and 3) the scope of content expected to be provided.

Trust and distrust

Participants spoke forcefully about the importance of information and advice they can trust. While some people said that they had found good factual information, the majority expressed feelings of being overwhelmed and at the mercy of heavily biased sources and very fragmented advice.

> *It's definitely baffling. I don't understand it. I can't cope now, so it's baffling the way they go about it. It's alright to say this is going to happen but …nothing's been put in place to support it all.*

Focus group participant (Renter)

A common perception was that too much of the information coming to them is – in their terms – "polluted by political ideology" or simply "too preachy." While it was not always clear exactly what sources were seen in this light, it clearly applied to a lot of broader government promotion of clean energy.

Several people expressed the view that they could not believe government promises and that government had failed to communicate "where the power is going to come from." There was also a lot of frustration expressed about conflicting information. As one person put it "…with politics you're getting warring factions bagging the information that others have supplied, so we need something that is truthful."

At the same time, there appeared to be a higher degree of confidence in government information when it was provided in the context of specific support programs like the Victorian Government's energy comparison initiative.

Others were very concerned that most of the information they get is from the retailers. This was in their eyes too enmeshed with specific commercial offers and coming at them from too many directions.

Many participants spoke about their preference to speak directly to trusted sources of advice rather than relying on the media. For some this meant "experts in the field." One participant reported having spent a lot of time talking to her electrical engineer son but really also wanting to properly understand. As she said, "he explained a lot – it still took me twelve months of going through it all and working it out for myself."

Others expressed a more general reliance on word of mouth and speaking to friends and peers. It is clearly important for many to hear directly from people who have been through the full cycle of change and can put the challenges and concerns into a concrete story expressed in lay terms.

> *We sometimes have gone to friends who've moved to something new. And that's given us "oh hadn't thought about that. Let's get into that." And it's through them we've got all the facts.*

Focus group participant (Homeowner)

Communication platforms

The strongest message emerging from the focus groups on this issue was the desire for a centralised source of information and advice. This was not tied to a specific technology although people variously spoke about a hotline or a website (acknowledging good aspects of some existing websites), with some also saying they appreciate "letter drops" through the post and newspaper articles. Focus groups also raised a range of concerns frequently heard from older people in relation to fear of scams, dislike of unsolicited calls and desire for face-to-face options.

Overcoming the current fragmentation of information was a priority for many. This was mainly associated with information from retailers but also to government agencies. As one participant summed it up "I wouldn't mind a single place where the communication is wrapped around the concept of energy transition, and not have it fragmented, some from retailers, some from different departments."

It is worth noting that people's views on this issue were often heavily influenced by their experience with outages and the communications they received in that context. This experience was mixed with some feeling better served than others. Simply being kept up to date even when clear answers were not available as clearly important for many people. There appears to be potential to build on positive aspects of the management of outages to build connections and trust.

> *What annoys me… it's polluted by often by political ideology; we really want just the facts and what we need to do, rather than all the hoo-ha about whether or not this is a good policy or a bad policy.*

Focus group participant (Homeowner)

Content priorities

The most frequent comment about information needs coming through discussions was a desire to get the pure, honest facts. Participants clearly felt that despite the vast amount of communications there is overall a lack of basic explanations, comprehensive presentations of available options, and advice that is transparent about full costs (including rebates) and realistic assessment of benefits.

Some participants complained about use of obfuscating jargon and facts being combined with advertising slogans. One person raised an example of a retailer "spruiking green gas" going on to say, "that's obviously marketing spin therefore I don't even what to look at whatever information they're throwing at me because the rest of it is [also] wrapped in spin."

Another comment about information, particularly relevant to the focus of this study, was a desire to see the broader energy transition context more connected with practical information about household energy switches. This suggests there is still a bit of a disconnect between big picture issues like Net Zero and the rationale for both large and more minor changes being proposed to consumers.

Other comments in relation to information and advice sought included a call for more help in overcoming irrational fears and uncertainties and difficulty in navigating the system. This resonates with other aspects of focus group discussions about people needing positive encouragement to get them over hesitancy regarding new technologies like induction cooktops and heat pumps. Opportunities to hear directly from others who have made such changes and to check out new appliances outside of a commercial sales context may be effective approaches.

The community survey (see Figure 3) asked respondents about the sources of information and advice they would like to be able to turn to on energy transition issues. Respondents were asked to nominate up to three preferred sources from a list of nine options. The most commonly nominated option (with 56 mentions in all) was a central state or federal government run website and phone line, closely followed (with 54 mentions) by a central website and phone line run by an independent body representing the interests of older people. Such a service run by the energy industry alone was only nominated by five respondents.

Access to printed materials endorsed by both government and industry was nominated by 37 respondents. All other options received more limited support. Nineteen people nominated a phone or drop-in service provided by local government and 13 nominated individualised advice offered proactively by the energy industry. Seventeen people nominated direct advice from peers and 10 from family/ friends - surprisingly low figures given the general preference of older people to receive advice from these types of sources.

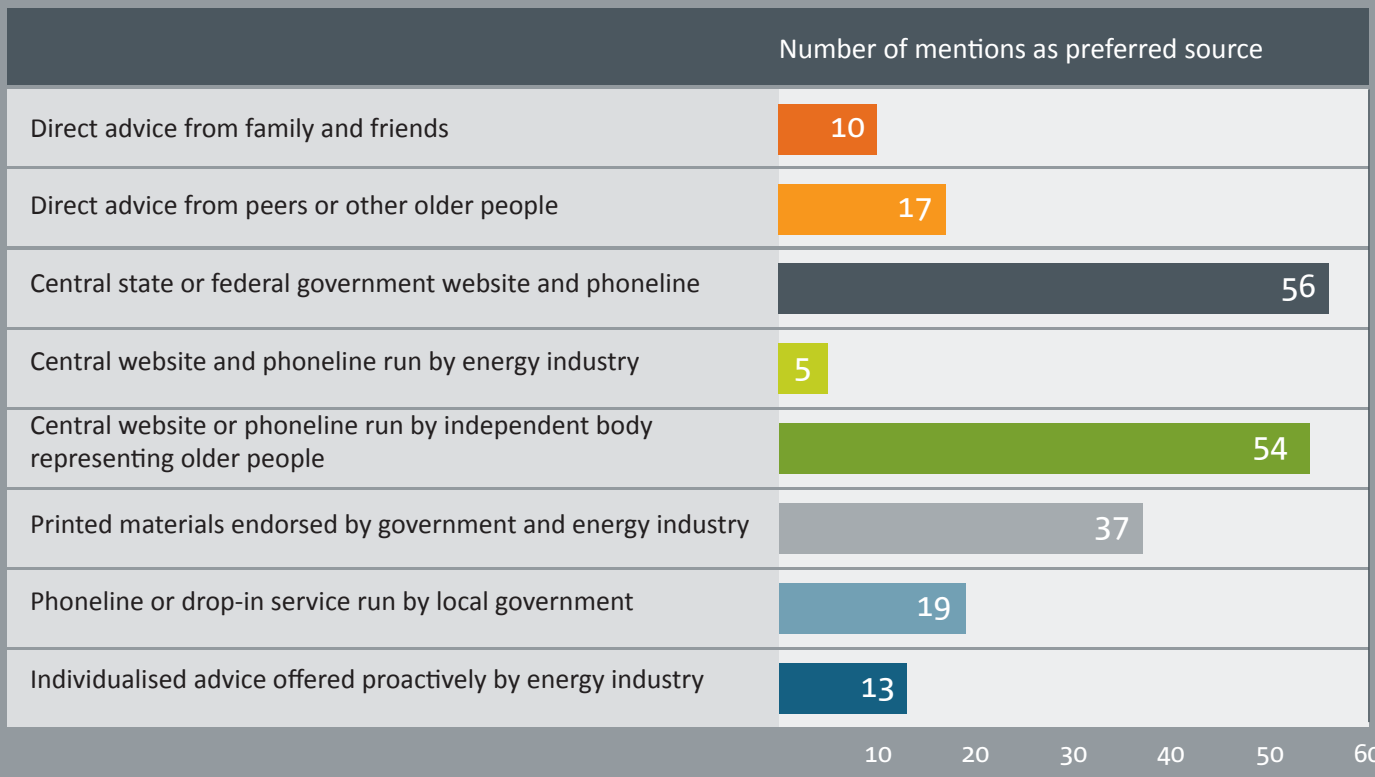
Free text responses to survey questions about action to improve older people 's comfort and understanding about the energy transition (Q9) included a call for bipartisan endorsed information, a clearer picture of options in one place, more promotion on mainstream media, targeted community education on benefits of change, opportunities for open discussion forums about feasibility of change, and accessible local advice centres. See further specific suggestions below.

Figure 3

Community survey (question 8):

What sources of information and advice do you most want to be able to turn to on issues related to the energy transition and action you might take?

Results indicate inclusion in up to three preferences for each respondent (n=80)



5.5 Diversity of responses

An important proviso to all the above findings is that this study has not had the capacity to explore in any detail the way these issues impact on diverse segments of the older population, beyond noting certain constraints associated with people living in regional and rural areas, and distinguishing between home owners, renters and those living in retirement villages. We have also noted heightened energy concerns in those older people living alone and those caring for family members with health and disability related needs.

Both components of this research involved a fairly even mix of men and women, but we found little consistent difference on the basis of gender. This most likely reflects the fact that respondents were responding on the basis of household level actions.

COTA Victoria is conscious of the need to adapt strategies for those older people from diverse ethnic backgrounds, those with severe disability, those living with dementia, those who are heavily reliant on in-home care, and those in highly insecure housing situations. We are aware that some of these groups have been the subject of other research efforts in the energy area and strongly urge that further work be undertaken to explore how they are impacted by the energy transition more broadly.

5.6 Suggestions for action

In addition to the input summarised above, focus group participants and survey respondents both made many specific suggestions for action to address the issues raised in this study. The following is a thematically grouped summary of these suggestions.

Information and advice

- Undertake campaigns with coordinated communications from Federal and State governments and distributors explaining clearly why we are changing and what the changes will mean for our communities. This should include how changes contribute to big picture targets.
- Create a centralised website and phone hotline focused specifically on energy transition issues (not everyday utility issues) overseen by governments and distributors but independent from retailers, managed in partnership with a body representing the interests of older consumers.
- Produce and distribute reliable information through respected sources like Choice or ReNew about what can be done, price points, effectiveness, suitability for renters, and who can do these for you for a reasonable price.
- Publish stories from older people who have made the change to renewables, or given up gas for electricity with people talking about how they did things and what is good and bad and how to avoid problems.
- Undertake more social marketing on television and radio targeted to older people not so engaged with social media, with a view to overcoming resistance to new technology and other fears and concerns common in older consumers.
- Increase role of local government in providing information and advice in this area and to host local drop-in centres explaining new technology, together with information about reputable local contractors and service providers.
- Provide direct face to face advice and assistance at local community sites such as Neighbourhood Houses for older people to access support in decision-making on energy changes, with focus on peer support.
- Expand availability of personalised, government sanctioned in-home energy assessments, including in conjunction with provision of home and community care, community based aged care, and similar services.
- Support community groups or NGOs to develop and train local handypersons who can offer services at low or no cost to support older residents to advise on and make energy changes, possibly building on established groups like Men's Sheds.

Assistance with costs

- Increase subsidies and discounted appliances for older people together with reduced installation/ changeover costs, possibly through leasing schemes.
- Extend the current utility concessions available to pensioners to self-funded retirees under financial hardship, and consider ways to build in incentives for use of more efficient and cleaner energy sources/appliances.
- Subsidise the energy transition for those in all types of social housing and provide incentives for all new social housing to be built to better energy standards.
- Offer targeted additional support and subsidies for energy upgrade options in a rental environment, including incentives for landlords to upgrade without increasing rents.
- Identify and provide better subsidies to address some of the "hidden" costs involved in making energy changes, such as installation and removal of old systems, closing off gas meters, and associated home modifications that older consumers often cannot afford.
- Streamline and enhance processes for Solar Victoria and Victorian Energy Upgrades programs to make them more accessible and simpler for older people especially for regional Victorians, and target promotion to older people considering change.
- Offer broader means-tested subsidies for the purchase of new appliances, solar panels and storage batteries, insulation, if assessed as suitable for individual needs by a qualified assessor not affiliated with commercial companies.

Other actions

- Increase investment in research to develop cheap technology solutions for heating and cooling (e.g. electric central heating connected to existing gas central heating underfloor ducts).
- Introduce further schemes to incentivise landlords to improve energy efficiency of their properties with undertakings not to increase rents in response. This should include focus on insultation and basic fixes as well as more significant shifts like solar.
- Improve minimum standards for energy efficiency of rental properties, to consider the health and wellbeing of older tenants.
- Explore options for increasing ability and feasibility for retirement villages and other multi-unit residential buildings to accommodate more solar capacity including common batteries. This may also involve low-cost leasing of back-up power systems.
- Sponsor installation of new energy sources and appliances in new housing developments targeted to older residents and invite older people to come and experience them firsthand.
- Encourage and support small community power hubs so that costs and benefits are shared and more broadly accessible, with focus on engaging older residents who would not otherwise have capacity to make energy changes.

6. Conclusions: Framework for action

The findings described above lead fairly directly to a range of proposals for action. Considering the points made earlier in this report about the nature and focus of older people's vulnerability in this context, the main thrust of action should be aimed at:

- Making older Victorians more comfortable and accurately informed about the overall energy transition as it ramps up
- Empowering older Victorians to make well-informed decisions about changing their energy use in the context of their own changing situations as they age
- Overcoming the risk that older Victorians will get left behind in the transition and as a consequence be exposed to a range of disadvantages and harms

Our research findings can be translated into a set of principles that should guide and underpin all action in this area:

1 Recognise that many of today's older people have been pioneers of the energy transition and build on the significant positivity about the transition among older people

2 Be prepared to tackle both overt and covert ageism (including that internalised by older people themselves) and mistaken assumptions about older people's attitudes and capacities around energy issues

3 Use "nudge" rather than "push" approaches, responding to older people's concern to maintain maximum control and choice

4 Provide information and advice in as integrated and neutral a way as possible, avoiding perceptions of both "ideologically driven" and "commercially motivated" agendas

5 Build supportive relationships with older populations to ensure trust, including personalisation of approach and use of peer education and influence of families

6 Make special efforts to reduce older people's uncertainty, hesitancy, fears (both rational and irrational) and perception of mixed messaging and ulterior motives

7 Pay particular attention to the specific hurdles stopping the current generation of older people from going all electric including long standing attitudes and attachments to certain appliances

8 Focus on overall affordability and improving short-medium term financial benefits of changes, including more transparency about "hidden costs" involved in household change

9 Make processes for accessing rebates and subsidies for updated technologies as simple as possible and integrate these into concessions and hardship responses across the energy sector.

10 Include specific measures tailored to older renters and those constrained by collective living arrangements such as retirement villages.

Recomendations

While these principles should underpin all action, the research has identified some clear actions that would support older Victorians through, and benefit from, the energy transition. The following recommendations and accompanying delineation of responsibilities, are COTA Victoria's suggestions only. We encourage all stakeholders to think about how they can apply or support the findings of this study in their own work.

1 Develop a dedicated web and phone hub that can provide general and personalised practical information and advice to older people on all energy transition matters.

This should be jointly funded and informed by government and the energy industry but remain independent of both, and managed in conjunction with an organisation representing the interests of older people.

The hub should include information targeted to older people going through common life transitions like retirement, downsizing home, coping with living alone after death of spouse, and include real life stories of older people making change. Focus should be on reducing uncertainty and hesitation throughout the decision-making and change process.

***Responsibility:** Victorian Government and energy distribution companies to resource and deliver with community sector partner/s.*

2 Support local community education initiatives to help older people better understand and respond to the energy transition.

Activities should be auspiced by trusted community agencies, or local government, and use older peers and intergenerational dialogue, with energy companies providing in-kind support and back-up in the form of speakers and technical information including a focus on energy reliability. Events should include hands-on opportunities to experience new technologies and appliances (such as induction cooking), while there is the opportunity to support individual energy assessments by neutral parties. This should be supported through an annual grants program, with funding provided by government, distributors and retailers.

***Responsibility:** Victorian Government and energy distribution companies to resource, with community sector agencies or local government to deliver.*

3 The Victorian Government to review and revise concessions, subsidies, rebates, and other financial tools to make them more accessible and easier to navigate for older people.

This includes ensuring that these financial tools reach more vulnerable older consumers in the state and that they support and encourage shifts to cleaner energy use rather than prop up old inefficient sources and behaviours.

Dedicated promotion and support should also be provided through trusted community sector agencies to help older people navigate programs such as the Victorian Energy Upgrades, building on the successful model used with the Victorian Energy Compare program. This includes consideration of changes to the financial incentives to discourage perceived predatory approaches by providers.

Effort should be made in these processes to ensure that older people used to receiving energy concessions do not feel they might be giving up something if they make changes to more efficient energy. Energy companies should also consider one-off financial incentives to older customers to overcome reluctance to go all electric.

***Responsibility:** Victorian Government in consultation with energy companies and community sector peak bodies.*

4 Provide additional support and incentives for landlords to upgrade energy connections and appliances, with particular targeting of older long-term renters in largely unrenovated properties and those renting homes as part of independent living arrangements for older people.

Government regulations should support this action by disallowing rent rises for at least 12 months following significant energy upgrades. This should be included as part of the Victorian Government's efforts to deliver on the Victorian Housing Statement. Older renters should be more actively engaged in identifying opportunities for, and making choices about, upgrades that respond to their changing needs as they age and to improve affordability of power bills.

A complementary initiative should be introduced to support/encourage landlords to check on long standing older tenants regarding the efficiency of the appliances they use and their willingness and preferences to shift energy sources.

Responsibility: *Victorian Government to lead in consultation with community housing and ageing sector peak bodies.*

5 Enhanced collection and sharing of intellligence on the role and impact of the energy transition on ageing to inform government and sector responses.

This includes conducting regular statewide surveys, building on this study and AusNet's Energy Sentiment Tracker, to monitor progress in addressing the issues identified. Findings should be shared more widely and used to stimulate ongoing discussion between industry and community sector agencies about the needs and experiences of older customers. This should be informed by enhanced channels for feedback from older consumers, including through "listening post" events in local communities.

Energy retailers and distributors should also use their own data on the energy network to proactively build confidence and comfort among older customers in response to particular concerns, especially regarding the security of electricity supply and evidence of financial benefits to customers of making changes.

Responsibility: *Energy distribution companies and retailers; community sector agencies.*

Attachment:
Community online survey questions

1. *Which of these ages groups do you fall into?*

- ◯ 55-64
- ◯ 65-74
- ◯ 75 and over

2. *What gender do you identify as?*

- ◯ Man
- ◯ Woman
- ◯ Non-binary/other
- ◯ Prefer not to say

3. *What is the postcode or suburb/town of your principal residence?*

4. *Which of the following best describes your living situation?*

- ◯ Renting
- ◯ Owner-occupier
- ◯ Living in a relative's home
- ◯ Living in a retirement village or similar
- ◯ Other

5. *Over the past 5 years, have you changed or considered changing the energy mix in your home?*

Tick more than one option if relevant

- ◯ No have not considered any changes
- ◯ No but have seriously considered some changes
- ◯ Yes changed some appliances
- ◯ Yes changed to all electric
- ◯ Yes installed solar panels and/or batteries
- ◯ Unsure

6. *Thinking about changes you might consider in coming years to the energy mix in your home, how likely are these factors to influence your decision to change?*

(Rate 1-7 from very unlikely to very likely)

- ◯ Want to reduce running costs and utility bills
- ◯ Concern about the environment and climate change
- ◯ Preference for newer technologies or appliances
- ◯ Change to family situation or health needs
- ◯ Move to a new home
- ◯ Example set by family, friends or neighbours
- ◯ Financial incentives (rebates and subsidies)

7. *How likely are each of the following factors to prevent you from making a change to the energy mix in your home?*

(Rate 1-7 from very unlikely to very likely)

- ◯ Cost of change or purchase of associated appliances
- ◯ Not convinced about benefit for climate and environment
- ◯ Inability to make change to rental property or due to body corporate rules
- ◯ Concern about reliability and dependency on electricity supply
- ◯ Personal preference for existing energy sources and appliances
- ◯ Lack of clear information and advice
- ◯ Possible loss of existing concessions or rebates

8. *What sources of information and advice do you most want to be able to turn to on issues related to the energy transition and action you might take?*

(Nominate up to three)

- ◯ Direct advice from family and friends
- ◯ Direct advice from peers or other older people
- ◯ Central state or federal government website and phoneline
- ◯ Central website and phoneline run by energy industry
- ◯ Central website or phoneline run by independent body representing older people
- ◯ Printed materials endorsed by government and energy industry
- ◯ Phoneline or drop-in service run by local government
- ◯ Individualised advice offered proactively by energy industry

9. *What would you most like to see done to improve the understanding and level of comfort of older people about the energy transition in general?*

Please describe this in a sentence or two.

10. *What would you most like to see done to improve the access and affordability of new energy sources and appliances to older Victorians?*

Please describe this in a sentence or two.