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18 April 2016

Queensland Productivity Commission  
PO Box 12112  
George St QLD 4003  
*submitted electronically*

Dear Mr Wood,

### **Electricity Pricing in Queensland: Draft Report February 2016**

Thank you for the opportunity to provide feedback on the Queensland Productivity Commission's draft report on Electricity Pricing in Queensland (3 February 2016).

COTA Queensland is a state based organisation committed to advancing the rights, needs and interests of people as they age in Queensland. We aim to help create a more just, equitable and caring community in which older people are actively involved and have access to appropriate support, services and care. COTA Queensland believes that everyone, regardless of age, health status, wealth or social status has a fundamental right to sustainable, ongoing, secure and affordable access to energy. Our submission will only consider impacts of the draft recommendations for residential consumers.

#### Solar Bonus Scheme

##### **Draft recommendation 17**

*The Queensland Government should consider the merits of an earlier end to the Solar Bonus Scheme than the planned 2028 scheme closure.*

Managing ongoing cost-of-living issues is a constant challenge for older Queenslanders who have left the workforce, and who are dependent on the aged pension or low fixed incomes in retirement. Many retirees have invested in solar PV as an important element of their retirement income strategy. For those able to access the Government's Solar Bonus Scheme, returns from their solar PV investments are used to offset other cost-of-living increases. These investments were made in good faith on the understanding that the associated income stream would continue until 2028. An early termination of the scheme would not be acceptable to participants who are dependent on this income stream.

#### Electricity Concessions Framework

##### **Draft recommendation 45**

*The Queensland Government should:*

- extend eligibility for the general Electricity Rebate to recipients of the Commonwealth Government Health Care Card as soon as practicable; and
- remove access to the general Electricity Rebate for Queensland Seniors Card holders. Consideration could be given to grandfathering eligibility for existing Queensland Seniors Card holders.

COTA Queensland has long held the view that eligibility for the general electricity rebate should be extended to recipients of the Commonwealth Government Health Care Card.<sup>1</sup> We are therefore strong supporters of the first part of draft recommendation 45.

In considering part two of draft recommendation 45, we support the notion of financial assistance being available for those who need it. If funds are limited, better targeting and means testing for the rebate may be required to ensure that those most in need are recipients. Should this result in access to the general electricity rebate being withdrawn for future Queensland Seniors Card Holders, we recommend that support should be made available to assist in the education of seniors to enable them to be well informed about how they can be more energy efficient.

COTA Queensland does not believe that it would be appropriate or fair to remove access to the general electricity rebate for current recipients who are Queensland Seniors Card Holders. Seniors who are currently recipients of the rebate have planned their retirement income arrangements around the availability of the rebate, and some would be significantly disadvantaged if the rebate were to be withdrawn. Instead, we consider that grandfathering of the current arrangements would be essential in such circumstances.

#### **Draft recommendation 46**

*The Queensland Government should maintain the current flat rate structure for the general Electricity Rebate.*

COTA Queensland agrees with the recommendation to maintain the current flat rate structure for the general electricity rebate in preference to a percentage based structure on the grounds that it provides more incentives for energy efficient behaviour.

#### **Draft recommendation 50**

*The Queensland Government should seek COAG agreement for the administration of energy concessions to be part of the broader Australian Government social security system, to improve efficiency and equity.*

COTA Queensland supports this recommendation for adoption of a national approach to energy concessions. The current disparate jurisdictional approaches are confusing, duplicate effort unnecessarily,

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<sup>1</sup> See COTA Queensland Submission to the Queensland Government 30 year electricity strategy, December 2013; and COTA Queensland – Queensland Government Budget Submission 2014-15, December 2013

and result in inequities across jurisdictions. A harmonised national approach linked to the Australian Government social security system would enhance the efficiency and transparency of the overall concessions framework.

#### Other Issues – Energy Advocacy Funding

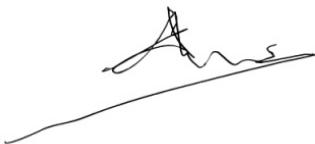
COTA Queensland observes that there is a need for the establishment of an independent, well-resourced energy consumer advocacy capability in Queensland. At present, there are no consumer advocacy bodies in Queensland which focus wholly on utilities or energy. The breadth of issues and the complexity of the energy sector dictate the need for dedicated specialists to:

- provide informed input to energy policy formulation
- monitor and report on consumer issues in the energy market on an ongoing basis
- advise government and others on appropriate consumer engagement strategies.

We request that the QPC gives consideration to recommending that energy consumer advocacy capability is strengthened and suitably resourced for the benefit of all Queensland consumers.

If you require additional information about COTA Queensland or its energy policy position, please contact me on telephone (07) 3316 2999 or by email to [mte@cotaqld.org.au](mailto:mte@cotaqld.org.au).

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark Tucker-Evans". The signature is fluid and cursive, with a prominent initial 'M' and 'T'.

Mark Tucker-Evans  
**Chief Executive**