



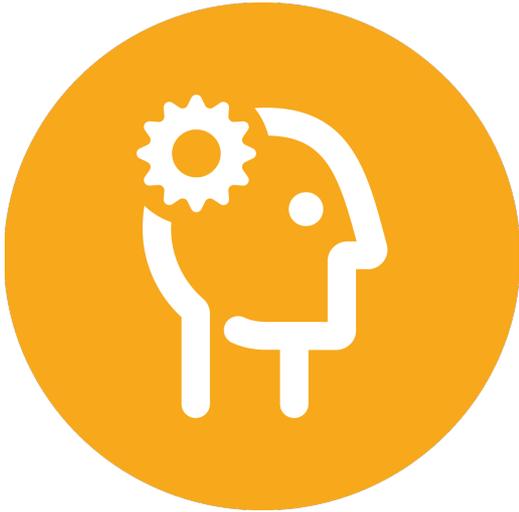
# Affordable Energy for Low Income Tasmanians

Kym Goodes, CEO, 10 October 2018



INTEGRITY  
COMPASSION  
INFLUENCE

# Who is TasCOSS?



## **Our Vision**

One Tasmania, free of poverty and inequality where everyone has the same opportunity.

## **Our Mission**

We challenge and change the systems, behaviors and attitudes that create poverty, inequality and exclusion.

We are the peak body for the community sector in Tasmania.

# The Community Service Sector in Tasmania & Service Delivery

**Community service organisations provide essential services, assisting people through experiences of disadvantage and hardship, strengthening communities, and promoting inclusion, diversity, health and wellbeing.**



- Community service sector employs approximately 11,000 Tasmanians
- In many regional communities, the sector is the largest employer
- Contributes approximately \$50 million to the Tasmanian economy through expenditure in Tasmanian communities
- In addition to our paid workforce, we rely heavily on volunteers to operate and deliver services

# Why is Tasmania different from other jurisdictions?

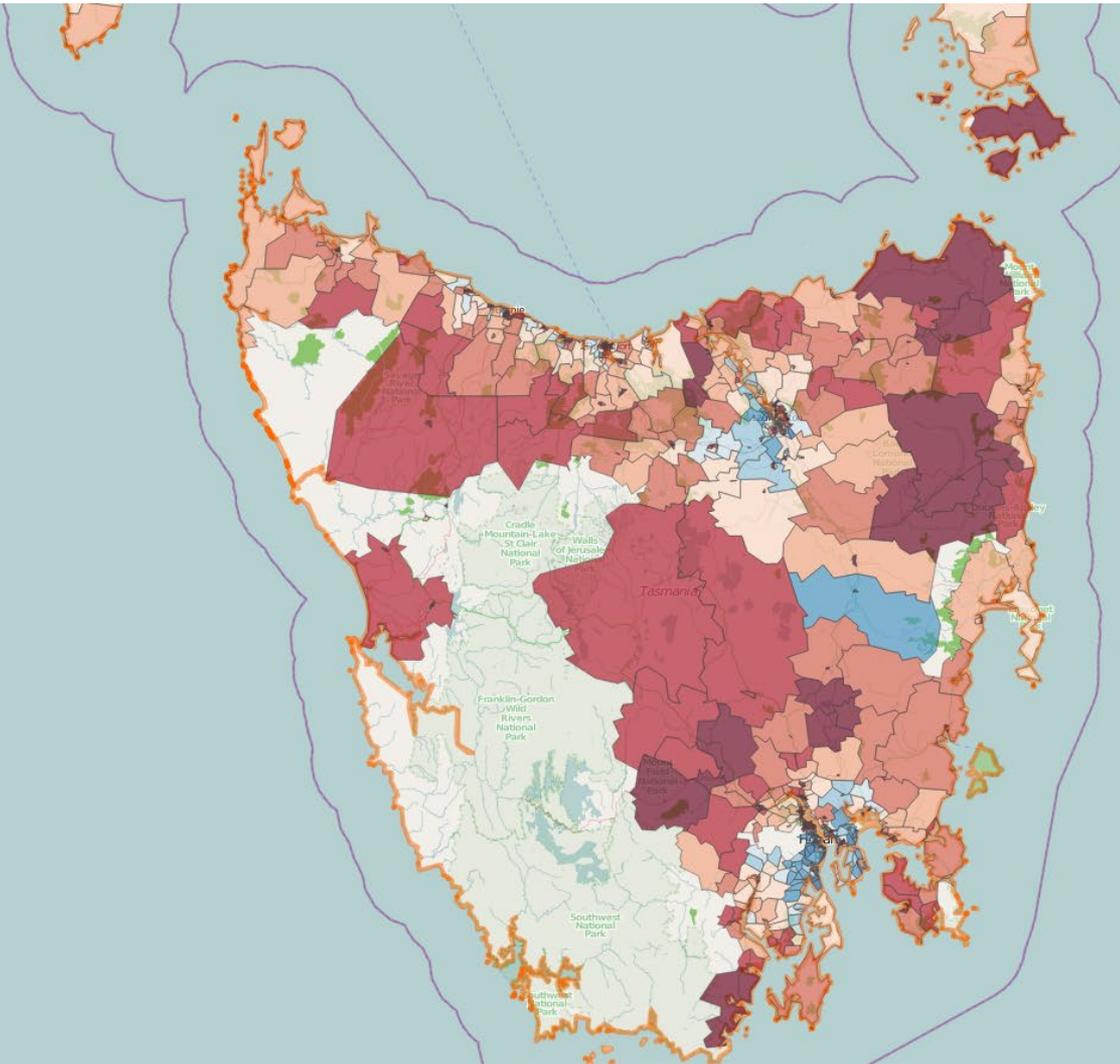
**Overall, our population need is far greater than any other jurisdiction.**

- 64% of Tasmanian households receive government payments (49% nationally)
- Median disposable income is 16% lower than for Australia, and real median income is declining
- Hobart is the second least affordable capital city rental market
- Youth unemployment in Tasmania is the highest in the country, at 14.8%
- Long-term unemployment is the highest in the country
- More than 40% of Tasmanian adults left school at year 10 or below, the highest proportion in the country
- Tasmanians are more likely to die from preventable causes than people in any state or territory, besides the NT

## Share of population by Index of Relative Socio-economic Advantage & Disadvantage Quintile, National, by State & Territory

|                                    | NSW   | VIC   | QLD   | SA    | WA    | <b>TAS</b>   | NT    | ACT   |
|------------------------------------|-------|-------|-------|-------|-------|--------------|-------|-------|
| Quintile 1<br>(most disadvantaged) | 19.2% | 16.4% | 21.5% | 25.8% | 13.5% | <b>36.9%</b> | 23.8% | 1.1%  |
| Quintile 2                         | 18.8% | 18.1% | 22.3% | 25.1% | 18.5% | <b>25.8%</b> | 11.4% | 4.1%  |
| Quintile 3                         | 17.2% | 21.4% | 21.6% | 22.4% | 22.9% | <b>18.4%</b> | 19.8% | 12.5% |
| Quintile 4                         | 17.4% | 23.5% | 20.6% | 17.8% | 23.8% | <b>13.9%</b> | 24.8% | 28.9% |
| Quintile 5<br>(most advantaged)    | 27.4% | 20.6% | 14.0% | 9.0%  | 21.3% | <b>4.9%</b>  | 20.3% | 53.4% |

# Geographical spread of disadvantage



SA1 SEIFA 2016 - The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD) - National deciles

|    |       |
|----|-------|
| 1  | (305) |
| 2  | (225) |
| 3  | (190) |
| 4  | (171) |
| 5  | (141) |
| 6  | (99)  |
| 7  | (106) |
| 8  | (81)  |
| 9  | (52)  |
| 10 | (5)   |

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50 km

# Why effective energy advocacy is so important

## In summary

- Tasmania is a poor state, where the poverty is long term, generational and entrenched
- The day to day impact of generational poverty and unemployment is compounding and we are now many generations in
- We know that many Tasmanian households are regularly having to make the choice between buying food and paying essential bills
- Tasmanians are therefore extremely sensitive to even small changes in pricing of essential goods and services
- Gains made in energy efficiency are being undermined by poor housing and outdated appliances
- The direct correlation between the poor quality and performance of some of our social and rental housing stock and the increased cost of energy is well known

# The Changing Energy Environment

- Renewables are placing the design of the National Energy Market (NEM) under pressure
- **Affordability** is a challenge that must be addressed alongside the promise of new and emerging technologies
- The energy system in Tasmania and in the national energy market is increasingly characterised by transition and change
- Consumers are demanding transparency, understanding and tools to remove the confusion around consumption and price



# The Changing Energy Environment

- The Tasmanian energy market is **not immune** from national trends
- Tasmania has a virtual monopoly retail provider and households are not able to benefit from full retail contestability
- 36% of the population are on energy concessions and we pay the highest energy bills as a proportion of average household income in Australia
- We know our energy consumers are sensitive to price increases and, coupled with lack of choice, are becoming increasingly dissatisfied with overall value for money they are receiving from their energy supply

- TasCOSS will continue to hold government to account in regard to the direction set and relevant recommendations in the June 2018 the ACCC Report ***Restoring electricity affordability & Australia's competitive advantage***

These include:

- reviewing energy concessions
- remedying past over-investment in the state owned network, through write downs of the regulated asset base or providing direct subsidies to electricity consumers to redress past “over investment”
- shifting generous solar schemes away from electricity bills (which spread substantial costs across all electricity users) back on to the government budget

Our priorities over the next year are:

- Continue to ensure that affordability is front and centre of government policy
- Listen to the voices of Tasmanians and work with government, service providers and consumers to find policy solutions to ensure:
  - government programs provide the safety nets needed when people are in immediate or pending financial difficulty
  - the government review of concessions targets those most in need
  - households with limited financial resources are given assistance to improve the energy efficiency of their homes and appliances, especially if they are not home owners, and
  - more research is undertaken to understand the potential impacts of changes in the energy market

Our challenge:

Ensuring the full impacts on vulnerable consumer are  
fully understood and  
that consumers are not worse off under any of these  
policy changes



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# Thank you

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