

Senior Commissioner Malcolm Gray  
Independent Competition and Regulatory Commission

Via email: [icrc@act.gov.au](mailto:icrc@act.gov.au)

Dear Senior Commissioner Gray,

**Draft report: Retail prices for franchise electricity customers  
2012-14**

ACTCOSS welcomes the opportunity to provide comment on the recently released Draft Report: Retail prices for franchise electricity customers ('the Draft Report').

An increase in energy prices is expected given ACT Government's greenhouse gas reduction targets<sup>1</sup> and the federal government's price on carbon. However increased energy prices can have a significant social impact, especially on people experiencing disadvantage and low income earners. Even a slight increase in energy bills can see people on low incomes prioritising utility payments over other essentials such as food or medical bills, and accumulating debt,<sup>2</sup> or going without necessities such as heating. ACTCOSS has previously argued measures to reduce emissions should not increase hardship for peoples already struggling to make ends meet.<sup>3</sup> ACTCOSS recommends the ICRC examine the social impacts of an increase in energy prices in greater detail before such increases are implemented, as outlined in submissions to the Draft Report from other organisations such as CARE Financial Services.

ACTCOSS is aware the ACT Government is seeking to implement a system of assistance for low income consumers of energy to support them as the ACT moves into a carbon neutral state. The *Energy Efficiency (Cost of Living) Act* is due to commence from 1 January 2013 and is intended to provide some measure of support for people experiencing disadvantage in the ACT. In addition, the

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1 ACT Government, *Weathering the Change: Draft Action Plan 2*, ACT, 2011.

2 ACTCOSS, Submission on the *Draft Sustainable Energy Policy 2010-2020*, 2010.

3 ACTCOSS, Comment on *Weathering the Change: Draft Action Plan 2*, ACT, 2012.

federal government has committed to assistance packages for low income earners as a part of the new tax on carbon.<sup>4</sup>

However the effects of this legislation and support packages are yet to be evaluated, and the impact they will have on low income earners and people experiencing disadvantage is unknown. As such, ACTCOSS recommends the increase in energy prices is kept to a minimum until the true impact of current government policies and initiatives is better understood.

If you wish to discuss the issues raised in this letter further please contact ACTCOSS on 6202 7200.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'RD', enclosed within a large, loopy oval shape.

Roslyn Dundas  
Director

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<sup>4</sup> Australian Government, viewed 3 May 2012,  
<http://www.cleanenergyfuture.gov.au/assistance-for-students-low-income-earners/>