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Committee Secretary
Senate Standing Committees on Community Affairs
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Dear Committee Secretary

Social Services Legislation Amendment (Ending Carbon Tax Compensation) Bill 2017

National Seniors welcomes the opportunity to provide comment on the the Social Services Legislation Amendment (Ending Carbon Tax Compensation) Bill 2017.

National Seniors is a not-for-profit organisation that gives voice to issues that affect Australians aged 50 years and over. It is the largest membership organisation of its type in Australia.

National Seniors opposes the proposal within the draft bill to cease payment of the Energy Supplement for all new welfare recipients, including Age Pension recipients, from 20 September 2017.

While the supplement was originally designed as a mechanism to deliver compensation to low-income households affected by the introduction of the now repealed carbon price legislation, it remains important as a means of protecting low-income households from ongoing and excessive increases in energy costs.

Despite the repeal of the carbon price legislation energy prices have continued to rise excessively.

Recently announced increases in the retail price of electricity are highly concerning. From July 2017, energy retailers have increased retail prices for residential customers on average by 20 per cent in New South Wales, Australian Capital Territory and South Australia and seven per cent in Queensland. Electricity prices in Tasmania would have increased by 15 per cent without State Government intervention to restrict these to two per cent.

The dramatic increases in retail electricity price have been blamed on rising wholesale energy prices.

The excessive increase in electricity prices in NSW, ACT and SA are roughly the equivalent of the value of the existing Energy Supplement.

This means that the impact of increased price and supplement removal will have a combined estimated annual impact of roughly \$600 a year on affected households in 2017-18 in these three jurisdictions.

National Seniors views the Energy Supplement as ciritcal to maintaining a basic standard of living in light of ongoing and extraordinary increases in electricity prices and therefore sees no rational justification for the cessation of the Energy Supplement.

National Seniors believes that the Energy Supplement should in fact be increased to reflect the higher energy costs facing low-income households. In this regard, we would support changing the Energy Supplement to align payment rates with changes in electricity prices. Not only would this ensure that the Energy Supplement is adequate over time but it would also provide an impetus for government to play an active role in reducing the cost of energy.

National Seniors urges all members of parliament to reject this Bill. In addition, the Federal Government must work constructively to address the root causes of rising energy prices in Australia.

Yours sincerely

Ian Henschke
Chief Advocate