

21 September 2011

Committee Secretary  
Joint Select Committee on Australia's Clean Energy Future Legislation  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600  
AUSTRALIA

Dear Secretary

### **Submission on Australia's Clean Energy Future Legislation**

COTA Australia is the peak policy development, advocacy and representation organisation for older Australians, representing Councils on the Ageing in every State and Territory and through them over 500,000 senior Australians. Our advocacy covers a wide range of issues that impact on the wellbeing of older Australians.

Climate change is a significant issue that will impact on communities across Australia. The impacts of climate change and the costs of action and adaptation are already and will continue to be unevenly distributed, with low income earners and disadvantaged groups, including older people, likely to be affected first and worst.

The most significant areas of impact facing older people and other vulnerable groups include:

- higher temperatures and longer and more significant heat waves, as well as other extreme weather events;
- increased costs for essential goods and services; and
- impacts on housing and the built environment.

Any response to the impacts of climate change should be seen in the context of an ageing population in relation to community infrastructure and resilience – housing, transport, health, education, and community services - acknowledged as key components in enabling communities, households and individuals to adapt to and cope with the impacts of climate change.

Overall COTA supports the initiatives outlined in the legislation. This package means that Australia is taking a significant step towards reducing carbon emissions, slowing down damage to our environment and in the longer term ensuring a better future.

COTA's focus with regard to this package has been on the possible impact on older people in terms of cost of living increases and possible decreases in standard of living. We welcome the household assistance measures that target the compensation at lower and middle income groups that are in most need of assistance and probably less able to reduce energy consumption without some assistance.

We support the decision to provide the assistance through the tax and transfer systems as we think this is the most efficient way to provide such relief. It gives individuals control over how they use the assistance and potentially provides some incentives for reducing energy consumption without fear of losing the assistance. COTA is opposed to providing the assistance through concessions on energy bills as it reduces consumer control and choice and does not provide an incentive to reduce consumption.

The compensation for pensioners through the Clean Energy Supplement should more than compensate them for the increases in costs as a result of the carbon pricing regime and the commitment to index it and review it regularly should ensure that it maintains its value. Designating it as a supplement rather than simply increasing the basic pension is important as this means it should not be included in calculations for rent for public housing.

COTA also supports the compensation package for self funded retirees, particularly the inclusion of a low income supplement for retirees under age pension age who are on low non taxable incomes. This group can easily be overlooked when the emphasis is on the social security and tax systems. We would suggest that there may be a need to review the income levels for the low income supplement as average incomes rise and as inflation pushes up the cost of living. We also think the Government will need to market the low income supplement to this group of retirees as they are not used to dealing with the transfer system and so may be reluctant to claim the supplement.

For self funded retirees on higher incomes who are over the age pension age the compensation through the tax system is more than adequate. Again we raise the need to review the income limits for the Commonwealth Seniors Health Card as these have not been increased for some considerable time.

The other part of the compensation package that COTA thinks is very important is the compensation for people who use medical equipment that use a lot of energy or have to maintain their houses at constant temperature for health reasons. Most States and Territories provide additional energy concessions to these groups and COTA is pleased to see that the Commonwealth compensation will be in addition to the existing amounts. COTA would like to see this additional compensation be extended to carers of people who are incontinent as they have significant unavoidable energy use for washing and drying bed linens and clothing.

In conclusion we think it is important to remember that many seniors are committed to a cleaner, more energy efficient economy because they want to leave the world a better place for their children and grandchildren. This package enables them to support and pursue that without unaffordable personal costs.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ian Yates', written over a large, light-colored scribble or background mark.

Ian Yates AM  
**Chief Executive**