

Submission on draft determination

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The Australian Government's preoccupation and pursuit of capitalism at any cost is the sole cause and contributing factor of Australia's economic mess, and root-cause of financial pain being experienced by many Australian households. The creation of the National Energy Market and its commodities hedging approach to energy pricing in Australia is placing an unnecessary financial burden on Australian households due to over-inflated energy prices.

The draft Regulated electricity prices for regional Queensland 2023–24 report does not consider the long-term impacts of the COVID19 quarantine measures; nor does it take into consideration the natural disaster suffered by many Queensland communities last year during the 2021/22 Rain Event and the impacts this is still having on households; nor does the report take into account the effects of current inflation (which can still increase - I remember in the 1990s when interest rates were 18%); or the lack of time-appropriate access to medical treatment through the public health system; soaring mortgage repayments or rent increases; or the reliance by people on welfare payments and other hardship assistance payments which are not keeping-up with inflationary trends (that is almost 1/5 of Australia's population). For all of these reasons, any increases in energy prices or other costs and charges are inappropriate at this time.

According to the draft report, the sole explanation for Australia's high energy prices is due to "energy costs of coal and gas which are based on international prices because some producers have the option of exporting resources at higher prices". In other words, Australians are paying the same price that overseas markets are paying for a product which is produced in Australia, is in abundant supply, and is available for domestic consumption. This is a classic example of Australian economic policy going wrong, which is leaving Australian citizens significantly financially worse-off.

If Australia divided its economic strategy into two parts - one for international trade and the other for the domestic economy - our politicians would be better able to develop more appropriate domestic economic policies such as reduced and affordable energy pricing. An estimated 1/5 of Australia's coal production is for the domestic market. No other primary producer or service provider charges itself the "retail" or "export" price for products and services which it produces. The staggering rise in energy costs being lumbered on Australian households means there is less disposable income to be used on consumables and luxury items resulting in a significant decline in domestic spending. Presently, many households are suffering financial distress as they face higher costs-of-living expenditure and slow wages growth. Any increase in power prices at this time represents poor economic policy.

I wonder how much consideration has been given to the impacts which the Queensland 3-Tiered coal royalties system will have on energy prices? What buffering measures is the government going to employ to protect household consumers from the impacts of the new coal royalties? I assume the cost of the additional taxation measures will be passed onto Australian energy consumers the same way as these costs will be applied to coal exports. This represents another bad economic policy measure for Australian households.

Another area in the draft report which needs to be re-examined is the application of much higher energy costs that are being applied to domestic consumers, while large customers are receiving much smaller increases in energy costs. I assume that large multi-national corporations who are posting billion-dollar yearly profits are some of the ones benefitting from the "smaller increases in energy costs". I recommend a re-examination of the energy charges being applied to large customers, so energy charges are directly correlated to profit margins, perhaps on a sliding scale much like the 3-Tiered scale being applied to coal mines.

I recommend increasing the electricity rebate to reflect the proposed increases in energy costs to offset the economic burden of the proposed price increases particularly on low-income households, as these households are already suffering under the strain of difficult economic conditions. (The higher electricity charges on large customers would help pay for the additional welfare and hardship support policies.)

In relation to natural disaster support, I note the draft report only mentions “drought measures”. There does not seem to be any consideration of the impacts of climate change in the report. Increases in extreme weather events are impacting Australia’s energy usage. The draft report does not propose any support measures for customers impacted by flood or rain events. Climate change measures need to be addressed in the report.

In relation to your request for stakeholder feedback concerning the proposed 24 month phase out of the 12B and 22B, I do not believe that any person who is receiving welfare benefits, is a senior, or has a disability and spends most of their time at home is going to benefit from any of the proposed new 3-rate TOU tariffs. In fact, I do not believe enough assistance is being given to these groups of people who are already experiencing poverty, and suffering a great deal of financial distress, as they continue to face astronomical increases in costs-of-living expenses, including energy costs.

Metering Costs

Firstly, advances in technology combined with the installation of digital energy meters has rendered obsolete the requirement for physically reading energy metres. It is no longer an efficient or cost effective means of acquiring meter data. Other alternatives include the creation of a phone application or via the customer account portal which can be used to submit scans or photographs of the meter readings performed by the householders, and submitted electronically. The image would then be processed by the retailer for billing purposes. This new procedure would eliminate the necessity for meter readings and likewise, would provide an avenue for reducing energy costs to the consumer.

Any suggestion by the EER to incorporate metering costs and services as part of the R Component of electricity charges should NOT be implemented. All additional fees and charges should be itemised separately on tax invoices. To do otherwise would constitute unfair, misleading or deceptive conduct. All fees and charges must be individually itemised on utility bills.

The insistence by energy retailers in applying additional fees and charges to already over-priced energy accounts is inappropriate, and this proposal is rejected.

I would like to raise the issue of double-charging for digital electricity meters. When I had my solar PV system installed, there was an additional requirement to install a new digital energy meter. This was a substantial out-of-pocket expense. After reading the draft report, it has occurred to me that I am being charged twice-over for the same meter by way of a “metering provider costs” charge being applied to my energy account. Digital meter upgrade costs should not be imposed on consumers who have installed solar PV systems. I am requesting an investigation into these charges as it is unfair, unjust and unreasonable for the application of additional charges in this scenario.

Retail Costs

The proposed incorporation of costs associated with regulatory reform, resource challenges and heightened risks be factored into retail costs allowances, is unfair and unreasonable.

I addressed the issue of the “domestic economy” earlier, with reference to Australian-produced coal used in local electricity production to be priced using a common-sense approach that reflects a reasonable domestic price. In addition, should coal be sold at a fair “domestic price” and not the “international price” then it would be unnecessary for the imposition of costs associated with regulatory reform, resource challenges and heightened risks, thus avoiding the necessity for these trumped-up charges to be applied to retail energy accounts.