



COTA QUEENSLAND

PO Box 15525
City East 4002
ABN 13 465 280 311

Level 1, 25 Mary St
Brisbane QLD 4000
www.cotaqld.org.au

P:(07) 3316 2999
P: 1300 738 348
F:(07) 3316 2900

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Dr Malcolm Roberts
Chairperson
Queensland Competition Authority
electricity@qca.org.au

Dear Dr Roberts,

Thank you for the opportunity to respond to the Draft Determination on Regulated Retail Electricity Prices 2014-15.

COTA Queensland is a state based organisation committed to advancing the rights, needs and interests of people as they age in Queensland. We aim to help create a more just, equitable and caring community in which older people are actively involved and have access to appropriate support, services and care. COTA Queensland believes that everyone, regardless of age, health status, wealth or social status has a fundamental right to sustainable, ongoing, secure and affordable access to energy.

Our comments relate to the draft decision on residential electricity prices for 2014-15. We believe that the methodology adopted for 'rebalancing' service and usage charges is resulting in inequitable charges for residential consumers with low consumption levels.

Whilst COTA Queensland agrees with the principle of cost-reflexivity, we do not believe that allocating the same fixed charge to all consumers regardless of consumption levels is appropriate. Clearly some costs elements such as the cost of poles and wires are the same for all consumers, but there are other components of the fixed charge where the need for network investment is driven by the level of demand placed on the network by individual consumers. We propose that a fairer allocation of these costs would be based on energy usage or demand levels.

We support the decision to calculate and publish two sets of retail prices – with and without carbon tax. This provides consumers with a high degree of transparency, and provides them with assurance that if and when the carbon tax is repealed, there will be a commensurate reduction in their electricity charges.

If you require additional information about COTA Queensland or its energy policy position, please contact me on telephone (07) 3316 2999 or by email to mte@cotaqld.org.au.

Yours sincerely

Mark Tucker-Evans
Chief Executive