



**Carers Australia Submission:**

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

July 2017

**AN AUSTRALIA THAT VALUES AND SUPPORTS ALL CARERS**

## **ABOUT CARERS AUSTRALIA**

Carers Australia is the national peak body representing the diversity of Australians who provide unpaid care and support to family members and friends with a:

- disability
- chronic condition
- mental illness or disorder
- drug or alcohol problem
- terminal illness
- or who are frail aged

Carers Australia believes all carers, regardless of their cultural and linguistic differences, age, disability, religion, socioeconomic status, gender identification and geographical location should have the same rights, choices and opportunities as other Australians.

They should be able to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment and education.

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## INTRODUCTION

Carers Australia welcomes the opportunity to provide a submission to the Senate Community Affairs Committee Inquiry on the Social Services Legislation Amendment (Ending Carbon Tax Compensation) Bill 2017.

The Bill proposes to treat carers (and other income support recipients) differently, with different levels of support, based on the date that started receiving payments. Carers Australia contends that denying the Energy Supplement to new Carer Payments Recipients, in the same circumstances, and facing the energy costs as existing recipients, would be unfair.

Carers Australia considers that the Energy Supplement remains necessary for income support recipients, who are all facing record increases in energy prices. Family and friend carers and people with care needs often already experience higher costs than other households. They may be operating specialist medical equipment, have requirements to keep their home at constant temperatures, and may need to keep washing machines and dryers in constant use, for example where the person being cared for is affected by conditions such as incontinence.

## HIGH ENERGY PRICES

Wholesale electricity prices are higher now than in 2013, when the carbon tax was in place. While wholesale electricity prices dropped after the carbon tax was abolished, retail prices did not follow suit and have continued to rise, with electricity companies offering the explanation that the main reasons were transmission and distribution costs (“poles and wire”), closure of coal-fired generators and other market costs, increased costs of renewables and environmental and other policies.<sup>1</sup> Analysis by the Australian-German Climate and Energy College in the University of Melbourne, found the average electricity price across Australia was \$134 a megawatt hour last summer, compared with \$65 to \$67 during the two summers that the carbon tax was operating.<sup>2</sup>

There were large tariff increases in Victoria from January 2017 and in most other states and territories in July 2017. Gas prices, too, have increased and, in fact, doubled in the last few years. Further, The Australian Energy Market Commission (AEMC) predicts annual electricity bills will continue to increase over the next two financial years in most jurisdictions.<sup>3</sup>

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<sup>1</sup> Australian Energy Market Commission, *Final Report: 2016 Residential Electricity Price Trends*, 14 December 2016, Sydney

<sup>2</sup> As reported, Sydney Morning Herald, 9 March 2017 <http://www.smh.com.au/federal-politics/political-news/energy-crisis-wholesale-power-prices-have-doubled-since-the-carbon-tax-was-axed-20170308-guttf8t.html>

<sup>3</sup> Australian Energy Market Commission, *op cit*, pxii

The Government recently recognised cost of living pressures with a one-off energy security payment to some income support recipients.<sup>4</sup> With continuing rising costs forecast, the Energy Supplement will offer some ongoing relief to carers and others who rely on income support. This level of relief should be offered equally to both existing and future income support recipients.

## RECOMMENDATION

**Carers Australia recommends that the Energy Supplement should continue to be paid to new income support recipients who face electricity and gas prices that are increasing at a far higher rate than indexation to their income support payments.**

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<sup>4</sup> The Hon Christian Porter MP, Minister for Social Services and the Hon Alan Tudge MP, Minister for Human Services, Joint Media Release, *Payments for 3.8 million pension/welfare recipients*, 15 June 2017