



PARLIAMENT OF NEW SOUTH WALES  
LEGISLATIVE ASSEMBLY

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## **Submission to Independent Pricing and Regulatory Tribunal**

### **Market-based electricity purchase cost allowance – 2009 review Regulated electricity retail tariffs and charges for small customers 2007 to 2010**

Electricity — Draft Report  
March 2009

I write on behalf of the people of the Port Macquarie electorate on the NSW Mid-North Coast to urge the Independent Pricing and Regulatory Tribunal to reconsider the retail electricity price increases recommended in its draft report of March 2009.

The Mid-North Coast faces extraordinary pressures due to higher-than-average population growth, particularly in the older demographic.

These are the people who, in difficult economic times, are faced with genuine financial hardships, and many will find they simply can not afford any increase in the price of necessities, let alone the 18.5 per cent increase proposed for customers of Country Energy.

IPART has based its recommendations on the "substantial" increase in the wholesale electricity purchase costs and therefore concluded there is a need for the allowance for electricity purchase costs to reflect this.

While IPART acknowledges wholesale electricity costs vary substantially from year to year, I would urge IPART to also acknowledge the tremendous financial strain being imposed on Mid-North Coast families, pensioners, low-income workers, retirees on fixed or dwindling investment incomes and the growing number of unemployed, now at 7.4%\*.

The Mid North Coast has the dubious honour of having one of the highest levels of unemployment, lowest per capita income, and some of the highest workforce casualisation in Australia. \*\*\*

Other factors IPART must consider in its pricing recommendations are:

- 23% of people living on the Mid North Coast have some form of disability, compared to 19% for the state as a whole (NSW Health, 2002).
- Of the five Local Government Areas – Port Macquarie-Hastings and Nambucca have highest percentage on age pensions (15.5% and 15.6%

respectively), while Kempsey has the highest percentage on a disability pension (6.2%)\*\*.

- Single person dwellings, and typically lower income households, represent 26% of all dwellings on the Mid-North Coast, 3% higher than for NSW overall (23%) (2001 Census)\*\*.
- In 2001/2002 more than 4000 Centrelink clients in private rental were paying more than 30% of income in housing costs, making this area one of the worst in the state for people experiencing housing stress\*\*.
- The percentage of the population aged 60+ will be 40 per cent by 2011\*\*

IPART's own draft report recognises the proposed price increases are substantial and have the potential to "significantly impact on households, especially low income households". The reality is IPART's own report acknowledges the specific demographics most affected by the proposed price increases, the very demographics that make up a significant part of the Mid-North Coast's population.

I respectfully suggest that the determining factor in any proposed price increase, in either the network or retail charges, is not simply market variabilities in the wholesale cost of electricity but in the end consumers' ability to pay for it.

**Yours sincerely**

A handwritten signature in black ink, appearing to read 'Peter Beseling', with a large, stylized flourish at the end.

**PETER BESSELING MP**  
**MEMBER FOR PORT MACQUARIE**

20 March 2009

\*ABS LABOUR FORCE SURVEY NSW RESULTS FOR FEBRUARY 2009

\*\*AFFORDABLE HOUSING FOR OLDER PEOPLE AND PEOPLE WITH DISABILITIES  
IN MID-NORTH COAST NSW - Prof. Colleen Cartwright, Director,  
Aged Services Learning & Research Collaboration, Southern Cross University

\*\*\*SCHOOL OF COMMERCE AND MANAGEMENT - Southern Cross University, 2004