

A national advocate for action to reduce poverty and inequality and the peak body for the community services sector in Australia

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A case of upside down? Households must not subsidise big corporations under the National Energy Guarantee (NEG)

An alliance of community service organisations is calling on COAG Energy Ministers to ensure people get the full benefit from the National Energy Guarantee by *not* giving special treatment to big corporations and by ensuring the target setting process supports rapid emissions reduction in the electricity sector to address the current effects of climate change.

ACOSS has consistently urged COAG to reach agreement on a national energy policy that will deliver both lower energy prices, particularly for people on low and modest incomes, and emissions reductions that will meet our Paris commitments.

However, the current design of the National Energy Guarantee (NEG) will not deliver unless key changes are made in the interests of people who are struggling, including households, farmers, small business owners, and disadvantaged communities.

In the current National Energy Guarantee, some of our biggest and most profitable corporations, like oil and gas companies, will *not* have to follow the same rules as everyone else in their emission reduction targets.

This will increase the cost of electricity to everyone else, including people, farmers, small business, our schools and local hospitals.

The community sector urges COAG to ensure these big industries, the Emission Intensive Trade Exposed Industries (or EITEs), are included in the National Energy Guarantee like everyone else.

ACOSS CEO Dr Cassandra Goldie says:

“Asking people in Australia to forgo the full benefit of the National Energy Guarantee and then pay more for their energy bills, so that big corporations get cheaper energy, is simply nonsensical and unfair.

“People on low incomes already pay disproportionately more of their income on electricity, while farmers affected by changed weather conditions and small businesses in local communities are already doing it tough.

“Targeted government support for the big corporations (EITEs) is appropriate if there is a demonstrable need, but that need has not been demonstrated.

“COAG must address this unfairness and require big corporations to play by the same rules as everyone else so that everybody’s electricity bill is significantly reduced.”

Kellie Caught, ACOSS Senior Advisor Climate and Energy, says:

“We are also concerned the National Energy Guarantee’s emissions reduction target is woefully inadequate and will mean Australia will fail to effectively tackle climate change.

“Changed weather conditions hit people on low incomes and vulnerable communities first and hardest.

“We can see that extreme weather events are already placing a burden on our farmers, businesses and local communities, and increasing the risk for our children and future generations.

“Addressing Australia’s emissions reduction targets is a social justice issue that requires urgent action.

“The electricity sector has the greatest technological capacity to reduce emissions rapidly at a lower cost than most other sectors, and must be prioritised for fast, early emission reductions.

“Other industry sectors that lack affordable clean alternatives will pay more for their emissions reductions, which could result in a higher cost to consumers than if the electricity sector did more of the heavy lifting.

“Ongoing reform of the energy sector, greater support for energy efficiency and more help for people on low incomes to pay their bills, can make higher targets even more affordable.”

“The National Energy Guarantee must include the capacity to increase the emission reduction targets, without needing new legislation in the future, to ensure we cannot retreat from where we are.”

Dr Goldie says:

“COAG must guide the National Energy Guarantee towards rapid emissions reduction targets and further reform of the energy sector, while ensuring big corporations receive the same deal as everyone else.

“If COAG Energy Ministers can agree to *not* give special treatment to some industries and ensure the target setting process supports rapid emissions reduction in the electricity sector, the National Energy Guarantee could provide the basis for stable and durable emissions reductions framework.”

“We need to see a change in our hip pocket, and a change for our children.”

ACOSS has raised its concerns with the Federal Government about the exclusion of the Emission Intensive Trade Exposed Industries (EITEs) and the inadequate emissions reduction target on numerous occasions. State and Territory Councils of Social Service from Victoria, Queensland, the ACT, Tasmania and South Australia have also raised the same concerns with their Governments and urged these key changes in the lead up to the COAG Energy Ministers meeting on Friday 10 August 2018.

Alliance of Community Sector Members: