



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

12th Assembly

Committee on the Northern Territory's Energy Future

Public Hearing Transcript

11.00 am – 11.30 am, Friday, 28 November 2014

Litchfield Room, Level 3, Parliament House

Members: Mr Gary Higgins, MLA, Chair, Member for Daly
Mr Gerry Wood, MLA, Deputy Chair, Member for Nelson
Mr Nathan Barrett, MLA, Member for Blain
Mr Gerry McCarthy, MLA, Member for Barkly

Apologies: Mr Francis Kurrupuwu, MLA, Member for Arafura

Council on the Ageing NT

Witnesses: Mr Ken Cohalan OAM: Chairman
Mr Graeme Bevis: Chief Executive Officer

Mr CHAIR: On behalf of the committee, I welcome everyone to this public hearing into electricity pricing options. I welcome to the table to give evidence to the committee from the Council on the Ageing NT Chairman Ken Cohalan, and CEO Graeme Bevis. Thank you for coming before the committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

As you know, this is a formal proceeding of the committee and the protection of parliamentary privilege and the obligations not to mislead apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be on the committee's website. If at any time during the hearing you are concerned what you will say should not be made public, you may ask that the committee go into a close session and take your evidence in private. I will ask each witness to state their name for the record and the capacity in which they appear. I will then ask you to make a brief opening statement before proceeding to the committee's questions. Could you please state your name and the capacity in which you appear.

Mr COHALAN: Ken Cohalan OAM. I am Chair of the Council on the Ageing Northern Territory. I am on a few other committees around the place. I point out that we have the Administrator coming to COTA and we will probably have to leave at 11.30 am.

Mr CHAIR: That is all right, we will be running right on time. Graeme?

Mr BEVIS: Thank you, Mr Chair. Graeme Bevis: I am CEO of COTA NT and supporting my chairman at this hearing.

Mr CHAIR: Ken, would you like to make an opening statement?

Mr COHALAN: We put in a submission of about nine pages. I must admit at least four or five of those pages relate to concessions for seniors, which is a very important aspect. At this stage, it is very obvious that the Northern Territory pricing is not very transparent compared with the other states. The major issue is, as the number of people are ageing in the Territory we are concentrating more and more trying to keep the seniors in their own homes, with fewer going to hospitals. That is very important. Electricity is an important aspect of it. Nearly all the other states give additional concessions in regard to health equipment that is used by people who are ageing and are staying in their own homes.

I need to point out that the Northern Territory concessions for seniors are very generous. It could be better and the fact is there are two parts to it. Quite frankly, it is not promoted or advertised to any great degree. If you asked the average senior, they probably do not really know exactly what is happening, which is unfortunate.

There are two parts to it. There is a concession in regard to your kilowatt hours usage and in to the number of days. From our point of view, in regard to the kilowatt hours, we work fairly closely in regard to the COOLmob in looking at ways that our seniors can contain their costs in that area.

In regard to the daily rate, it is being offered but it is not achieving anything, for the very fact that you are looking at pricing - and we are fortunate we have a meeting this afternoon with the Minister for Health where we will be saying exactly the same thing: any concession should be looked at and assisted for seniors.

Mr BEVIS: Mr Chair, a significant fact in relation to my chairman's statement is we estimate that the number of seniors in the Territory by 2040 will double. That is the impact we are looking at in relation to all of these matters that affect seniors. We see electricity as one of those major issues.

Mr CHAIR: In your submission, you noted the importance of encouraging demands for participation in electricity market. This morning, I think it was Jacana Energy said that pricing should move more from consumption to demand. What types of incentives does COTA NT consider need to be implemented to encourage consumers to change their energy usage habits?

Mr COHALAN: I have already highlighted one, that the concessions were all in kilowatt usage. It is something that the COOLmob and COTA can assist people in. We will be raising it. There also needs to be some sort of control in regard to who gets those concession benefits. We hear there is some roting going on. As a responsible organisation, we are against that sort of thing happening. We feel and strongly believe that there should be outside seniors or independents going onto the concessions committee to look and give that information feedback.

As I said, we have a meeting this afternoon and we will be pushing that we should have a couple of representatives on that committee to explain the best interest of seniors in the Northern Territory.

Ms MANISON: One thing we have been discussing today has been two different prices for electricity. A cheaper price for the off-peak period during the middle of the day when less people are at home, to a peak price, a higher price, and Power and Water said that is 4 pm when school kids are home, mum and dads are coming home from work, the air conditioners are going on and fridges are being opened.

We know seniors are more likely to be home throughout the day. How would seniors feel about two different prices for electricity, with a cheaper one being through off-peak periods to a more expensive one for the peak period? Do you think that would change how they use their electricity?

Mr COHALAN: There are a couple of parts to what you said. It is unfortunate because we only have one supplier and they are not really all that active in looking at making it more efficient. A way to make an operation more efficient is to try to level usage. The time of day - tariff is the whole purpose of that so you get level usage.

To go further in what you are saying in regard to time of day, I understand you have to put meters in so there would be a capital cost in regard to that. I can see seniors having a problem in outlaying money to put in a time of day meter.

The other thing is there needs to be more research in regard to that because the Northern Territory is a bit different to Victoria. We use air conditioners during the day and tend to turn them off during the night.

We are finding, through the work we are currently doing with COOLmob, there are ways to make that a lot more efficient for the senior person in regard to insulation, fans and shading the windows. There is a range of things we can do to make it better. However, there is no encouragement that pricing the time of day would make the consumer think more in regard to it.

With my past hat on, I can remember it was very difficult to implement maximum demand. I was general manager of Pauls. Maximum demand - you can build up your ice banks overnight so the efficiency improves by the time of day - exactly what you are saying.

I am interested in the fact the industrial rate is higher than the residential rate. In fact, it is quite evident that the cost of running Pauls milk was an extra one cent per litre in Darwin than in Brisbane because of electricity cost until we got the maximum demand tariff in. It is not promoted and it is not on the list.

The most concerning is the reduction in the carbon tariff which happened on 1 July and we were notified on 26 September. That is not a customer orientated organisation I want to deal with, but there is no alternative. In fact, the information you get when you go on the website is very limited to advise consumers of what is available and can be achieved.

Mr WOOD: Can I ask a question on one of your recommendations? Number two, the electricity concession to be limited to relevant cardholders until a maximum of 2000 KW per quarter, and you want to put those saved funds into photoelectric smoke alarms. Is that concession the one the government scrapped a while ago for people who used to get that concession who were not card holders? Is that the same concession we are talking about? You can get travel allowance and discounts the government provided. I think it might have been discount on your rates and other things. That was for all people over a certain age regardless of income. I think it has been reduced that those concessions only apply to Centrelink card holders.

Mr BEVIS: That is my understanding. The eligibility for concession is what changed as those people who formerly would qualify, if they do not now hold a Centrelink or equivalent Commonwealth issued card they now do not qualify for the concession.

Mr WOOD: What I was getting at - it might be more a policy question. I was interested because you are COTA and I do not think you support people who just are on Centrelink cards, you support all seniors ...

Mr BEVIS: We advocate for all seniors, Mr Wood.

Mr WOOD: It might be a double-edged question here. You do not agree with the government reducing the concessions for your members, but if they are going to do it, then the savings the government has made you are saying should go into things like smoke alarm systems. Is that what you are saying?

Mr BEVIS: Photoelectric ...

Mr COHALAN: Because we get around quite a bit we know the concessions are being rorted. Electricity concessions are being rorted; we are fairly honest people and would like to work with the government in regard to suggesting there is a maximum level, for a senior couple living in a unit as the maximum.

We also see the government recently brought out changes to the smoke alarm system. We were quite surprised that now most of the products inside a house are petroleum based and you are given three minutes to get out of a house. You are talking about a senior, or maybe an incapacitated senior.

I am saying the money saved by reducing rorting we put into assisting seniors a bit more. It is not totally in regard to electricity pricing, but it is in regard to the benefit to seniors.

Mr WOOD: Would you also consider it as being used for concessions for people who are on life support systems, or require cooling in the house all the time?

Mr BEVIS: Our submission in relation to those issues is to broaden the base for what is currently available for seniors, as in line with some of the other states which give a much broader application of concession for medical products and those items that are seen to be essential for the preservation of life. That is the basis for our submission on that issue; to broaden the base for that medical equipment.

Mr CHAIR: The changes to the concession - I am quite familiar with these because the budget came down on 17 May and my birthday was 26 May, at which time I would have turned 60. I did turn 60, but because of that date I missed out on the concession. There is one of your rorting ones.

Anyone who was already 60 still gets a concession; it is only people who turned 60 after, I think, 17 May who do not get the concession any more unless they get a Centrelink concession card. It is asset/income based. I thought I would clarify that for Mr Wood over there, who would be entitled to it being older than me. He probably turned 60 before that date.

Mr WOOD: Yes, but rules of privacy do not allow me to tell you my age.

Mr BEVIS: Mr Chair, you still qualify for the seniors card, though.

Mr CHAIR: Yes, I do qualify for the seniors card, but I do not think it gets me much, does it?

Mr McCARTHY: It gets you a fuel discount at Dunmarra Roadhouse. What is the rorting? I am interested - without any names or pack drill?

Mr COHALAN: The concession applies to a person whose name is on the electricity account. I will leave it to your imagination. Electricity account covers what? I will leave it to your imagination. The concession relates to whoever pays the electricity account or whoever is on the electricity account.

Mr WOOD: They are not to the owner of the house necessarily, is that what you are saying? The owner of the house could change the name of the bill?

Mr COHALAN: Yes. It is unfortunate, because I had the public relations officer at Power and Water ask me the other day what the concessions are. The transparency could be improved considerably in regard to what applies. I am involved in a number of organisations; I put it to 30 at Palmerston the other day and got about 10 different versions of the concession on electricity.

I know you are looking at pricing, but it needs to be transparent and promoted because you have no problem going into other states, as you saw from my submission, and getting fairly detailed information. I had a fair amount of trouble getting it out of the Territory.

Mr CHAIR: For seniors, is there much literature energy efficiency? I know a lot of seniors are not tech-savvy, but is there a lot of literature around?

Mr COHALAN: No, very few but we are sponsoring and working very closely with COOLmob at the present time. It is not from Jacana or Power and Water; COOLmob is doing it. They are running some sessions through COTA, and are also running sessions through Probus and any other group.

Mr CHAIR: Do you think it is a role of Power and Water and Jacana to do that?

Mr COHALAN: Yes. It is a conflict of interest, is it not? Power and Water and Jacana are there to sell power so what is their role in regard to saving power?

Mr CHAIR: Should they be doing more in informing seniors about the discounts available and how it is calculated? I know this because the discounts I missed out on - it is nearly impossible to find out. Power and Water - it is like getting blood out of a stone to ask what discount I would have gotten off an electricity bill.

Mr COHALAN: That is the reason I received a phone call from the public relations officer at Power and Water to find out.

Ms MANISON: Power and Water had an arrangement with COOLmob where people could get very cheap audits done on their properties, but I understand that funding arrangement ceased some time ago; I stand to be corrected on that. Do you see the COOLmob program as effective for seniors? Is it working well? Is it something you would like to see rolled out further? Is that program working well with the people you represent?

Mr BEVIS: It is, and we have quite a constructive relationship with COOLmob. We work with them to distribute information to seniors about electricity audits of their home. The eligibility criteria for the audit is somewhat limited, but we work within those limitations and broadcast far and wide to our seniors' community. There has been quite a substantial take up through COTA of the COOLmob program, and we have been somewhat impressed and encouraged by that. There is a positive result for the seniors who take part in that.

There are several other partners with the COOLmob project; we are but one. We like to think our contribution has been somewhat extensive and successful.

Mr COHALAN: To answer your question, it could be extended further, especially into the rural area. We cover a lot of the Territory and I am sure it could be expanded. We have only been going six months?

Mr BEVIS: Yes.

Mr COHALAN: The interest is quite significant.

Mr WOOD: Have you been able to get the message out to Aboriginal communities? Do people in remote locations know they can get?

Mr COHALAN: I am being honest with you; I nearly guarantee they do not. In fact, I live next door to Bagot community in Darwin; I talk to a couple of key people there and they really do not know.

Mr WOOD: Does that highlight a disadvantage of people buying a card? How does a person who is over 60, on a Centrelink card, get a discount when all they have is a swipe card? Can they buy a pensioner version of the same card?

Mr BEVIS: I do not know the answer to that question.

Mr WOOD: There are obviously some people who would probably be missing out on what they are entitled to.

Mr BEVIS: To answer your question on the electricity audits outside Darwin, the current project, as I understand it, is limited to the greater Darwin area. I understand the COOLmob does not yet have a charter to go beyond that area.

Mr WOOD: That is the efficiency. I am worried now; Ken was talking about people who do not know what discounts are available to seniors. In remote communities they may have no idea at all, and the system may not allow that to happen.

Mr CHAIR: I think they can. I know seniors in caravans who come to a caravan park. They get a letter stating that so much of their fees were for electricity. They can take that to Power and Water and get money back, so I presume they would have to take their electricity cards, their spent electricity charge, into Power and Water. It might be something we would ask Power and Water.

Mr WOOD: That would not be that easy because you would probably throw the card away when ...

Mr CHAIR: Yes, that is right.

Mr COHALAN: I must admit I am surprised that prepayment charge is higher per kilowatt hour ...

Mr WOOD: Yes, I noticed that.

Mr COHALAN: ... than normal. Normally you get your money up-front.

Mr WOOD: That is right.

Mr McCARTHY: A comment on that: Mr Wood, the prepayment card is a fixed price. However, the adjustment can be done at the meter for the senior if they are registered.

Mr WOOD: Right, so it can be done?

Mr COHALAN: Oh, right, we have to tell people.

Mr CHAIR: Okay. It is getting close to 11.30 am and I know you have an appointment with the Administrator. Before we finish, we know who is most important. Are there any issues we have not covered that you would really like to highlight to us before we finish?

Mr COHALAN: No, just to repeat, there needs to be more transparency and more emphasis in regard to ways to reduce energy usage. We should be looking at that side of the business as well. A little more consultation may even improve the total system.

Mr CHAIR: Okay. Thank you for your time today. I am sure we will talk again.

Mr BEVIS: Thanks, Mr Chair.

Mr COHALAN: Thank you very much.