

MEDIA RELEASE

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Inequity in costs of electricity for the most disadvantaged must be addressed

Jesuit Social Services welcomes the Prime Minister, Ms Julia Gillard's, speech at the Energy Policy Institute of Australia today calling for reform to electricity pricing and regulation.

"As the Prime Minister notes, before impacts of the carbon price even come into effect, the average electricity bill went up across Australia by at least 48 per cent in the last four years", Jesuit Social Services CEO, Julie Edwards said.

"As reported by Ms Gillard in her speech, half of this extra cost is due to increased network charges with people paying much more for the so-called 'poles and wires' – not to produce electricity but just to move it around the system.

"The way these charges are obscured within the overall electricity bill hides a real source of inequity", said Ms Edwards. Ms Edwards said that Jesuit Social Services has been undertaking research to identify the relative contribution to end power bills of both the supply and usage costs. "It is clear in Victoria that the increase in the supply costs in the average consumer power bill has outstripped the increase in the kwh (or usage) cost, over the past five years. Specifically, the kwh cost has increased by 47% with the supply cost increasing by 85%, adjusted for inflation.

"It's of real concern to Jesuit Social Services that the wealthiest households pay exactly the same amount of their total power bill towards the fixed supply component of the bill as the poorest households. This equates to 95 cents a day per household, irrespective of income level and irrespective of how much power the household actually consumes. For poorer households with less disposable income and, in general, lower rates of energy use, this is both a bigger proportion of their income and a bigger proportion of their electricity bill. This has got to stop", said Ms Edwards.

"We support the call by the Prime Minister for reform to the pricing and regulation of electricity. Such reform should consider this inequity in payment for the fixed supply costs in the power bill that so disadvantages the poorest people in our community", Ms Edwards said.

Jesuit Social Services is a not-for-profit organisation which works to build a just society by advocating for social change and promoting the health and wellbeing of disadvantaged young people, families and communities.

MEDIA ENQUIRIES

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MEDIA COMMENTS

Julie Edwards, CEO