

9 March 2016

Queensland Productivity Commission
PO Box 1212
George Street
Brisbane QLD 4003

Kidney Health Australia
National Office / Victoria
125 Cecil Street
South Melbourne VIC 3205

GPO Box 9993
Melbourne VIC 3001

T: +61 3 9674 4300
info@kidney.org.au

The Australian Kidney Foundation
Trading as Kidney Health Australia
ABN 37 008 464 426 | Charly No. CH 0614

Patron-in-Chief
His Excellency General
The Honourable Sir Peter Cosgrove AK MC
(Retired)

Patrons
Lady Margaret Brabham
Mr Normie Rowe AM

Dear Commissioner,

Kidney Health Australia (KHA) welcomes the opportunity to comment on the Queensland Productivity Commission's Issues Paper, *Electricity Pricing in Queensland*.

KHA is a not for profit organisation whose focus is to promote good kidney health through education, advocacy, research and support. We are encouraged at the opportunity to provide a submission for your consideration, given the context of the broader review. We also thank the review team for their consideration of our initial submission.

The Issues Paper draws on many cross jurisdictional examples, and we would like to take the opportunity to convey that it is critical for the Productivity Commission to continue to consider the electricity rebate pricing structure as it relates to its impact on the health system as a whole.

KHA would like to reaffirm with the Commission that our preferred model is the Victorian concession structure, which is a mixed model - consisting of both a flat rate and a percentage discount on electricity usage. The Victorian flat rate is currently the highest rate in Australia, and is also funded directly from the Health portfolio. It ensures that patients who reduce a burden on our health system by dialysing at home are not disadvantaged by doing so. The percentage discount provided to consumers is on top of the flat rate, thus providing assistance on the extra costs incurred due to increased energy use from being treated at home, which could include such things as heating the home in winter and cooling the home in summer for longer than normal periods.

As our original submission stated, current life support concession for kidney dialysis is inadequate, and the removal of barriers is an important step in better supporting the current and future home dialysis population. As per the initial *Issues Paper*, KHA supports and would like to draw your attention to the following mentions and recommendations:

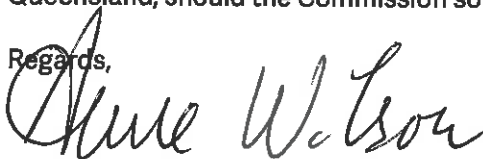
- Draft Recommendation 48: that the concessions framework needs to be amended to provide more targeted and equitable assistance to those in need is strongly supported by KHA.
- KHA also supports further consideration being given, as per page 228 of the *Issues Paper*, to a one off assistance measure to provide additional support to home haemodialysis patients.

- Draft Recommendation 49 (point 2): KHA is fully supportive of working with local Indigenous networks to engage local family groups to increase awareness and uptake of electricity rebates for eligible consumers in remote communities. This is also consistent with our broader push for improve kidney health for Aboriginal and Torres Strait Islanders, as outlined in our most recent report on this topic *Kidney Health for All: A report on policy options for improving Aboriginal and Torres Strait Islander Kidney Health*.
- Draft Recommendation 49 (point 4): Transfer policy ownership to Queensland Health, given it determines clinical eligibility. Adoption of this recommendation would also enable immediate fiscal benefit to the Department, as the Department that issues payments would also be the same Department that would recognise the savings of change in dialysis modality. Currently, the difference is \$29,940 per patient, per annum (In-Centre dialysis is \$79,072 per patient per annum vs \$49,132 for home haemodialysis, based on a 2009 Costing report by KHA.)
- Draft Recommendation 50: KHA fully supports seeking COAG agreement for the administration of energy concessions to be part of the broader Australian Government social security system, to improve efficiency and equity. As the Issues Paper mentioned, there is immense variation of rebate structures across Australia, with no minimum standard of payment.
- Table 16, Page 212: Those who are in employment and contributing to the Queensland taxation system could be disadvantaged if eligibility for electricity concessions are based solely on concession card holding, such as the Pension or Seniors Card.
- Page 220, "Adaptability": Although KHA acknowledges that the Commission has documented that the uptake of home dialysis could be greater with well-structured concessions, it is important to note that we believe that removing barriers to home dialysis uptake, and better supporting those on home dialysis will create a positive atmosphere where patients may either choose, or choose to remain on, home dialysis for longer periods.

A system of adequate electricity rebates enables consumers already on home haemodialysis to be better supported. It also provides some measure of support that may assist when patients are reconsidering reverting to more expensive forms of dialysis (such as in hospital), if those considerations are driven by out of pocket costs.

Kidney Health Australia would be happy to appear in front of the inquiry to further explore these recommendations and highlight the barriers facing dialysis patients in Queensland, should the Commission so desire.

Regards,



Anne Wilson
CEO & Managing Director
Kidney Health Australia