



**PROPERTY OWNERS'
ASSOCIATION
OF QUEENSLAND Inc.**
Watchdog of Rental Property Owners since 1916

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**Submission by Property Owners Association of Queensland
Into
Productivity Commissioner's Draft Report into Electricity Prices**

Draft Recommendations

Supply chain productivity – A sector in transformation

Draft Recommendations 1 to 3 – Agreed.

Generation

Draft Recommendation 4 to 11 – Agreed.

Networks

Draft Recommendation 12 to 16 – Agreed.

Solar Bonus Scheme Draft Recommendation 17 – Agreed.

Retail markets and consumers Draft Recommendation 18 – Agreed.

Draft Recommendation 19 – Agreed.

Shareholder interests

Draft Recommendation 20 – Agreed.

Draft Recommendation 21 – Agreed.

Deregulation in SEQ

Draft Recommendation 22 – Agreed.

Draft Recommendation 23 – Agreed.

Draft Recommendation 24 – Agreed.

Draft Recommendation 25 – Agreed.

Draft Recommendation 26 – Agreed.

Draft Recommendation 27 – Agreed.

Draft Recommendation 28 – Agreed.

Options for increasing completion in regional Queensland

Draft Recommendation 29 – Agreed.
Draft Recommendation 30 – Agreed.
Draft Recommendation 31 – Agreed.
Draft Recommendation 32 – Agreed.
Draft Recommendation 33 – Agreed.
Draft Recommendation 34 – Agreed.
Draft Recommendation 35 – Agreed.

Rural and Regional industries

Draft Recommendation 36 – Agreed.
Draft Recommendation 37 – Agreed.
Draft Recommendation 38 – Agreed.
Draft Recommendation 40 – Agreed.

Role of local service providers

Draft Recommendation 41 – Agreed.
Draft Recommendation 42 – Agreed.
Draft Recommendation 43 – Agreed.

Electricity concessions framework

Draft Recommendation 44 – Agreed.

Draft Recommendation 45 –

Extend eligibility for the general electricity / rebate to recipients of the Commonwealth Government Health Care Card as soon as possible.

As this card is issued by the Commonwealth and is income related it can be removed by the Government at any time therefore there could be a problem with policing.

Electricity rebate for Queensland Seniors Card Holder should not be removed, however, future QSC enquiries should be allowed the “grandfather” eligibility rebate.

Electricity rebates for vulnerable customers

Whilst it is agreed that vulnerable customers need assistance – there has to be a cut off point in assistance given. For example Newstart Allowance, Family Tax Benefit Part A, Carer Allowance (child). Perhaps these cardholders should be on a lower rebate whilst those on Circumstances Relief Payment and Farm Household Allowance should be increased. It is agreed that a government review of medical concessions and the Home Energy Emergency Assistance Scheme (HEEAS) should be considered.

Draft Recommendation 46 – Agreed.

Draft Recommendation 47 – Disagree receiving Family Tax Benefit. However, query the statement “number of people living in a household”. Is reference being made to children or extended family members?

Draft Recommendation 48 – Agreed.
Draft Recommendation 49 – Agreed.
Draft Recommendation 50 – Agreed.
Draft Recommendation 51 – Agreed.
Draft Recommendation 52 – Agreed.
Draft Recommendation 53 – Agreed.

Draft Recommendation 54 – Disagree.

By placing a requirement on lessors to meet certain standards of energy efficiency and demand management in their housing stock. With the oversupply of units in Brisbane, the current vacancy rates, the low rental return and also the time taken to find tenants, POAQ find that this is something that would not be acceptable to lessors. In the current situation, lessors are receiving less income through vacancies. Most lessors have borrowed to invest in the rental industry and therefore should not be expected to find extra money to meet the suggested standards. Rental properties have to meet certain standards under The Residential Tenancy and Accommodation. If pressure is placed on investors of rental properties to meet more energy efficient standards there, will be a mass exit from the private housing stock and therefore put more pressure on Government to supply public housing.

QCOSS response **13.6.4** Tenure issues regarding capital improvements for demand side response tools, including roof and in-home insulation and solar hot water.

The cost for lessors to install such items in rental properties is unrealistic. Tenants have complete control over the amount of energy that they use, the statement *“Tenants face a number of barriers to improve the energy efficiency of their home and fixed appliances. For example, tenants are more than twice as likely to be living in an uninsulated home, when compared to owner occupied homes.* To expect the lessors to make these improvements would increase the rent – lessors cannot be expected to carry out these expense improvements and not expect to recoup the costs. If the property being inspected by tenants does not meet with their expected requirements or standards, then they have the opportunity to inspect other properties that do meet their requirements. We also object to funding a complementary assistance to subsidise the purchase price of energy and demand efficient appliances for vulnerable consumers.

Public Housing

It is stated that in public housing it is expected the tenants are expected to pay for all approved improvements to the property, so why it is expected that in the private rental market it is expected that lessors have to bear the costs of improvements.

13.6.5 Income and capital constraints

With the increase in all aspects of everyday living, it would be expected that every household would find the 5 dot point mentioned by ACOSS relevant in their lives especially the cost of electricity. Every household including, low income households, has control over the amount of electricity consumed in their property.

Property Owners' Association of Queensland