



COTA TAS
Westella, 181 Elizabeth Street
Hobart TAS 7000

www.cotatas.org.au
ABN 71 718 804 307

P:(03) 6231 3265
F:(03) 6234 3515
admin@cotatas.org.au

16 March 2012

Mr Shane Donnelly
Secretary
House of Assembly
Parliament House
HOBART TAS 7000

Dear Mr Donnelly

Select Committee on the Cost of Living

Thank you for the opportunity to provide this submission to the Select Committee on the Cost of Living. COTA TAS considers this an important issue because older Tasmanians are recognised as being among the most at risk of increasing cost of living pressures.

COTA Tas is an autonomous member of the national COTA network, operating as a peak body for a wide range of organisations and individuals who are committed to supporting the contributions of older persons. COTA works to encourage communities to think positively about ageing. It does this by championing the rights and interests of all older people (60 years and over) in Tasmania and by promoting and supporting social inclusion.

***COTA TAS' vision is for an inclusive society which values,
supports and respects older people.***

Older Tasmanians make an enormous contribution to our community. While many may regard the older population as an insurmountable burden on our society, COTA Tas recognises that many older people are extremely busy, productive and contribute socially, culturally and financially to our communities.¹ In addition, older people have made enormous contributions over time by developing the educational, organisational, work and other structures in Tasmania. They also make other unique contributions, such as wisdom, guidance, support, and transmitting cultural knowledge, which are arguably as valuable as more tangible contributions.

¹ Ranzijn R & Andrews G, 1999, *Ageing and the economy in South Australia: Social capital and productive ageing* (Ageing Series No. 7), Department of Human Services, Government of South Australia.

In relation to the Select Committee on the Cost of Living, in this submission we address the following terms of reference from the perspective of older Tasmanians:

- a. the effectiveness of the current concessions system and related services, including social tariffs;
- b. alternative models of planning and service delivery of concessions including the option of 'bundling concessions' through a 'smart card system';
- c. the impact of legislation such as the Monetary Penalties Enforcement Act 2005;
- d. the impact of taxation policies on costs of living; and
- e. the likely impacts in increased contestability policies on reducing cost of living pressures.

(a) the effectiveness of the current concessions system and related services, including social tariffs;

Older people are eligible for a range of concessions related to health, pharmaceuticals, transport, rates, communication, education, energy, motor vehicles and licences, parking, travel, will making, recreational activities and more provided by different levels of government and the private sector. These are accessed by concession cards, including the Department of Veterans Affairs (DVA) pensioner concession cards, Centrelink Pensioner Concession Card, Commonwealth Seniors Health Card and Tasmanian Seniors Card. Different eligibility criteria and different concessions apply to each of these.

COTA TAS believes concessions have the potential to deliver much needed help to older Tasmanians to meet their day to day living expenses. There is ample evidence that a high proportion of older people suffer serious financial hardship. Concessions, if applied appropriately, are essential to help them get by.

Tasmanians are below the national average by 17% with regard to the average disposable income.² Generally speaking, older people have less income than others: Australian Bureau of Statistics (ABS) data has found that people aged 65 years and over had the lowest mean equivalised disposable household incomes per week. People aged 65 and over who were living alone were more likely than couples to have government pensions and allowances as their main source of income (76% compared to 65%).²

Exacerbating the financial coping ability of older people is the fact that the cost of living in Tasmania is increasing. Essential services such as housing, electricity, health, food and education have increased significantly in recent years.³ As outlined in the Government's *Inclusive Ageing: Tasmania 2012-2014*, "Food, warmth, electricity and affordable housing are basic rights

Residential electricity prices, for example, have broadly doubled in Tasmania since 2000. Increases have been higher than the price increases that have occurred in South Australia, the Australian

² Australian Bureau of Statistics (ABS), *6523.0 - Household Income and Income Distribution, Australia, 2009-10*.

³ Adams D, 2011, *A Cost of Living Strategy for Tasmania*, Social Inclusion Commissioner, Tasmania.

Capital Territory and the Northern Territory.⁴ The electricity prices paid by Tasmanian households increased by around 6 % during 2009-10, with a further 15% increase occurring through 2010-11. This upward trend is set to continue in the near term, with the Tasmanian Economic Regulator having already determined that prices will increase a further 8.7 per cent on 1 July 2012. It is feared that with the independent regulation of water and sewerage prices in Tasmania to commence on 1 July 2012, similar trends to what we've seen with electricity prices will follow. Data shows that food prices have increased 22%, housing by 25% and health by 24% in the last 5 years³.

As costs have risen, concessions for essential services often have risen at a slower rate or not at all.⁵ For many households, cost of living pressures linked to price increases for essential services are likely to continue to grow at a greater rate than incomes, concessions, wages, and many pensions and benefits which are indexed to the Consumer Price Index.³

The increasing cost of living has put many older Tasmanians under enormous pressure. COTA TAS believes that older people feel the pressure of these increases more than most, as many older Tasmanians are on below-average, fixed incomes and generally have lower levels of discretionary spending.⁶

As to the effectiveness of the current concessions system in Tasmania, COTA TAS does not have comprehensive data that it can provide in relation to the same. However, given existing evidence of financial hardship among older Tasmanians, it would appear as though the current concessions system is inadequate for relieving cost of living pressures. COTA TAS' research with older Tasmanians, as well as research conducted by other organisations, has provided qualitative data that highlights the impact this has on older Tasmanians:

*"Food has to come behind rent first, Hydro and phone, then my bus ticket and medication (I've finally found a doctor who bulk bills)...If I have to get a taxi to get home from the supermarket I only do the shopping once a week. If I get the bus home I can't buy much because I can only carry so much from the bus stop and then I have to go twice as often...I tried to get a letter from the doctor to get the taxi voucher from but I didn't get it because I'm not disabled enough."*⁶

*"My home is expensive to heat. I'm trying to heat a very cold flat with no natural heating or insulation."*⁷

*"My house isn't insulated. Heating is the biggest cost for my bill."*⁷

*"Cost of activities and transport are barriers to feeling part of the community."*⁷

Discussion Paper,

http://www.electricity.tas.gov.au/__data/assets/pdf_file/0018/141804/Tasmanian_Electricity_Pricing_Trends.pdf.

⁵ National Seniors Australia, 2011, *Are Older Australians Being Short Changed? An analysis of Household Living Costs*, National Seniors Australia Productive Ageing Centre, Australia.

⁶ Flanagan J & Flanagan K, 2011, *The price of poverty: The cost of living for low income earners*, Anglicare, Tasmania.

⁷ Jamieson L, 2011, *A Sense of Belonging: social inclusion issues for older Tasmanians*, COTA TAS.

"Bus costs are expensive so (I) limit my travel and being part of community activities."⁸

"Bills keep increasing more than our income – power, water, insurance etc."⁸

"Medicare bulk billing: is a thing of the past. Every pensioner should 'be bulk billed.'⁹

"Well, a good quality of life, I think, comes back to money. Because if you haven't got a jingle in your pocket than you've got no quality of life really. Because you can't go nowhere, you're so handicapped, and you know, you can't tell people you can't go because you've got no money, it's like begging."⁹

"We get rent allowance – without that we just couldn't afford to live here."¹⁰

All quotes from older Tasmanians

COTA TAS would also like to highlight the affect of cost of living pressures on self-funded retirees and those who are not eligible for government pensions. While older people who are not on pensions may be able to access the Commonwealth Seniors Health Card, the income threshold to be eligible for this card is \$50,000 for singles and \$80,000 for married couples. These income thresholds have not increased since 2001 when the card was introduced and whilst they may have been generous at the time, price and wage inflation have significantly eroded the value of these incomes meaning that fewer people are eligible for the card.¹⁰ As a result, cost of living pressures are extending to more older Tasmanians, not just the traditional 'disadvantaged' populations and places.

The global financial crisis has had a devastating impact on self funded retirees, particularly those who have invested their superannuation in the share market and/or relied on the interest from their investments. In September 2008 the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) reported that 50,000 self funded retirees had applied for the Age Pension (from September 2007 to September 2008) a staggering 40% increase on the previous year.¹¹ This increase was, in part, due to changes to the eligibility for the Age Pension and occurred prior to the financial crisis and subsequent freezing of assets, that came later in 2008 which saw a 50% surge in age pension applicants.

Actions are needed to prevent more older people from falling into the 'disadvantaged' category. For example, the Government could explore expanding the concessions for which older people are entitled under Tasmania's Seniors Card by encouraging more businesses (supermarkets, nurseries, petrol stations etc) to share in the role of supporting our ageing communities. As this card is not means-tested it could provide additional support for all older Tasmanians including self-funded retirees.

COTA TAS concurs with the recommended actions of Tasmania's Cost of Living Strategy that a review of concessions be undertaken to better target those households most at risk.³ Many older

⁸ Jamieson L, 2012, *Key Issues for Older Tasmanians: Summary Report*, COTA TAS (publication immanent).

⁹ Tasmanian Council of Social Service (TasCOSS), 2009, *Just scraping by? Conversations with Tasmanians living on low incomes*, TasCOSS.

¹⁰ COTA Australia, 2012, *Federal Budget Submission*.

¹¹ Elias MM, 2009, COTA NSW Blog, http://www.cotansw.com.au/self_funded_retirees.aspx.

Tasmanians find the current concession system complex and it does not adequately take into account that households are disproportionately impacted by costs.

A review could also investigate whether it is appropriate for people to be able to choose how to apply the concessions they are eligible for. For example, an older person living in Queenstown may benefit from additional assistance to cover the cost of heating, compared to someone living on the east coast. Similarly an older person with a medical condition that requires greater usage of water in a household may choose to use more of their concession entitlements for paying their water bills. Older people would be a good cohort to test such a 'choice model' for concessions as they are already active users of the concessions system and they have differing needs.

Another aspect of the concessions system that COTA TAS would like to suggest as being worthy of consideration is the idea of offering more concessions that encourage older people to adopt health promoting behaviours. For example, concessions could be offered for older people to participate in physical activity and nutrition programs, mental health promotion activities and preventive screening assessments such as dental checkups and cancer screening. Through its work with *COTA Champions*, COTA Tas has identified that maintaining health and wellbeing is a key issue for our ageing population.⁹ A concessions system could support older people to take steps to maintain their health and wellbeing. A healthier ageing population will generate considerable savings in terms of health care costs.

With respect to social tariffs, COTA TAS supports a recommendation put forward by Anglicare Tasmania that, *"The Tasmanian Department of Treasury and Finance be resourced to undertake a project to investigate options to introduce a 'social tariff' and appropriate concessions structure for eligible low incomes and vulnerable electricity consumers to ensure that all Tasmanians have access to adequate amounts of electricity at a price that does not impose hardship."*⁷ COTA TAS would like to be engaged in decisions related to the introduction of social tariffs as we believe that older people should be implicated in the criteria for eligibility for social tariffs. All older people either due to age, frailty, poor health, social exclusion or low income could be considered vulnerable and therefore COTA TAS would argue that all older Tasmanians over the age of 60 should be entitled to a social tariff on electricity. Social tariffs should also be considered in relation to other essential services such as water.

Concessions and social tariffs should not be considered in isolation. While concessions and social tariffs can be beneficial, COTA TAS also believes that they are not the sole solution to alleviating cost of living pressures. COTA TAS believes that the Government should recognise the recommended actions of the Cost of Living Strategy³ to help ensure that older Tasmanians can afford to live a happy, healthy and quality life.

COTA TAS recommends that the Government seek to address other factors that could help mitigate and prevent high living costs associated with essential services such as improving the energy efficiency of energy poor households, offering incentives for activity that will reduce the cost of living, supporting the development of energy industry initiatives, continuing to tackle poverty and social exclusion recognising that these are multi-dimensional problems, enhancing land use planning

to better cater for the ageing population and supporting the development of age-friendly communities. Concessions focus on immediate financial assistance and where as we also need to focus on capacity building strategies.

COTA TAS believes service providers have an obligation to their consumers to help them identify ways to make cost of living savings. Appropriate and effective information delivery strategies should be implemented by all those who deliver essential goods and services. This is particularly important in respect of essential goods and services that are generating considerable cost of living pressures, i.e. housing, electricity, health, food and education. Providing the right information and support needed to access it, is a focus area of *Inclusive Ageing: Tasmania 2012-2014*.⁴ COTA TAS believes that the peer education model is an effective way to impart knowledge to older Tasmanians.

(b) alternative models of planning and service delivery of concessions including the option of 'bundling concessions' through 'smart card system';

COTA TAS supports the implementation of systems that will reduce the administrative and bureaucratic hurdles associated with accessing concession entitlements for older Tasmanians. Navigating the current concession system is challenging for anyone not just older Tasmanians.

Smart card systems have been trialled with older people elsewhere. A recent evaluation of a pilot project of smart card technology in two local authorities in the UK found that encouraging older people to apply for smart cards and passes online can save money and improve services. The report also looked at how older people can become more active and engaged in their communities by using smart cards to extend the range of services and concessions they are entitled to.¹²

Smart card technology could streamline concession management in Tasmania. It could enable eligibility for concessions to be programmed into the card and would thus provide advantages for both government and concession users in terms of administrative savings and eligibility recognition.¹³

The downside to developing a smart card system is that it would be an expensive process.¹³ There are numerous examples of smart card systems that have been implemented around the world, usually with multi-million dollar price tags.¹⁴ However COTA TAS believes, given the rate of our ageing population, that a smart card system would be an investment in managing the concessions system into the future. A detailed cost-benefit analysis of implementing a smart card system should be conducted before a final decision is made.

Smart card development would require local, state and federal government participation. This was also recommended by the Senate Community Affairs Committee's report, *A decent quality of life*:

¹² Mowlam A et al, 2012, *Active at 60: Local evaluation research: Final report*, Department for Work and Pensions Research Report No 786, January 2012.

¹³ NSW Council of Social Service (NCOSS), 1999, *Making it Fair, Keeping it Affordable: Transport Concessions in NSW*. Submission to: Public Transport Authority. Review of Public Transport Concessions in NSW

¹⁴ Department of Finance and De-regulation, 2008, *National Smartcard Framework, Case studies*, <http://www.finance.gov.au/e-government/security-and-authentication/docs/NSF-case-studies.pdf>.

*Inquiry into the cost of living pressures on older Australians, "Recommendation 5 (iv), in order to achieve greater national uniformity, Commonwealth, State, Territory and Local Governments work together to develop a nationally recognised senior's card to provide concessions and benefits to eligible older people and to negotiate reciprocal arrangements across jurisdictions with respect to public transport concessions."*¹⁵

In terms of planning for such a system, COTA TAS believes that it is imperative that older Tasmanians are actively consulted. This is echoed in the Cost of Living Strategy's *consultation principle*.³ Given that COTA TAS has a direct connection with older Tasmanians, as well as organisations representing older Tasmanians, we are appropriately placed to be the primary channel between the voices of older Tasmanians and those developing policies, programs and services that will implicate older Tasmanians. At present there is no clear pathway that enables the Government to engage directly with older Tasmanians.

By working through COTA TAS to access the voices of older Tasmanians, the Government can ensure that it engages appropriately with older Tasmanians into the future. This argument was recently presented by COTA TAS to the Government as part of its community consultation process for the 2012-2013 state budget.¹⁶ We are yet to secure an appointment with Minister O'Connor to discuss this submission.

(c) the impact of legislation such as the Monetary Penalties Enforcement Act 2005;

COTA TAS understands that the provisions of the Monetary Penalties Enforcement Act 2005 are aimed at ensuring that people are accountable for their actions. However there is evidence that fines can create significant financial and psychological stress.¹⁷ COTA TAS advocates for a system that is fair, simple to navigate, flexible and personal, and treats older people with dignity.

The particular concern that COTA TAS has with the power of this Act would be if an older person was not adequately supported to pay their outstanding fines or simply unable to pay their fines and as a result, an enforcement order or sanctions were imposed on the older person. COTA TAS believes that the vast majority of older Tasmanians would pay their fines and that those who don't probably have legitimate reasons for not doing so.

An older person may find it difficult to seek the necessary assistance to pay a fine due to lack of confidence, low literacy, social isolation, embarrassment, inability to navigate the system or lack of understanding of the system. Others may simply not be able to pay fines due to being on a low income. There is unquantified evidence that numerous older Tasmanians are supporting their children and other family members to meet cost of living pressures (this may even manifest as a

¹⁵ Australian Government, 2008, *Government Response to Senate Community Affairs Committee Report, A Decent Quality of Life: Inquiry into the cost of living pressures on older Australians*.

¹⁶ COTA TAS, 2011, *COTA TAS Submission to Tasmanian Government Community Consultation, 2012-2013 State Budget*.

¹⁷ Spiers Williams M & Gilbert R, 2011, *Reducing the unintended impacts of fines*, Indigenous Justice Clearinghouse, <http://www.indigenousjustice.gov.au/initiatives/initiative002.pdf>.

'subtle' form of financial elder abuse). For those on a low income, the 'shock' of a fine may mean there is little time or economic resources for them to adjust their budget.

While the Monetary Penalties Enforcement Service does offer people the opportunity to devise an agreed payment plan, personal factors such as lack of confidence, low literacy and social isolation, may still manifest as barriers to utilising this service. It would be valuable for the Service to scrutinise the data that it collects about non-paying offenders to determine the characteristics of those involved. This will enable a more strategic plan of action for prevention to be developed. COTA TAS recommends that the Monetary Penalties Enforcement Service develop an 'age-friendly' policy and practices, which recognise the needs of older Tasmanians and how the Service can best respond to these needs. COTA TAS would be happy to advise the Service in developing such a policy framework.

COTAS TAS is particularly concerned that the development of a repayment plan may increase the amount owed by \$65. This would be a significant additional expense for many older people and COTA TAS advocates that the Director use his/her power to waive this fee where appropriate.

COTA TAS concurs with the Cost of Living Strategy for Tasmania, which recommends a progressive approach to fines and monetary penalties that is consistent with sentencing principles within our justice system that sanctions should vary according to both the seriousness of the offence and the circumstances of the individual committing the offence.³

It is COTA TAS view that sanctions should be an absolute last resort and that the Monetary Penalties Enforcement Service treat cases on an individual basis. The consequences of suspending a driver licence or vehicle registration, for example, would be devastating for many older people. COTA TAS advocates that it is important for older drivers to continue to drive safely for as long as possible. Loss of driver's licence can contribute to a loss of independence and a decline in overall health and wellbeing.¹⁸ Older people have also said they require their own car due to lack of suitable public or community transport options.¹⁹

Seizure and sale of assets is concerning as the replacement costs would be significantly more than the value of the sanction. Many older Tasmanians on low incomes would have limited assets, and removing something like a television for example, would have a devastating effect on people. Many older people utilise such assets to help counter the effects of social isolation.

The publication of one's name would be a disturbing outcome for many older people, and one which particularly concerns COTA TAS. Who benefits from such an approach? Generally speaking, many older people have made an enormous contribution to our community. The inability to pay a fine due to low income, social isolation, low literacy, family financial pressures, lack of confidence or skills, should not be treated with such unjust punishment, particularly in a small state such as Tasmania.

¹⁸ Positive Ageing Consultative Committee, 2003, *Getting Around, Transport Issues for Older Tasmanians, A Report on the Community Consultation Forum*, Seniors Bureau, Department of Premier and Cabinet, Tasmanian Government.

¹⁹ Tasmanian Council of Social Service (TasCOSS), 2008, *Enhancing Quality of Life, Addressing Poverty and Disadvantage through the HACC Program*, TasCOSS.

As stated earlier, COTA TAS recommends that further research be carried out to determine the reasons why people do not pay infringement notices. Identifying trends in the data and implementing preventive action may help reduce the need for sanctions to be imposed. As stated in the Cost of Living Strategy for Tasmania, *“investment in prevention is better than investment in crisis responses” (prevention principle).*³

(d) the impact of taxation policies on cost of living;

COTA TAS recognises that some pressures on the cost of living are linked to federal government policy and that *“state taxation accounts for only a small proportion of total government revenues.”*³ Despite this there are goods and services over which the State Government has some control.

COTA TAS supports the Tasmanian Council of Social Service (TasCOSS) call to the State Government to *“build a state tax system that maximises financial autonomy for Tasmania.”*²⁰ With respect to TasCOSS’ arguments, COTA Tas wishes to alert the Committee to the ageing population. The gap between incomes and cost of living is expected to continue into the future as a result of our ageing population and the related increasing dependency ratio.³ As stated earlier, self-funded retirees are included in this older cohort and are at increasing risk of financial pressure.

It is well known that Tasmania’s population is ageing more rapidly than any other state or territory in Australia. According to the ABS, at 30 June 2009 there were 76,900 people aged 65 years and over in Tasmania, making up 15.3% of the population. This was the second highest proportion of older people of all the states and territories in Australia.²¹ The ABS predicts that the proportion of people aged 65 years and over in Australia will increase from 13% in 2007 to 18% in 2020, and to between 23 and 25% by 2056. A significant portion of this rise will be in the number of people aged 85 years and over which is growing rapidly. People aged 85 years and over equated to 1.8% of the Australian population in 2007, and this proportion is expected to increase to between 4.9 and 7.3% by 2056.²² The time to plan for and act on these important demographic changes is now.

Low and middle income earners approaching retirement are increasingly concerned about having adequate retirement incomes and whether good quality government-funded health, community and aged care services will be available when they need them.²³ The Government needs to plan and generate income to meet those costs. Future governments will find it hard to fund health and community services, and will increasingly resort to user pays funding models, unless those with a capacity to pay income tax do so.

COTA TAS supports a progressive taxation system to help ensure that those who are most disadvantaged pay least. We also recognise that there are some older people who currently fall into the middle-income bracket, including many self-funded retirees, who may risk slipping into lower

²⁰ Tasmanian Council of Social Service (TasCOSS), 2011, *Working for fairness in tough times, TasCOSS Budget Priorities Statement 2012-2013*.

²¹ Australian Bureau of Statistics (ABS), 2009, 3235.0 - *Population by Age and Sex, Regions of Australia, 2009*.

²² Australian Bureau of Statistics (ABS), 2008, 3222.0 - *Population Projections, Australia, 2006 to 2101*.

²³ Victorian Council of Social Service (VCSS), 2011, *Fair Share The Tax Edition*, Insight, Victoria, http://www.taxwatch.org.au/ssl/CMS/files_cms/257_VCOSS_Insight04%20Fair%20Share%20The%20Tax%20Edition.pdf.

income brackets as a result of the rising cost of living and global financial pressures. Efforts need to go into supporting communities to become more resilient in tough economic times.

COTA TAS also urges the Government to look at the ageing population as an opportunity. For example, tourism aimed at the older persons market is one area worthy of further consideration. Tourism for older people presents a significant potential source of revenue for Tasmania. COTA TAS urges the government and non-government tourism industry to recognise this and build on its potential.

(e) the likely impacts in increased contestability policies on reducing cost of living pressures.

On this point, we wish to quote Tasmania's Cost of Living Strategy: *"Individual price rises usually have a sensible industry rationale and words like 'contestability' and 'competition' are invoked with fervour on all sides of politics, but these do not guarantee that the least well off can participate in our community. It means very little to a pensioner sitting in the cold eating cold food, waiting for the market 'trickle down' effect to provide comfort."*²⁴ What this quote highlights is that we don't focus enough on the 'now' and too often we seek to address issues where the greatest impact will be felt at some point in the future. No one concurs more strongly with the view that we need to plan for the future than COTA TAS - given the ageing population - however we are also acutely aware of the fact that many older people are struggling now and that we need to develop effective responses that are imminent.

While economic theory and the findings of several studies and reports^{24,25} including that undertaken by the Office of the Tasmanian Energy Regulator in relation to electricity (*Public Benefit Assessment for Electricity Retail Competition in Tasmania*²⁶), have identified the transition to effective competition has the potential to deliver many benefits to consumers, the extent and immediacy of these benefits may not be felt by those in the most need.

Research undertaken in Victoria investigated consumer outcomes from electricity market reform.²⁶ The study asked simply, to what extent has privatisation, regulatory reform and the introduction of full retail contestability in the Victorian electricity industry resulted in improved services, lower prices, greater access for consumers and improved public accountability. The research found that price benefits associated with the reforms to the Victorian electricity industry, including the introduction of full retail competition, had not been equitably distributed across all consumer groups, with domestic consumers experiencing only a slight decrease in real electricity prices as compared to industrial consumers.²⁶

²⁴ Independent Competition and Regulatory Commission, 2003, *Review of contestable electricity infrastructure works*, ACT, http://www.icrc.act.gov.au/_data/assets/pdf_file/0007/16792/issuespaperelecinfcontestabilityoctober03.pdf.

²⁵ Consumer Law Consumer Law Centre Victoria Centre for the Study of Privatisation & Public Accountability, 2006, *Electricity Reform in Victoria: Outcomes for Consumers*, <http://www.consumeraction.org.au/downloads/DL52.pdf>.

²⁶ Office of the Tasmanian Energy Regulator, 2008, *Public Benefit Assessment for Electricity Retail Competition in Tasmania Final Report*, [http://www.energyregulator.tas.gov.au/domino/otter.nsf/LookupFiles/082680_Final_Report_Public_Benefit_Assessment_FRC_Tasmania_July_2008.pdf/\\$file/082680_Final_Report_Public_Benefit_Assessment_FRC_Tasmania_July_2008.pdf](http://www.energyregulator.tas.gov.au/domino/otter.nsf/LookupFiles/082680_Final_Report_Public_Benefit_Assessment_FRC_Tasmania_July_2008.pdf/$file/082680_Final_Report_Public_Benefit_Assessment_FRC_Tasmania_July_2008.pdf).

Consumers may benefit from increased contestability policies effecting certain goods and services, in terms of cost reduction; however COTA TAS believes that it is important to consider the costs and benefits of such matters in relation to the wellbeing of our state as a whole. For example, removing barriers to entering the market may also be detrimental to our local production and manufacturing sectors. COTA TAS advocates that the Government invest in policies that will increase labour market participation, improve productivity of the state, invest in regional and social enterprises (particularly mobilising the older population), and build resilient communities to help to contribute to Tasmania's cost of living capacity.³

Tasmanian boasts significant assets in terms of its environment, recreational pursuits, arts, food and overall relaxed way of life. We need to find ways to maximise our assets and aim for self-sufficiency. Older Tasmanians have much to offer from their life experiences. We need to find ways of supporting those older citizens who want the opportunity to use their knowledge, skills and enthusiasm to help make our communities more resilient in tough economic times.

Without purporting to have an intimate understanding of all the issues associated with contestable markets, COTA TAS is cautious about recommending increased contestability without thorough analysis of the impact this would have on Tasmanian communities, particularly those within our older cohort. As stated in the Cost of Living Strategy: *"Strategies and actions should have a clear evidence base as to how and when and for whom the costs of living will be reduced"* (evidence principle).³

Once again I thank you for the opportunity to put forward this submission, and look forward to ongoing engagement on these matters.

Yours Sincerely



Maxine Griffiths AM MAICD

Chief Executive Officerⁱ

ⁱ Paper prepared with the assistance of Miriam Herzfeld (Consulting), miriam_herzfeld@internode.on.net