



4 February 2014

Energy White Paper Taskforce
Department of Industry
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Sent via email: EWP@industry.gov.au

Energy White Paper – Issues Paper to inform preparation of a White Paper

Thank you for the opportunity to submit issues and opportunities to inform the preparation of the Energy White Paper.

The Far North Queensland Regional Organisation of Councils (FNQROC) covers an area of over 252,000 sq km; from Ingham to Cooktown and west to Croydon. Members include 3 regional Councils, 5 shire Councils and 2 Aboriginal Councils.

The following comments are made at a high level with the detail to be left to those with expertise in the area.

In relation to the Issues paper, the following comments are made:

The Security of Energy Supplies

Community Expectations and reliability standards

The paper suggests that there is an oversupply in electricity markets. This is true when considering the nation as a whole however, in rural and remote areas the distribution network is not to a standard to supply the energy required. We have numerous instances of regular 'brown outs'. The distribution network has limited redundancy and over 50% transmission loss by the time it reaches our region.

The availability of locally supplied energy (arguably by renewable energy sources) is important for long term growth supported by stable cost effective energy supply.

There is no data available on the lost economic growth due to the cost or availability of electricity supplies in this region. Having a consistent set of standards (easily accessible by the consumer) would allow benchmarking within the State between regions and across the nation.

With the release of the Green Paper, workshops (particularly in the regional areas) would be beneficial to hear 'on ground' stories.

Regulatory Reform and Role of Government

It is clear from our local, regional and broader engagement that there is a lack of awareness and understanding of the electricity sector, energy policy and regulatory frameworks, which limit the capacity for regional engagement in relevant processes. There are a number of very technical documents, policies and legislation which makes it very difficult for even an intelligent person not in the industry to

comprehend. Some clarity around these and the roles associated both State and Federally would be beneficial.

Approaches and impacts of review of tariff structures

When assessing current or any new approaches and impacts of tariff structures, we ask that the Federal Government keeps regional, rural and remote areas in mind, particularly Queensland. Much of Queensland only has one service provider (i.e. no options) and the cost of transmission from the source needs to be subsidised due to transmission losses (up to 50%). The distribution infrastructure is also aged.

Further privatisation of government-owned assets.

Efficiency should not be the primary driver for privatisation. Arguably, State and Federal governments should be driving efficiency within government owned organisations. It is inevitable that conflict will occur with Treasury relying on dividends to fund other initiatives as is perceived to be occurring in Queensland. This could be managed through Federal and or State intervention through legislation.

Prior to the push for privatisation, assessment should be undertaken on the financial impact of consumers outside major population areas due to limited or no commercial competition.

Again, thank you for the opportunity to make comment to the issues paper. Should you require any further information, please do not hesitate to contact me 07 4044 3038.

Yours sincerely



Darlene Irvine
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