

Submission to the Senate Economic Committee re:

The Budget Savings (Omnibus) Bill

The Community Power Agency welcomes the opportunity to make this submission, though we note the short timeframe provided.

Our submission relates to two items in the Omnibus bill:

1. Australian Renewable Energy Agency (ARENA) Finances
2. Closing carbon tax compensation to new welfare recipients

About Community Power

[Community Power Agency](#) is an organisation established to grow a vibrant community energy sector in Australia. Both internationally and here in Australia, community energy projects are helping to ensure that communities, business, farmers and households, particularly low-income households, can access the benefits of clean energy (renewables and energy efficiency). For example:

- Community solar is the largest growth area in the US solar industry,
- In Germany, in 2013 47% of all installed renewable capacity was owned by citizens, farmers and communities,
- In Scotland, they achieved their 500MW community energy target five years ahead of schedule.

Here in Australia there are 51 operating community energy projects and over 80 community energy groups developing projects that will keep income circulating in their communities and local economy (noting that most of these groups are in regional areas).

ARENA

Given the critical role that ARENA plays in supporting renewable energy R&D, commercialisation of new technologies and helping to drive renewable energy technologies down the cost curve,¹ **Community Power Agency calls on the Senate Economics Committee to reject the \$1.3billion cuts to ARENA as outlined in the Budget Savings (Omnibus) Bill.**

ARENA benefits the whole of Australia and plays a critical role in addressing key Government and Opposition policy priorities – innovation, climate change and energy market reform. In the context of Australia's aging electricity generation fleet, of which according to AGL in 2014, 75% was beyond its useful life², ARENA is vital to ensuring that the generation capacity that replaces this aging infrastructure is both affordable (aka as cheap as possible) and contributes to meeting Australia's climate targets.

We further remind the Committee Members that support for community energy was part of the election platform for all major parties:

¹ <https://theconversation.com/cutting-arena-would-devastate-clean-energy-research-64586>

² <http://aglblog.com.au/wp-content/uploads/2014/08/No-43-energy-only-and-renewable-targets-FINAL.pdf>, p15

- The ALP committed to establishing a Community Power Network and Regional Hubs at a cost of \$98.7m³
- The Coalition established a Solar Communities Program⁴
- The Greens announced a Community Renewable policy⁵
- NXT announced its support for the Community Powerhouses Policy⁶

These programs will be most cost effective to Government if they can be delivered with the support, expertise and/or funding of ARENA.

To ensure that ARENA prioritises action on community energy, we would further suggest that ARENA be tasked with a third goal, to compliment the existing two outlined in the ARENA act. Specifically that:

ARENA work to increase the ability for consumers, communities and the broader Australian economy to access the benefits of renewable energy.

This additional goal could be added through an amendment of the ARENA Act. This amendment would firstly allow ARENA to focus enabling businesses, farmers, households and communities to participate in and directly benefit from the renewable energy transition. Secondly, it would ensure that ARENA is looking at ways to build the supply chains and other value adds that could increase the benefit of renewables to the Australian economy as a whole. These additions the ARENA's mandate provide further justification for the need to maintain the full ARENA funding allocation of \$1.3billion to 2022, especially noting that ARENA's budget has already been slashed by over \$400m.

Energy Supplement

Community Power Agency urges the Committee to reject the closing of the Energy Supplement to some of Australia's most vulnerable households. Currently wholesale energy prices are as high⁷, if not higher, than they were under the Carbon Price and network prices remain high. Thus, there is just as much need now to help vulnerable households manage the cost of living pressures associated with energy bills as there ever has been.

Removing the Energy Supplement is a cut without justification that is tantamount to an attack on the most vulnerable Australians and is ultimately unfair.

For further information on this submission please contact nicky@cpagency.org.au.

³ <http://www.laborsclimatechangeactionplan.org.au/>

⁴ <https://www.liberal.org.au/coalitions-policy-support-your-local-parks-and-environment>

⁵ <http://greens.org.au/community-renewables>

⁶ <http://www.solarcitizens.org.au/scorecardexplainer>

⁷ High prices have primarily been attributed to inefficiencies in the wholesale energy prices associated with generators withholding generation at times of high demand. See <http://theconversation.com/electricity-prices-the-election-agenda-and-the-case-for-bipartisanship-61297> and <http://cmeaustralia.com.au/public-reports/160815-final-south-australia-7-july-getup-report/>.