

 <p>QUEENSLAND CONSUMERS ASSOCIATION</p>	<p>A non-profit, volunteer organisation, advocating to advance the interests of consumers in Queensland</p> <p><i>Secretary: Max Howard PO Box 261 Corinda Q 4075</i></p> <p><i>Telephone: 0419 678 395</i></p>
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SUBMISSION TO QCA REVIEW OF SMALL CUSTOMER GAS PRICING AND COMPETITION

BACKGROUND

The Queensland Consumers' Association (the Association) is the peak body for consumer groups in Queensland. The Association's members work in a voluntary capacity. The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups.

The Association lacks the resources to make a detailed submission on this important topic.

The Association's comments and recommendations are below.

COMMENTS

This review is extremely important to Queensland's energy consumers because:

1. If energy policies continue to encourage energy consumers to substitute gas for other forms of energy it is essential that the market for gas is efficient and competitive and that the institutional and regulatory arrangements are effective.
2. Existing gas consumers need reassurance that the market is competitive and that gas prices reflect true costs and if this is not the case consumers require government action to correct the situation.
3. Lessons learned from the deregulation of gas prices on 1 July 2007 could be very relevant to future policies on the regulation of electricity and other energy prices in Queensland.

RECOMMENDATIONS

1. In addition to seeking written submissions the QCA should also hold workshops to allow stakeholders to discuss submissions on the issues paper and on the QCA's draft decision. Such workshops will greatly facilitate the ability of consumer advocates to participate effectively in the consultation process.

2. The review should look closely at the how many retailers are currently offering gas contracts, our research suggests that there are only two.
3. The review should examine the extent to which gas only contracts are available for consumers who do not wish to enter into dual fuel contracts.
4. The review should examine the scope to promote more competition in the supply of gas to consumers in situations where the gas retailer has a contract with a body corporate for hot water heating but the gas retailer bills individual consumers via metering of individual consumption of hot water.
5. The review should examine the extent to which consumers who have changed retailer and adopted new types of contracts have done so to obtain significant benefits or have done so mainly in response to unsolicited persuasive door to door and telephone marketing activities.

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