



FINANCIAL COUNSELLORS
ASSOCIATION OF QUEENSLAND INC.
- Without Conflict of Interest -

PO Box 3336
Bundaberg QLD
4670

March 5th 2008

Mr Moston Neck
Queensland Competition Authority

Dear Sir,

RE: Submission on QCA draft decision on the benchmark retail cost index for electricity for 2008-09

I submit this submission on behalf of Financial Counsellors Association of Queensland (FCAQ).

FCAQ is the peak body for the Financial Counselling sector in Queensland. The association has a membership of 35 members located from Cairns in North Queensland to Brisbane in the south.

Our membership's client base (dependent on funding agreements) ranges from farmers and fishermen to wage/salary earners, and welfare recipients. Financial Counsellors provide support to individuals or families experiencing financial difficulties. Support is tailored to each client and includes advocacy, budgeting, education, and empowerment.

FCAQ welcomes the opportunity to make this submission to the Queensland Competition Authority (QCA) regarding the BRCI 2008-09. We would like to support the research conducted by the Queensland Consumers Association from funding obtained through the National Electricity Consumer Advocacy Panel (NECAP) for funding to commission an expert consultant to prepare a consumer focussed review of the QCA's draft decision.

Further to this research FCAQ would like to add the following comments:

1. FCAQ together with other consumer advocates receives no funding for energy issues. All of the associations advocacy work is conducted on a voluntary basis.
2. Recommendation 12 of the Consumers Association regarding headroom. Further to this FCAQ wholly endorses the concept of changing the allowance of retailer margin from a percentage basis to a dollar/cents figure. It is disturbing that when the price of electricity increases that retailer margins go up as well. In an era of supposed competition, retailers know as the price rises they get a bigger slice of the pie.
3. FCAQ requests that the QCA to monitor and record the profits of all retailers in Queensland. At present to our knowledge no one is conducting this research. How does the QCA determine that retailers are not profiteering out of electricity sales in this state, given that none has gone broke as yet, one could assume that they are making a profit. All state governments (including NSW at present) indicated that energy costs would go down with the introduction of market competition or at the very least not go up too high. History has demonstrated otherwise. We are not against businesses making a profit but we are against excessive corporate profiteering at the expense of our client base Mum and Dads and welfare recipients. Unless this research is conducted then the QCA cannot justify this component of the index as fair and reasonable or adequate, as how does the QCA know?
4. Electricity is a basic human need in our society today (not many if any can survive without it for any amount of time) and thus all consumers need to have this service supplied to them at the lowest common denominator.

In closing FCAQ strongly urges the QCA in its response to the submissions to the draft BRCI to note the following:

- A voluntary resourced consumer advocates are not able to fully contribute to the debate on energy especially when facing a fully resourced retail sector with vested interests of price rises and bigger profits.
- All states fund energy advocacy with the exception of Queensland. The NECAP rarely funds state based advocacy issue. The Consumer Association funding application for research of the BRCI is a welcome exception.
- The lack of engagement of government and industry of consumer's pre and post FRC in Queensland.

Yours faithfully, A

Kathleen Austin
President FCAQ