



St Vincent de Paul Society

QUEENSLAND

good works

MAY

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St Vincent de Paul Society Queensland
May 2007

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**Submission to the Queensland Competition Authority
and
The Hon. Geoff Wilson, Minister for Mines and Energy**

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Regarding

**Draft decision for Benchmark Retail Cost Index for Electricity:
2006107 and 2007108**

The Society is deeply concerned at the lack of hardship provisions with the introduction of Full Retail Competition imminent in Queensland. NSW and Victoria, states which already have FRC, are way ahead of Queensland in terms of provision for the less fortunate – a measure of any government's sense of social justice.

In spite of assurances that the introduction of FRC would not result in higher prices, the recent announcement of a likely 10% increase from the 1st July- with the electricity retailers adding fuel to the fire by "pushing for further price increases" and recommending that "the government should ditch its uniform tariff cap altogether" (see Courier Mail page 5 May 11) – should ring everyone's alarm bells.

We understand the argument that price increases are necessary because of increased demand and higher production costs (the drought affecting hydro electricity production and the use of gas turbines increasing production costs). However, we do find it frustrating, nevertheless, to be told of a price increase within weeks of the introduction of FRC and after numerous assurances that it would be good for Queenslanders.

While it appears we have little choice but to accept price increases, albeit kept to a minimum by the retention of a uniform tariff, we must urge government in the strongest possible terms, through your good self, to look after its most vulnerable citizens – those least able to cope with the price increase, given the fact that their resources are already stretched to the limit by steeply rising rents.

While the government might argue that it is looking after pensioners, those on life support machines and farmers suffering from the drought, a perusal of both the Victorian and NSW hardship provisions would convince any impartial observer that they leave Queensland's hardship provisions far behind. Also, hardship is an issue that must be addressed by government policy; it should not be left to retailers to implement. The experience of other states which have introduced FRC makes this clear. Both NSW and Victoria require retailers to implement hardship programs.

Our request for a voucher system (see our original ECC submission dated September 2006) as employed in NSW (EAPAs) still holds as we find ourselves spending exorbitant amounts paying electricity bills for Energex and Ergon with the very real prospect of a considerable increase in our expenditure following the introduction of FRC. Have no doubt that other major charities are feeling the pinch. Our combined efforts on behalf of the poor would total in the millions of dollars annually for Queensland alone. We believe that charities such as ourselves and others like the Salvation Army are in a unique position to provide a real hand up to the poor. We know them, we understand them and our policy is to try to help them stand with dignity. A voucher system used judiciously by experienced charity workers would prove of great benefit to both the poor and those who serve them.

Please give serious consideration to our request for the sake of those unable to speak for themselves.

Yours faithfully



John Campbell
State President
St Vincent de Paul Society Qld
22 May 2007