



queensland council of social service Inc
WORKING FOR A FAIR QUEENSLAND

31 JUL 2008

DATE RECEIVED

29 July 2008

Chief Executive Office
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Mr Hall,

RE: Submission on QCA Draft Decision on the Benchmark Retail Cost Index for Electricity for 2009-2010.

I write in relation to the recent QCA Interim Consultation Notice on the Benchmark Retail Cost Index (BRCI) for Electricity for 2009-2010. QCOSS regrets that we have missed the closing date for public submissions in relation to this consultation notice, however we would like to express our support for the submission made by the Queensland Consumers Association and to highlight our intention to be more fully engaged in the future processes.

As you may be aware, the Minister for Mines and Energy, Geoff Wilson, announced funding to QCOSS for an energy consumer advocate project in Queensland. The purpose of this project will be to advocate on behalf of Queensland consumers and particularly vulnerable and low income households in relation to energy and gas services. As the project commenced on July 1, we are still in the processes of recruiting staff for the project and building our capacity for participation.

The processes for estimating annual changes in electricity pricing including the flow on effect to other goods and services can have a major effect on household expenses, especially for the poor and disadvantaged. As such these processes are a matter of critical importance to QCOSS.

We understand from the consultation notice that the process for calculating the BRCI for 2009-10 is to be completed by 1 December this year, considerably earlier than in previous processes. We also note that the QCA propose to calculate the BRCI using the same methodology in 09-08 and to rule out a recalculation of the BRCI for 2008-09.

QCOSS agrees with the Queensland Consumer Association that the most robust and accurate methodology must be sought in all circumstances given the cost impact on consumers that flows from decisions in relation to the BRCI. We also note and support the Association's comments concerning the desirability of a 75/25 weighting to be given to the LRMC and the support their call for appropriate legislative change for this purpose.

We look forward to participation in the ongoing consultation process for the 2009-10 BRCI on electricity and to representing the interests of Queensland consumers in all energy related matters. If you would like any further information or to clarify any aspect of this submission, please feel free to contact me on 3004 6900.

Yours sincerely


Jill Lang
Director

Cc. Hon. Geoff Wilson, MP. Minister for Mines and Energy