



St Vincent de Paul Society
QUEENSLAND
good works

St Vincent de Paul Society

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Submission to The Queensland Competition Authority
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7th July 2008

Review of Small Customer Gas Pricing and Competition in Qld.

Dear Sir,

Firstly, as one of Australia's oldest and largest charitable organizations, the Saint Vincent de Paul Society would like to commend the Queensland Government for their initiative and concern in establishing this review.

Secondly, the Society appreciates the opportunity to provide a submission and comments on an area that is fundamental to a significant number of people and families that often are the most marginalized and disadvantaged in our Queensland Communities.

These people are the ones who are now the most affected, and least able to cope with, the almost never ending rises in areas such as rent, staple foods, power, fuel etc.

Whilst we understand the complexity of the competitive regional markets and the reasons behind the introduction of FRC, the ultimate effect has been to dramatically increase the retail price to consumers. In fact the retail price of a 90kg cylinder has increased from \$84.80 in January '06 to \$110.80 in January '08 -- an increase of 30.7%!

We find this totally unacceptable, even in light of worldwide increase in gas pricing, especially LPG.

As reticulated gas is only selectively available in Queensland, the LPG pricing increases are having a significant negative effect statewide, particularly as a high percentage of low cost accommodation utilize LPG as the primary means of cooking and hot water.

Whilst we have "hard numbers" on LPG costs, the data on reticulated is harder to get, although anecdotally, our local Conference members continue to regularly hear complaints about the effect of gas price increases.

We also do *not* hear any “stories” of alternative retailers offering competitive pricing or different product packages.

If retailers are being competitive, we see little or no evidence of different marketing strategies in the market place so it is very difficult to make an informed choice.

We would therefore encourage the Review to recommend:

1)

The re-establishment of a Government subsidy for Gas pricing.

The new (1 June 08) minimal rebate for Pensioners (and Seniors?) will help those who use the least product but do nothing to address those hit severely by another basic necessity increase. eg “The Working Poor”.

2)

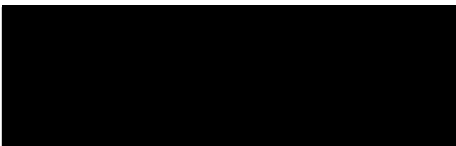
We consider it critical to provide more public marketplace competitiveness featuring pricing, produce and service differences.

In closing, I thank you for the opportunity to speak for those less fortunate in our community who are more and more often being forced to be the most disadvantaged by these severe financial times.

Should you have any questions on the content or interpretation of this submission, please do not hesitate to contact:

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Yours faithfully



John Campbell
State President
St Vincent de Paul Society Qld