



queensland council of social service inc

WORKING FOR A FAIR QUEENSLAND

09 November 2009

Mr Gary Henry
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Mr Henry,

RE: Response to the QCA Interim Consultation Notice on the Benchmark Retail Cost Index for electricity for 2010-11.

I write in relation to the recently released Queensland Competition Authority (QCA) Interim Consultation Notice on the Benchmark Retail Cost Index (BRCI) for electricity for 2010-11. The Queensland Council of Social Service (QCOSS) welcomes the opportunity to comment on this interim consultation notice.

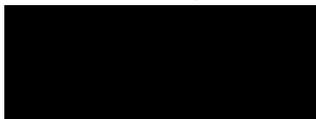
We note that the Authority proposes to follow the same process for calculating the 2010-2011 BRCI as was adopted in 2009-2010 following the decision of the Supreme Court in relation to the 2008-2009 BRCI. The Authority has asked for comment on any aspects of the previous approach that we believe may need to be changed in calculating the BRCI for 2010-2011.

While we are aware of the current review of pricing and tariff arrangements in Queensland, and understand that changes to the BRCI process may not be justified in advance of a government response to the QCA's final report, we are nonetheless of the view that consumer interests should be given greater recognition and weighting in electricity regulatory and pricing arrangements than is currently the case in Queensland. Unlike other jurisdictions Queensland's energy policy does not currently recognize the need to ensure access to a basic level of non-discretionary essential energy at an affordable price, particularly for vulnerable consumers. Similarly, in contrast to the specific recognition of the intent to maintain a reasonable retail margin in the calculation of adjustments to notified electricity prices, there does not appear to be scope within relevant legislation to consider the social impact of pricing arrangements and determinations. This is a major limitation of the current BRCI arrangements and of the policy context more broadly.

We note that the Authority has not included stakeholder workshops in the timetable for the 2010-2011 BRCI. We believe that such workshops are important in enabling stakeholders (particularly consumer representatives) to closely question the Authority and its consultants, and we ask that at least one workshop be reinstated into the BRCI timetable. We also request that the QCA and its consultants make full disclosure of all data and assumptions including model data used in calculating the BRCI for 2010-2011 to ensure transparency and informed participation (subject to resources) by consumer groups.

We look forward to continuing to represent 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