



Minister for Main Roads, Road Safety and Ports
Minister for Energy and Water Supply

Your Ref: 10.4 Petitions

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28 JUN 2015

Mr Neil Laurie
The Clerk of the Parliament
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Laurie

I refer to your letter of 5 June 2015 enclosing a copy of Petitions 2400-15 and 2406-15 lodged in the Queensland Legislative Assembly.

The Petitions have been signed by 27 residents of Toowoomba and the surrounding area and draw the attention of the House to the fixed supply charge for low volume users of reticulated gas. The Petitions suggest that the supply charge is disproportionately high for low volume consumers of reticulated gas. The Petitioners request the House to make provision for increasing the gas rebate to match the electricity rebate.

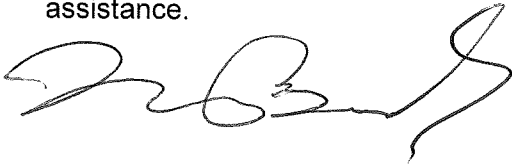
The Queensland Government recognises that increasing energy prices are concerning for the Petitioners and for many other customers. I also acknowledge that for low volume users of reticulated gas, fixed supply charges can represent a higher proportion of their bill.

The gas supply charge reflects the cost of providing, operating and maintaining gas pipelines, as well as administrative and meter reading costs. This charge is regulated by the Australian Energy Regulator (AER), which oversees the economic regulation of gas pipelines and encourages gas transmission businesses to make efficient investments and provide reliable services to gas consumers. Retailers (AGL in the Toowoomba area) incorporate these fixed charges into the retail prices they charge customers. The Queensland Government does not have any role in regulating reticulated gas prices.

Current energy concessions (including electricity and gas rebates) are intended to assist eligible customers to meet this living cost. For 2015-16, eligible Queensland pensioners and seniors will receive the Reticulated Natural Gas Rebate of \$68.56 per year (inclusive of GST).

The importance of targeting concessions to assist the most vulnerable Queensland energy customers is recognised. For this reason, the Queensland Productivity Commission (the QPC) will be examining Queensland's energy concessions framework as part of its public inquiry into electricity prices. Interested stakeholders, including the Petitioners, are encouraged to engage in the public consultation processes of the QPC. More information about the QPC's inquiry can be found at www.treasury.qld.gov.au/qpc.

I thank the Petitioners for raising their concerns with me and I trust this information is of assistance.

A handwritten signature in black ink, appearing to read 'Mark Bailey', with a stylized, cursive script.

Mark Bailey MP
Minister for Main Roads, Road Safety and Ports
Minister for Energy and Water Supply