



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

Your Ref: 10.4 Petitions

Mr Neil Laurie
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Dear Mr Laurie

I refer to your letter of 16 July 2015 enclosing a copy of Petition 2417-15 lodged in the Queensland Legislative Assembly.

The Petition has been signed by 410 residents of Toowoomba and the surrounding area and draws the attention of the House to the fixed supply charge for low volume users of reticulated gas. The Petitioners claim that the supply charge is disproportionately high for low volume consumers of reticulated gas. For this reason, the Petitioners ask the House to make provision for increasing the gas rebate in line with the electricity rebate.

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

The charge for supply of gas reflects the costs involved in providing, operating and maintaining gas pipelines, as well as associated administrative and meter reading costs. The Federal Government Australian Energy Regulator (AER) regulates this charge, 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) build these fixed charges into the retail prices they charge customers. The Queensland Government does not have a role in the regulation of 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, the Reticulated Natural Gas Rebate available to eligible Queensland pensioners and seniors has increased from \$67.61 to \$68.56 per year (inclusive of GST).

The Queensland Government recognises the importance of targeting concessions to assist the most vulnerable Queensland energy customers. 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.qpc.qld.gov.au.

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

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