

QUEENSLAND COMPETITION AUTHORITY

DRAFT MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 10 DECEMBER 2008 – 10:00AM

LEVEL 19, 12 CREEK STREET, BRISBANE

PRESENT: Members

Mr Gary Henry (Presiding Officer – Queensland Competition Authority)
Ms Jo Dower (Queensland Council of Social Services – in place of Jill Lang)
Ms Penny Carr (Tenants Union of Queensland)
Mr David Lawson (Financial Counselors Association of Queensland)
Mr Ian Jarratt (Queensland Consumers Association)
Mr Nick Behrens (Commerce Queensland)

Observers

Mr Barry Adams (Energy Ombudsman Queensland)
Mr Paul Connolly (Department of Mines and Energy)
Mr Joe Owen, Mr Adam Liddy, Ms Yewy Tan (QCA)

APOLOGIES: Mr Scott Driscoll (Queensland Retail Traders and Shopkeepers Association)
Mr Eric Danzi (Queensland Cane Growers Organisation, for the Queensland Farmers Federation)

MINUTES

1. The Committee resolved that the minutes of the meeting held on 3 September 2008 be accepted as a true record of proceedings.

GENERAL BUSINESS

2. Status of Outstanding Issues No outstanding items.

MATTERS FOR INFORMATION

3. Benchmark Retail Cost Index (BRCI) Members were provided with an overview of the Authority's 2009-10 BRCI Draft Decision.

The Authority determined the increase in the index to be 13.63% between 2008-09 and 2009-10.

In its Draft Decision, the Authority adopted a scenario based on a regression-based forecast of LRMC and an assumption that the Carbon

Pollution Reduction Scheme would not affect costs in 2009-10.

Members discussed the potential impact of the proposed CPRS, the current requirement for the BRCI to be calculated using a greenfields approach to calculate the LRMC and the status of the Government's proposed review of the BRCI methodology.

4. Judicial Review of the 2008-09 BRCI decision

Members were provided with an update on the judicial review of the 2008-09 BRCI Decision.

It was noted that the court case on the 2008-09 BRCI Decision is scheduled to be heard on 9 March 2009.

5. Small Customer Gas Pricing and Competition

Members were advised that the Authority's Final Review of Small Customer Gas Pricing and Competition in Queensland had been completed and delivered.

The review found that, while the Queensland market for supplying gas to small customers was limited, there were signs of competition in the market. The review highlighted that low electricity prices were restricting gas competition in the market.

Member's noted the findings of the review that fixed service costs were impacting small customers more than consumption costs and regarding the interaction of the gas market with other energy markets.

Members discussed the cost reflectivity of tariffs. The review noted that distribution costs for small consumers are not being fully recovered.

6. Review of the effectiveness of energy retailers' complaints and enquiries procedures

Members considered a report prepared on the Review of the Effectiveness of Energy Retailers' Handling of Complaints and Enquiries.

While it was suggested that a random customer survey might provide a better indication of the effectiveness of energy retailers' handling of complaints and enquiries and concerns were expressed about the lack of broader data (for example, the number of calls abandoned and the number of drop out calls), it was noted that, for the purposes of this review, customer service complaints data from EOQ would provide some indication about whether customers' complaints and enquires are being dealt with effectively by retailers.

The Committee discussed improving the categorisation of complaints. It was noted that ombudsmen from the different jurisdictions were trialling more specific complaints categories which might provide more disaggregated data in the future.

The analysis of the available data did not indicate a general problem with the way retailers are handling complaints.

Members agreed that:

- no further action be recommended to the Authority in relation to the approval of retailers' complaints handling and enquiry procedures;

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| | <ul style="list-style-type: none"> • the committee review the available data again in twelve months time to see if any different trends have emerged; and • retailers be requested to resubmit their complaints handling and enquiry procedures periodically for review, that period to be determined by the Authority. |
| 7. Disconnection data | <p>Concern was expressed regarding the inability of some retailers to separate small business and small residential customer complaints data and that this appeared to represent a breach of the Code.</p> <p>Members also raised concerns about the difficulty in interpreting the data and that requiring quarterly data, rather than annual data, would be more informative for identifying trends.</p> <p>Members were advised that the Authority would investigate non-compliance matters further and also look into the options for changing the frequency of reporting</p> |
| 8. Energex warning notice | <p>Members were provided with an update on the progress made by Energex in rectifying a breach of clause 5.7.3 of the Electricity Code in relation to disconnection requests.</p> |
| 9. “Do not contact again” provision amendment to the Electricity and Gas Industry Codes | <p>Members discussed the Queensland Consumers Association’s formal request for amendments to be made to the “Do not contact again” provisions of the Codes. These provisions restrict the ability of retailers to contact customers again, after the customer has indicated that they are not interested in the services being offered by that retailer.</p> <p>In considering this request, the Authority had decided not to proceed with the requested amendments. The reasons for this decision had been provided to the Consumers Association.</p> <p>While acknowledging the Authority’s decision on this matter, some members remained of the view that the Authority should amend the Code to remove any possible ambiguity.</p> |
| 10. Code enforcement issues | <p>Members were provided with an overview of Code enforcement issues being addressed by the Authority.</p> |
| 11. QCA Decisions since last meeting | <p>Agenda papers were noted.</p> |
| 12. Future QCA decisions and consultations | <p>Agenda papers were noted.</p> |
| 13. EOQ update | <p>The Energy Ombudsman provided Members with an overview of the activities of his office.</p> |
| 14. Update from DME on any matters of interest. | <p>No update as the meeting had already run overtime.</p> |

Meeting concluded 12:20 pm

NEXT MEETING The next ordinary meeting of the Committee will be held on Wednesday 25 March 2009 from 10:00am to 12:00pm.