

# QUEENSLAND COMPETITION AUTHORITY

## MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 25 NOVEMBER 2009 – 10:00AM

LEVEL 19, 12 CREEK STREET, BRISBANE

**PRESENT:**     Members

Mr Gary Henry (Queensland Competition Authority, Presiding Officer)  
Mr Eric Danzi (Queensland Farmers Federation/Queensland Cane Growers Organisation)  
Mr Ian Jarratt (Queensland Consumers Association)  
Ms Megan Lewis (Chamber of Commerce and Industry Queensland, in place of Mr Nick Behrens)  
Mr David Lawson (Financial Counselors Association of Queensland)  
Ms Kathryn Mellick (Centre for Credit, Commercial and Consumer Law)  
Ms Linda Parmenter (Queensland Council of Social Service)

Observers

Mr Darren Schneider (Mines and Energy)  
Mr Adam Liddy, Ms Yewy Tan (Queensland Competition Authority)

**APOLOGIES:** Mr Barry Adams (Energy Ombudsman Queensland)

Mr John Jones (Energy Ombudsman Queensland)  
Mr Nick Behrens (Chamber of Commerce and Industry Queensland)  
Mr Scott Driscoll (The Retailers Association)  
Ms Penny Carr (Tenants Union of Queensland)

**MINUTES**

1. The Committee resolved that, subject to any comments from Members following the meeting, the minutes of the meeting held on 26 August 2009 be accepted as a true record of proceedings.

**GENERAL BUSINESS**

2. Status of Outstanding Issues     Members were provided with a summary of advice received by the Authority in relation to the provisions of the Electricity Code regarding the start date for the 12 months for repayment of undercharged  
  
Members were provided with disaggregated data and some analysis on Queensland electricity consumers' satisfaction levels and problems with retailers from the March 2009 Choice article 'Power Play'.

## MATTERS FOR INFORMATION

3. Review of Electricity Pricing and Tariff Structures
- Members were provided with an update on the Stage 2 of the Review of Electricity Pricing and Tariff Structures.
- Some members expressed their concern regarding the timeframes for the review which didn't provide an optimal opportunity for consumer groups to prepare submissions
- It was noted that the Authority had provided as much time for consultation as was possible within deadlines for the review set by the Government
- Members discussed the proposed revisions to the current tariff structure. The Authority's finding that the current structure contains significant cross subsidies was noted.
- Concerns were expressed regarding the proposed removal of 4 of the 5 farming tariffs, however, it was noted that the proposals contained in the Final Report should provide options for customers on farming tariffs to retain their present tariff structure.
- Members also expressed some concerns regarding the potential cost increases facing smaller customers but noted that social policy issues regarding customers in financial need were best addressed via direct assistance from Government.
- Members noted and discussed the Authority's preferred approach of creating a new tariff structure from scratch, rather than making changes to existing tariffs. It was accepted that the Authority's role in the review is to determine the most efficient approach to electricity pricing and tariff structures and that other policy considerations are matters for Government.
4. 2010-11 Benchmark Retail Cost Index
- It was noted that the Authority was aiming to maintain the same process that it had followed in making its 2009-10 Final Decision.
- The main differences between 2009-10 and 2010-11 were that distribution charges would be calculated by the AER and the Authority had engaged a different consultant (ACIL Tasman) to provide expert advice on cost of energy issues.
- Members were advised that the Authority is aiming to have a BRCI Draft Decision released before Christmas, with consultation likely to close in mid-February.
- Members requested that the next CAC meeting be brought forward ahead of the closing date for submissions on the BRCI.
5. Review of Format and Content of Bills
- Members were provided with an overview of the Authority's Review of the Format and Content of Bills. The Review found retailers were generally complying with the requirements of the Code, with only minor issues identified.
6. Proposed Code Change – Retrospective
- Members were provided with an overview of the proposed code changes and discussed issues raised in submissions, particularly the issue of consumers often being contractually unable to change retailers in response

- Pricing to a price change.
7. Proposed Code Change – GSL Claim Process Final Decision Members were provided with an overview of the Authority’s Final Decision in relation to the proposed changes to the GSL claim process. It was noted that the changes were gazetted on 20 November 2009, and take effect on 1 July 2010.
8. Proposed Code Change – Reporting Code Review Members were provided with a summary of progress on the Authority’s Final Decision in relation to the proposed changes to reporting requirements under the Gas and Electricity Industry Codes. It was noted that the Final Decision would be released early in the new year.
- Members discussed progress on the review and noted that the treatment of wrongful disconnections due to retailer error were not being reported under the proposed requirements and that this remained a concern for some Members. Members also noted the problems that can arise due to differing definitions which could benefit from guidance being provided by the Authority.
9. Code Enforcement Issues Members were provided with an overview of the enforcement issues currently being handled by the Authority. It was noted that these matters were generally being resolved on a cooperative basis with the retailers concerned. Members also discussed the relationships between the Authority and other agencies in regarding enforcement matters.
10. QCA Decisions since last meeting Agenda paper noted.
11. Future QCA decisions and consultations Agenda paper noted.
12. EOQ update No update was provided.
13. DEEDI update No update was provided.

Meeting concluded 1:55 pm

**NEXT MEETING** The next ordinary meeting of the Committee will be held on Friday 29 January 2010 from 10:00am to 2:00pm.