

QUEENSLAND COMPETITION AUTHORITY

MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 25 AUGUST 2010 – 10:00AM

LEVEL 19, 12 CREEK STREET, BRISBANE

PRESENT: Members

Mr Gary Davies (Queensland Competition Authority, Acting Presiding Officer)

Mr Eric Danzi (Queensland Cane Growers Organisation)

Mr Ian Jarratt (Queensland Consumers Association)

Mr David Lawson (Financial Counselors Association of Queensland)

Ms Linda Parmenter (Queensland Council of Social Service)

Mr Ben Scott (United Retail Federation)

Observers

Ms Alison Van Der Weil (Mines and Energy)

Ms Julie Williams (Mines and Energy)

Mr Adam Liddy (Queensland Competition Authority)

APOLOGIES: Mr Gary Henry (Queensland Competition Authority, Presiding Officer)

Mr Nick Behrens (Chamber of Commerce and Industry Queensland)

Ms Penny Carr (Tenants Union of Queensland)

Mr Scott Driscoll (United Retail Federation)

Ms Kathryn Mellick (Centre for Credit, Commercial and Consumer Law)

Mr Gary Sacre (Energy Ombudsman Queensland)

MINUTES

1. The Committee resolved that, subject to any comments from Members following the meeting, the minutes of the meeting held on 2 June 2010 be accepted as a true record of proceedings.

GENERAL BUSINESS

2. Status of Outstanding Issues Members were provided with clarification on the current remuneration arrangements for committee members.

MATTERS FOR INFORMATION

3. Review of Retailer of Last Resort Arrangements Members were provided with an update on the review of retailer of last resort arrangements which had led to the Authority amending its standing instructions with AEMO.

Members noted and discussed the information problems in the recent Jackgreen ROLR event and the role of AEMO in customer data retention.

Members noted the Authority had taken a pro active approach, and acknowledged the Authority's efforts in this regard.

4. National Energy Customer Framework implementation

Members discussed the paper on the likely impact of the introduction of the National Energy Customer Framework (NECF) upon the responsibilities of the Authority.

QME provided an update on the status of the Government's NECF implementation, noting that the Government was aiming for the introduction of the NECF in the first half of 2012 and that jurisdictions were negotiating for the NECF to be introduced simultaneously.

Members requested that QME review the changing arrangements to ensure that no necessary provisions are inadvertently omitted in the move to the NECF. Members further discussed the code change process that would be required to give effect to the NECF.

5. Current Projects

Members were provided with an overview of current Authority projects, including:

- the review of network management and summer preparedness plans for 2010-11;
- the review of the retail electricity price setting process; and
- the development of credit support guidelines..

6. Code Enforcement Issues

Members were provided with an overview of the enforcement issues currently being handled by the Authority, including:

- the outcome of an investigation into rounding of consumer bills;
- the resolution of a marketing complaint; and
- the final report by AGL on unbilled customers.

Members discussed retailer offers, the pricing comparator, and the issue raised at the last meeting concerning consumers requesting to be placed on the standard contract and instead being signed to market contracts at the notified tariff rates. Members were concerned that retailers were using language that may be misleading to consumers.

Members discussed issues regarding retailer marketing conduct. Members were of the view that more action was needed to ensure retailer compliance with marketing requirements under the Electricity and Gas Industry Codes. Members noted that the development of a self regulatory code by the retail industry would hopefully see some improvement in the level of compliance.

Members noted that there may be more consumers affected by

the adverse actions of marketers than those actually making complaints. Members considered that the Authority should investigate how such other affected consumers might be identified and corrective action taken.

The Authority also provided Members with an update on the completion of standard service orders by the distributors. It was noted that increasing demand for solar installations was having an effect on distributors' ability to complete some types of service orders within required timeframes.

7. QCA Decisions since last meeting

Members were provided with an overview of decisions made by the Authority since the last meeting, including:

- the 2010 review of the minimalist transitioning approach for Ergon Energy;
- Summer Preparedness Plan compliance reports for 2009-10;
- the Ergon Energy audit of minimum service standard performance for 2008-09;
- distributor service quality reports for the March quarter 2010;
- distributor Minimum Service Standards and Guaranteed Service Level scheme reports for the March quarter 2010;
- NMI reporting for the March quarter 2010; and
- the Retail Billing Code reports for the March quarter 2010.

Members noted that the Guaranteed Service Level payments figures in the Retail Billing Code report showed a reduction of 75% over the previous quarter.

8. Forward Work Program

Agenda paper noted.

9. EOQ update

None

10 QME Update

QME provided an update on the implementation of the National Energy Customer Framework in Agenda Item 4.

GENERAL BUSINESS

Members discussed the process, run by QME, to finalise the retrospective price change code amendments.

NEXT MEETING

The next ordinary meeting of the Committee will be held on Wednesday 24 November 2010 from 10:00am to 2:00pm.