

CONSUMER ADVISORY COMMITTEE

MEETING: May 2014

DATE: 27/08/2014

TIME: 10:00am

Present	<u>Members</u> Dr Malcolm Roberts (QCA, Presiding Officer) Ms Julia Mylne (Chamber of Commerce and Industry Queensland) Ms Robyn Robinson (Council on the Aging) Mr Jonathan Pavetto (Queensland Canegrowers Association) Mr Ian Jarratt (Queensland Consumers Association) Ms Nadine Lester (Queensland Council of Social Service)
Observers	Ms Taylor Bennett (Chamber of Commerce and Industry Queensland) Mr Rodney Cameron (Department of Energy and Water Supply) Mr Chris Parslow (Department of Energy and Water Supply) Ms Jennifer Top (Energy and Water Ombudsman Queensland) Mr Adam Liddy (QCA) Mr Charles Millstead (QCA)
Apologies	Ms Shirley Schurmann (Financial Counsellors' Association of Queensland) Ms Carly Allen (Queensland Council of Social Service)

- 1 **Previous minutes** Subject to a minor addition to item 11, the committee resolved that the minutes of the meeting held on 26 February 2014 be accepted as a true record of proceedings.

- 2 **Status of outstanding issues** The QCA updated members on the QCA price comparator, and the actions completed to resolve the issues raised by members at the last meeting. The QCA agreed to review product features included as bonuses on the comparator.

DEWS advised that the Department would write to the Chairman of Canegrowers to address issues raised in the previous meeting regarding the rising cost of electricity for irrigators.

- 3 **Retail price determination 2014-15** The QCA updated members on the retail price determination process for 2014-15. The Presiding Officer invited members to attend a briefing on the final determination when it was released on 30 May 2014.

Members discussed how regulated electricity prices would be affected by the expected repeal of the carbon tax. Members were informed that carbon tax inclusive prices would be set for 2014-15, but both carbon tax inclusive and carbon tax exclusive notified prices would be published in the final determination. If the carbon tax is repealed the QCA would need a new delegation from the Minister to implement carbon tax exclusive prices. Members discussed the effect on notified prices if the carbon tax repeal was applied retrospectively.

- 4 **Feed-in tariff for regional Queensland 2014-15** The QCA updated members on the final report on the solar feed-in tariff for regional Queensland for 2014-15. Members were informed that, due to updated wholesale energy cost and network loss figures, the estimated feed-in tariff in the final report was higher than that in the draft report.

Members discussed how the expected repeal of the carbon tax could affect the solar feed-in tariff for regional Queensland. Members were informed that the regulatory/timing issues were essentially the same as for notified electricity prices.

- 5 **Advice on uniform tariff policy and regional price regulation** The QCA updated members on the advice to government on the uniform tariff policy and regional price regulation. Members were informed that the QCA had provided its advice, and that it would be published when the government had formulated its response. DEWS informed members that the government was considering the issues raised by the QCA's advice.

Members were concerned at the lack of certainty around regional pricing from 1 July 2015, and the development of competition in regional areas. Members noted there was a range of issues that needed to be addressed in setting regional prices, and many regional customers would like to see competition develop in regional Queensland. Members discussed the effect of competition on the regional feed-in tariff discussed in agenda item 4.

- 6 **Requested amendments to the electricity industry code regarding minimum service standards** The QCA advised members that the Minister had requested amendments to the Electricity Industry Code (the Code) to allow Minimum Service Standards (MSS) to be implemented through distribution authorities from 1 July 2014. Members discussed MSS standards and their effect on network costs.

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| 7 | Review of minimum service standards and guaranteed service level to apply from 1 July 2015 | The QCA updated members on the review of MSS and Guaranteed Service Level (GSL) arrangements to apply from 1 July 2015. The QCA informed members that, due to the amendments to the Code discussed in agenda item 6, the final decision would focus on GSLs to apply from 1 July 2015. Members discussed GSL payments for wrongful disconnections caused by retailers and issues caused by failed customer transfers. |
| 8 | 2014 review of the minimalist transitioning approach for Ergon Energy | The QCA updated members on the 2014 review of the minimalist transitioning approach for Ergon Energy. Members discussed the potential effect of competition in regional areas on the minimalist transitioning approach. |
| 9 | Requested amendments to notification provisions in the electricity industry code | The QCA updated members on amendments to the notification provisions of the Code requested by the Minister. The QCA informed members that it was preparing a final decision on the proposed amendments. Members discussed what constituted a benefit, and how an amendment could potentially apply under the National Energy Customer Framework (NECF). |
| 10 | Requested amendments to the electricity industry code regarding solar feed-in tariffs | The QCA advised members that the Code was amended after a proposal from the Minister. The Minister proposed amending the Code to improve the availability of retailer solar feed-in tariff information on the QCA price comparator and retailer price fact sheets. The QCA informed members that all retailers had provided information as required, the price comparator was being upgraded to make solar feed-in tariff information easier for customers to find, and the comparator updates would be implemented shortly. |
| 11 | Code enforcement issues | The QCA updated members on code contraventions by Origin Energy and EnergyAustralia, as well as the treatment of GSL payments for customers affected by the Stradbroke Island bushfires in late December 2013. |
| 12 | Other decisions since last meeting | <p>Members discussed December quarter statistics for small customer disconnection, hardship and complaints. Members discussed the increase in disconnection figures this financial year. The QCA agreed to provide a chart of the last two years of disconnection for non-payment data for members.</p> <p>Members noted December quarter reports for market customer statistics and distributor MSS and GSL reporting.</p> <p>The QCA updated members on distributor standard service order reporting and the audit of 2012-13 Energex MSS reporting.</p> |
| 13 | Forward work program | Members noted the agenda paper. |
| 14 | Continuation of committee nominations | The QCA invited all current members to nominate for membership of the committee for the 2014-15 financial year. |

- 15 **Schedule of ordinary meetings** The committee agreed to meet on the following dates in 2014-15:
- Wednesday 27 August 2014
 - Wednesday 26 November 2014
 - Wednesday 25 February 2015
 - Wednesday 3 June 2015
- Meetings will commence at 10:00am and will be held at the QCA offices at Level 27, 145 Ann Street, Brisbane.
- 16 **Hardship statistics (QCOSS item)** QCOSS highlighted potential issues with hardship statistics reported by some retailers. Members discussed the difficulties in defining which customers were experiencing hardship, and whether the definition used by individual retailers for reporting purposes was consistent or not. The QCA agreed to provide members with the information provided to retailers for reporting purposes.
- 17 **Customer engagement strategy (QCOSS item)** QCOSS asked what role the QCA would take in the customer engagement strategy planned by government in the lead up to price deregulation in south-east Queensland. The QCA informed members that the QCA intended to provide information for consumers in 2015 independent of the government's strategy. The QCA also informed members that the government had not indicated if the QCA would be part of the government's wider customer engagement strategy.
- 18 **EWOQ update** EWOQ updated members on its activities. EWOQ has received 12,098 cases, including a small number of water-related cases, in the current financial year. Billing continues to be the number one category of complaints with 4,781 cases. The other major categories are:
- credit (2,177 cases)
 - customer service (780 cases)
 - transfer issues (674 cases)
- EWOQ updated members on the "Payment of accounts not in dispute" policy and procedure discussed at the last meeting. The General Manager of Operation and Regional Manager are undertaking a three month review of the policy and will consider whether it should be expanded to all complaints.
- EWOQ informed members that it was holding its biannual Energy Forum which included representatives from all retailer/distributor scheme participants.
- 19 **Department of Energy and Water Supply update** DEWS provided the following update on the key energy sector reform initiatives being undertaken by the Queensland Government.
- 1. National Energy Customer Framework**
- Queensland is preparing for the implementation of the National Energy Customer Framework (NECF) and move to market monitoring in south east Queensland for planned commencement on 1 July 2015.
- The National Energy Retail Law (Queensland) Bill 2014, the Electricity Competition and Protection Legislation Amendment Bill 2014 and accompanying Explanatory Notes were introduced into the Queensland Legislative Assembly on 20 May 2014.*
- Bills reflect recent stakeholder consultation and incorporate a number of adjustments to proposed Queensland NECF variations. Other changes will be progressed through regulation.
- The Bills and Explanatory Notes can be viewed at the Office of the Queensland Parliamentary Counsel website: <https://www.legislation.qld.gov.au/OQPChome.htm>
- The Bills have now been referred to the State Development, Infrastructure and Industry

Committee (the Committee) for consideration and report back to parliament by 28 August 2014.

The Committee is inviting written submissions on the Bills from interested individuals and organisations. Stakeholder submissions are due to the Committee by 4pm, 30 June 2014. Details on how to make a submission are available on the following websites:

- *National Energy Retail Law (Queensland) Bill 2014* - <http://www.parliament.qld.gov.au/work-of-committees/committees/SDIIC/inquiries/current-inquiries/21-NatEngRLQB>
- *Electricity Competition and Protection Legislation Amendment Bill 2014* - <http://www.parliament.qld.gov.au/work-of-committees/committees/SDIIC/inquiries/current-inquiries/20-EleComPLAB>

Further information about these refinements is in the Explanatory Notes. DEWS has, or is in the process of sending an email to stakeholders regarding these refinements and variations.

The Committee may also decide to hold a public hearing on the Bills. Details will be provided on the above websites in due course.

Members were referred to Ms Ty Taylor, Director, Consumer and Retail, Energy Division, Department of Energy and Water Supply on (07) 3199 4978 or ty.taylor@dews.qld.gov.au with any enquiries.

2. Consumer Engagement

DEWS is progressing with the development of a consumer engagement strategy and will be consulting with stakeholders in the second half of this year.

DEWS has engaged a specialist communications company to provide high-quality expertise in developing an overarching engagement and communication strategy for the electricity reform program. As part of the overarching strategy, communication tactics and activities will be developed to engage stakeholders and the general public in understanding the reform agenda, including:

- simple and easy to understand key messaging and announcements to explain the reforms;
- effective sequencing of communication activities; and
- identification of methods of engagement.

3. Power Q - a 30 Year Electricity Strategy

PowerQ: a 30-year strategy for Queensland’s electricity sector will be released very shortly. PowerQ will get our electricity sector ready for the future by delivering a more resilient, competitive, cost-effective and responsive industry.

The strategy will guide consumers, the market and government through a significant period of transformation and we will work with stakeholders to ensure the strategies and actions in PowerQ are delivered in the best possible way.

Statistics

A total of 350 cases were investigated by DEWS in the second quarter of 2014, this is almost on par with the first quarter results.

Solar has taken over for the highest complaint category, predominantly due to recent announcements to scrap the 8c FIT with 123 cases investigated in qtr 1 2014, an increase of 20%.

Billing issues and price increases also continue to be issues raised with the Department.

<p>Next meeting</p>	<p>MEETING: August 2014</p> <p>DATE: 27/08/2014</p> <p>TIME: 10:00am</p>
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