

QUEENSLAND COMPETITION AUTHORITY

MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 29 MAY 2013 – 10:00AM

LEVEL 19, 12 CREEK STREET, BRISBANE

PRESENT:

Members

Dr Malcolm Roberts (Queensland Competition Authority, Presiding Officer)

Mr Ian Jarratt (Queensland Consumers Association)

Ms Carly Allen (Queensland Council of Social Service)

Ms Nadine Lester (Queensland Council of Social Service)

Observers

Mr Gary Sacre (Energy and Water Ombudsman Queensland)

Mr Rodney Cameron (Department of Energy and Water Supply)

Mr Adam Liddy (Queensland Competition Authority)

APOLOGIES:

Mr Burn Ashburner (Queensland Cane Growers Association)

Ms Megan Johns (Chamber of Commerce and Industry Queensland)

Ms Shirley Schurmann (Financial Counselors Association of Queensland)

MINUTES

- 1 Previous minutes The Committee resolved that the minutes of the meeting held on 27 February 2013 be accepted as a true record of proceedings.

MATTERS FOR INFORMATION

- 2 Retail price determination 2013-14 Members discussed the Authority's 2013-14 Retail Price Determination including:

- updates to the energy purchase cost analysis;
- updated network tariffs from distributors; and
- the implications of the recent Draft Decision by IPART on retail operating cost benchmarks.

Members discussed general issues related to electricity pricing including the price differential between some market and standard contracts, the potential for competition in the Ergon Energy distribution area, network tariff consultation and the lack of cost reflectivity in current fixed charges.

The Presiding Officer highlighted that the Authority would have a stronger focus on communication regarding this pricing determination, and offered to answer any queries members may have when the Final Determination was released on 31 May.

3	Requested Amendments to the Electricity Industry Code Customer Disconnection Provisions	<p>Members discussed the amendments to the Electricity Industry Code (the Code) customer disconnection provisions requested by Energex. The Presiding Officer informed members that the Authority would be releasing a Draft Decision in June.</p> <p>Members briefly discussed the impact of disconnection processes on consumers, and research currently being carried out by QCOSS that may inform the Authority’s Final Decision.</p>
4	Impact of Cyclone Oswald on distributor MSS and GSL payments	<p>Members briefly discussed the Authority’s decision in relation to the application of guaranteed service level payments and minimum service standard targets in the extreme weather events in January 2013.</p> <p>Members noted that Energex had done a good job under these difficult circumstances.</p>
5	Code enforcement issues	<p>Members were provided with an overview of the enforcement issues dealt with by the Authority since the last meeting, including:</p> <ul style="list-style-type: none"> • potential Electricity Industry Code breaches identified by EWOQ; • a Code contravention by EnergyAustralia regarding door-to-door marketing; and • the resolution of billing issues experienced by Origin Energy. <p>Members discussed how the Authority detects breaches, and requested more information on these methods be provided in papers.</p> <p>Members discussed door-to-door marketing in general and noted that two major retailers had ceased this form of marketing due to negative publicity.</p> <p>Members discussed an issue regarding energy price comparison websites not including all market offers, and that sales representatives on behalf of these websites were not bound by the Code. Members also noted that Queensland did not have a “do not contact” provision in the Code enabling consumers to opt out of marketing contacts, and the potential for changes to the Code in this and other areas..</p>
6	Other decisions since last meeting	<p>Members discussed the Final Report on Estimating a Fair and Reasonable Feed-in Tariff. Members were informed that the cost figures included in the report were preliminary as final take up figures were not available, but costs were still expected to be substantial. members were informed that these costs were likely to impact future retail electricity prices.</p> <p>Members discussed the removal of planning requirements from the Code and consultation on the Ergon Energy Minimalist Transitioning Arrangements.</p> <p>Members discussed complaint and disconnection statistics, and some of the longer term implications. Members questioned if retailers were always providing appropriate advice regarding hardship programs and access to government assistance.</p> <p>The Authority resolved to follow up this issue with retailers.</p>

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| 7 | Forward work program | Agenda paper noted |
| 8 | Continuation of nominations | <p>Members were informed that the Authority is open to expanding the current membership of the committee, and invited suggestions for suitable organisations that could contribute to the committee.</p> <p>All members present confirmed their nomination for the next 12 months.</p> |
| 9 | Schedule of ordinary meetings 2013-14 | Agenda paper noted |
| 10 | EWOQ update | <p>Members were informed that EWOQ had closed 11,429 cases from 1 July 2012 until 30 April 2013, with an average of 1,129 cases per month. Of this, 'Billing Issues' remained the highest category when 5,050 cases, with 'Credit Issues' second with 1,124 cases and 'Transfer Issues' next with 797 cases. EWOQ is working closely with energy entities to close cases prior to the end of the financial year.</p> <p>EWOQ recently held an EWOQ/Energy Entities Forum, which was attended by a number of energy entities who are members of the EWOQ dispute resolution scheme. The objective of the meeting was to share information and learnings and to better manage the relationship between energy customers and their providers in the resolution of customer complaints. The meeting was deemed a success with support for such meetings to be held on a six monthly basis.</p> |
| 11 | DEWS update | <p>Members were provided with an update from the Department of Energy and Water Supply, including:</p> <ul style="list-style-type: none"> • progress on the Energy Inter-Departmental Committee • a discussion paper on the 30 year energy strategy would be released in mid 2013; • the Department had handled 79 large customer complaints in April, with most complaints relating to billing and explanation of tariffs; and • that the Department was considering a review of on-supply arrangements in Queensland, particularly in relation to accessing rebates and issues of consumer protection. |

GENERAL BUSINESS No issues were raised.

NEXT MEETING The next ordinary meeting of the Committee will be held on Wednesday 28 August 2013 from 10:00am to 2:00pm.