



30 August 2023

**SUBMISSION ON QCA DRAFT DECISION ON REVIEW OF
GUARANTEED SERVICE LEVELS TO APPLY IN QUEENSLAND
FROM 1 JULY 2025**

BACKGROUND

The Queensland Consumers' Association (the Association) is a non-profit organisation which exists to advance the interests of Queensland consumers. The Association's members work in a voluntary capacity and specialise in particular policy areas, including energy. The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups and is represented on the Queensland Competition Authority's Consumer Consultative Committee and the Energy and Water Queensland Ombudsman's Advisory Council. The Association is also a member of the Queensland Council of Social Service's Essential Services Consultative Group.

The Association has participated in every Guaranteed Service Level (GSL) consultation and welcomes the opportunity to participate in this one.

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GENERAL COMMENTS

1. We welcome the QCA's decision to convene the workshop held on 17 August to provide an opportunity for stakeholders to discuss with QCA the Review and submissions on the Consultation Paper prior to the preparation of submissions on the Draft Decision.
2. At the workshop we and other participants identified many major changes that are already occurring, or are likely to occur, in the industry and among customers during the next regulatory period (and beyond) relevant to the GSL and associated systems and arrangements and we emphasized the need for the ENDC and the GSL arrangements to facilitate industry and customer adaptation to these changes.
3. The short timetable for the completion of this consultation process means that most of the major changes mentioned above cannot be fully addressed during this consultation process. Consequently, we consider that subsequent to this consultation process more research and consultation should occur, by QCA and/or other organisations, on important issues including:
 - The objectives of the Queensland DNSP GSL payments scheme and how such a scheme can best work in combination with other national and Queensland schemes, including the AER's Customer Service Incentive Scheme, designed to

- achieve specified minimum levels of customer service and to make payments to consumers who experience less than the specified levels of service.
- The amount inconvenience experienced by Queensland consumers relative to the GSL payments available.
 - The need to not allow Queensland DNSPs to fully recover the cost of GSL payments through regulated network charges.
 - How to ensure that other industry participants, including retailers and meter service providers, not just the DNSPs are active participants in the operation of the Queensland DNSP GSL payment scheme.
 - The need for the Queensland GSL payments system to be extended to cover services provided by other energy industry participants, especially retailers and meter service providers, and to include consumers in embedded networks.
 - The objectives and operation of energy industry GSL payment systems in other jurisdictions.

SPECIFIC COMMENTS

Wrongful disconnections

We note that the Draft Decision states that the number of wrongful disconnection GSL payments have decreased in Queensland in recent years and that this suggests that distributors' performance against this GSL has improved.

However, we consider that the decrease is most likely to have been caused by COVID 19 pandemic related restrictions on disconnecting customers. For example, in Victoria the EWOV's Annual Reports show that the number of payments by retailers to electricity customers for wrongful disconnection declined from over 300 a year in 2018 and 2019 to 167 in 2020, 68 in 2021 and 49 in 2022.

Therefore, as indicated in our submission on the Discussion Paper:

- to better recognise the very high levels of inconvenience customers experience when they are wrongfully disconnected, and
- because the GSL payment for a reconnection not being provided within the required time is on a per day basis,

we consider that the GSL payment for wrongful disconnection should be substantially increased and that it should also be paid per day of wrongful disconnection, not per wrongful disconnection. As with the Victorian retailer GSL scheme, there should also be a maximum payment per wrongful disconnection.

Customer awareness of dispute resolution processes

We note that:

- The Draft Decision indicates that Section 82(5) of the National Energy Retail Law (Queensland) outlines retailer and distributor obligations for complaints handling and these include the ability to take disputes to the energy ombudsman and providing customers with the relevant contact details.
- QCA therefore considers that no changes are needed to the ENDC to better inform small customers about the availability of the services of the EWOQ and to clearly indicate how a DNSP must handle disputes about GSL payments.

Given this, we question the need for Clause 2.3.18 of the ENDC which only applies to retailers. We also advise that one of our suggested changes to Clause 2.3.18 was because

of the absence of any mention of EWOQ in relation to GSL disputes with the distributor but mention of disputes caused by retailers.

Alternative payment methods

We note that:

- The Draft Decision is to maintain the current payment provisions of the ENDC for the 2025-30 period mainly because Clause 2.3.12 already has options for DNSPs to make GSL payments to customers by means other than a cheque.
- QCA is mindful that the planned phasing out of cheques by 2030 will require an appropriate payment alternative to be developed for the 2030–35 regulatory period and considers that having a fit-for-purpose GSL payment process once cheques are phased out is necessary for the GSL scheme to meet its objective.

Our views on these matters are:

1. We consider that the current level of non-cashing of cheques is significant and is likely to increase.
2. Even when cashing of cheques is possible, for most consumers it involves greater inconvenience and cost than most other payment methods, especially EFT.
3. How DNSPs in other jurisdictions make GSL payments should be investigated and evaluated.
4. Work should start now on how to give Queensland DNSP customers more choice in how GSL payments can be made to them during the rest of the current scheme period and during the next and a range of options should be considered including EFT and e-cards/vouchers.
5. If the DNSPs already have secure systems in place to pay small customers by EFT, for example to settle compensation claims, and these are working satisfactorily for customers, trials with them for GSL payments should be run and evaluated soon.
6. If the DNSPs do not already have secure systems that allow EFT and can be used for GSL trials, small GSL payment-only EFT trials should be undertaken and evaluated as soon as possible.
7. Our preference is for the DNSPs to make GSL payments direct to their customers, not via third parties. However, we are prepared to participate in discussions on the use of retailers.
8. Customers should always be given a choice of payment methods and the methods must be secure.

Standalone power systems (SAPS)

We note that the Draft Decision is that the current GSL measures and thresholds are adequate but that if customers connected to other feeder categories, such as short rural, were to have their supply converted to new SAPS, consideration would need to be given to the appropriate GSL measures to apply.

However, given the rapidity of change, we consider it desirable to make the necessary changes now to cater for situations where other feeder categories might apply.

Embedded network GSLs

We note that:

- The Draft Decision is to not amend the EDNC to include GSL measures for child customers in embedded networks because there are significant unresolved issues to contend with before an embedded network GSL scheme could be developed.
- QCA considers that extending the current GSL scheme or developing a new GSL scheme to apply to embedded network service providers (ENSPs) is outside the scope of this review and that the Queensland Government would likely need to initiate and set the terms of reference for a specific review.

We recognise the complexity of this issue and included it earlier in this submission of key issues that we consider need further consideration.

Nevertheless, given that a review and possible new legislation will take considerable time, we consider that a start could and should be made now to providing child consumers in embedded networks with to access to DNSP GSL payments during 2025-30 for any events indisputably caused by the embedded network provider's DNSP or retailer – for example loss of supply due to the wrongful disconnection of the embedded network provider.