

## CONSUMER ADVISORY COMMITTEE

**MEETING:** November 2014

**DATE:** 26/11/2014

**TIME:** 10:00am

<b>Present</b>	<u>Members</u>	
	Dr Malcolm Roberts	(QCA, Presiding Officer)
	Ms Carly Allen	(Queensland Council of Social Service)
	Mr Ian Jarratt	(Queensland Consumers Association)
	Mr Ron Mullins	(Queensland Cane Growers Association)
	Mr George Nathan	(Financial Counsellors' Association of Queensland)
	Ms Robyn Robinson	(Council on the Aging)
<b>Observers</b>	Ms Caitlin Giunta	(Energy and Water Ombudsman Queensland)
	Mr Adam Liddy	(QCA)
<b>Apologies</b>	Mr Rodney Cameron	(Department of Energy and Water Supply)
	Mr Charles Millstead	(QCA)
	Ms Julia Mylne	(Chamber of Commerce and Industry Queensland)

- 1 **Previous minutes** The Committee resolved that the minutes of the meeting held on 27 August 2014 be accepted as a true record of proceedings.
  
- 2 **Status of outstanding issues**

The QCA provided members with statistics on the number of people using the QCA price comparator. Members were informed that approximately 30,000 visitors had used the price comparator from 1 July -31 October 2014. Members appreciated the comparator usage information and requested that it become a regular agenda item at future meetings.

Members discussed QCA consultation on water issues. The QCA agreed to hold a separate meeting on water issues after the February 2015 CAC meeting, and asked Members to submit topics they would like discussed via email.

- 3     **Retail price determination 2015-16**     Members discussed the 2015-16 retail price determination. Members discussed cost pressures underlying retail electricity prices, in particular how the 2015-2020 electricity distribution network determinations for Energex and Ergon Energy could affect retail prices.
- Members noted that the Australian Energy Regulator was proposing to classify metering costs as a separate charge to standard network costs, and queried whether metering costs would appear as a separate line item on customer bills. The QCA undertook to contact Ergon Energy and confirm how this would affect consumer bills.
- Members discussed the Queensland Government's announcement that it would, if successful at the next election, remove the cost of the solar bonus scheme costs from electricity prices from 1 July 2015, and how this may impact notified electricity prices.
- Members discussed consultation and regional consultation workshops. Members informed the QCA that they had contacted consumer groups in regional areas and encouraged them to attend the QCA's regional consultation workshops. The QCA agreed to run a consultation workshop on the 2015-16 retail price determination in Brisbane if there was sufficient interest.
- Members discussed the public release of the QCA final advice to the government on the uniform tariff policy. Members were advised that the government was still considering the advice and when it would be publicly released.
- 4     **Review of distributors' revenue proposals**     Members discussed the QCA review of distributors' revenue proposals, in particular the Weighted Average Cost of Capital (WACC) proposals and the Impact of WACC on retail prices. Members were informed that the QCA had provided its advice to the Minister, and the Government would decide on whether it would be publicly released. Members requested the Department of Energy and Water Supply report back to the committee on whether the QCA review of distribution proposals would be released, and if so, when.
- 5     **2014 review of the minimalist transitioning approach for Ergon Energy**     Members noted the paper, discussed the minimalist transitioning approach and general issues for competition in regional Queensland.
- 6     **Energy market reform update**     Members discussed energy market reforms including, the implementation of the NECF, price deregulation in south-east Queensland and the introduction of price monitoring. Members requested the QCA provide an outline of its future roles in the energy market at the June meeting.
- 7     **Code enforcement issues**     Members noted that the QCA was investigating three potential breaches of the Electricity Industry Code. Members requested further information regarding the potential breach by EnergyAustralia.
- 8     **Other decisions since last meeting**     Members noted that the latest report on guaranteed service levels showed an improvement in distributor performance.
- Members discussed customer disconnections, participation in hardship programs and the Home Energy Emergency Assistance Scheme (HEEAS). Members requested the Department of Energy and Water Supply report back to the committee on the number of customers who have applied for assistance under HEEAS, how many received grants under the scheme, and the total amount of funds that DEWS had provided to consumers under the scheme in the last financial year.
- Members noted that under the NECF retailers provided data on the reasons why customers had exited a hardship program, and asked if the QCA had similar information. The QCA informed Members that retailers were not required to provide this information under the Electricity Industry Code or Gas Industry Code. The QCA agreed to contact retailers to see if they would

agree to provide this information voluntarily.

- 9     **Forward work program**     Members noted the paper.
  
- 10    **EWOQ update**     EWOQ updated members on its activities. EWOQ received 4,176 cases between 1 July & 31 October 2014, with approximately 5% of cases relating to water complaints for small customers. Billing continues to be the number one category of complaints with 1,541 cases. The other major categories are:
  - credit (699 cases)
  - customer service (375 cases)
  - transfer issues (147 cases)

<b>Next meeting</b>	<b>MEETING:</b> 25 February 2015	<b>TIME:</b> 10:00am
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