

Consumer Advisory Committee meeting

Thursday, 17 April 2025 at 10:00 am

Level 27, 145 Ann Street, Brisbane and via Zoom

Presiding officer: Charles Millstead (CEO, QCA)

Committee attendees:

- Ian Jarratt (Queensland Consumers Association)
- Jon O'Mally (Financial Counselling Queensland)
- Deanna Borland-Sentinella (Queensland Council of Social Services)
- Dale Holliss (Bundaberg Regional Irrigators Group; representing the Queensland Farmers' Federation)
- Lachlan Crane (Business Chamber Queensland)
- Robyn Robinson (Council on the Ageing)

Observers:

- Kayla Hedge (Queensland Treasury)
- Simon Fuller (Queensland Treasury)
- Gavin Watts (Energy and Water Ombudsman Queensland)

Apologies:

- Mark Grenning (Energy Users Association of Australia)

Agenda item 1 - Regional Queensland regulated retail electricity prices

- QCA staff presented the key topics of the draft determination for 2025-26, including the methodology for setting notified prices and expected bill impacts. Staff noted that, consistent with previous determinations, the QCA compared notified price bills to the default market offer (DMO) for south-east Queensland (SEQ). This year, the QCA used the standing offer adjustment (SOA) included in small customer notified prices to lower notified prices for small business customers to reflect the draft DMO.
- The Committee noted that customers on the DMO may be disadvantaged, as there are offers available in the market that are cheaper. The option to introduce 2 levels of DMOs was put forward. QCA staff suggested that these matters could be raised as part of the consultation process the Australian Energy Regulator runs for the DMO, given that it is outside the purview of the QCA.

- The Committee commented on the bill shock customers will face when the level of electricity rebates decreases in 2025–26, and suggested measures to taper the impact. QCA staff noted that this was outside the scope of the notified prices determination.
- The Committee noted the increasing complexity of electricity pricing and tariffs, pointing to the need for consumers to have a simple, independent way of determining the best option for their individual circumstances. The Committee discussed the benefits of an independent one-stop shop to help customers.

Agenda item 2 - Solar feed-in tariffs in regional and south-east Queensland

- QCA staff noted the QCA had been directed to set a flat-rate solar feed-in tariff to apply in regional Queensland in 2025–26, using the same ‘avoided cost’ methodology as in previous years. The final determination of the feed-in tariff for regional Queensland in 2025–26 will be released by 7 June 2025.
- The Committee noted that the ‘avoided cost’ methodology is unique and is likely to result in higher feed-in tariffs than in other jurisdictions that are using different methodologies (including SEQ).
- The Committee raised concerns that a higher feed-in tariff sends the wrong signal to customers, as they expect a higher return on investment, which may not be the case long-term. It was also noted that the uniform tariff policy only applies to notified prices and not to the feed-in tariff. QCA staff noted that due to the price differential between usage charges and the feed-in tariff, the main incentive still remained for customers to use solar energy, rather than export it.
- The Committee asked if non-solar customers were paying for the higher feed-in tariff (as a cross-subsidy) or if it was paid through the Community Service Obligations (CSO) or other ways. QCA staff clarified that non-solar customers are not paying higher electricity prices to subsidise the feed-in tariff, given that notified prices are based on a cost build-up methodology that does not include feed-in tariff payments.
- The Committee made some suggestions for further reviews on various aspects of the market (such as retail costs and the periods that apply to controlled load and solar feed-in tariffs) and the way solar feed-in tariffs are calculated.
- The Committee asked whether a time-varying feed-in tariff would be introduced. QCA staff advised that the direction currently only requires the QCA to set a flat-rate feed-in tariff.
- QCA staff presented the main insights from the SEQ solar feed-in tariff monitoring report for 2023–24, and the Committee noted the information provided.

Agenda item 3 - South-east Queensland retail electricity market monitoring

- QCA staff presented key insights of the 2023–24 SEQ retail electricity market monitoring report.
- The Committee noted that although the report was important for consumers, its impact on consumer behaviour was limited due to a lack of awareness and complexity of the market, which prevent customers from choosing the best plan for their individual circumstances.
- The Committee considered that complexity of pricing of this essential service remained an issue, especially for young or vulnerable consumers. It was noted that advising consumers to shop around was not enough to help them. Some programs were highlighted that help and

educate customers. Nonetheless, it was suggested that bigger efforts should be made to publicise the insights of the QCA's market monitoring reports to consumers.

- The Committee asked about the number of customers remaining on standing offers and their reasons for doing so. QCA staff noted that this may be due to the complexity of the market, disengagement, or a preference for the certainty of annual pricing and not having to pay certain fees (e.g. late payment or credit card payment processing fees).

Agenda item 4 - Compliance and enforcement matters

- QCA staff presented the main activities of its compliance and enforcement program, noting that no compliance issues had arisen since the last meeting.
- The Committee discussed issues and challenges with meter installations and maintenance, metering coordinators, data privacy etc. QCA staff noted that this was outside the purview of the QCA.

Agenda item 5 - Guaranteed Service Levels scheme

- QCA staff provided an overview of the GSL performance of both distributors in 2023-24.
- The Committee asked if the increase in late connection payments was related to the weather events in SEQ. QCA staff advised that it was due to a reallocation of resources to storm recovery activities, whereby reconnections were prioritised over new connections.
- The Committee suggested that GSL payment amounts for customers on a concession should be increased, as GSL events tend to have a considerable impact on low-income households (e.g. spoil fridge/freezer contents). QCA staff explained that the distributors have a compensations scheme but noted that this could be considered in the next GSL review.
- The Committee noted that the automatic application of GSL payments was a big breakthrough but asked whether work had started on the phase-out of cheques. QCA staff noted that processes are in place to transfer GSL payments via EFT, and further work would need to be done by Energy Queensland and retailers.

Agenda item 6 - QCA forward work program

- QCA staff presented the forward work program.
- The Committee noted the information provided.

Agenda item 7 - Energy and Water Ombudsman Queensland update

- EWOQ advised that:
 - it is mainly focused on dispute resolutions
 - it had taken the opportunity to explain issues to customers to promote a better level of understanding and provide action items customers can implement
 - there had been a significant decrease in billing complaints in the last 3-4 months, which was likely due to the impact of the electricity rebates. However, EWOQ expected billing complaints to increase in the coming year as the rebates fall away

- the electricity rebates had a positive impact on both hardship customer numbers (which decreased) and disconnections (which remained at the same level)
- complaints, questions and concerns about the smart meter roll-out had increased and had become the second-most common type of complaint – and EWOQ expects this to continue as the smart meter roll-out progresses.

Agenda item 8 - Queensland Treasury update

- Queensland Treasury informed that:
 - the Queensland Government had recently announced its 'Energy Roadmap' during the energy roadshow
 - no decisions had been made yet on specific rebates, with the Queensland Government looking at other mechanisms (e.g. the 50 cent public transport) rather than just rebates
 - longer-term issues were in focus, with a 5-year plan.
- The Committee wanted to know if any targets had been reset (such as emissions reduction targets). Treasury advised the legislation had been changed to remove the target and work by the Queensland Productivity Commission on the issue was continuing.
- The Committee sought clarification on the timeline of some programs (such as 'supercharged solar for renters'). Treasury noted they would provide a response after the meeting. Treasury subsequently advised QCA staff that all updates to this program would be provided on its website.¹ It advised stakeholders interested in this program to periodically check the website for updates, noting that the current status was that eligibility requirements would be released before the program is launch later in 2025.
- The Committee further enquired whether the Queensland Government or the Minister had plans for regular stakeholder consultations on energy matters. Treasury noted that consultations were planned, highlighting the consultation on its 'Energy Roadmap' on which feedback will be sought from stakeholders and industry.

Agenda item 9 - Membership renewal

- QCA staff advised that it would ask the current CAC members in writing if they wished to continue to stay on the committee.
- The Committee noted the information provided.

¹ <https://www.energyandclimate.qld.gov.au/energy/save-money-on-energy/supercharged-solar-for-renters-program>