

# QUEENSLAND COMPETITION AUTHORITY

## MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 29 JANUARY 2010 – 10:00AM

LEVEL 19, 12 CREEK STREET, BRISBANE

**PRESENT:**     Members

Mr Gary Henry (Queensland Competition Authority, Presiding Officer)  
Mr Ian Johnson (Queensland Cane Growers Organisation)  
Mr Ian Jarratt (Queensland Consumers Association)  
Ms Rose Brown (Tenants Union of Queensland)  
Mr David Lawson (Financial Counselors Association of Queensland)  
Ms Kathryn Mellick (Centre for Credit, Commercial and Consumer Law)  
Ms Nadine Lester (Queensland Council of Social Service)

Observers

Mr Gary Sacre (Energy Ombudsman Queensland)  
Mr Adam Liddy, Mr Gary Davies, Mr Zaeen Kahn (Queensland Competition Authority)

**APOLOGIES:** Mr Barry Adams (Energy Ombudsman Queensland)  
Mr John Jones (Energy Ombudsman Queensland)  
Mr Nick Behrens (Chamber of Commerce and Industry Queensland)  
Mr Scott Driscoll (The Retailers Association)  
Ms Penny Carr (Tenants Union of Queensland)  
Ms Linda Parmenter (Queensland Council of Social Service)  
Mr Eric Danzi (Queensland Farmers Federation/Queensland Cane Growers Organisation)

### MINUTES

1. The Committee resolved that, subject to any comments from Members following the meeting, the minutes of the meeting held on 25 November 2009 be accepted as a true record of proceedings.

### GENERAL BUSINESS

2. Status of Outstanding Issues     There were no outstanding issues from the previous minutes.

## MATTERS FOR INFORMATION

3. Benchmark Retail Cost Index 2010-11 Members were provided with an update on the Benchmark Retail Cost Index process for 2010-11.

Members noted and discussed the roles of retail and distribution costs in the BRCI calculation. In addition, there was discussion of any differences in the way distribution costs were calculated by the Australian Energy Regulator, compared to those calculated by the Authority in previous years.

It was noted that the Authority had recommended in its review of electricity pricing and tariff structures that a new process be established to replace the current BRCI process for adjusting electricity prices.

4. Disconnection and Complaints Data Members noted and discussed the Queensland Consumers Association paper analysing publicly available customer complaint and disconnection data and discussing wrongful disconnections.

Members were provided with information on customer complaint and disconnection data received by the Authority, including steps taken to ensure the quality of data reported to the Authority.

Members raised issues regarding on-selling of energy by bodies-corporate, etc, but noted that issues regarding on-selling of electricity were addressed by Queensland Mines and Energy.

Members noted and discussed the paper on wrongful disconnections. The paper suggested that wrongful disconnections may currently be under-reported, as there is no requirement for distributors to report on some instances of wrongful disconnection initiated by retailers.

However, it was noted that a wrongful disconnection initiated by a retailer would be a breach of the Electricity Industry Code and investigated by the Authority. To date, no such issues had been raised with the Authority.

The Queensland Consumers Association undertook to further investigate and report back on the availability of specific information about such breaches.

5. Current Projects Members were provided with an overview of the current projects the Authority is progressing.

Members provided with information concerning the Retailer of Last Resort (ROLR) event associated with the AEMO suspension of Jackgreen Pty Ltd. Members were advised that Origin Energy had sought approval for a ROLR fee to be charged to customers involved in the ROLR event and that the Authority was examining the application.

It was noted that the ROLR event had required a lot of coordination but that transfers had gone smoothly, with consumers receiving uninterrupted electricity supplies. The Committee commended the QCA on its role in the process.

The Committee was concerned that customers were yet to be notified by Origin Energy that they had been transferred to Origin Energy as a result

of the ROLR process. It was noted that Origin Energy had been encouraged to write to customers.

Members were provided with a summary of progress on the Authority's Final Decision in relation to the proposed changes to reporting requirements under the Gas and Electricity Industry Codes. It was noted that the Final Decision was currently scheduled for release in March 2010.

6. Code Enforcement Issues

Members were provided with an overview of the enforcement issues currently being handled by the Authority. It was noted that these matters were generally being resolved on a cooperative basis with the retailers concerned.

Members raised an issue reported in the media regarding marketing conduct by a retailer operating in Queensland. Members were advised that the Authority had yet to be advised of this issue by the retailer concerned and would look into this matter.

7. QCA Decisions since last meeting

Agenda paper noted.

8. Forward Work Program

Agenda paper noted.

9. EOQ update

EOQ advised members that it had received approximately 6,200 cases from 1 July 2009 until 31 December 2009 and that it was carrying an average caseload of approximately 950 cases at any one time.

**GENERAL BUSINESS**

Members discussed the implications for Queensland customers in the event of the NSW electricity entities being sold. In particular the sale of Integral Energy (the third largest retailer in Queensland), and the possibility that it may be purchased by one of the larger Queensland retailers which would reduce retail competition in the market.

Members noted that the extended meeting time, of four hours, had proven to be beneficial, allowing greater understanding and discussion of issues by members.

Meeting concluded 1:45 pm

**NEXT MEETING**

The next ordinary meeting of the Committee will be held on Wednesday 26 May 2010 from 10:00am to 2:00pm.