

# QUEENSLAND COMPETITION AUTHORITY

## MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 24 NOVEMBER 2010 – 10:00AM

LEVEL 19, 12 CREEK STREET, BRISBANE

**PRESENT:**     Members

Mr Gary Davies (Queensland Competition Authority, Acting Presiding Officer)

Mr Eric Danzi (Queensland Cane Growers Organisation)

Mr Ian Jarratt (Queensland Consumers Association)

Mr David Lawson (Financial Counselors Association of Queensland)

Ms Linda Parmenter (Queensland Council of Social Service)

Ms Penny Carr (Tenants Union of Queensland)

Observers

Mr Ian Chapman (Mines and Energy)

Mr Adam Liddy (Queensland Competition Authority)

**APOLOGIES:** Mr Gary Henry (Queensland Competition Authority, Presiding Officer)

Mr Nick Behrens (Chamber of Commerce and Industry Queensland)

Mr Scott Driscoll (United Retail Federation)

Mr Gary Sacre (Energy Ombudsman Queensland)

### MINUTES

1. The Committee resolved that, subject to any comments from Members following the meeting, the minutes of the meeting held on 25 August 2010 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. BRCI Update     Members were provided with an update on the 2011-2012 Benchmark Retail Cost Index (BRCI) process. Members discussed proposed changes to the treatment of customer acquisition and retention costs, as well as Gas-fired Electricity Certificates for the Queensland Gas Scheme.

Members were concerned at the potential increase in the BRCI. Members discussed the limitations of the legislated BRCI process and the need for the tariff and methodology review to go ahead.

4. Marketing       Members discussed the paper on marketing complaints and proposed changes to regulation. Members also discussed the limitations of the Energy Assured

Issues	<p>program proposed by the Energy Retailers Association of Australia. Members voiced concern that the program did not attempt to raise standards over those already enshrined in industry codes and that enforcement under the proposal was a concern. Members also expressed concern at not being consulted prior to the program being submitted to the ACCC for approval.</p>
5. Current Projects	<p>Members were provided with an overview of the progress in developing credit support guidelines.</p>
6. Code Enforcement Issues	<p>Members were provided with an overview of the enforcement issues currently being handled by the Authority, including:</p> <ul style="list-style-type: none"> <li>• Ergon Energy’s failure to meet minimum service standards (MSS)</li> </ul> <p>Members were advised that the Authority had issued a warning notice to Ergon Energy with respect to its prospective MSS performance for 2010-11.</p> <ul style="list-style-type: none"> <li>• pro-rating of fixed charges by Origin Energy;</li> </ul> <p>Members were provided with an update on the issue of Origin Energy’s methodology for pro-rating monthly fixed charges. While the Authority had determined that the matter was not a material breach, it has referred the matter to the Regulator for consideration.</p> <ul style="list-style-type: none"> <li>• billing contraventions by: <ul style="list-style-type: none"> <li>– AGL;</li> <li>– Integral Energy; and</li> <li>– TRUenergy.</li> </ul> </li> </ul> <p>Members were informed of multiple billing issues. In each case the retailers had corrected customer accounts and paid Guaranteed Service Level payments to affected consumers.</p> <p>Queensland Consumers Association sought information about the results of QCA’s consideration of energy contract marketing complaints referred to it by EOQ in recent months. QCA undertook to report back.</p>
7. QCA Decisions since last meeting	<p>Members were provided with an overview of decisions made by the Authority since the last meeting, including:</p> <ul style="list-style-type: none"> <li>• distributor service quality reports for the September quarter 2010;</li> <li>• distributor Minimum Service Standard and Guaranteed Service Level scheme reports for the March quarter 2010;</li> <li>• distributor network management and summer preparedness plans for 2010;</li> <li>• the amendment of standing Retailer of Last Resort (ROLR) instructions with AEMO;</li> <li>• NMI reporting for the June quarter 2010; and</li> </ul>

- Retail Billing Code reports for the June quarter 2010.

Members discussed the issue of ROLR events in the Ergon Energy Distribution area and the issue of data requirements under a ROLR event.

Members discussed disconnection and complaint statistics for 2009-10. Members noted that customer reconnections within 7 days had improved but considered disconnection rates in the Ergon distribution area continued to be an area of concern. Members requested that QCA advise interested parties whenever the annual and quarterly statistics are released, or at least advise members by email.

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| 8. Forward Work Program | Agenda paper noted.  |
| 9. EOQ update           | EOQ provided an update via email on complaint statistics for the current financial year. |
| 10 QME Update           | None   |

**GENERAL BUSINESS** Members discussed a complaint data paper produced by the Queensland Consumers Association. The paper highlighted what appeared to be differing rates of overall complaints against complaints referred to the EOQ. The Consumers Association felt that there should be a greater push by regulators to investigate such issues.

Members discussed the issue of consumers in the Ergon Distribution area being unable to return to Ergon where the premises had previously transferred to a market contract with another retailer. Members were informed that there had been some legislative change in this area, but this was still an issue being considered by Government.

Members suggested that they be informed of relevant releases by the Authority, such as the Ergon Energy Warning Notice, via email on the day of release. Members also sought information on how water issues were to be handled by the Authority.

Members discussed the pricing comparator, and the incorporation of green offers with the standard contract. Members were informed that the Authority was considering changes to the comparator to make it easier to compare green plans.

**NEXT MEETING** The next ordinary meeting of the Committee will be held on Wednesday 23 February 2010 from 10:00am to 2:00pm.