

QUEENSLAND COMPETITION AUTHORITY

MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 23 FEBRUARY 2011 – 10:00AM

LEVEL 19, 12 CREEK STREET, BRISBANE

PRESENT: Members

Mr Gary Henry (Queensland Competition Authority, 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 Megan Lewis (Commerce Queensland)

Mr Peter Swan (Centre for Credit and Consumer Law)

Observers

Mr Darren Schneider (Mines and Energy)

Mr Ian Chapman (Mines and Energy)

Mr Gary Sacre (Energy and Water Ombudsman Queensland)

Mr Charles Millstead (Queensland Competition Authority)

Mr Adam Liddy (Queensland Competition Authority)

APOLOGIES: Ms Penny Carr (Tenants Union of Queensland)

Mr Ben Scott (United Retail Federation)

MINUTES

1. The Committee resolved that the minutes of the meeting held on 24 November 2010 be accepted as a true record of proceedings.

GENERAL BUSINESS

2. Status of
Outstanding
Issues

Members were provided with an update on issues outstanding from the previous meeting, including:

- the referral of marketing issues to the Authority by the Energy and Water Ombudsman Queensland (EWOQ); and
- the Authority's investigation of a particular marketing issue referred to it by the EWOQ.

MATTERS FOR INFORMATION

3. BRCI Update Members were provided with an update on the 2011-12 Benchmark Retail Cost Index (BRCI) process. Members were informed that the Authority was currently reviewing the nine submissions received in response to the Draft Decision. As in previous years, some revisions would be made to incorporate more recent data for the Final Decision.

Members discussed the approach of the Authority in addressing submissions and noted that the approach adopted by the Authority, of addressing individual issues raised in submissions, enabled greater understanding and transparency for consumer groups than was often the case.

4. The Australian Consumer Law Members discussed the introduction of the Australian Consumer Law on 1 January 2011. Members were informed that the Electricity and Gas Industry Codes were being reviewed for areas of possible conflict or redundancy and that this may lead to a code change process being initiated should changes be required.

5. Price Comparator Members discussed the Authority's Price Comparator and the treatment of discounts that were conditional on actions by the customer such as prompt payment discounts. The Authority undertook to review current entries on the comparator for clarity and consistency.

Members were also informed of changes to the price comparator that were being developed to improve ease of use by separately classifying green and non-green offers.

6. Current Projects Members were informed that a new version of the Electricity Industry Code had been gazetted to incorporate amendments required by the newly established Credit Support Guidelines. The revised Code had been approved by the Minister and took effect as of 18 February 2011.

7. Code Enforcement Issues Members were provided with an overview of the enforcement issues dealt with by the Authority since the last meeting, including:

- pro-rating of fixed charges by Origin Energy;

The Authority had concluded its investigation and determined that the matter was not a material breach. However, the Authority had referred the matter to the Regulator for further consideration.

- a billing contravention by AGL

Members were informed of an AGL billing issue resulting from a printing error in some AGL customer contracts. As AGL had corrected all affected customer accounts, written to all affected customers and paid Guaranteed Service Level payments to affected consumers, this matter had been resolved.

Members discussed the respective roles of the Authority and the EWOQ in addressing potential systemic issues relating to the Electricity and Gas Industry Codes.

8. QCA
Decisions since
last meeting
- Members were provided with an overview of decisions made by the Authority since the last meeting, including:
- the review of electricity credit support arrangements;
 - report to the Minister on the Authority's performance of its responsibilities;
 - NMI reporting for the September quarter 2010;
 - audit of Energex's minimum service standard reporting for 2009-10;
 - Electricity Billing Code report for the September quarter 2010;
 - small customer disconnections and complaints data for the September quarter 2010; and
 - distributors' minimum service standards and guaranteed service levels report for the September quarter 2010.
- Members were informed that the release of some reports had been delayed due to data quality issues in the reports coming from some retailers. The Authority is working cooperatively with retailers in an attempt to improve data reporting in future.
8. Forward Work
Program
- Agenda paper noted.
9. EOQ update
- In October 2010 the Government announced that the Energy Ombudsman Queensland (EOQ) would manage water complaints for all residential customers and businesses using up to 100 kilolitres of water per annum in South-East Queensland from 1 January 2011. Accordingly, from 1 January 2011, EOQ became the Energy and Water Ombudsman Queensland (EWOQ).
- EWOQ reported that it had had taken approximately 6,800 energy cases from July 2010 until the end of January 2011. The major areas of complaint were:
- Billing - 2812 cases;
 - Customer Service - 704 cases;
 - Credit - 593 cases;
 - Transfer - 577 cases; and
 - Marketing - 457 cases.
- EWOQ also noted that it had taken approximately 200 water cases since 1 January 2011.
- 10 QME Update
- Members were provided with an update from QME. The Department was currently examining the Home Energy Emergency Assistance Scheme, and how access could be improved for victims of the recent natural disasters in Queensland.
- Members were also informed that a recruitment process had commenced to fill the position of Energy and Water Ombudsman from 1 July 2011.

QME was unable to provide any further insights into the possible review of electricity pricing and tariff structures.

**GENERAL
BUSINESS**

Members discussed the recommendations to the Authority from the Minister's Retailer Roundtable regarding the minimum information to be provided to customers prior to a retail price change. The Authority had yet to consider its response to this matter but was cognisant that the National Energy Customer Framework, to be introduced on 1 July 2012, may cover this same issue.

Members discussed problems arising for some business customers in the Ergon distribution area due to the policy of not allowing premises to be supplied by Ergon Energy if they have previously accepted a market contract from another retailer.

Mr David Lawson advised the Committee that this would be his last attendance as a representative of the Financial Counsellors Association of Queensland. The Chair thanked Mr Lawson for his valuable contribution to the Committee.

**NEXT
MEETING**

The next ordinary meeting of the Committee will be held on Wednesday 25 May 2011 from 10:00am to 2:00pm.