

QUEENSLAND COMPETITION AUTHORITY

MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 31 AUGUST 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 John O'Malley (Financial Counselors Association of Queensland)

Ms Linda Parmenter (Queensland Council of Social Service)

Ms Nadine Lester (Queensland Council of Social Service)

Mr Peter Swan (Centre for Credit and Consumer Law)

Observers

Mr Alex Archer (DEEDI)

Ms Kate Jackson (DEEDI)

Mr John Jones (Energy and Water Ombudsman Queensland)

Mr Charles Millsted (Queensland Competition Authority)

Mr Adam Liddy (Queensland Competition Authority)

APOLOGIES:

Mr Ben Scott (United Retail Federation)

Mr Darren Schneider (DEEDI)

Mr Gary Sacre (Energy and Water Ombudsman Queensland)

Ms Megan Lewis (Commerce Queensland)

MINUTES

1. Previous Minutes The Committee resolved that the minutes of the meeting held on 25 May 2011 be accepted as a true record of proceedings

GENERAL BUSINESS

2. Status of Outstanding Issues Continuation of Nominations

It was noted that the Tenants Union of Queensland had not requested a continuation of their membership of the Committee. Members were informed that committee membership for all other organisations had been extended for a further 12 months.

MATTERS FOR INFORMATION

3. Electricity tariff structure and pricing review

Members discussed the electricity tariff structure and price review, including:

- the potential effects on consumers of an inclining block tariff structure;
- the potential effects on consumers if there was a change to the ratio of fixed to variable charges;
- difficulties experienced in making informed comment where the impact of tariff structure changes was unknown;
- how a reduction in demand can cause an increase in regulated prices in industries with significant fixed costs;
- how any new tariff structure may affect customers and retailers in the Ergon Energy distribution area; and
- how changes to tariff availability may impact farmers.

Members were informed that the Authority planned to release a draft methodology paper for public consultation (workshop followed by written submissions). While the authority was unable to provide precise dates, it anticipated this process would be completed before the end of the year.

4. Amendments to the Electricity (Retail Billing Guaranteed Service Level) Code

Members discussed recent amendments made to the Electricity (Retail Billing Guaranteed Service Level) Code (Billing Code). Members were informed that the amendments related to the removal of the Community Ambulance Cover levy, as well as updating references to organisations which had undergone a name change.

The Authority had received a request from the Minister that no enforcement action be taken against retailers regarding the CAC policy change, due to the short notice retailers had received of the change. The Authority wrote to retailers confirming this request in late July 2011.

Members further discussed the role of the Billing Code when the National Energy Customer Framework is introduced.

5. Current Projects

Members discussed:

- retailer complaints regarding the customer disconnection process followed by Energex; and
- the annual review of distributor summer preparedness and network management plans.

Members discussed broader disconnection issues, including the costs to consumers of energy disconnections, experience in other Australian jurisdictions and the difference between readings and disconnections.

6. Code Enforcement Issues
- Members were provided with an overview of the enforcement issues dealt with by the Authority since the last meeting, including:
- billing issues for TRUenergy; and
 - delay in the delivery of welcome packs for AGL customers.
- The Queensland Consumers Association informed the Committee that stories on Channel 9's "A Current Affair" on 15 and 30 August included Queensland consumers complaining about door-to-door marketers of energy contracts engaging in misleading and deceptive conduct and not leaving when asked. The stories also showed marketers being trained to engage in such conduct. The Association considered that these activities constituted material breaches of the Code. The Authority was not aware of the program nor the electricity retailer involved.
7. QCA Decisions since last meeting
- Members were provided with an overview of decisions made by the Authority since the last meeting, including:
- amendments to the Electricity and Gas Codes regarding the introduction of the Australian Consumer Law;
 - the standard service order report for the March 2011 quarter;
 - the distributor Minimum Service Standards and Guaranteed Service Level report for the March Quarter 2011;
 - the electricity Billing Code report for the December quarter 2010;
 - minor amendments to the Electricity Industry Code to update the access requirements for Tariff 33; and
 - the 2011 review of the minimalist transitioning arrangements for Ergon Energy.
8. Forward Work Program
- Agenda paper noted.
9. EWOQ update
- Members were informed that, EWOQ had closed over 12,700 cases in 2010-11. The majority of these (over 11,000) were in electricity, with approximately 1,000 cases relating to gas and 600 relating to water.
- The major areas of complaint were:
- billing (over 5,000 cases);
 - customer service issues (over 1,300 cases);
 - credit (over 1,000 cases);
 - transfer issues (over 1,000 cases); and
 - marketing (over 650 cases).

10 DEEDI
Update

Members were informed that the Department was currently working on the legislation necessary to implement the National Energy Customer Framework. Following some re-organisation of workloads, complaints regarding bulk hot water, previously handled by DEEDI, were now being addressed by the Office of Fair Trading, and complaints about the installation of meters for solar installation are now addressed by EWOQ.

Members were further informed that the Department was addressing a number of complaints from large customers receiving late or revised bills.

GENERAL
BUSINESS

Members discussed the results of the recent Australian Consumers Survey, which found that consumers spend an average of 13.4 hours per year resolving issues with utilities, including energy retail organisations.

NEXT
MEETING

The next ordinary meeting of the Committee will be held on Wednesday 30 November 2011 from 10:00am to 2:00pm.