

## CONSUMER ADVISORY COMMITTEE

**MEETING:** July 2016

**DATE:** 14/07/2016

**TIME:** 11:00am

<b>Present</b>	<u>Members</u> Mr Charles Millstead (QCA, Presiding Officer) Ms Carly Hyde (Queensland Council of Social Service) Ms Robyn Robinson (Council on the Ageing) Mr Ian Jarratt (Queensland Consumers Association) Mr Warren Males (Queensland Canegrowers Association) Mr Jon O'Mally (Financial Counsellors' Association of Queensland)
<b>Observers</b>	Ms Ilona Cenefels (Energy and Water Ombudsman Queensland) Ms Jennifer Top (Energy and Water Ombudsman Queensland) Ms Kristen Findlay (Department of Energy and Water Supply) Ms Catherine Barker (QCA) Ms Sarah Duval (QCA) Mr Adam Liddy (QCA) Ms Natalya Packham (QCA)
<b>Apologies</b>	Mr Nick Behrens (Chamber of Commerce and Industry Queensland)

- 1 **Previous minutes** The Committee resolved that the minutes of the meeting held on 14 April 2016 be accepted as a true record of proceedings.

- 2      **Retail price determination 2016-17**      Members discussed the 2016-17 retail price determination. Members discussed the QCA's final determination, in particular:
- the reasons behind differing price outcomes for business and residential customers
  - impacts on customers, particularly regional business customers, of 2016-17 prices
  - presentation of data and customer impacts in the final determination, and
  - the methodology used by the QCA to determine retail costs.
- Members discussed the variability of standing offer prices in south east Queensland under deregulation and how these may compare to notified prices in regional Queensland.
- Members discussed the potential for increasing solar installations, and battery storage, to reduce demand for energy from the grid, as well as the number of customers connected to the grid, and the impact this could have on retail prices paid by consumers, particularly vulnerable customers who could not afford these technologies. The QCA acknowledged these technologies had the potential to affect future network costs. However, this issue is outside the statutory purview of the QCA. The QCA recommended Members raise the issue with the Australian Energy Regulator which is responsible for regulating network revenues and pricing. Members discussed the difficulties of dealing with multiple regulators whose decisions impact on electricity prices and signalled a desire for a forum to be created to enable consumer groups to address pricing issues simultaneously with all regulators involved.
- Members highlighted that there was a significant number of people in financial hardship in Queensland, and that electricity pricing was a factor in this broader issue. Members discussed the QCA's ability to report to the Minister on issues outside of its defined pricing responsibilities. QCA staff noted the QCA is a creature of statute and is required to perform its statutory responsibilities. The QCA highlighted that the Queensland Productivity Commission (QPC) had looked at the impact of electricity price increases on regional customers as part of its inquiry into electricity prices and that the Government was currently considering their final report. The QCA noted that the QPC has a wider remit to investigate issues without Ministerial direction than the QCA.
- 3      **Solar feed-in tariff for regional Queensland**      Members discussed the 2016-17 regulated solar feed-in tariff (FIT), which was published on 20 May 2016. Members were informed that the FIT increased by 17.3% compared to 2015-16, primarily due to increases in wholesale energy costs.
- Members asked for clarification on the reasons for an increase in the value of network losses. Members were informed that the loss factors were the same as those used by ACIL Allen in estimating wholesale energy costs for retail pricing and as with previous years were based on forecasts from the Australian Energy Market Operator.
- The QCA undertook to provide further information to Members on the increase in the value of network losses, including links to the ACIL report and their explanation of changes in loss factors.
- 4      **South east Queensland electricity market monitoring**      The QCA informed Members that it had received a direction from the Minister for Energy and Water Supply to produce a monitoring report for the south east Queensland market for 2016-17. Members discussed information which may be included in the report, consultation and opportunities to co-ordinate with other organisations.
- 5      **Other decisions since last meeting**      Members discussed March quarter 2016 Guaranteed Service Level (GSL) payment information from Energex and Ergon Energy. Members discussed changes in wrongful disconnections.
- The QCA undertook to update Members on GSL issues at the next meeting, including Ergon Energy's wrongful disconnection performance and the QCA's enforcement powers regarding GSLs.

6 **Forward work program** Members noted the paper.

**EWOQ Update** EWOQ updated members on its activities. Members were informed that there had been a drop of approximately 20% in the number of cases addressed by EWOQ compared to the previous year. Members were informed that Ombudsmen in other jurisdictions have experienced a similar reduction in case load. In the previous financial year EWOQ received 8747 cases, in which Billing continues to be the number one category.

The top four issues for EWOQ cases were:

- Billing – 3,388 cases
- Credit – 1,467 cases
- Customer service - 768 cases
- Provision - 340 cases
- These numbers include a small number of water cases.

Members were informed that the Energy and Water Ombudsman Queensland (EWOQ) has become an External Dispute Resolution Scheme commencing 1 January 2016. EWOQ can investigate whether a disputed debt and /or subsequent default listing is in compliance with the Credit Reporting Code.

**General business** Members discussed issues regarding the installation of smart meters, including issues around ownership of smart meters and how they could affect a customer's ability to change retailers.

The QCA informed Members that it was attempting to schedule the next meeting to allow the Minister for Energy and Water Supply, and the Chair of the QCA, to attend. Members will be consulted when a suitable time is found.

<b>Next meeting</b>	<b>MEETING:</b> TBC	<b>TIME:</b> TBC
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