

Queensland Competition Authority

Consumer Advisory Committee

Minutes for meeting of 7 April 2021

Presiding officer: Charles Millsted (CEO, QCA)

Committee attendees: Warren Males (Canegrowers), Carly Hyde (Queensland Council of Social Service), Ian Jarratt (Queensland Consumers Association), Robyn Robinson (Council on the Ageing), Mark Grenning (Energy Users Association of Australia), Jon O'Mally (Financial Counsellors Association of Queensland)

Observers: Energy and Water Ombudsman Queensland (Gary Sacre), Department of Energy and Public Works (Lisa Hussey)

Apologies: nil.

Non-attendees: Chamber of Commerce and Industry Queensland (Jack Baxter)

- (1) Regional Queensland retail electricity prices 2021–22 and supplementary review for 2020–21
 - QCA staff advised that a stakeholder workshop was held earlier on the day.
 - Robyn supported the revised methodology for the retail component and wanted to know how it differed to the previous methodology. Staff advised that they used broadly the same approach, but the variable and fixed charges changed, and that the SEQ market has become more competitive.
 - Ian complimented the QCA on revisiting retail costs.
 - Mark asked what the impact of the solar bonus scheme was on large business customers (tariffs 44 and 45); specifically, how much greater would the fall in prices be than 8.3% for tariff 44 and 8.1% for tariff 45 were these customers not paying for the solar bonus scheme. Warren was interested in the same information for smaller businesses. QCA staff advised that, for the purpose of determining prices, the costs of the scheme were treated as part of network costs and reporting scheme costs separately was not part of the Minister's delegation to the QCA.
 - Warren asked whether the market being more competitive means that there is a narrower band of prices, because markets usually have a narrower price band when they become more competitive, and that it may otherwise reflect increased price discrimination. QCA staff noted that the default market offer had a big impact on price dispersion, and that more market offers were available that target different consumers. The statement about the market being more competitive was based on the evidence of more offers and more retailers. Ian also noted there were other reforms that had an impact on the market.
- (2) Solar feed-in tariffs in regional and south east Queensland
 - Warren asked if there would be a draft determination for the regional feed-in tariff determination as there is no public consultation (as directed by the Minister). QCA staff advised that only a final determination will be released as the methodology will not change.

- Mark asked about the relevance of negative spot prices to the determination, and QCA staff explained that these were taken into account.
- Robyn asked if a time-varying feed-in tariff was foreseen. QCA staff said that they engage with the Department of Energy and Public Works on the issue, and indicated that the roll-out of smart meters would be an important factor in determining whether/when a time-varying feed-in tariff would be determined.

(3) South east Queensland retail electricity market monitoring

- Jon has received some feedback that retailers were not offering HEEAS to customers in hardship or not explaining it. QCA staff noted that only prices paid by HEEAS customers are reported on in the QCA's market monitoring reports, but that staff would investigate publicly available information on HEEAS that may also be relevant to the next market monitoring report (if the QCA is directed to prepare another report).
- Jon expected that the coronavirus pandemic and the reduction of Job-keeper would lead to people struggling to meet electricity costs, and said that retailers should ensure that support like HEEAS was provided and widely communicated.
- Ian asked when the QCA normally expects to get a direction as he considers it important to have a report on SEQ-specific issues. QCA staff said he QCA usually receives a direction around April.
- Robyn asked if there is a role or action for the QCA to support vulnerable customers, and if the QCA can make recommendations to government. QCA staff indicated that the QCA does not have a formal remit to advise the government on targeted support for vulnerable customers.

(4) AGL late payment fees

- Ian found it interesting that so many customers were no longer with AGL, and asked about other payments (e.g. paper bill fees). QCA staff noted that this breach was only about late payment fees and that most other breaches in the past have been low both in value and number of affected customers.
- Robyn noted that this breach was self-reported by AGL and asked if any complaints [from customers] were received. QCA staff noted that no complaints were received, and that AGL reported the breach after staff discovered some published offers with prohibited fees attached.
- Carly noted that the breach was not picked up in the QCA's monitoring and asked if more active monitoring through the QCA was planned. QCA staff explained that the QCA does not have visibility of retailers' billing, but that the QCA checks published offers quarterly and also sends a letter to each retailer when they enter the market to explain the Queensland-specific regulations, including the fee restrictions that apply to standing offers.

(5) Maximum fees payable under schedule 8 of the Electricity Regulation

- QCA staff thanked the committee members for their input when drafting the advice, which is currently being considered by the Minister responsible for energy.
- Robyn asked whether staff had an idea of how quickly the QCA's advice might be considered; QCA staff were not able to give any such indication.

(6) Guaranteed Service Levels scheme

- Ian said that he expected GSL payments (for wrongful disconnections) to be low this year due to fewer disconnections overall as a result of the AER's Statement of Expectations that applies to retailers following the coronavirus pandemic.
- Carly asked about the eligibility process and what customers need to provide (e.g. receipts for spoiled food in the fridge), and whether the QCA has any oversight over it. QCA staff noted that the code includes provisions on customers' rights for a GSL payment and on customers option of making a claim if they feel they have a right for it. Ian emphasised that things like spoiling food due to an event within Energex's/Ergon's control are not part of the GSL scheme but are an insurance/compensation matter between Energex/Ergon Energy and customers. However, EWOQ can investigate unresolved disputes on such matters lodged by consumers.
- In terms of compensation claims, Gary noted that retailers look for receipts / dockets during the appeal / review process, but that he has not seen much push-back from providers. Gary explained that they ask customers to exhaust the Ergon/Energex processes first.

(7) QCA forward work program

- Committee members noted the work program.

(8) Energy and Water Ombudsman Queensland update

- Gary noted that EWOQ had received fewer cases since the coronavirus pandemic started and that it appears that this has been the case across other ombudsman schemes nationally. Billing issues remain an area of focus, followed by customer service and metering.
- Gary indicated that some retailers were planning to recommence disconnections in Queensland (in line with the Statement of Expectations), and noted that some customers who experience difficulty paying their bills only start communicating with their retailer when they get a disconnection notice.
- Carly shared her understanding that people in remote communities don't use the ombudsman scheme.

(9) Department of Energy and Public Works update

- Lisa noted that the department had become aware that not all eligible customers are receiving the Queensland Government electricity rebate.
- Carly noted that QCOSS had received information that customers' rebate sometimes drops off when they move house or switch retailers, or even when their details change with their retailer.
- The department had no further updates.

(10) Membership renewal

- QCA staff will email each committee member the following week to ask whether their organisation wants to continue their membership, and to confirm who from the organisation will be the nominated member.