

Proposed amendments to the Guaranteed Service Levels scheme

**Draft report and final
consultation notice**

May 2026

We wish to acknowledge the contribution of the following staff to this report:

Karan Bhogale and Thomas Höppli

© Queensland Competition Authority 2026

The Queensland Competition Authority supports and encourages the dissemination and exchange of information. However, copyright protects this document. The QCA has no objection to this material being reproduced, made available online or electronically, but only if the QCA is recognised as the owner of the copyright and this material remains unaltered.

Contents

| | | |
|----------|---|-----------|
| 1 | INTRODUCTION | 1 |
| 1.1 | Final consultation notice | 1 |
| 1.2 | Guaranteed Service Levels | 1 |
| 1.3 | Consultation process | 2 |
| 2 | GSL PAYMENT METHOD | 3 |
| 2.1 | Automatic payments via cheques | 3 |
| 2.2 | Proposed alternative payment method | 3 |
| 2.3 | Assessment | 4 |
| 2.4 | Draft decision | 10 |
| 3 | GSL EXCLUSIONS | 12 |
| 3.1 | Current exclusions for some GSLs | 12 |
| 3.2 | Proposed extension of exclusions to additional GSLs | 12 |
| 3.3 | Assessment | 13 |
| 3.4 | Draft decision | 17 |
| | SUBMISSIONS | 19 |
| | STAKEHOLDER SUBMISSIONS | 20 |
| | REFERENCES | 21 |

1 Introduction

1.1 Final consultation notice

The Queensland Competition Authority (QCA) received a proposal from Energy Queensland (EQ) on 23 December 2025 seeking 2 amendments to the Guaranteed Service Level (GSL) arrangements that apply to Energex and Ergon Energy.¹ The first proposed amendment relates to the impending national phase-out of cheques and the second proposed amendment seeks to exclude connection and reconnection GSL payments during declared disaster events.

This final consultation notice is published pursuant to s 222L of the Electricity Regulation 2006 (Qld).

We have prepared a draft report (as set out below) that outlines our views on these matters and proposes related amendments to the Electricity Distribution Network Code (EDNC). The draft report as well as a version of the EDNC that is marked-up with the proposed changes have been published on our [website](#) and may also be inspected at the QCA office. Our draft decision is to recommend:

- enabling retailer-facilitated GSL credits from 1 July 2027
- excluding connection and reconnection GSLs during declared disaster events from 1 October 2026.

Stakeholders may make written submissions by 19 June 2026 on the draft report and the proposed wording changes to the EDNC. Details on how to make a submission are provided at the end of this document.

1.2 Guaranteed Service Levels

The EDNC requires distribution network service providers Energex and Ergon Energy (the distributors) to meet targets for their quality of service to customers.² These targets relate to the frequency and duration of customer outages as well as things like the timeliness of connections, reconnections and notices of planned interruptions.

Customers may be eligible for GSL payments when their distributor fails to meet these targets. GSL payments acknowledge the inconvenience customers experience when a GSL is not met. They are not intended to provide compensation for loss or inconvenience arising from poor reliability or service performance.

We reviewed the GSL thresholds, measures and payments to apply during the 2025–30 regulatory period in a comprehensive review in 2023.³ Version 5 of the EDNC, which took effect on 1 July 2025, implemented changes to the GSL scheme arising from the review of the GSL scheme.

¹ EQ, [Proposal for a review of the Guaranteed Service Level Regime under the Electricity Distribution Network Code](#), December 2025. The GSL arrangements are set out in chapter 2 of the [Electricity Distribution Network Code](#).

² See clause 2.3 of the [Electricity Distribution Network Code](#) (version 5) for more information on these targets.

³ QCA, [Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025](#), final decision, December 2023.

1.3 Consultation process

The Electricity Regulation 2006 (Qld) provides for any person to ask us to amend the EDNC at any time.⁴ We decided to consult on EQ's proposal to amend the EDNC, and published an interim consultation notice and issues document on 20 February 2026.⁵ We received 5 stakeholder submissions by 20 March 2026 on the issues raised in the issues document. Stakeholders provided in-principle support for the proposed amendments as well as comments on the implementation of these amendments.

This draft report is the second stage in our consultation process; it provides our considerations of the issues raised and a draft decision on the proposed amendments.⁶ Our indicative timeline for completing the review is outlined in Table 1.⁷

Table 1: Indicative review timeline

| | | |
|----------------------------------|--|------------------|
| Initial stage (completed) | Interim consultation notice and issues document published. | 20 February 2026 |
| | Submissions due. | 20 March 2026 |
| Mid stage | Final consultation notice and draft report published. The draft report sets out the material issues and proposed EDNC amendments. | 22 May 2026 |
| | Submissions due. | 19 June 2026 |
| Final stage | Final report and proposed amended EDNC published (the EDNC is subject to Ministerial approval). | 21 August 2026 |

Note: This timeline may be adjusted if the QCA considers it necessary, having regard to the content of submissions received.

Stakeholders are invited to make written submissions on our draft report and the proposed amendments to the EDNC by 19 June 2026.⁸ The scope of this consultation is limited to the review of the 2 matters raised by EQ.⁹

Information on making a submission and our online submission form is available on our [website](#).

Submissions are due by 19 June 2026.

⁴ Part 1A of Chapter 10 of the Electricity Regulation. The QCA must decide – within 2 months of receiving a proposal – whether it will submit the proposal for public consultation (s 222B(2)). If the QCA submits the proposal for consultation, it must follow the process for amending the EDNC that is set out in Part 1A of Chapter 10 of the Electricity Regulation.

⁵ QCA, *Proposed amendments to the Guaranteed Service Levels scheme*, interim consultation notice and issues document, February 2026. (*Proposed amendments*, consultation paper')

⁶ The views set out in this draft decision are based on our assessment of the information currently available, including stakeholder submissions received to date. These views may be refined or changed in the final report following further consideration of submissions and any additional evidence.

⁷ The consultation requirements for amending the EDNC are set out in ss 222E-222O of the Electricity Regulation.

⁸ Some formatting corrections have also been made to the EDNC. These are not subject to consultation.

⁹ We will conduct broader consultations on the GSL framework and payment arrangements to apply during the 2030-35 regulatory period during our next comprehensive review (scheduled for 2028).

2 GSL payment method

2.1 Automatic payments via cheques

In Queensland, the distributors are responsible for determining customer eligibility for a GSL payment and issuing the payment. The distributor must use best endeavours to:¹⁰

- automatically give a GSL payment to a customer who is eligible for a GSL payment¹¹
- make a GSL payment to a customer entitled to it by cheque, electronic funds transfer (EFT) or any other means agreed with the customer.

The distributors typically make GSL payments via a cheque, which is sent to the customer's address. However, in line with the Australian Government's national cheques transition plan, cheques will no longer be issued from 30 June 2028 and will no longer be accepted as payment from 30 September 2029.¹²

2.2 Proposed alternative payment method

EQ considered it urgent to address the phase-out of cheques, given:

- smaller banks have already reduced cheque services – making it harder for customers to cash GSL payments
- there is a risk the bank that draws cheques for EQ may exit the cheque system earlier than 30 June 2028.

EQ proposed to allow automatic GSL payments via retail bill credits. To operationalise this change in payment method, EQ proposed to amend clause 2.3.12 of the EDNC to remove the reference to cheques and to add a reference to credits on retail bills instead.¹³ EQ considered this the most practical solution to provide automatic GSL payments, as alternative options require customer engagement. It stated that the automatic crediting of GSL payments via retail bills was already occurring in other jurisdictions.

EQ considered that EFT is not a practical alternative for automatic payments, as distributors do not hold customers' banking details. An EFT requires active customer engagement to collect or update banking details. EQ stated that alternative payment methods such as EFT are significantly more costly to administer.¹⁴ Moreover, no GSL payment can be made if customers do not submit a claim or respond to their distributor's online engagement. This may disproportionately affect vulnerable customers who face barriers to digital access.

¹⁰ Cls 2.3.11 and 2.3.12 of the EDNC.

¹¹ However, a customer may make a claim for a GSL payment within 3 months of the event giving rise to the claim where a distributor has not done so (cl 2.3.11 of the EDNC).

¹² The Treasury, *Cheques Transition Plan: Winding down Australia's cheques system*, Australian Government, November 2024, p 3. The cheque processing infrastructure is planned to wind down and cease earlier than we anticipated in 2023 when we reviewed the GSL scheme to apply for the 2025-30 regulatory period.

¹³ EQ noted that cl 6B.A2.4 of the National Electricity Rules (NER) already enables distributors to provide GSL payments via the customer's retailer (EQ, *Proposal for a review of the Guaranteed Service Level Regime under the Electricity Distribution Network Code*, 23 December 2025, attachment A, p 3).

¹⁴ EQ estimated that online engagement costs range from \$169 to \$203 per customer, which often exceed the value of the GSL payment itself (EQ, *Proposal for a review of the Guaranteed Service Level Regime under the Electricity Distribution Network Code*, 23 December 2025, p 3).

2.3 Assessment

Based on stakeholder submissions and the information available to us, we recommend amending the EDNC to enable retailer-facilitated GSL credits from 1 July 2027.

We maintain that a change in the GSL payment method cannot be deferred to the next GSL review, as cheques will be phased out before the end of the current regulatory period. This means that the EDNC will no longer provide distributors a practical way to deliver automatic GSL payments to customers towards the end of the 2025–30 regulatory period.¹⁵

We consider that retailer-facilitated GSL payments are an appropriate replacement for cheque GSL payments. This method allows a continued provision of automatic GSL payments and is likely to be more convenient for most customers, as GSL credits are automatically applied to their retail electricity bill, whereas cheques need to be cashed.

We consider an implementation by 1 July 2027 provides retailers and distributors sufficient time to implement the required processes. Stakeholders did not identify any substantial technical, legislative or operational barriers to the implementation of retailer-facilitated GSL bill credits. Nonetheless, we consider the potential impacts on customers, retailers and distributors need to be carefully considered.

The key issues stakeholders raised focused on consumer protections, the timing and communication of the transition away from cheque-based payments, as well as the shift of obligations and the regulatory burden. The following sections outline these issues and provide our assessment of how these matters could be addressed.

2.3.1 Consumer protections

Stakeholder submissions

Stakeholders emphasised that any change to the GSL payment method must be accompanied by appropriate consumer protections and ensure payments remain automatic. The Council on the Ageing Queensland (COTA) noted that automatic payments are particularly important for older consumers who may experience barriers relating to digital literacy, administrative complexity or reduced capacity to navigate consumer systems.¹⁶ Consumer groups supported establishing explicit retailer obligations to pass through GSL credits within defined timeframes, through a Queensland-specific derogation to the National Energy Retail Law (NERLQ).¹⁷ To support consistency and transparency, Origin Energy considered changes to GSL payment arrangements could be operationalised by jurisdictional instruments, such as the EDNC.¹⁸

Consumer groups highlighted the importance of mandatory customer notification, including informing customers when a GSL payment will be made and when a credit has been applied to their bill.¹⁹ COTA also stressed the importance of transparent bill presentation, with GSL credits shown as a clearly labelled line item.²⁰ Consumer groups emphasised that customers should have pathways to appeal GSL eligibility decisions, and be able to refer unresolved disputes to the Energy and Water Ombudsman of Queensland (EWOQ).²¹

¹⁵ OCA, [Proposed amendments](#), consultation paper, pp 4–7.

¹⁶ COTA, sub 1, p 7.

¹⁷ COTA, sub 1, p 8; Queensland Consumers' Association, sub 4, p 1.

¹⁸ Origin Energy, sub 3, p 2.

¹⁹ COTA, sub 1, p 7; Queensland Consumers' Association, sub 4, p 1.

²⁰ COTA, sub 1, pp 5, 7.

²¹ COTA, sub 1, p 7; Queensland Consumers' Association, sub 4, p 1.

Stakeholders raised issues relating to customers who switch retailers, move premises, close their account or have their account in credit, noting that these customers must still receive their payment. Stakeholders were of the view that clear obligations are required to ensure no consumer loses access to their entitlement²² and supported the continued availability of alternative payment methods, such as EFTs, especially where bill credits would not provide practical benefits.²³ Consumer groups stated that existing arrangements for Ergon Energy customers with card-operated prepayment meters should continue.²⁴

Analysis

An amendment of clause 2.3.12 of the EDNC would enable retail bill credits that allow the continuity of automatic GSL payments. However, given that GSL payments will not be passed on directly from the distributor to the customer anymore, we consider it important that customers are appropriately protected and that information is transparently communicated and displayed. We are also mindful that the change should not disadvantage any customers, including those with card-operated meters and those who change premises or retailers.

Existing consumer protections

We intend to ensure that GSL payments continue to be made automatically and that the existing consumer protections embedded in the GSL framework are maintained. As retailer-facilitated GSL bill credits are applied without the need for customers to lodge a manual claim, we consider this change will help keep the GSL scheme accessible to customers with limited digital access or literacy once cheques are phased out. We also intend to preserve existing alternative payment methods under the EDNC, such as EFTs or any other agreed method (cl 2.3.12). These payment methods will provide options for customers whose circumstances make a bill credit unsuitable.

We consider that the existing complaint-handling and dispute-resolution framework in Queensland remains appropriate. Retailers and distributors already operate under a clear and robust complaints-handling framework – moving to retailer-facilitated GSL bill credits does not alter the existing escalation pathways available to customers. Customers also have the option of contacting EWOQ, which already has jurisdiction to consider disputes relating to billing.²⁵

Additional consumer protections

Stakeholders expressed support for 2 approaches to address the absence of explicit consumer protections and retailer obligations for passing on GSL payments:

- addition of a requirement to clause 2.3.12 of the EDNC for a distributor to notify a customer when a GSL payment has been issued to their retailer²⁶
- introduction of a Queensland-specific derogation to the NERLQ to establish explicit retailer obligations for the pass-through of GSL credits.²⁷

²² COTA, sub 1, pp 4, 6; Queensland Consumers' Association, sub 4, p 1.

²³ COTA, sub 1, pp 4, 6-7; EQ, sub 2, p 1; Queensland Consumers' Association, sub 4, p 1.

²⁴ COTA, sub 1, p 7; Queensland Consumers' Association, sub 4, p 1.

²⁵ EWOQ, [Complaints we can help with](#), EWOQ website, n.d., accessed 27 March 2026.

²⁶ The distributor would be required to inform customers about any change in GSL payment methods and confirm their entitlement to a payment. This approach would place the responsibility on customers to check whether the GSL credit has been applied to their retail bill. It would not create any enforceable requirement for retailers to pay GSLs, nor provide any recourse for customers if a GSL credit is not applied, applied incorrectly or applied late. This requirement could be added as part of the current proposed amendments to the EDNC (QCA, [Proposed amendments](#), consultation paper, p 6).

²⁷ Such a derogation could specify requirements for retailers relating to the acceptance of GSL payments, timeframes for applying GSL credits, treatment of closed accounts, and customer notification. This approach would offer a more comprehensive and enforceable framework for retailer compliance, but it is up to the Queensland Government to consider and implement such a derogation (QCA, [Proposed amendments](#), consultation paper, p 7).

We consider that a notification requirement for the distributor would support transparency for customers under a retailer-facilitated GSL payment method. In our view, any notification should, at a minimum, explain the GSL scheme, confirm that a payment has been issued to the customer's retailer, and outline the available pathways for raising issues or disputes.

Given retailer obligations are already in place that provide consumer protections relating to billing content and accuracy, and to the application of credits,²⁸ we consider it appropriate to first observe how the retailer-facilitated GSL payment method operates in practice – for example, whether EQ or EWOQ receive complaints stemming from the change in GSL payment method – before determining whether further legislative change is required.²⁹ Once the new GSL payment method is implemented, the Queensland Government may wish to consider whether the current legislative framework remains appropriate and whether any additional measures, including a potential derogation to the NERLQ, would help to enhance clarity and enforceability.

Card-operated meter customers

We do not consider the removal of references to cheques from the EDNC will affect the practical arrangements for Ergon Energy customers using card-operated prepayment meters. These customers currently receive GSL payments via the Orange PowerCard rather than by cheque.³⁰ We do not expect the proposed change to affect this arrangement. As customers with card-operated prepaid meters do not receive bills, retailer-facilitated bill credits are not a practical method for delivering GSL payments. To reflect existing practice, which appears to have been an effective and efficient way of providing GSL payments to these customers, we propose to include the term PowerCard in clause 2.3.13 and in the EDNC dictionary to formally recognise the prevailing payment method for customers with card-operated prepayment meters. We consider this amendment provides clarity that GSL payments may be applied directly to a customer's PowerCard.

Bill information and presentation obligations

Stakeholders raised the issue of how GSL credits should appear on customer bills. We consider the AER's Better Bills Guideline already provides appropriate requirements for the presentation of billing information. Retailers will be expected to ensure that the application and display of GSL credits comply with this guideline, including the requirement for bills to be clear, accurate and easy for customers to understand.³¹

Customers receiving their GSL credits

Stakeholders noted that it can be challenging to credit GSL payments under a retailer-facilitated payment method if customers switch retailers, move premises or close their account. In such cases, we expect retailers to use best endeavours to contact customers where a bill credit cannot be automatically applied anymore. Where a retailer is unable to credit a GSL payment, the Public Trustee of Queensland has processes in place that govern the treatment of unclaimed money.³²

With regard to customer accounts that are already in credit, we note that Queensland electricity legislation does not provide a specific right for customers to request the payout of GSL credits. However, retailers routinely refund credit balances on request, as evidenced by published refund

²⁸ NERR Part 2, Division 4, rules 25, 28, 30–31; AER, *Better Bills Guideline* (version 2), January 2023.

²⁹ The EDNC is not designed to regulate the relationship between retailers and customers. Its retailer provisions primarily govern operational obligations between distributors and retailers. Given this, we do not consider that the EDNC is an appropriate instrument for outlining retailer-to-customer processes. These matters are better addressed under other jurisdictional instruments such as the NERLQ.

³⁰ QCA, *Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025*, final decision, December 2023, pp 13–14.

³¹ AER, *Better Bills Guideline* (version 2), January 2023.

³² Queensland Public Trustee (QPT), *How to lodge unclaimed money*, QPT website, last updated 20 February 2026, accessed 30 March 2026.

policies that allow customers to request the payout of credit balances.³³ We are of the view that the existing framework provides some consumer protections. If the change in GSL payment method results in unintended or adverse customer outcomes, the Queensland Government may then consider whether a derogation to the NERLQ is warranted to address those issues.

2.3.2 Transition

Stakeholder submissions

Stakeholders noted that the transition to retailer-facilitated GSL payments should be well planned, clearly communicated and implemented as soon as practicable.

EQ noted several operational and technical matters that would need to be resolved, including customer matching, payment reconciliation processes, determining crediting frequency, handling credits for closed or transferred accounts and presentation of GSL credits on retail bills. It noted that arrangements in other jurisdictions could provide a useful reference point.³⁴

Origin Energy advised that it would require approximately 3 to 6 months to implement the new payment arrangements and test batch file exchanges with the distributors to ensure that GSL information and payments are correctly transmitted, displayed and processed.³⁵

Consumer groups were of the view that a comprehensive and adequately funded consumer awareness program was required to support the transition.³⁶

Consumer groups emphasised that the new arrangements should be introduced as soon as practicable, subject to market participants having completed the necessary system changes. COTA noted the declining viability of cheque payments and the barriers they present. With access to banking services becoming more challenging due to the closure of bank branches and post offices, particularly in rural and remote communities, customers may require lengthy travel to deposit or process cheques, which creates unnecessary barriers to receiving GSL payments.³⁷

Analysis

As cheques are gradually phased out, the viability of GSL payments via cheques will continue to decline. It is important to allow retailers and distributors sufficient time to transition from cheques to retailer-facilitated GSL credits. We consider customers can be supported through this transition by distributors providing targeted notifications that clearly communicate the change in GSL payment method and customers' rights and entitlements.

Timing of transition

We consider that GSL payments via cheques should be phased out by 30 June 2027 – that is, before cheque issuance officially ends on 30 June 2028.

The use of cheques is likely to become increasingly challenging for both customers and the distributors as we move closer to the official phase-out date of cheques. We therefore recommend a transition from cheque to retailer-facilitated GSL payments a year before cheques are no longer

³³ For example, Origin Energy, [Ask for a refund or transfer a credit](#), Origin Energy website, n.d., accessed 9 April 2026; AGL, [Request a credit refund](#), AGL website, n.d., accessed 9 April 2026.

³⁴ EQ, sub 2, pp 1-2.

³⁵ Origin Energy, sub 3, p 1.

³⁶ COTA, sub 1, pp 4, 8; Queensland Consumers' Association, sub 4, p 1.

³⁷ COTA, sub 1, pp 4, 6.

issued. We consider that the proposed cut-off date will provide sufficient time for retailers and distributors to implement and test the required systems for the new payment method.

The Australian Government's Cheques Transition Plan sets the date by which cheques must cease, but it does not require organisations to continue issuing cheques until then, nor are financial institutions required to provide cheque services until cheques are officially phased out.

Stakeholders expressed concerns that cheques are not the most efficient payment method for all customers, noting the declining viability of cashing cheque payments and the barriers they present for customers, particularly for older consumers and customers in regional and remote areas.³⁸ Similarly, EQ noted that smaller banks were already reducing their cheque services, and that more banks may do so before cheques will officially cease being issued (by 30 June 2028). This makes it increasingly difficult for customers to cash GSL payment cheques. In addition, EQ highlighted that distributors are facing the risk that the bank that draws cheques for them may exit the cheque system earlier already.³⁹

Given the potential challenges and risks for customers and the distributors, we consider it appropriate to phase out cheque GSL payments before the official phase-out of cheques. But we are mindful that the distributors and retailers need sufficient time to operationalise systems to process GSL credits. EQ was of the view that the distributors and all retailers should be given 6 months to put in place the necessary systems and processes,⁴⁰ while Origin Energy considered a 3 to 6 month lead time sufficient.⁴¹ Allowing for a buffer for potential technical challenges and/or for retailers that require more time to fully implement all the systems and processes required for retailer-facilitated GSL payments, we propose that cheque GSL payments will be phased out as of 1 July 2027.⁴² As of this date, we intend for retailer-facilitated GSL payments to become the default GSL payment method. We do not propose allowing an early opt-in, but we encourage distributors and retailers to implement any required changes and test their systems in an offline environment before going live on 1 July 2027.

Consumer awareness campaign

We consider that the proposed addition of a requirement to the EDNC that distributors notify customers when a GSL payment has been made to their retailer is sufficient to support consumer understanding of retailer-facilitated GSL payments. The GSL scheme is designed to provide payments automatically, whether that be via cheque as is current practice, or via retail bill credits in the future. Customers do not need prior knowledge of the payment methods to receive their entitlements. Under the proposed arrangements, distributors would be required to send a targeted notification to customers eligible for a GSL payment. In our view, this targeted notification is likely to provide more practical value to customers than a broader awareness campaign and will ensure that eligible customers understand the payment and complaint resolution pathways.

³⁸ COTA, sub 1, pp 4, 6.

³⁹ QCA, [Proposed amendments](#), consultation paper, p 4.

⁴⁰ EQ, [Proposal for a review of the Guaranteed Service Level Regime under the Electricity Distribution Network Code](#), 23 December 2025, p 4.

⁴¹ Origin Energy, sub 3, p 1.

⁴² We anticipate the revised EDNC would come into effect on 1 October 2026, which would provide retailers and distributors a total of 9 months to implement the new payment method.

2.3.3 Shift of obligations and regulatory burden

Stakeholder submissions

Retailers commented on operational and administrative implications of the proposed changes.

Shell Energy noted that while retailers already facilitate GSL bill credits in other jurisdictions, extending these arrangements to Queensland would not reduce complexity, as the processes involved vary by jurisdiction. It recommended that distributors be required to implement consistent network billing practices to support efficient processing. Shell Energy considered retail bill credits would create additional risk for retailers and contribute to a growing cumulative compliance burden and suggested an administration fee could be considered to offset the cost of resourcing required to facilitate credits.⁴³

Origin Energy recommended that distributors process GSL payments monthly to increase the likelihood of credits being passed on to the affected customers, and that retailers apply credits to customers' accounts within 10 days of receipt. It noted that annual GSL processing by distributors can leave retailers holding funds that cannot be allocated to an account as customers move or switch retailers.⁴⁴

Analysis

The change to retailer-facilitated bill credits involves one extra step and shifts some of the regulatory burden onto retailers. We do not consider this burden to be significant, given the relatively small number of customers who receive GSL payments annually and that retailers already have systems in place for applying various credits and rebates onto customer bills. We consider retailers should endeavour to process GSL payments as soon as practical, with a view to ensuring that all affected customers receive their GSL payments.

Regulatory burden

We acknowledge that the proposed change would introduce an additional compliance obligation for retailers. However, we note that retailers already maintain billing systems capable of applying a wide range of rebates and credits provided by federal and state governments. Under our proposed amendments, retailers will not be required to provide customers with extra communication for GSL credits, nor will they generally be required to make physical payments, given that GSL payments would be applied as a credit, similar to other rebates and credits.

Our analysis shows that over the past 5 years, EQ made at most 25,000 GSL payments annually⁴⁵ across a customer base of approximately 2.3 to 2.4 million small customers⁴⁶ – that is, about 1% of customers have received a GSL payment each year. The administrative effort required to apply GSL credits therefore appears modest relative to the number of standard billing transactions retailers process each year. On this basis, we do not consider that the burden associated with passing through GSL payments is material or creates an excessive compliance obligation for retailers. Accordingly, we also do not consider it is reasonable to require the distributors to pay a GSL administration fee to the retailer.

⁴³ Shell Energy sub 5, pp 2-3.

⁴⁴ Origin Energy, sub 3, p 1.

⁴⁵ QCA, [GSL scheme annual reports](#), QCA website, n.d., accessed 27 March 2026.

⁴⁶ AER, [Retail energy market performance update for October-December 2025. Quarter 2 2025-26](#), April 2026, schedule 2.

Consistent GSL processes

We agree that consistent distributor processes across jurisdictions for issuing network bills and GSL payment information would improve efficiency for retailers operating across multiple jurisdictions. However, it is not our role to prescribe the billing processes that Energex or Ergon Energy use or compel them to adopt a certain practice used by any other distributor. We consider any standardisation efforts across the numerous distributors in the National Electricity Market should be driven by the AER to achieve consistent processes. Nonetheless, we consider the transition to retailer-facilitated bill credits provides an opportunity for retailer-distributor collaboration to develop an effective and efficient process.

Payment processing timeframe

We are not proposing any changes to the existing distributor GSL identification and payment cycle. We note Origin Energy's preference for monthly crediting of GSL payments and acknowledge the reasoning for it, including its view that delays in crediting bills may result in some customers not receiving their payment. However, we are cognisant that Energex and Ergon Energy already have established processes in place for identifying eligible customers and issuing payments as soon as practical, including for GSLs that are determined annually.

We also note Origin Energy's recommendation for a 10-day timeframe for retailers to apply GSL credits to customers' accounts. We consider it reasonable for retailers to apply GSL credits as soon as possible, given that delays in crediting bills may result in some customers not receiving their payment. However, we note that in the absence of a Queensland-specific derogation to the NERLQ, we cannot enforce a mandatory GSL crediting timeframe. We encourage retailers to process GSL payments as soon as practical, with a view to ensuring that all affected customers receive their GSL payments. If this change in payment method results in unintended or adverse customer outcomes, the Queensland Government may then consider whether a derogation to the NERLQ is warranted to address those issues.

2.4 Draft decision

Our draft decision is to recommend amending clauses 2.3.12 and 2.3.13 of the EDNC. The amended clause 2.3.12 will enable retailer-facilitated GSL credits as the default payment method for GSLs from 1 July 2027 and introduce a notification requirement for distributors. The amended clause 2.3.13 will reflect the current practice of applying GSL payments to the PowerCard of small customers with card-operated meters. We propose to also add a definition for the term 'PowerCard' (see Box 1, where additions are shown in red).⁴⁷

As cheques are gradually phased out and cashing cheque-based GSL payments becomes increasingly challenging, our objective is to establish a practical alternative GSL payment method that maintains automatic payments and outlines clear obligations for distributors. We consider these draft amendments appropriately address the issues raised by stakeholders that fall within our remit.

⁴⁷ The proposed amendments are included in a draft version 6 of the EDNC on our [website](#).

Box 1: Draft amendments to the EDNC – GSL payment method

Additions and changes to cl 2.3.12 – How a GSL payment is paid

- (a) Until 30 June 2027, a ~~A~~ *distribution entity* must use its best endeavours to pay a *GSL payment* to a *small customer* entitled to it by cheque, electronic funds transfer or any other means agreed with the *small customer*.
- (b) From 1 July 2027, a *distribution entity* must use its best endeavours to pass on a *GSL payment* to a *small customer* entitled to it via the *small customer's* retailer, who will credit the *GSL payment* to the *small customer's* retail electricity account.
 - (i) A *distribution entity* must, as soon as practicable:
 - (A) pass on the *GSL payment* to the *small customer's* retailer; and,
 - (B) notify the *small customer* in writing that the *small customer* is entitled to a *GSL payment* that will be passed through to the *small customer's* retailer and applied to the retail electricity bill.
 - (ii) A *distribution entity* may pay a *GSL payment* to a *small customer* entitled to it by electronic funds transfer or any other means agreed with the *small customer*.

Additions and changes to cl 2.3.13 – Small customers with card-operated meters

- (e) A *distribution entity* must pay a *GSL payment* to a *small customer* entitled to it by a credit that is applied to the *small customer's* ~~PowerCard cheque~~, electronic funds transfer or any other means agreed with the *small customer*.

Addition to section 6.1.1 - Definitions

PowerCard means a prepayment card or similar device issued by a retailer that enables a *small customer* with a *card-operated meter* to add credit to their electricity account and receive adjustments or payments applied to that account.

3 GSL exclusions

3.1 Current exclusions for some GSLs

Customers may be eligible for GSL payments where a distributor does not meet specified service or reliability standards. This includes payments of:

- \$75 per day for failure to meet agreed connection or reconnection timeframes (connection and reconnection GSLs)⁴⁸
- \$150 if an interruption exceeds the allowable duration or the allowable number of interruptions in a financial year (interruption duration and frequency GSLs).⁴⁹

Distributors may exclude interruptions from the calculation of reliability GSLs (interruption duration and frequency GSLs) where the interruption is caused by events outside the distributor's reasonable control. Events formally recognised under the Disaster Recovery Funding Arrangement (DRFA) are one of the key exclusion categories.⁵⁰ The exclusions under the EDNC reflect the DRFA activation boundaries in the following ways:

- an interruption may be excluded from reliability GSL calculations if the customer is located within a local government area (LGA) that has been formally activated under the DRFA for that event
- the exclusion does not apply statewide, nor does it apply to customers outside the activated LGAs, even if they were impacted by the same event.

Similar DRFA exclusions do not currently apply to customer service GSLs, such as connection and reconnection GSLs.

3.2 Proposed extension of exclusions to additional GSLs

EQ noted that natural disasters are beyond a distributor's control and are not a reflection of poor customer service, nor an indicator of systemic issues that need to be addressed. Following such disasters, distributors tend to focus their efforts in the first instance on the safe restoration of supply to impacted customers and emergency recovery works. This impacts other work (such as new connections or reconnections) while crews are addressing the impact of the natural disaster.

EQ proposed amendments to the EDNC to extend the current DRFA exclusions from reliability GSLs to connection and reconnection GSLs.⁵¹ Under this proposal, when a DRFA is formally activated for specific LGAs, EQ would not pay GSLs for late connections or reconnections to customers located within those LGAs. Customers outside the DRFA-activated LGAs would remain eligible for connection and reconnection GSLs.

EQ argued that extending the DRFA exclusions to connection and reconnection GSLs would align their treatment with that of reliability GSLs and reduce an unnecessary financial burden on distributors and customers.⁵²

⁴⁸ Where the customer has taken all necessary steps to be connected or reconnected (EDNC, cls 2.3.4 and 2.3.5). The EDNC does not define the 'necessary steps' a customer is to take.

⁴⁹ EDNC, cl 2.3.9.

⁵⁰ EDNC, cl 2.3.9 (b)(v)-(vii).

⁵¹ EQ, *Proposal for a review of the Guaranteed Service Level Regime under the Electricity Distribution Network Code*, 23 December 2025, attachment B.

⁵² During the 2020-25 regulatory period, the 2 distributors combined made 2,281 connection and reconnection GSL payments during DRFA events, with a total value of \$590,529, which represents 5.4% of GSL payments made during this

3.3 Assessment

Based on stakeholders' support for extending the exclusions and the information available to us, we recommend extending the existing DRFA exclusions for reliability GSLs to connection and reconnection GSLs.

We maintain that any assessment of the extension of the DRFA exclusions to connection and reconnection GSLs should have regard to the purpose of the GSL scheme, the different functions served by reliability GSLs and customer service GSLs, and regulatory certainty.⁵³ It is also important to consider the practical implications both for customers and distributors, including whether distributors can reasonably be expected to provide connection or reconnection services during events that are formally recognised under the DRFA.

The key issues stakeholder raised relate to the practical limits on distributors during DRFA events, inequitable customer outcomes, the different roles played by reliability versus customer-service GSLs and the timing of a change. The following sections outline the key issues stakeholders raised and provide our assessment of how these matters could be addressed.

3.3.1 Disaster response constraints

Stakeholder submissions

EQ provided further information on the operational constraints faced by distributors during disaster events to support the view that the current arrangements require distributors to meet obligations that cannot reasonably be fulfilled during DRFA events. EQ stated that applying connection and reconnection GSLs during DRFA events is inappropriate because distributors are often physically unable to complete these services when the network is de-energised or it is unsafe to do so. EQ outlined the challenges associated with completing connections or reconnections when there is no supply available. It noted that without supply, it cannot undertake mandatory safety checks, commissioning and testing before a connection can be energised. EQ also considered that prioritising new connections or reconnections solely to avoid GSL payments would conflict with emergency management principles and community expectations.⁵⁴

COTA noted that it appeared inconsistent to apply connection and reconnection GSLs during DRFA events, particularly if there are widespread power outages due to a natural disaster.⁵⁵

Origin Energy said it recognised that disaster recovery events are beyond a distributor's control.⁵⁶

Analysis

We consider the proposed DRFA exclusions for connection and reconnection GSLs are appropriate, as they reflect the distributors' operational reality and help ensure the scheme does not penalise distributors for failing to meet GSL obligations that may be difficult or even impossible to meet.

We note that disaster response activities are mandated under disaster management and emergency protocols and are not discretionary.⁵⁷ During DRFA events, distributors are required to prioritise

period (EQ, [Proposal for a review of the Guaranteed Service Level Regime under the Electricity Distribution Network Code](#), 23 December 2025, p 7).

⁵³ QCA, [Proposed amendments](#), consultation paper, pp 9-10.

⁵⁴ EQ, sub 2, p 2.

⁵⁵ COTA, sub 1, p 8.

⁵⁶ Origin Energy, sub 3, p 1.

⁵⁷ EQ, [Natural Hazards Strategy: Inc. Summer Preparedness Overview for 2025/26](#), November 2025, p 12.

public safety, network stabilisation and restorative work ahead of scheduled services such as new connections or reconnections. Stakeholders' comments and EQ's information illustrate that there are physical and operational limitations that prevent distributors from completing connection or reconnection requests during DRFA events.

3.3.2 Purpose of the GSL scheme

Stakeholder submissions

COTA submitted that extending DRFA exclusions to connection and reconnection GSLs 'would be consistent with the purpose of the GSL scheme ... [and] with the broader intent of the GSL framework which is designed to address service failures within normal operational conditions rather than during large-scale emergency events'.⁵⁸

Origin Energy acknowledged that certain circumstances are beyond a distributor's control and therefore supported the proposed exclusion during declared disaster recovering events.⁵⁹

EQ stated that GSLs are intended to address distributors' service failures within their reasonable control and that declared disaster events resulting in widespread network damage are 'explicitly outside normal operational control'. It added that applying 'GSL penalties' in these circumstances 'undermines the intent of the framework'.⁶⁰

Analysis

We consider that extending the DRFA exclusions to connection and reconnection GSLs would better reflect the intent of the framework and ensure that GSL obligations apply only when meeting a GSL is reasonably within a distributor's control. We consider that the GSL scheme is not intended to provide compensation for loss or inconvenience arising from poor reliability or service performance. Instead, the scheme recognises that poor reliability or service performance can cause inconvenience for customers.⁶¹ We had previously also acknowledged that certain events (such as outages on major event days) are beyond the control of the distributors and that these events should not be described as poor service or poor reliability.⁶²

We consider the intent of the GSL framework is to address service failures occurring under normal operating conditions, not in circumstances where completing such services is not reasonable or even impossible. We consider this interpretation is consistent with the intent of the existing exclusions for reliability GSLs, which recognise that declared disaster events create conditions outside a distributor's reasonable control.

Stakeholders shared the view that the GSL scheme is not intended to apply in circumstances where compliance is not reasonably achievable due to disaster-related conditions.

⁵⁸ COTA, sub 1, p 8.

⁵⁹ Origin Energy, sub 3, p 1.

⁶⁰ EQ, sub 2, p 2.

⁶¹ 'A GSL payment acknowledges the inconvenience a small customer experiences when a distribution entity does not meet a guaranteed service level.' (EDNC, cl 2.3.10)

⁶² OCA, [Review of Guaranteed Service Levels to apply to Energex and Ergon Energy from July 2020](#), final decision, March 2019, p 18.

3.3.3 Difference between reliability GSLs and customer service GSLs

Stakeholder submissions

COTA submitted that 'it appears inconsistent that connection and reconnection GSLs would continue to apply during Disaster Recovery Funding Arrangements (DRFA) exclusions, particularly where widespread power outages are occurring as part of a broader natural disaster event'. It raised some benefits of extending the DRFA exclusions such as administrative clarity and consistency in the application of the GSL scheme. This in turn could simplify administrative processes for distributors and potentially reduce operational costs that may otherwise be passed through to consumers.⁶³

EQ highlighted that under the current arrangements, 'a new connection or reconnection customer may receive a GSL payment during a major weather event, while neighbouring customers with established supply – who are also without power for extended periods – do not receive a reliability GSL due to the exclusions applying during declared disaster events'. It pointed out that this creates 'an inequitable outcome where customers who previously had no supply receive GSL payments, while existing customers experiencing prolonged outages do not'.⁶⁴

Analysis

We consider extending the exclusions to connection and reconnection GSLs would better align the treatment of customers during disaster events. It would also recognise that late connections or reconnections during DRFA events do not necessarily reflect a distributor's underlying service performance but are caused by the same operational constraints imposed by the disaster response that are considered for reliability GSL exclusions.

Under the current framework, connection and reconnection GSLs and reliability GSLs are treated differently during DRFA events. This is in part a function of history – reliability GSLs were developed alongside the Minimum Service Standards, which excluded events outside a distributor's reasonable control, such as severe storms and natural disasters. By contrast, connection and reconnection GSLs were introduced as customer service obligations, rather than network performance measures.

The intent of the current exclusions for reliability GSLs is to recognise circumstances where those GSLs are not reasonably achievable. EQ illustrated that the existing arrangements can result in inequitable outcomes, with some customers receiving GSL payments while others experiencing similar or greater disruption do not, although the outage was caused by the same event.

Given that the different treatment of reliability GSLs and customer service GSLs can cause inequitable outcomes during DRFA events, we are of the view that there would be benefits from extending the DRFA exclusions to connection and reconnection GSLs. This would also recognise that delays in completing new connections or reconnections may not always reflect a distributor's underlying service performance, but rather the operational constraints imposed by the disaster response, especially during regularly occurring severe weather events.⁶⁵

⁶³ COTA, sub 1, p 8.

⁶⁴ EQ, sub 2, p 2.

⁶⁵ QCA, [Proposed amendments](#), consultation paper, pp 9-10.

3.3.4 Regulatory certainty

Stakeholder submissions

Consumer groups were of the view that any change to the exclusions should be deferred to the next regulatory period. COTA noted that GSL estimates had already been incorporated into both distributors' allowances for the current regulatory period. It considered an extension of the exclusions should be deferred to the start of the next regulatory period to 'minimise disruption and ensure that distributors' regulatory allowances remain aligned with the scheme design'.⁶⁶

The Queensland Consumers' Association similarly considered that further consideration of a change should be deferred to the consultations for the next GSL review period, 'unless both distributors are prepared to reduce charges to customers by the cost forecasts for such GSL payments included in their AER-approved revenues for the 2025-30 regulatory period'.⁶⁷

Stakeholders did not raise any concerns with our statement in the issues document that a mid-period amendment could create regulatory uncertainty as it would represent a change from our decision in 2023 to keep the connection and reconnection GSL measures unchanged for the 2025-30 regulatory period.⁶⁸

Analysis

We do not consider that an extension of the exclusions before the end of the current regulatory period would materially reduce regulatory certainty. Our analysis suggests that the monetary value of GSL payments for reconnection and connections during DRFA events is immaterial and does not justify any deferral. Moreover, we consider it important to address any inequitable or unintended outcomes for customers as soon as possible.

Based on GSL payment data provided by EQ, reconnection and connection GSLs during DRFA events amounted to about \$473,000 for Energex and \$118,000 for Ergon Energy over the 2020-25 period.⁶⁹ Assuming such GSL payments remain the same over the current period, these payments are negligible in relation to the distributors' allowable revenue.⁷⁰ We also note that a distributor may only seek an adjustment to allowable revenue if the adjustment constituted a minimum of 1% of their total allowable revenue.⁷¹

Stakeholders argued that the exclusions should only be extended if distributors were prepared to reduce charges to customers by the value of the forecast GSL payments. However, our analysis shows that the potential bill impact is extremely small. Based on the reconnection and connection GSL payment data EQ provided, spreading the amount paid over the 5-year period across roughly 2.4 million Queensland small customers⁷², the reduction would be less than 5 cents per customer per year. Given the negligible effect on customer bills, we do not consider this issue to be material.

⁶⁶ COTA, sub 1, p 9.

⁶⁷ Queensland Consumers' Association, sub 4, p 1.

⁶⁸ QCA, [Proposed amendments](#), consultation paper, p 10.

⁶⁹ EQ, [Proposal for a review of the Guaranteed Service Levels Regime under the Electricity Distribution Network Code](#), December 2025, p 7.

⁷⁰ For both distributors, GSL payments make up less than 1% of their allowable revenue – about 0.0053% for Energex and 0.0014% for Ergon Energy (QCA analysis). The AER's final revenue decisions allow Energex to recover revenue of \$8,995 million from consumers and Ergon Energy to recover revenue of \$8,580 million from consumers over the 2025-30 period (AER, [Final revenue decisions for Energex and Ergon Energy balance affordability and investment in a safe and reliable network](#), media release, 30 April 2025, accessed 8 April 2026).

⁷¹ National Electricity Rules, cl 6.6.1.

⁷² Combined number of residential and small business customers in Queensland as of 31 December 2025 (AER, [Retail energy market performance update for October–December 2025, Quarter 2 2025–26](#), April 2026, schedule 2).

While we strive to maintain regulatory certainty, we consider the proposed amendment would address some unintended and inequitable customer outcomes that stakeholders identified. We also note that the amendment would only affect a small part of the GSL scheme and apply during declared disaster events that are already taken into account for reliability GSLs.

3.3.5 Regulatory burden

Stakeholder submissions

Shell Energy expressed concern that removing the exemption for declared disaster events would increase the frequency of GSL payments and place additional resourcing pressure on retailers. It suggested that an administration fee could be paid to retailers to cover the cost of facilitating GSL credits, noting that a similar approach is used under the Utility Relief Grant Scheme in Victoria.⁷³

Analysis

We do not expect that extending the DRFA exclusions to connection and reconnection GSLs will increase the number of GSL payments. On the contrary, it should reduce their number by removing payments that would otherwise have been triggered during declared disaster events. Given this, and in light of the immaterial scale of the GSL payments, we do not consider that the proposed exclusions would increase the regulatory burden and that an administration fee would be appropriate.

3.4 Draft decision

Our draft decision is to recommend extending the DRFA exclusions to connection and reconnection GSLs from the proposed commencement of the amended EDNC on 1 October 2026. To give effect to this, our draft decision is to add sub-clauses to clauses 2.3.4 and 2.3.5, which are identical to the existing sub-clauses in clauses 2.3.9(vi) and (vii) for the reliability GSL exclusions (Box 2).⁷⁴

The different treatment of reliability GSLs and connection and reconnection GSLs during declared disaster events leads to inequitable customer outcomes and ignores the operational reality for distributors. We consider the draft amendments appropriately address these issues and the exclusions should not be delayed until the start of the next regulatory period.

⁷³ Shell Energy sub 5, pp 2-3.

⁷⁴ The proposed amendments are included in a draft version 6 of the EDNC on our [website](#).

Box 2: Draft amendments of the EDNC – GSL exclusions

Addition at the end of cl 2.3.4 – Connections

- (d) A *small customer* is not eligible for a *GSL payment* from the *distribution entity* if:
- (i) the Queensland Minister for Fire and Emergency Services has notified the Commonwealth of the occurrence of an eligible disaster under the *Disaster Recovery Funding Arrangements* in respect of that natural disaster for that region; and
 - (ii) the connection was to occur during the period for which the *Disaster Recovery Funding Arrangements* have been notified.

Addition at the end of cl 2.3.5 – Reconnections

- (e) A *small customer* is not eligible for a *GSL payment* from the *distribution entity* if:
- (i) the Queensland Minister for Fire and Emergency Services has notified the Commonwealth of the occurrence of an eligible disaster under the *Disaster Recovery Funding Arrangements* in respect of that natural disaster for that region; and
 - (ii) the reconnection was to occur during the period for which the *Disaster Recovery Funding Arrangements* have been notified.

Submissions

Closing date for submissions: 19 June 2026

Public involvement is an important element of our decision-making processes. Therefore, we invite submissions from interested parties. We will take account of all submissions received within the stated timeframes. Submissions, comments or inquiries regarding this paper should be directed to:

Queensland Competition Authority

GPO Box 2257, Brisbane QLD 4001

Tel 07 3222 0555

www.qca.org.au/submissions/

Confidentiality

In the interests of transparency, and to promote informed consultation, we intend to make all submissions publicly available. However, if a person making a submission believes that information in it is confidential, they should claim confidentiality over the relevant information (and state the basis for that claim). We will assess confidentiality claims in accordance with the *Queensland Competition Authority Act 1997*. Among other things, we will assess if disclosure of the relevant information is likely to damage a person's commercial activities, and we will consider the public interest.

Claims for confidentiality should be clearly noted on the front page of a submission, and relevant sections of the submission marked as confidential. The submission should also be provided in both redacted and unredacted versions. In the redacted version, all information claimed as confidential should be removed or hidden. In the unredacted version, all information should be exposed and visible. These measures will make it easier for us to make the remainder of the document publicly available. A confidentiality claim template is available at www.qca.org.au/submission-policy/

The template gives guidance on the type of information that may help us to assess a confidentiality claim. We encourage stakeholders to use this template when making confidentiality claims.

Public access to submissions

Subject to any confidentiality constraints, submissions will be available for public inspection at our Brisbane office or on our website at www.qca.org.au. If you experience any difficulty gaining access to documents, please contact us on 07 3222 0555.

Stakeholder submissions

We received 5 submissions on our issues document, which are available on our [website](#).

| Stakeholder | Submission number | Date received |
|---|-------------------|---------------|
| Council on the Ageing Queensland (COTA) | 1 | 19 March 2026 |
| Energy Queensland (EQ) | 2 | 20 March 2026 |
| Origin Energy | 3 | 20 March 2026 |
| Queensland Consumers' Association | 4 | 16 March 2026 |
| Shell Energy | 5 | 20 March 2026 |

References

AGL, [Request a credit refund](#), AGL website, n.d.

Australian Energy Regulator (AER), [Better Bills Guideline](#) (version 2), January 2023.

— [Final revenue decisions for Energex and Ergon Energy balance affordability and investment in a safe and reliable network](#), media release, 30 April 2025.

— [Retail energy market performance update for October–December 2025, Quarter 2 2025–26](#), April 2026, schedule 2.

Energy and Water Ombudsman of Queensland (EWOQ), [Complaints we can help with](#), EWOQ website, n.d.

Energy Queensland (EQ), [Natural Hazards Strategy: Inc. Summer Preparedness Overview for 2025/26](#), November 2025.

— [Proposal for a review of the Guaranteed Service Level Regime under the Electricity Distribution Network Code](#), 23 December 2025.

Origin Energy, [Ask for a refund or transfer a credit](#), Origin Energy website, n.d.

Queensland Competition Authority (QCA), [Review of Guaranteed Service Levels to apply to Energex and Ergon Energy from July 2020](#), final decision, March 2019.

— [Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025](#), final decision, December 2023.

— [Proposed amendments to the Guaranteed Service Levels scheme](#), Interim Consultation Notice and Issues Document, February 2026.

— [GSL scheme annual reports](#), QCA website, n.d.

Queensland Public Trustee (QPT), [How to lodge unclaimed money](#), QPT website, last updated 20 February 2026.

The Treasury, [Cheques Transition Plan: Winding down Australia's cheques system](#), Australian Government, November 2024.