

## CONSUMER ADVISORY COMMITTEE

**MEETING:** February 2015

**DATE:** 25/02/2015

**TIME:** 10:00am

<p><b>Present</b></p>	<p><u>Members</u></p> <p>Dr Malcolm Roberts (QCA, Presiding Officer)</p> <p>Ms Rose McGrath (Queensland Council of Social Service)</p> <p>Mr Ian Jarratt (Queensland Consumers Association)</p> <p>Ms Julia Mylne (Chamber of Commerce and Industry Queensland)</p> <p>Mr Warren Males (Queensland Cane Growers Association)</p> <p>Mr Mark Young (Council on the Ageing)</p>
<p><b>Observers</b></p>	<p>Mr Rodney Cameron (Department of Energy and Water Supply)</p> <p>Ms Ilona Cenefels (Energy and Water Ombudsman Queensland)</p> <p>Mr Adam Liddy (QCA)</p> <p>Ms Jennifer Top (Energy and Water Ombudsman Queensland)</p>
<p><b>Apologies</b></p>	<p>Ms Carly Allen (Queensland Council of Social Service)</p> <p>Mr George Nathan (Financial Counsellors' Association of Queensland)</p> <p>Ms Robyn Robinson (Council on the Ageing)</p>

- 1 **Previous minutes** The Committee resolved that the minutes of the meeting held on 26 November 2014 be accepted as a true record of proceedings.
  
- 2 **Status of outstanding issues** The QCA provided members with updates on outstanding issues from the previous meeting. Members discussed the QCA's review of Distributors' 2015–20 draft regulatory proposals. The representative from the Department of Energy and Water Supply (DEWS) informed Members that the advice could not be publicly released as the document was classified as cabinet-in-

confidence.

Members welcomed the release of the QCA's advice to the Government on the Uniform Tariff Policy (UTP).

- 3     **Retail price determination 2015-16**

Members discussed the 2015-16 retail price determination. Members discussed the application of the UTP in the QCA's draft determination. Members discussed the Minister's letter clarifying the UTP, and its implications for margin and headroom in 2015-16 notified prices.

Members discussed the timing of the Australian Energy Regulator's preliminary determination on distribution prices and its effect on the QCA's 2015-16 price determination process.
- 4     **Energy market reform update**

Members discussed energy market reforms including, the implementation of the NECF, price deregulation in south-east Queensland and the introduction of price monitoring. Members were informed that DEWS were drafting distribution network codes which would replace the Electricity and Gas Industry Codes currently in force. The QCA will provide an outline of its future roles in the energy market at the June meeting.
- 5     **Code enforcement issues**

Members discussed six breaches of the Electricity Industry Code.
- 6     **Other decisions since last meeting**

Members discussed customer disconnection statistics. Members highlighted that distributor policies regarding disconnections had changed over time, and these changes could affect the number of disconnections performed.

Members discussed the recent increases in complaints reported by Origin Energy.
- 7     **Price comparator statistics**

Members discussed updated usage statistics for the QCA price comparator.
- 8     **Forward work program**

Members noted the paper.
- 9     **DEWS Update**

DEWS informed Members that due to the change of Government, DEWS is in a holding pattern in terms of policy direction, projects are continuing and we are awaiting policy direction in the very near future. Members were informed that Tropical Cyclone Marcia has further delayed policy consideration. Tropical Cyclone Marcia resulted in extensive damage to Ergon network:

  - 63,700 customers without power last Sunday
  - Ergon has restored power to around 43% of customers as of this morning
  - Ergon is optimistic power will be restored to all customers by early next week

Complaint Stats for 2014 calendar year, total of 1486 complaints investigated, a 30% increase on 2013 numbers:

  - Solar issues 29%
  - Billing 21%
  - Price increases 21%
  - On-selling 10%

10 **EWOQ update**

EWOQ updated members on its activities. Members were informed that EWOQ has issued final order notices to Sanctuary Energy. To date 11 final order notices have been issued and are available on the EWOQ website. Sanctuary Energy has complied with all final order notices.

EWOQ has recently become aware of a retailer commencing a trial of monthly billing. Customers have received a letter from the retailer indicating the customer’s billing cycle would be changed from quarterly to monthly billing. The letter states that if the customer would like to remain on a quarterly billing cycle, the customer is to contact the retailer to ‘opt out’ of the monthly billing cycle. If a customer has entered into a market contract with the retailer then the terms and conditions of the contract may indicate the retailer can change the frequency of the billing cycle. However, for customers on standard retail contracts – the retailer is required to obtain informed explicit consent to change the customer’s billing cycle.

Another issue has been identified where a retailer’s system does not have the capacity to provide quarterly billing to customers who would like to revert from a market contract to a standard retail contract.

EWOQ received 7,567 cases between July 2014 & February 2015, with approximately 5% of cases relating to water complaints for small customers Billing continues to be the number one category of complaints with 2,814 cases. The other major categories are:

- credit (1,382 cases)
- customer service (671 cases)
- transfer issues (264 cases)

<b>Next meeting</b>	<b>MEETING:</b> 5 June 2015	<b>TIME:</b> 10:00am
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