

 <p style="text-align: center; color: red;">30 June 2014</p> <p style="text-align: center;"><b>QUEENSLAND CONSUMERS ASSOCIATION</b></p>	<p><b>A non-profit, volunteer organisation, advocating to advance the interests of consumers in Queensland</b></p> <p><i>Secretary:</i> Max Howard PO Box 261 Corinda Q 4075 Telephone: 0419 678 395</p>
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Submission No. 010 11.1.21

30 June 2014

**SUBMISSION ON NATIONAL ENERGY RETAIL LAW  
(QUEENSLAND) BILL 2014 & ELECTRICITY COMPETITION AND  
PROTECTION AMENDMENT BILL**

Submission No. 013 11.1.20

**BACKGROUND**

The Queensland Consumers' Association (the Association) is a non-profit organisation which exists to advance the interests of Queensland consumers. The Association's members work in a voluntary capacity and specialise in particular policy areas, including energy.

The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups.

The Association has been closely involved in many aspects of energy policy in Queensland for many years and is represented on the Queensland Competition Authority's Consumer Consultative Committee and the Energy and Water Queensland Ombudsman's Advisory Council.

The Association is also a member of the Queensland Council of Social Service's Energy Consumer Advocacy Project's Energy Reference Group and Origin Energy's National Customer Consultative Council.

The Association has also participated very actively for many years in the work of energy policy consultation groups set up by Ministers, including the current Minister's Consumer and Industry Reference Group.

The Association has participated in consultations under taken by the current and the previous Government on NECF and the needs of Queensland consumers. The Association also understands that the Department has provided the Committee with a copy of the Association's views on issues discussed at a workshop prior to the preparation of the Bills.

Due to lack of resources this submission is very brief.

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**COMMENTS**

**1. The Association supports the submission made by the Queensland Council of Social Service.**

In particular, we wish to support the proposal to not commence price deregulation and start price monitoring in SEQ until all of the Government's preconditions have been met. In this regard, we note that the AEMC report on the effectiveness of competition in Queensland will not be released until September 2014.

And, if it is then decided to go ahead with price deregulation and price monitoring, we consider this should be delayed until 1 July 2016 to allow time for consumers to become more aware of the consumer protections, sources of information, etc that will result from the Bills being implemented on 1 July 2015.

This is also required because price monitoring is likely to result in much greater diversity in the terms and conditions of market contracts offered by retailers. For example, percent discounts are already very difficult for consumers to compare because they can relate to: consumption, the total bill, the bill after any Government rebates, and all consumption or only peak consumption (ie not to off-peak consumption).

However, price deregulation will result in a further complexity for consumers because retailers will be able, and are highly likely, have different standing offer prices. At present almost all market contracts offer percentages off the uniform regulated tariffs, this change will result in a great increase in the diversity of the value to consumers of percentage discounts offers. Consumers need plenty of time to be made aware of this additional major complication and to learn how to deal with it.

**2. The Association also considers that the EC&P Amendment Bill should include compensation provisions for consumers who have been wrongfully disconnected as a result of retailer error or failure to comply with legislative requirements.**

This is needed to provide a significant incentive for retailers to not wrongfully disconnect customers and to adequately compensate any consumers so disconnected. Such a scheme has operated successfully in Victoria for many years. In Queensland, compensation for wrongful disconnection is only available via the distributor and overwhelmingly the very modest level of compensation is paid for disconnections where the distributor was responsible for the error or failure to comply with legislative requirements. This means that almost no compensation is paid to consumers, or by retailers, for retailer-caused wrongful disconnections even though it is likely that retailers are responsible for far more wrongful disconnections than distributors.