



Speech by

**MIKE KAISER**

**MEMBER FOR WOODRIDGE**

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Hansard 4 October 2000

### **ELECTRICITY AMENDMENT BILL**

**Mr KAISER** (Woodridge—ALP) (12.54 p.m.): I rise to support the Electricity Amendment Bill 2000. I, too, like the previous speaker, want to focus on the consumer aspects of the Bill because—

**Mr Wilson:** But not as long as he did.

**Mr KAISER:** But not as long as he did. The reason I want to do that is that it is very important that consumer issues and consideration for consumers be given to matters such as this when markets become competitive.

These days we can see what consumers have thought of Telstra since the telecommunications market became competitive. The same can be said of the now competitive banking sector. The oil industry is treating its consumers worse than the banks, in my view. It is obvious that consumers are being left behind in every competitive market. As the electricity market becomes a more competitive market, it will be vital to ensure that consumers are not left behind and that consumer issues are taken into account by Government, which remains the regulator of those competitive markets.

The previous speaker completely ignored the fact that the ombudsman system proposed by the previous Government has not in fact been abolished. It has not been replaced. That ombudsman model has been enacted but it has not been implemented yet. The Minister is not proposing to abolish that ombudsman's role but rather to defer its commencement in order to give this alternative model, the Consumer Protection Office, an opportunity to be established, to operate for a period of 12 months and to be evaluated. That is the motivation here.

We believe, for very sound reasons that I will go into in a moment, that the Consumer Protection Office is in fact a superior model to the ombudsman model, but rather than abolish the ombudsman and rather than cast a final judgment on this matter, the Government will defer the commencement of the ombudsman's model for a period of 12 months, during which time this alternative model, which we believe is superior, will be evaluated. If it is found to be superior, it will continue. If it is not, then presumably we will review the situation at that time. That is what the Government is proposing to do.

As I mentioned, the Consumer Protection Office of the department is the consumer protection model that the department, the Minister and the Government has developed. The Government believes that the Consumer Protection Office will provide an effective and accessible process to assist consumers who have a dispute or complaint with an electricity entity with a minimum of bureaucracy and less expense than the ombudsman model. It will provide a totally independent dispute resolution process, a process which will empower independent energy arbitrators located within communities throughout Queensland to make decisions and determinations on the spot to resolve issues.

In a State such as Queensland that is absolutely essential. To have regionally based arbitrators who can take account of local circumstances is absolutely vital. It is all very well for the shadow spokesperson to get up and to describe the ombudsman model that exists in Victoria—which, as the Premier is fond of saying, fits on the back of a postage stamp—as better than the Consumer Protection Office. The circumstances down there do not reflect the circumstances in a State such as Queensland. Providing some regional representation to these consumer issues or some regional presence is absolutely vital in a State such as Queensland.

All of the functions of the Consumer Protection Office and the independent energy arbitrators will mirror those of the formerly proposed ombudsman scheme in Queensland and the ombudsman authorities in other States. In dealing with electricity consumers' complaints, the Consumer Protection Office will adopt a three-stage process. The first stage will be investigation, the second stage will be mediation and then only, if necessary, as the third stage, arbitration. As the shadow spokesperson said, the experience in other States is that most consumer complaints can be resolved at the investigation or mediation stage. Rarely is it the case that matters need to be arbitrated, but where they do need to be arbitrated it is important that they be arbitrated in an independent and fair way. I believe that it is important that they be arbitrated in a regionally specific way or in a way that allows for regional differences to be appreciated.

Initially, the investigation phase of the complaint will be referred to the responsible electricity entity for resolution. It is the case that the major retailers and distributors of electricity within Queensland are continually developing their own internal complaint resolution procedures and it is expected that in many cases these procedures will adequately address many of the concerns that consumers have with regard to their service levels and other complaints. However, the existence of the Consumer Protection Office and the services that this office provides will ensure that a watchdog body exists to protect and advocate on behalf of consumers in their dealings with these electricity entities.

To address complaints and issues which have not been effectively resolved by the internal complaint resolution processes of the electricity entity, staff of the Consumer Protection Office will mediate in the dispute by getting the parties together, clarifying the issues in dispute and seeking to reach a decision whereby the dispute is resolved to the satisfaction of the consumer. It is envisaged that the vast majority of disputes and complaints between consumers and the electricity entities will be resolved through the initial investigation and mediation stages—a point conceded by the shadow spokesperson. However, through the legislation currently before the House, appropriately qualified independent arbitrators will be appointed with the powers to decide any dispute that cannot be resolved through mediation. The new arrangements will make an important contribution to a greater accountability of electricity suppliers to their customers.

An important feature of the Consumer Protection Office's function will be the decentralised nature of the arbitration process with independent arbitrators located in regional areas. This will result in quicker decisions being made, a regional perspective being taken of the issues that arise and decision-making by professional arbitrators who know what they are doing.

To deliver this high quality service to the people of Queensland, the Consumer Protection Office will be established under a number of important broad principles. A couple of those principles that are vital are that it will involve minimal legal processes and, of course absolutely importantly, no cost to consumers.

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