



Speech by


**Michael Crandon**

**MEMBER FOR COOMERA**

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## **ELECTRICITY (EARLY TERMINATION) AMENDMENT BILL**

 **Mr CRANDON** (Coomera—LNP) (11.33 am): I rise to speak to the Electricity (Early Termination) Amendment Bill 2012 in my capacity as the chair of the Finance and Administration Committee, which took responsibility for reviewing the bill prior to its debate in this place. As we are all aware, certain things have happened in recent times, not the least of which is the letter from Origin. I received one of these relating to a property that I own. I have been assured by Origin that I can expect another letter in relation to another property that I own—in fact, my own home—in the not-too-distant future.

The interesting thing about the Origin letter is that my contract is a standard agreement; it is not a market contract in any way, shape or form. Origin confirmed this with me during an extensive discussion that I had with them just a few days ago—shortly after receiving the document. Origin have assured me—and the discussion was, in fact, recorded—that mine is a non-market contract. In other words, it is a standard agreement with them. They have also assured me that the letter is, indeed, correct and that from the 10th of this month I will be paying above the prescribed rate for electricity on that property.

I spent some time as a consumer on the phone without indicating that I was a member of parliament. I was not trying to push any particular barrow; I was simply ringing them to talk to them about my Origin electricity account and to talk to them about the reason there was such a significant increase in the tariff 11 rate. That increase is in the order of 13.82 per cent on the actual consumption and 125.45 per cent on the service fee per metering point. I explained to the person to whom I was talking that there has been some mistake. I asked her to once again confirm that, indeed, I was on a standard agreement with Origin. She once again confirmed that, yes, indeed I was on a standard agreement. I asked her to make inquiries of her supervisor to advise her and to confirm that my electricity charges will in fact increase as well. She went away, she came back and she assured me. I spoke to her about the notes that I had in my possession in relation to the market contracts and the standard contracts. She again reassured me. Once again she pointed out that the discussion was being recorded and that she would be more than happy to replay it at a future date. She assured me that, yes, indeed I would be paying the increased rate.

However, this is in contravention of the act. In fact, based on the information that this person has given me, if they charge me an increased rate then the maximum penalty per occurrence, according to the act, is 500 penalty points, or \$50,000. That is the maximum. I am not suggesting for one minute that they would necessarily incur that penalty for charging me at that new rate, but that is the maximum—\$50,000. By the way, I will be doing everything in my power as a consumer to ensure that if they do charge me above the rate they are whacked with a \$50,000 fine. That would teach them a lesson and sort them right out.

Whilst I was talking to them I was very disturbed also to be told that there was something wrong with my other account. That came about as a result of me asking why I had not received an account since I put solar power on the roof of my house back in November or December of last year—and this was as at a few days ago. They went away, had a look, came back and said, 'As a matter of fact, there is something wrong with your account.' 'What is wrong with it?' 'The bill was generated and you owe us a bit over \$2,000 for the last six-odd months, but for some reason or other the sending of the bill to you was cancelled.' 'Okay. What caused that?' 'No idea.' How do you know that I owe you over \$2,000? Can you have a look at the

account and tell me?' 'No, I can't see the account, but I can assure you that you owe us a little bit more than \$2,000 and that we haven't sent you a bill since December last year. Be assured that, within the next seven days, you will receive your electricity account.'

I rang my wife earlier and said, 'Darling, has the account arrived from Origin?' No, we have not received the account—this is a week ago. They assure me that I am also going to receive one of those letters for that account which is also a standard agreement with Origin. It does not in any way, shape or form have anything to do with market agreements, market rates or discounts. I am paying the full-noise price on both of my electricity accounts, one of which I cannot even get a bill for at the moment but they assure me I owe them plenty of money. I am a bit worried whether or not the panel on the roof is working when I owe a little over \$2,000. Anyway, that is another story.

I just want to bring to the attention of the House that, if this turns out to be wrong, if the information that is recorded in Origin's system—and as per the discussion I had with Origin in which I was reminded on two separate occasions—is inaccurate, doesn't that tell you a lot about where Origin is coming from? It does not have a clue. Its supervisors are incapable of telling us the right thing or it is incapable of delineating between the market contracts and the standard contract that I am on—that it assures me I am on. I will be pushing that one. I will be interested to see whether I get charged the higher rate. If I do get charged the higher rate, I look forward to pushing the cause and making sure they get hit with the biggest possible fine they can be hit with.

I also look forward to getting my electricity bill. I do not know whether I will pay it in a hurry. I am not entitled to any discount so perhaps I will let it roll on for a while and have a discussion with them about it. They have taken six months to get it to me, so is it okay if I take six months to get the money to them? My electricity account was for 193 days and it was \$2,373.25. That is what they tell me I owe them.

**Mr Dickson** interjected.

**Mr CRANDON:** I do not know. I have solar on the roof. There is something horribly wrong because the bill used to be about \$1,100 a quarter. So I put solar on the roof—it is a big system—and it has gone from \$1,100 a quarter to \$2,300 for two quarters. There is something wrong.

**Mr Ruthenberg:** Maybe the carbon tax kicked in.

**Mr CRANDON:** It might have been the carbon tax kicking in. I take that interjection. Anyway they have assured me that the technical team is working on getting my bill to me and it will be to me within five to seven working days, which is well past.

I return to the original reason for rising to talk about this bill. As the committee chair of the Finance and Administration Committee charged with the responsibility for reviewing this particular bill, I know there was some pressure and some urgency for this bill's introduction. I agree with the urgency with which this bill has been introduced into this place. I do make the point that it does put our support staff under a great deal of pressure in pulling together all of the threads that have to be pulled together to do a proper job on this. But I do accept that in this particular case, given the effect it is having on people right around South-East Queensland, and in particular the Coomera electorate, we needed to bring this on in an urgent fashion.

I thank all of my committee for going out of their way to ensure they were available for meetings, to ensure they could properly give their views in the discussion on this particular bill because it is an important one. For that reason, we were able to pull it together and it was printed and delivered at 9.30 this morning to me. I thank the executive staff as well for their efforts in pulling the whole thing together.

I need to spend some time on report No. 16 from the Finance and Administration Committee. Our role is to properly review the legislation. We did receive quite a number of responses from people in the electricity industry. That is not surprising. They are trying to protect their patch and cover their backsides. To a man or woman, they were all opposed to this bill being passed in the House. That does not surprise me because I would imagine that when the banking industry was told that the government would outlaw withdrawal fees from mortgages, I dare say they were all opposed to that idea, as the telecommunications industry and any other industry would be opposed. They are trying to protect their turf. They are trying to make sure the contracts they put in place are properly protected or they are properly protected. But the problem with this is that—and they brought this on themselves—the industry does not care about the consumer. The industry stitches the consumer up in this way: it puts withdrawal fees on their accounts and then hits them with a humungous increase in their electricity tariff. This government is clear: tariff 11 will be frozen for this year until 1 July 2013. We have made it clear to the industry, we have made it clear to South-East Queensland residents, we have made it clear to the residents of Queensland: there will be no increase in their charges. These companies have decided that they are going to ignore that and charge these additional fees anyway. There is going to be a 125 per cent increase in the fee for reading the meter. How can they possibly justify that? It is ludicrous to consider that is anything like a market driven increase.

The reasons for the bill are quite clear, and I do not need to go through them. We have already discussed the need for urgency. The longer we leave this—if we were to leave this for another few

weeks—the more retrospectivity would come into it, the more difficult it would be for the industry, the more difficult it would be for people to know where they are going with this legislation and their rights. It is absolutely important that we bring this bill forward in the urgent way in which we have brought it into this House.

Probably the best way to finalise my comments to the House is to read from the ‘Committee Comments’ on page 10 of the report at 2.8, which state—

The committee considered the issue of barriers to consumers changing providers. The committee considered that having to write to a previous provider can be an impediment to some customers. The committee was advised that customers have some options in respect of the proposed changes. They do not necessarily have to switch to a new retailer. They can stay with the same provider and revert to a standard contract.

That is the first point. We need to make it clear to consumers that, if they do not want to stay on these market contracts—based on what I have been told by Origin—it will not make any difference whether or not you move back to a standard contract or a standard agreement. Assuming that the standard agreement would force tariff 11 to remain at that proposed by the government, then they could move from those market contracts and back to a standard agreement without any cost. For those consumers who do not want to go through the hassle of moving providers, of diving into that pool of trying to work out who is who in the zoo, who is the best one to go with, they could simply move back to the standard rate and the standard tariff, tariff 11. However, for those people who do want to move—and to be quite frank, I am seriously considering moving my accounts, although I have not made the final decision, and I will talk to Origin to see what sort of a deal they can do for me—

**Mr Johnson** interjected.

**Mr CRANDON:** I take that interjection. On the way home, I have got to buy a kero lamp.

**Mr Johnson** interjected.

**Mr CRANDON:** A carbide one? I have been offered a couple of carbide lamps that will keep us going if they turn the power off. I am in two minds as to whether I should move or stay. I am a bit upset about the whole affair, and I am a bit upset about the inaccuracy of the information that I have been given—if indeed it is inaccurate, and I hope it is. For those who do want to move, there is a penalty for moving and this bill intends to right that wrong. Provided people are giving appropriate advice to the provider under the formula that is outlined in the bill, they will be able to move their account without any penalty whatsoever.

I encourage all of those who are able to shop around to look for the best contract that will suit their particular circumstances and ensure they are getting the best deal. I also urge them to not just accept the word of the salesperson but to take some advice. Some of our elderly constituents might struggle with some of the jargon so I would strongly recommend that they talk to their family, to their children, to help make that decision to ensure they are making an appropriate one for their particular circumstance.

I will finish by quoting the last paragraph on page 10 of the committee’s report—

The committee has some concerns regarding termination methods. The committee considers that the Minister should explore ways for customers wishing to terminate contracts to be able to do so in a convenient and timely manner, whilst preserving consumer protections. For example standard form letters or termination by telephone using industry best practice identification protocols.

This is the sort of thing that has been used in the past in the banking industry. You can go to the new bank and they will help you with all of the paperwork to transfer your accounts from one bank to the other, so you are not required to necessarily go to the old bank and go through the process of closing everything down yourself. I suggest that the minister might give some consideration to that in perhaps the subordinate legislation as it would provide an easier way for constituents to do it. Quite frankly, there are some in the community who are afraid of going through this type of adversarial process where they say to their old provider, ‘I don’t want to be with you anymore.’ With that in mind and with nine seconds left on the clock, I commit my support to this and I look forward to changing my provider some time in the near future.