

## QUESTION ON NOTICE

No. 1051

asked on Thursday, 2 September 2004

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MR ROWELL ASKED THE MINISTER FOR ENERGY (MR MICKEL)—

QUESTION:

With reference to compensation available for people affected by the loss of electricity -

- (1) What type/s and value of compensation is currently available to people affected by the loss of electricity?
- (2) What value of compensation, by type, has been provided to people affected by the loss of electricity, for each of 2001-02, 2002-03 and 2003-04 (reported separately)?
- (3) What type/s and value of compensation is he proposing to provide to people affected by the recent and future power blackouts and how will this improve on existing type/s and value of compensation available to people affected by the loss of electricity?

ANSWER:

ENERGEX and Ergon Energy are code participants under the National Electricity Code and are subject to *National Electricity Law and State Acts* in relation to compensation and liability issues. Section 78 of the *Electricity – National Scheme (Queensland) Act 1997* and section 97 of the *Electricity Act 1994* outline the liability provisions for electricity entities in instances of failure of supply of electricity.

These Acts impose a liability on all electricity entities only where damage or loss is caused by something that has been done, or omitted to be done, either in bad faith or negligently by the electricity entity.

Electricity entities are not liable for damage and loss caused by events outside their reasonable control.

ENERGEX and Ergon Energy apply the liability provisions compassionately in that any benefit of the doubt is given to the customer. The entities do not make payments when the event that caused the power failure is clearly outside their control.

Customers are required to lodge a claim form with ENERGEX or Ergon Energy to request compensation. If the customer is dissatisfied with the response of the relevant entity, the customer can pursue the matter with the assistance of the Energy Consumer Protection Office (ECPO). This is a free service.

ECPO utilises a four stage process of dispute resolution, consisting of an enquiry/referral stage, investigation stage (incorporating negotiation and informal mediation), a formal mediation stage and a formal arbitration stage.

There are 14 independent energy arbitrators located around the State. Energy arbitrators have the power to make binding orders against the electricity entities to pay customers up to an amount of \$20,000. If the customer is not satisfied with an arbitrator's order they have 21 days to notify the arbitrator and the order is not binding on the customer who can then explore other forms of redress.

The Government will also introduce system wide minimum service standards with which ENERGEX and Ergon Energy must comply under their licence.