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Energy Industry Policy – Strategic Futures
Department of Natural Resources, Mines and Energy
PO Box 15456
City East Qld 4002

By email: energyreview@dnrme.qld.gov.au

Review of Queensland Energy Legislation – Issues Paper

Simply Energy welcomes the opportunity to provide a submission on the State Government’s review of Queensland Energy Legislation. As a growing second-tier retailer operating in the South-East Queensland market, Simply Energy supports the review and its focus on improving the operational efficiency of the State’s primary legislation.

To facilitate the long-term efficiency of the retail energy sector for the benefit of consumers, it is necessary to understand how legislation and competitive markets align. In this regard, Simply Energy suggests market efficiency can be achieved by ensuring:

- a simplified and coordinated approach to energy regulation; and
- cost-efficient access to dispute resolution services.

Simply Energy is therefore pleased to see that these areas will be a key focus for the Queensland Government in undertaking its legislative review. With this in mind, Simply Energy believes that the review will provide the Queensland Government with a valuable opportunity to streamline its legislative processes to reduce inefficient red-tape and consolidate state-based requirements for gas and electricity.

Simplifying legislative structures

Simply Energy supports the Queensland Government’s review of state-based energy legislation to ensure it remains relevant to the needs of an evolving market. In undertaking the review, Simply Energy would encourage the Queensland Government to conduct a holistic assessment of state-based legislation and its relationship with the applied national law.

Where possible, any legislative amendments should look to streamline consumer protection processes and ensure greater consistency with other National Energy Market jurisdictions. Through doing so, energy retailers will be placed in a stronger position to develop more efficient and uniform processes to meet consumer needs.

It is also important to point out that the emergence of new technologies and market models for the supply of energy may lead to concerns about the lack of regulatory safeguards to protect consumer interests. That said, Simply Energy would encourage Queensland policymakers to take a considered approach, as over-regulation could stifle innovation and have detrimental consequences for energy consumers in the long-term. There may also be benefit in the Queensland Government working cooperatively with other State governments in developing measures to regulate emerging technologies to ensure business-models can be more easily implemented across jurisdictions.
With this in mind, consideration should also be given to how consumer education and cost-reflective pricing could be used as a means of achieving energy efficiency and demand management requirements, as opposed to direct obligations being imposed on market participants. This would, in turn, promote market-driven responses. From Simply Energy’s perspective, legislative intervention should be viewed as a single component in a much larger suite of regulatory options designed to promote the efficient functioning and development of the Queensland energy sector.

**Access to dispute resolution services**

In terms of dispute resolution, it is a requirement under the National Energy Retail Law for authorised retailers to be a member of the ombudsman scheme in each jurisdiction in which they sell energy to small customers. Energy ombudsmen, in turn, play an important role in facilitating and protecting consumer interests where a mutually satisfactory outcome cannot be reached between a market participant and a customer.

That said, there are issues with the expansion in the scope of the Ombudsman’s jurisdiction to exempt sellers, as several operational matters need to be addressed. These matters include how exempt-seller investigations should be funded and whether an enforceable fee structure is appropriate.

It needs to be kept in mind that some exempt sellers do not have the same financial capacity as large retailers and often sell energy as an incidental activity to their core business. Furthermore, some embedded network operators such as large shopping centres and aged-care facilities may have substantially more financial resources than caravan parks and rooming houses.

These factors make it increasingly difficult to impose a broad categorisation approach to funding the costs of investigations and customer complaints. In view of this, the structure of the energy ombudsman scheme in Queensland needs to be assessed from an operational and legislative perspective to ensure greater cost efficiencies can be achieved, particularly for exempt sellers and smaller retailers. High participation and user fees could ultimately act as a barrier to entry for small operators.

**Concluding remarks**

Simply Energy would welcome the opportunity to discuss proposed legislative changes as they are developed, and looks forward to participating in the next stage of the review process.

If you have any questions about Simply Energy’s submission please feel free to contact Anthony O’Connell, Senior Regulatory and Compliance Officer, on [phone number] or at [email].

Yours sincerely

James Barton
General Manager, Regulation
Simply Energy