SUBMISSION ON REVIEW OF QUEENSLAND ENERGY LEGISLATION
– ISSUES PAPER MAY 2018

BACKGROUND
The Queensland Consumers’ Association (the Association) is a non-profit organisation established over 40 years ago and which exists to advance the interests of Queensland consumers. The Association’s members work in a voluntary capacity and specialise in particular policy areas.

The Association is a member of the Consumers’ Federation of Australia, the peak body for Australian consumer groups, and works closely with many other consumer and community groups.

The Association has been especially active for many years on energy issues in Queensland and nationally and had been represented for 11 years on the:
• Energy and Water Queensland Ombudsman’s Advisory Council, and
• Queensland Competition Authority’s Consumer Consultative Committee.

The Association is also a member of the Queensland Council of Social Service’s Essential Services Consultative Group.

The Association has participated in, and made numerous submissions to inquiries etc. on energy issues conducted at national level, in Queensland, and in other states.

Therefore, the Association welcomes the opportunity to make this submission. The contact person is Ian Jarratt, email

GENERAL COMMENTS
Given the magnitude and rapidity of changes in the energy sector, technology, consumer and community need and expectations, and national energy regulation this review is very appropriate and timely.

Therefore, we are very supportive of the Queensland Government’s decision to undertake the review and consult widely on it.

SPECIFIC COMMENTS
We have confined our comments to the section on Dispute Resolution and specifically to external dispute resolution.

As indicated earlier, we have been represented on the Energy and Water Ombudsman Queensland (EWOQ) Advisory Council continuously since it was established in 2007.
Therefore, we have considerable experience of how the scheme and the Council has operated over this period time which has been one of considerable change.

The main externally driven changes included:
- Major increases and decreases in the annual number of cases handled.
- Expansion of jurisdiction to include small customers of water utilities in southeast Queensland.
- Expansion of jurisdiction to include small businesses customers with high electricity consumption.

The main internal changes included:
- Offering some complainants a choice of having their complaint referred back for further consideration by the scheme member or it being investigated by EWOQ.

During this period we have also had several opportunities to to learn about and compare the energy and water ombudsman schemes in NSW, Victoria and South Australia, which are run by companies limited by guarantee, with EWOQ which is a statutory scheme.

Our responses to the questions in the paper are:

**Question 10.1: How well do existing dispute resolution provisions align with community and industry expectations?**
We consider that EWOQ has provided consumers with an excellent level of service since 2007. However, we believe that it is no longer fully meeting community expectations with regard to the matters that it can consider (its jurisdiction) and its ability to respond quickly and flexibly enough to major changes in the nature and structure of the energy industry (which accounts for almost all the complaints), technological change, increased complexity, and changing consumer needs and expectations.

We believe that the current legislation and structure greatly retard EWOQ’s ability to quickly change its jurisdiction, rapidly adjust its resources, costs and charges to reflect changes in demand, build up reserves, etc. They also often result in long delays in the appointment of EWOQ staff and members of the Advisory Committee.

Changes to jurisdiction needed to align with community expectations include expansion to include:
- Gas heated bulk hot water consumers
- the holders of retail exemptions
- disputes relating to capital contributions for connections
- land holder disputes with entities other than distribution businesses

We also consider that changes are needed to EWOQ’s role and responsibilities for systemic issues. EWOQ should, in addition to identifying system issues, be able to investigate them and request rectification. This would greatly facilitate and encourage improved industry performance, especially with systemic issues that are not breaches of regulations.

**Question 10.2: What opportunities exist to improve the effectiveness and efficiency of state-based dispute resolution provisions?**
We believe that major changes are required and possible to improve the effectiveness and efficiency of state based external dispute resolution provisions.
We consider that the main options for achieving this include the scheme:
1. Remaining a statutory one but with laws and procedures substantially changed to greatly reduce, or ideal remove, the current problems.
2. Moving to a company limited by guarantee structure with the company providing the services (the NSW, SA and Victoria model).
3. Moving to a company limited by guarantee and the company contract out the service provision eg to the Queensland Ombudsman (the WA model).

Each option has advantages and disadvantages.

With Option1 there is the advantage that there would not be major changes in staff employment status. However, there is considerable doubt about the extent to which changes are possible to regulations and procedures that will substantially reduce or remove many of the current problems.

Based on the experience of other schemes with this structure and governance arrangements, Option 2 is likely to greatly reduce or eliminate many of the existing problems, including delays in making appointments (Legal reasons would ensure that board members were appointed quickly). However, it would involve major changes in the employment status of existing staff.

Option 3 could combine the benefits of options 1 and 2 since if existing staff moved to the Queensland Ombudsman there may not be a significant change in employment status.