



Retail Electricity Pricing Inquiry public forum - Brisbane

This document is not a verbatim record of the forum but a summary of the issues raised by forum attendees.
The views and opinions expressed are those of the attendees and do not reflect the ACCC's views or position on the issues summarised here.

Tuesday 25 July 2017, 5:00pm – 7:00pm
Hotel Urban
345 Wickham Terrace, Spring Hill, QLD

Attendees

Australian Competition and Consumer Commission

Rod Sims, Chairman

Roger Featherston, Commissioner

ACCC staff: Baethan Mullen, Rebecca Holland, Veronica Westacott, Geoff Dellar

Interested parties

Approximately 60 including individuals, businesses and representative groups

Introduction

Chairman Rod Sims welcomed attendees and outlined the purpose of the forum. Attendees were informed that the matters discussed at the forum would be recorded and a summary placed on the ACCC's website, but that this summary would not identify or attribute comments to individuals.

Baethan Mullen, General Manager, Retail Electricity Pricing Inquiry, gave an update on the Inquiry and an overview of submissions received in response to the ACCC's Issues Paper. A summary of submissions is available on the [ACCC website](#).

Fiona Hawthorne, Queensland Council of Social Service (QCOSS), gave an overview of issues that QCOSS considers the ACCC should consider as part of its inquiry. Fiona Hawthorne also provided an update on recent work undertaken by QCOSS and community organisations to assist consumers to choose an electricity retailer and understand their bills. QCOSS is finalising its report on this program, *Switched on Communities*, and it will be

released shortly. Other work undertaken by QCOSS, including a report on issues faced by renters in reducing energy costs and usage, is available on the [QCOSS website](#).

Chairman Rod Sims invited the attendees to contribute comments in response to the topics of interest to the Inquiry.

Summary of issues

Attendees discussed the following issues at the forum.

Impact of price increases on electricity customers

- High prices significantly impact on consumers and high energy prices could impact on people's health in extreme weather.
- High prices are also impacting on businesses and electricity costs can be up to 40 per cent of a business's total costs. Businesses are facing significant price increases, even when usage has decreased. This will lead to a reduction in jobs and/or reduced competitiveness with imports.
- Some consumers, particularly renters and those on low incomes, are not able to take many steps to reduce electricity usage.

Transparency around offers and bills

- Customers are not all the same, and different customers will have different needs when they engage with the retail electricity industry. Some customers are not actively looking for the best electricity offers or the best ways to use electricity but many are.
- It will be very important for the inquiry to shine a light on what is actually happening with retail electricity pricing so consumers are able to make informed choices.
- It needs to be easier for consumers to understand what they are consuming (and then be able to compare offers)
- Pay on time and direct debit discounts are more akin to late payment penalties. Retailers should be required to justify these costs.
- At times electricity retailers do not provide bills, then expect consumers to make payment for multiple bill periods.
- Concerns were raised with brokers not providing sufficient information around the service they provide, what a customer is signing up to and how long the contract will continue for. Similar concerns were raised over metering agreements that often continue for over five years and include daily charges of around \$10.
- Lack of transparency over what is required when a customer is moved from a retail tariff to a large market contract.

Vulnerable consumers

- All vulnerable consumers are not alike, but are often treated as such. Other industries have found ways to engage with vulnerable customers but the electricity industry hasn't yet figured this out.
- There is insufficient information available around hardship policies and retailers often do not provide appropriate assistance to customers that contact them to discuss issues with bill payment. More money should be spent on consumer information.

- Older consumers are often unable to access and/or use computers and this limits their ability to achieve the best price for electricity services and at times, customer service. There are many other vulnerable consumers that don't have access to a computer/internet or are not digitally literate.
- Many older consumers are on standing offers and have never shopped around for an electricity offer. Standing offers have increased at a much higher rate than market offers.
- The system assumes that all consumers are able to navigate the market, which is not the case.
- Concessions and rebates have not increased at the same rate that electricity prices have and the ACCC Inquiry should look at concessions policy, in particular the inconsistencies between state policies.

Contributors to increases in retail prices

- Particular concerns were raised around the high price of wholesale energy and the role that the Queensland government has played in these prices.
- Specific concerns were raised with increases to fixed charges. These increases disproportionately impact on customers with low usage or those with a low income that are trying to reduce electricity usage.
- Concerns were raised around the costs of maintaining the network being spread across fewer users as more consumers move 'off the grid'.
- Some attendees raised concerns with regulatory regime relates to the network component of the retail electricity bills.

Lack of clarity around which agency is able to assist

- Businesses throughout the electricity supply chain often don't take responsibility for issues and it is often unclear which government agency is able to assist. At times, users are passed from agency to agency without receiving any assistance.
- Large users do not have access to an ombudsman or advocate as the ombudsman can only assist small customers.

Other issues

- Quality of electricity is also an issue. 'Brown outs' and spikes create significant issues for businesses and can harm equipment. Electricity businesses do not take responsibility for this.
- Increased regulation in areas such as embedded networks can lead to higher prices.
- The level of rebates and discounts paid to solar customers are decreasing.
- Local energy trading and local generation credits should be rolled out more broadly. Retailers such as Energy Locals and Enova and the Citizens Own Renewable Energy Network Australia Inc (CORENA) have taken positive steps in this space.

Chairman Sims closed the forum by inviting attendees to make a written submission or to contact the ACCC separately if they had further comments to contribute. He invited attendees to remain for discussions with ACCC staff and refreshments.