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Dear Mr Taylor-Bean

Regulatory Impact Statement (RIS) - On-supply customer access to energy rebates and the Energy and Water Ombudsman Queensland

National Seniors welcomes the opportunity to provide comment on the Regulatory Impact Statement (RIS) concerning on-supply customer access to energy rebates and the Energy and Water Ombudsman Queensland.

National Seniors holds concerns about the ability of on-supply customers to access government rebates. This matter has featured in recent budget submissions made by National Seniors to the State Government.

National Seniors is a not for profit organization that gives voice to issues that affect Australians aged 50 years and over. It is the largest membership organisation of its type in Australia.

Electricity and gas are essential services. A continuous supply of electricity and gas and appropriate rebates to vulnerable consumers should not be compromised for consumers who survive on low-fixed incomes, such as pensioners.

Pensioners are extremely price sensitive. They tend to limit their energy consumption as a means of reducing their living costs and have little discretionary income with which to absorb increased costs. Unfortunately, some unscrupulous on-suppliers have denied pensioners access to rebates. This issue is compounded if pensioners cannot access the available dispute resolution mechanisms due to limited income.

National Seniors submits the following responses to the specific questions posed in Regulatory Impact Statement.

Should on-suppliers be subject to a mandatory obligation to administer energy rebates on behalf of their eligible residential on-supply customers?

To be fair and equitable to all consumers, and to appropriately implement the intent of the Government's energy rebates policy, the rebate must be available to every customer regardless of circumstance. To be equitable to on-supply customers, rebates should be directly passed on to eligible customers through a deduction on the bill as it applies to other householders.

If on-suppliers should be subject to such an obligation, should this requirement be state based or should it be part of the national framework (e.g. through an amendment to condition 12(2) of the AER Guidelines?

This obligation should apply nationally.

What range of costs are on-suppliers bearing as a result of administering energy rebates on behalf of their customers (please provide evidence or cost break down where possible)?

National Seniors believes that administering energy rebates on behalf of customers is just a cost of doing business as an on-supplier. Many on-suppliers are already administering energy rebates. Providing access to the concession is in the interests of the on-supplier because it reduces costs to the customer making payment defaults less likely.

Should government provide financial support to on-suppliers for administration of the government's energy rebates, given that the majority of Queensland on-suppliers are already administering the rebates without such financial support?

No, the government should not provide financial support to on-suppliers to administer energy rebates.

If so, what quantum would be considered adequate to cover administration costs for on-suppliers?

It is National Seniors' view that no payment is warranted.

Is it preferable for eligible residential on-supply customers to receive their rebate entitlements as a discount off their energy bills, or as a direct payment to their bank accounts?

National Seniors believes that it is preferable for on-supply customers to receive their rebate as a discount off their energy bill. As the on-supplier has direct business contact with each on-supply customer, it would be preferable for the on-supplier to deduct the appropriate amount from a customer's bill.

If access to energy rebates is ensured for residential on-supply customers (e.g. through implementation of an options 1 or 2 under Part A of this RIS), would access to EWOQ for these customers still be considered necessary?

All customers should have equal access to dispute resolution by EWOQ. This is more important for on-supply customers as their circumstances place them generally at the lower end of the income spectrum and the costs of alternative dispute resolution mechanisms is well beyond their means, making them a target for unscrupulous on-suppliers.

What are the potential benefits to small on-supply customers associated with access to EWOQ?

It is free and easy to access and it offers a specialised and independent service. It could also act as a single source of complaint/dispute data to assist EWOQ in administering its responsibilities.

Are there other specific issues encountered by small on-supply customers, in addition to access to the Queensland energy rebates, which are more appropriate for EWOQ to assist with (as an energy specific dispute resolution agency) than the current dispute resolution alternatives available to small on-supply customers?

No further comment on this aspect.

Please indicate the quantum of likely business costs on-suppliers would incur as a result of responding to EWOQ investigations.

National Seniors believes that the costs to on-suppliers resulting from EWOQ investigations will be much lower than those which may be incurred through other dispute resolution processes (eg QCAT). Therefore, we maintain that this option is preferable. The threat of potential costs to on-suppliers will ultimately encourage on-suppliers to act lawfully and with integrity so as to avoid potential disputes.

Other Comments

A means to ensure the rebate is included on any part period bills received by customers who have moved away is warranted. There is the potential for some on-supply customers who move mid-term with these three monthly bills to miss out on the rebate.

Please contact policy@nationalseniors.com.au if you have any questions regarding this submission.

Yours sincerely

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Chair Queensland Policy Advisory Group