



30 January 2020

Regulatory Impact Statement – Embedded Networks
Consumer Strategy and Innovation
Department of Natural Resources, Mines and Energy
PO Box 15456
City East Qld 4002

Email: [REDACTED]

RE: Regulatory Impact Statement – Embedded Networks

Origin appreciates the opportunity to provide feedback to the Department of Natural Resources, Mines and Energy's regulatory impact statement which assesses the options for the inclusion of exempt sellers and embedded network customers in the Queensland Ombudsman scheme.

With the expected continuation in growth of embedded networks, Origin supports the principle that consumers should have a right to access timely and affordable dispute resolution irrespective of who supplies their energy. We believe that ombudsman schemes have a significant role in building consumer trust and confidence in the retail energy market and support the extension of the Queensland Energy Ombudsman scheme to operators of embedded electricity networks and associated on-sellers.

Origin's views in response to specific questions raised in the regulatory impact statement are set out below.

Queensland dispute resolution mechanisms

1. What type of energy disputes are likely to arise between 'exempt sellers' and their customers?

Based on our experience of owning and operating embedded networks, we believe the most common types of complaints from customers who reside in embedded networks are related to billing; namely high bills, estimated bills, solar billing.

We have also received complaints regarding concession eligibility

2. What dispute resolution mechanisms do embedded network customers currently use in order to have their energy disputes settled? Are customers aware of and successfully using existing mechanisms? Are there any issues with the current mechanisms?

Because Origin operates within embedded networks as a licenced retailer, all Origin customers are eligible to access our internal compliant resolution procedures, as well as the Queensland Energy and Water Ombudsman (EWOQ) services.

Options for extending access to the Energy Ombudsman for embedded network customers

3. Are there any other stakeholder groups that the department should consider, and consult with, when assessing potential options for embedded network customers?

We believe ongoing consultation ought to include service providers, networks, retailers and consumer advocates and consumers. We would encourage the continuation of this collaborative approach when conducting the current review.

Estimating the number of complaints and cost to the Energy Ombudsman

4. Is the predicted number of complaints reasonable based on the information available?

Origin notes that the Department has collated information regarding the number of complaints related to energy from services such as the Queensland Residential Tenancies Authority, that customers who are supplied through an embedded network or exempt seller can access. The Department has also made an informed estimate of the number of customers supplied through these arrangements. Based on Origin's complaints data, we consider that the low to mid-range complaint figures estimate is a reasonable basis from which to estimate cost to the Energy Ombudsman of the scheme expansion.

Establishing a suitable fee framework for 'exempt sellers'

5. Do you agree with the proposal for all residential 'exempt sellers' to be automatically deemed to be Energy Ombudsman scheme participants?

Origin strongly believes that entities need to have a regulatory obligation to become members of EWOQ in order to ensure participation, enforcement of decisions and ensure embedded network customers receive the benefits of such a scheme. Without a mechanism to require membership, response 'opt in' levels will be low (or zero) as has been experienced in both New South Wales and South Australia. We support the proposal for all residential 'exempt sellers' to be automatically deemed Energy Ombudsman scheme participants as this will meet the policy objective and provide customers with the desired access to dispute resolution services.

6. Do you agree with the proposal not to require 'exempt sellers' to pay an annual participation (membership) fee? If not, please explain why.

Origin does not object to exempt sellers being exempt from the annual participation membership fee where the size of the exempt sellers' customer base is small. The size of the customer base is relevant to the reasoning behind the levy waiver. Small energy retailers may not have a customer base much larger than the aggregate customer base of an embedded network provider, and it is important to consider how the fee would apply in a growing multi-occupancy residential housing market. We consider that the Department should consider whether after a certain customer threshold the membership fee would apply.

Options for establishing a user-pays fee scheme

7. Do you agree that the proposed fees for 'exempt sellers' under Option 3 are fair and reasonable, and proportionate to the seriousness of the issue or complaint that an 'exempt seller's' customer may have? If not, please explain why.

We consider that the fee structure with a maximum price per complaint based on a sliding scale that relates to the number of customers that the embedded network 'exempt seller' has (i.e. Option 3) is reasonable. We believe this takes into account the capacity of the provider to pay the fees while achieving the policy objective of providing access to dispute resolution services for energy customers.

8. Are there any other user-pays fee options the department should consider?

Consistent with our observation in response to question 6, we feel it is important to consider or review the appropriateness of this fee structure where an embedded network provider or other form of exempt seller reaches a similar scale to an energy retailer.

Timing of commencement of a user-pays fee scheme

9. Do you see any issues with delaying the implementation of the user-pays fee scheme for at least 12 months in order to gather data to increase awareness and understanding of the Energy Ombudsman services before fees are payable?

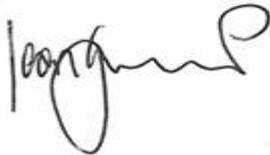
Given the small number of complaints expected in a twelve-month period, we consider that the proposed approach will allow for increased awareness of the Ombudsman Scheme services for both consumers and providers, which should result in positive engagement outcomes with the scheme going forward.

Closing

Origin supports the principle that customers should have access to dispute resolution services. We consider that the proposed approach to extending the accessibility of the Queensland Ombudsman Scheme is fair and reasonable. We encourage the Department to consider the future management of their approach to ensure that the scheme remains equitable for participants in future while still providing a high-quality service for all participants and their customers.

If you have any questions regarding this submission, please contact [REDACTED] in the first instance on [REDACTED] and or [REDACTED]

Yours sincerely



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