

31st August, 2007

By email: [Kerrie.Hodgson@dme.qld.gov.au](mailto:Kerrie.Hodgson@dme.qld.gov.au)

Darryl Somerville  
Chair  
Energy Competition Committee  
PO Box 15216  
CITY EAST  
QLD 4022

Dear Mr Somerville,

### **Re Draft Proposal for Guidelines for the Use of the Debt and Contract Objection Codes**

Thank you for the opportunity to comment on the above consultation paper. We have a significant concerns with this Draft Proposal. Our primary concern is that a small customer should not be denied a transfer on the basis of an Aged Debt. Rather, the regulatory framework relating to energy debts should have precedence.

This position is consistent with the national position put by consumer advocates recently to the MCE. As you may know, the National Consumers Roundtable on Energy — a coalition of consumer organisation working on energy issues — has responded in detail to each of the recommendations in the Retail Policy Working Group composite consultation paper. The section of the document referring to ‘Objections’ and our response is outlined below.

### **National Framework for Distribution and Retail Regulation**

#### **Objections**

- permitting a transfer objection to be lodged within a prescribed time (eg 5 business days from the date of the transfer request) in accordance with the MSATS procedures;
- requiring the incoming retailer and the objecting party to use best endeavours to resolve the objection, within a prescribed time, or the transfer request is deemed to have been withdrawn;

**National Energy Consumer Advocates response to the above position**

(National Consumers Roundtable on Energy 18/07/2007 Page 41)

We support the position that objections on the grounds of customer debt should not be permitted. If a debt exists with a retailer that a consumer has been transferred from, the regulatory framework relating to energy debts (*ie*, requirements to offer instalment plans) should continue to apply.

Ultimately we support the South Australian model which does not have a debt objection code for small customers but rather, relies on the appropriate credit management processes of the retailer. It is unfortunate that the debt objection code for large customers has been applied to small customers in Queensland.

Finally, if there is a proposed number of outstanding days it should be extended to at least three months and not the arbitrary 40 days as proposed. This would make it consistent with Victoria.

Thank you for this opportunity. Please contact Dr Tenzin Bathgate on 07 3735 4212 or [t.bathgate@griffith.edu.au](mailto:t.bathgate@griffith.edu.au) if you have any questions about this submission.

Yours sincerely

Dr Tenzin Bathgate