



QUEENSLAND FARMERS' FEDERATION

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Submission

26 March 2018

COAG Energy Council Secretariat
Department of the Environment and Energy
GPO Box 787
CANBERRA ACT 2601

Via email: data@treasury.gov.au and energycouncil@environment.gov.au

Dear Sir/Madam

Re: Invitation for comments on the *Review of Open Banking* by the Treasury and the *Facilitating Access to Consumer Energy Data Consultation Paper* by the COAG Energy Council

The Queensland Farmers' Federation (QFF) is the united voice of intensive agriculture in Queensland. It is a federation that represents the interests of peak state and national agriculture industry organisations, which in turn collectively represent more than 13,000 primary producers across the state. QFF engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Chicken Growers Association (QCGA)
- Queensland Dairyfarmers' Organisation (QDO)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Bundaberg Regional Irrigators Group (BRIG)
- Flower Association
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Pork Queensland Inc.
- Queensland Chicken Meat Council (QCMC)
- Queensland United Egg Producers (QUEP).

QFF welcomes the opportunity to provide comment on *Facilitating Access to Consumer Energy Data Consultation Paper* by the COAG Energy Council and the related publication, the *Review of Open Banking* by the Treasury. QFF provides this submission without prejudice to any additional submission provided by our members or individual farmers.

The united voice of intensive agriculture



Background

In 2016, electricity consumers, or their authorised representative, were given a right to access metering data from distributors or retailers. This was intended to empower consumers to make decisions about electricity use, investments in solar PV and other energy savings technologies, and choices of competitive retailer with a clear understanding of historic consumption patterns. At that time, it was believed that consumers would most likely receive the benefits from accessing their data through third parties, who would offer advice tailored to the specific circumstances of the consumer, given their consumption profile.

Much of the focus since 2016 has been on ensuring that customers have access to consumption data, principally via portals provided by retailers. In contrast, there has been little attention to the processes and systems needed to facilitate access by authorised third parties wishing to provide value added services to consumers.

QFF understands that there is a related consultation with the Treasury's Open Banking Report, which is working on developing a national consumer data right across many sectors. Processes to facilitate access to consumer data in the energy sector will therefore need to take account of and align with the principles of this broader initiative. The Treasury is seeking views on the proposed regulatory framework contained in the Open Banking Report from members of the energy sector, particularly given that there has been a right to data since 2016 in this sector.

QFF welcome the COAG Energy Council's assessment that there are several impediments to accessing consumers' data by third parties, namely:

- different assessments by distributors and retailers as to what is required to manage privacy risks and obligations, particularly due to concerns about reputational risks;
- absent clear funding arrangements, strong incentives to minimise the cost of providing data, which leads to differences in data formats, changes in data formats over time, and different delivery mechanisms; and
- incentives to minimise data provided due to concerns, particularly by retailers, that the information may be used to increase a competitor's market share. While this does not apply in regional Queensland due to our monopoly energy retailer, Ergon, the Energex network area is open to retail competition.

As such QFF supports the amendment of the National Electricity Rules (NERs) to require the Australian Energy Market Operator (AEMO) to develop a consumer electricity data access scheme (the data access scheme) as the best approach to facilitate on-demand access to consumers' data by third parties.

As an advocacy body, QFF particularly welcomes the need to develop uniform procedures for the verification of authorisation of a customer representative to access a consumer's metering data. QFF regularly obtains customer/member consent to access their meter data, but the subsequent inconsistent and complex systems at retailer level make this process unduly difficult.

Most recently, QFF has had to obtain member electricity usage/meter data to verify groundwater usage for water planning and compliance matters for drought and insurance industry recovery programs (<https://www.qff.org.au/projects/natural-disasters/>), through to completion of energy audits and case studies as part of the Queensland Government funded Energy Savers Plus program (see <https://www.qff.org.au/projects/energy-savers/>).

QFF has found the ongoing ability to access consumer/member data for advocacy and project management increasingly difficult, as have our members (the consumers themselves), even in regional Queensland where we have a monopoly retailer so the concerns around retail competition do not apply.

Queensland - The Need to Access Data

Irrigation electricity tariffs in Queensland have risen a minimum of 136 per cent over the past decade, and for some more than 200 per cent, while CPI has increased by just 24 per cent over the same period. Post 2020, these specific 'non-cost reflective' (transitional) irrigation and small business tariffs will be withdrawn in Queensland. Farming businesses already struggling to cope with unsustainable electricity price increases will be unable to continue operation when this occurs.

At the end of 2016, there were about 42,000 regional businesses currently on eight different tariffs classified as transitional or obsolete. About 17,400 of these connections are for farming and irrigation purposes¹².

The impacts of rising electricity prices are clearly eroding Queensland's irrigation sector, with a growing number of primary producers switching to dryland farming practices as the price of electricity has already become unsustainable for many businesses. Electricity costs are resulting in a steady decline in the number of irrigation businesses as well as reduced productivity across the sector.

In response to price increases, farming businesses, including irrigators, have been installing energy efficiency measures and renewable energy and, in many cases, simply reducing demand. Much of these gains however, have been diminished by the increasing electricity costs; whilst simply reducing demand has also come at a cost either through reduced productivity or farmers simply choosing not to plant a crop.

It is essential that businesses can measure and manage their electricity use, particularly for time-of-use and seasonal-time-of-use tariffs. QFF has been calling for appropriate metering and billing for agricultural users, so that they can make business decisions and provide business cases for future tariff selection, and to increase their productivity.

Despite 'Power of Choice' commencing 1 December 2017, many electricity meters are old and therefore unable to provide data on the time of use or demand patterns. The roll-out of 'smart-meters' is further hindered by black-spots in Queensland's network coverage and a number of meter types which are unable to be converted, such as CT [current transformer] Meters which are common place across many agricultural businesses.

The access to electricity data for agricultural users has never been more critical, with many of them required to make critical tariff decisions in 2020 – currently without data. QFF notes that the data is more useful to the consumer when it is combined by a service provider into useful services (e.g. price comparison tools or a predictor of the pay-back from DER investment); however, these services need to be strengthened in Queensland's retailers.

There is also a real need for consumers to have the right of access to data and to authorise third parties to access the data in 'real time', particularly where it influences the use of equipment or process/management decisions.

QFF has been working with Queensland's regional retailer, Ergon, to undertake a small 'Agricultural Tariff Trial' of approximately 180 agricultural metering points. These sites have received new smart meters and customers with access to Ergon's 'EnergyCheck' have been invited to start viewing their data (excluding the CT meter sites). Ergon has completed the development of a monthly consumption

¹ Queensland Productivity Commission. (2016). Electricity Pricing Inquiry 2016. Chapter 10: Rural and Regional Industries – Transitional and Obsolete Tariffs.

² Queensland Government (2016), Queensland Government response to the Queensland Productivity Commission Electricity Pricing Inquiry, November 2016.

statement, which takes the raw data and puts it into a report. However, this has been going to all customers monthly via email only and there is still no easy method for customers to see their own real-time data.

Discussion

The proposed approach by the COAG Energy Council does nothing to address the overall general privacy concerns that relate to the provision of data to third parties. This includes the consideration of the details of the consent regime necessary to ensure that data is only used for the purpose that a consumer is authorising.

In addition, we note that current protections for consumers are inadequate due to limitations in the Australian Privacy Principles. The recommendations of the Open Banking Review do, however, recognise these issues and the need for amendments to the *Privacy Act 1998*, and as a minimum we would like to see modifications to privacy protections (as described on pages 55 and 56 of the Open Banking Review Report). This addresses some issues around how individuals are notified of how their data is collected and used, and how they provide consent.

Further, considerations around ethical uses of data are also required, but as these relate to the specifics of consent processes, they may be better addressed through the ACCC standards and rules processes. The process proposed by Treasury for the development of the right of rules specified by the ACCC with the approval of the Office of the Australian Information Commissioner (OAIC) will provide the opportunity to address these specific issues. The timetable for the economy-wide right works well with the implementation of the priority services in energy.

Accordingly, QFF suggests that:

- The COAG Energy Council Project endorse the development of an economy-wide Consumer Data Right (CDR) including the amendments to the Privacy Act and the roles for the ACCC and the OAIC in establishing rules and standards.
- The COAG Energy Council support the economy-wide CDR, the prioritisation of energy and the need for the priority services to be available from mid-2019.
- The Treasury implementation of CDR immediately expand the working groups on standards and processes to include energy.
- The 2018-19 Budget provide additional resources to the ACCC and the OAIC to implement the CDR for banking and energy by mid-2019.

If you have any queries regarding this submission please contact Dr Georgina Davis at georgina@qff.org.au

Yours sincerely

Travis Tobin
Chief Executive Officer