

Manager
MCE Secretariat
Department of Industry, Tourism and Resources
GPO Box 9839
Canberra ACT 2601

Your reference:
19 December 2006

Dear Madam/Sir

Re: 2006 Legislative Package – Consumer Advocacy Arrangements

We are writing with regard to the *explanation of consumer advocacy changes* provided by the Ministerial Council on Energy Standing Committee of Officials (MCE SCO) along with the release of the draft legislative package.

ACOSS is the peak council of the community welfare sector in Australia and the national voice for the needs of people affected by poverty and inequality. Our interest in the new advocacy arrangements is primarily the result of our interest in matters affecting disadvantaged Australians. ACOSS acknowledges an interest in these processes as the beneficiary of a current Panel grant

ACOSS is pleased to have had an opportunity to review the explanation and is broadly supportive of this component of the package. We look forward to a more synergistic and comprehensive approach as the Panel formalises administrative arrangements and takes on responsibility for advocacy in the gas market.

We wish to convey one significant concern. The *explanation* indicates that regulation will prescribe the consumption levels that define a small to medium consumer. We are startled to learn that these levels are proposed as 4 GWh per annum for electricity and 100TJ per annum for gas. As we understand the prevailing situation, the indicators of 'small' customer in most jurisdictions are 160MWh and 1TJ respectively. We understand also that it would be unusual for any domestic small customer to consume, for example, in excess of 10MWh of electricity per annum. At the upper end of the current range, 160MWh, the definition captures quite large 'small' business customers, including farms.

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Our concern is that, with limited resources and a wide brief, the Panel ought to be directed towards providing support to those customers and consumers most in need. It is not always the case that small and medium consumers will have interests different from or at odds with large consumers. However, the commercial and other arrangements in place for customers with annual bills (for either of electricity or gas) in excess of, say \$250,000 are entirely different from those in place for our constituents. We suggest that the capacity for those customers to advocate in their interests, without Panel support, is adequate.

We hope that this submission contributes to the formulation of good policy and improved outcomes for energy consumers. We wish the SCO the best in its endeavours and look forward to working with it over further stages of reform.

Yours sincerely
Australian Council of Social Service

A handwritten signature in black ink that reads "A Johnson". The signature is written in a cursive style with a large, looping initial "A" and a long, sweeping tail that extends downwards.

Andrew Johnson
Executive Director