

Consumer Law Centre Victoria (CLCV)

**Report to the National Consumers Electricity Advocacy Panel (the Advocacy Panel)
Pursuant to Funding Agreement dated 22 February 2006
Application 187**

CAPACITY BUILDING IN THE COMMUNITY SECTOR

1 January 2006 to 30 June 2006*

1. Project Overview

The Capacity Building in the Community Sector Project (the **Project**) is made up of the following ongoing components:

- Network – maintaining a network of national stakeholders and continuing to develop mechanisms for information building and sharing.
- Consumer roundtables – enable NEM Network members to share information, identify areas of consensus and develop individual and joint strategies to enable both individual and collaborative representations to the MCE and to facilitate direct meetings with national regulatory bodies.
- Advocacy – develop mechanisms for the delivery of collaborative advocacy in relation to the NEM.

Gerard Brody has been the Project Coordinator during the funding period. The project has been overseen by former CLCV Executive Director, Catherine Wolthuizen.

2. Project Tasks Completed

2.1 Network

The Project has established a national network of consumer, welfare and environment organisations (**NEM Network**) since its inception in 2004. During 2006, the Project continued to develop effective communication and knowledge building mechanisms via bi-monthly telephone conferences, an on-line chat group, face-to-face meetings and communications around written submissions.

During the reporting period the Project Coordinator continued to develop communication between members of the NEM Network and to enhance the profile of the NEM Network:

- Some of this development occurred through participation in joint research and submission writing (see 2.3 below).
- Two telephone conferences were held during the reporting period (on 31 March 2006 and 30 May 2006). These discussed harmonisation of jurisdictional performance indicators, the work of the AEMC Reliability Panel, the AEMC consultation on transmission and revenue pricing, the funding of consumer advocacy and the work of the MCE's Retail Policy Working Group.

NEMCHAT, the online email group set up to assist NEM Network members to communicate in relation to the MCE reform process, has continued to be used by NEM Network members to update other NEM Network members on outcomes of a number of MCE consultations.

* The second roundtable part of this project was extended until 9 August 2006, with the agreement of the Advocacy Panel.

2.2 Roundtables

Two National Consumer Roundtables were held utilising the Project funding. The Roundtables were jointly hosted by the CLCV and the Consumer Utilities Advocacy Centre (CUAC). The first Roundtable was held on 2 and 3 May 2006. Due to slippages in some of the national energy market reforms, the second Roundtable was held over until 8 and 9 August 2006. Agendas of the two Roundtables and a list of participants are attached to this report.

The Roundtables are unique meetings of community sector organisations which foster the development of advocacy tools that organisations can use to ensure that consumers take a strong voice in the debate on national energy market reform. Participants commended the face-to-face meeting format of the Roundtables as a necessary means by which to consolidate ideas and plan advocacy approaches on a national scale. The face-to-face meetings also support maximisation of the other communication tools established by the project – NEMCHAT and phone link-ups by cementing relationships.

The Roundtables provided an important opportunity for participants to meet with and discuss energy market reforms with key members of regulators and government. John Tamblyn, Chairman of the AEMC presented to participants of the first Roundtable on the AEMC's role in the NEM. Peter Naughton, Chair of the MCE SCO's Retail Policy Working Group (RPWG) presented to participants of the second Roundtable on the work plan of the RPWG. Drew Clarke, of the Commonwealth Department of Industry Tourism and Resources, presented to participants of the second Roundtable on the Commonwealth view of the direction of energy market reforms.

2.3 Advocacy

In its third year, the Project has proved to be successful in increasing collaboration around community sector responses to NEM policy and regulatory debates, including via written submissions. Two detailed written submissions were completed during the reporting period.

On 12 January 2006, the AEMC released a proposed change to the National Electricity Rules in relation the National Consumers Electricity Advocacy Panel, the *National Electricity Amendment (Advocacy Panel) Rule 2006*. The proposal aimed to improve the accountability arrangements for the interim Advocacy Panel until the new arrangements for consumer advocacy are implemented. The Project provided a submission to the AEMC arguing that the proposed rule change should include a requirement that the Panel, in its allocation for funding, give particular focus to small and medium users, in accordance with the decision of the MCE in relation to consumer advocacy arrangements. The submission also suggested that members of the Panel should continue to have a balance of consumer, industry and, if relevant, other key stakeholder interests. Panel members should, however, retain their independence. Following the draft rule determination in April 2006, the Project provided a follow-up submission to the AEMC.

The Project's initial submission (attached) can be found at on the AEMC's website at:

<http://www.aemc.gov.au/pdfs/reviews/Advocacy%20Panel/submissions/006Consumer%20Law%20Centre%20VIC%20Ltd.pdf>

and the Project's follow up submission (attached) can be found at:

<http://www.aemc.gov.au/pdfs/reviews/Advocacy%20Panel/submissions/018Consumer%20Law%20Centre%20Vic%20Ltd%20Draft%20Determination%20submission.pdf>

The second submission was in relation to the Utility Regulators Forum's Steering Committee on National Regulatory Reporting Requirements – Retail Working Group, which released a discussion paper in March 2006 on national energy retail performance indicators. The Discussion Paper sought comments on a range of issues, including proposed new affordability indicators and indicators for the gas sector. The Project, in collaboration with CUAC, provided a submission that broadly supported the introduction of the additional indicators proposed in the Discussion Paper. However, additional affordability indicators for Direct Debit payment defaults, payment extensions and debt levels were also recommended. The submission argued

that by ensuring that a comprehensive and relevant set of performance indicators are in place regulators and government will be equipped to detect future problems and more readily able to address their cause. Further, the submission strongly recommended that performance indicators needed to be regularly reviewed and developed, that reports are released in a timely fashion and that the role of regulators includes the active dissemination of information (both data and interpretation) to stakeholders.

The Project's submission (attached) can be found on the website of the Essential Services Commission of South Australia at:

http://www.escosa.sa.gov.au/webdata/resources/files/060407-CUAC-CLCV_Submission.pdf
and the CLCV website at <http://www.clcv.net.au/index.aspx?id=222&newsid=66>.

3. Reporting

The financial report will be forwarded to the Advocacy Panel separately.