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Our Ref:

David Bremner  
Executive Officer  
National Consumers Electricity Advocacy Panel  
c/o Axton Jones  
PO Box 43  
Surrey Hills Victoria 3127

14 September, 2006

Dear David

**Report of advocacy under Application 206**

This report is made by the Public Interest Advocacy Centre (PIAC) to the National Consumers Electricity Advocacy Panel (NCEAP) as the final report on activities undertaken for the advocacy project funded by the Panel under application number 206 approved in June, 2006.

The application was made on the basis that PIAC would, following approval of the application, incur expenditure associated with this activity at no greater than the limit of funds approved and then seek reimbursement from the Panel. This report details the activities undertaken in accordance with the application and the funds expended. Attached are copies of invoices from PIAC. The total reimbursement sought from the Panel is \$2128.92 (incl. GST).

Please note that the Panel already has reimbursed PIAC for the amount shown in the first invoice - \$2098.34 (incl. GST). We thank the Panel for the timely payment of this invoice.

Enclosed with this report is a second and final invoice for the additional amount of \$30.58 (incl. GST).

The activities undertaken involved attendance by one employee of PIAC and the two rural members of our Utilities Reference Group at the *Rural Energy Consumers' Forum* convened by the Consumer Utilities Advocacy Centre (CUAC) and the Victorian Department of Infrastructure. A copy of the agenda for this conference, held in Ballarat on 13-14 July, 2006 is attached.

The main components of this activity which were to be funded by this application were:

- return air travel between NSW and Melbourne;
- other travel related costs such as taxis and bus travel between Melbourne airport and Ballarat; and
- accommodation at the conference venue.

Note that PIAC was able to take advantage of a waiver of registration costs provided by CUAC and the Department.

#### Application criteria 2.1.1 - Facts, information to be investigated

As detailed in the application for funding, the central activity was participation in the *Rural Energy Consumers' Forum*. Among the topics discussed at the conference the major interest for the rural members of the PIAC Utilities Reference Group was focused on:

- the link between development of energy supply and the economic development of rural communities;
- the quality network supply; and
- energy competition for rural consumers.

Both myself as the PIAC employee attending and our two Reference Group members spent considerable time between sessions discussing the critical issues related to energy supply facing rural consumers and communities in different states. All of us were able to have discussions with a range of stakeholders including the Victorian Energy and Water Ombudsman (EWOV), staff of the Australian Energy Regulator (AER) and a range of community organisations.

#### Application criteria 2.1.3 - Proposed Advocacy

Our application had proposed that support for attendance at the conference would lead to enhanced advocacy on behalf of rural and isolated consumers. Already in the short period since the attendance of three PIAC representatives at the conference the discussions and information gained at that event have been fed directly into advocacy by PIAC and ongoing work in the areas of utilities in three distinct areas:

- preparation of the PIAC submission to the Australian Energy Market Commission (AEMC) on the proposed criteria for the evaluation of the effectiveness of full retail competition;
- consultations (both written and oral) with the Energy Reform Implementation Group (ERIG) and particularly in relation to the 'market structures' work stream; and
- preparation for the forthcoming PIAC utilities conference which will include several speakers on topics touching on utility reform issues and their impacts on rural communities.

It should be noted that the AEMC has now released a draft determination on the pricing principles to be applied to electricity transmission networks. PIAC expects to respond to this draft at least partly with the expectation that any final decision will be a precursor to similar treatment of distribution services. The impact of these pricing principles on rural consumers

could be significant and we anticipate the knowledge gained for the Ballarat conference will assist us greatly in preparing that response.

Application criteria 2.1.4 - Inquiry, hearing or body to which submissions will be made

The application was required to detail the likely targets of future advocacy activities arising from participation in the Ballarat conference. As described above, the bodies to which this advocacy will be directed include both the national regulatory bodies and the major energy policy advisory body established by the Council of Australian Governments (CoAG).

2.4 – Budget

It had been indicated that PIAC would make an in-kind contribution to its participation in the conference in the form of staff resources. The application then sought from the Panel additional funds to a level not exceeding \$2860 (excl. GST). This was made up of:

- air fares \$1800 excl. GST
- accommodation \$700 excl. GST
- incidentals \$360 excl. GST

In the event it has proven possible to achieve full participation in the conference for the three persons nominated with actual expenditure of:

- air fares \$1169.23 incl. GST
- accommodation \$655 incl. GST
- incidentals \$301.91 incl. GST

The enclosed invoices detail the particulars of the spending in each of these three areas. The total funds expended by PIAC in this activity were **\$2128.92 (incl. GST)**.

Accordingly, we seek reimbursement from the Panel of the final amount of \$30.58 (incl. GST) as detailed in the enclosed invoice.

Yours sincerely  
Public Interest Advocacy Centre Ltd



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Encl: