

TasCOSS National Electricity Market Consumer Advocacy Project

(No. 211)

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First Project Report 2007-08, October 2007

This project, involving research and advocacy on national and jurisdictional electricity issues on behalf of Tasmanian domestic consumers (end users), commenced with funding from the Panel in July 2006, and has continued into the first half of 2007-08 on an interim basis. This report is the first for the 2007-08 year, and covers the period 1 July to 30 September 2007.

Participation in the national NEM consumer advocacy network

TasCOSS has continued to play an active role, as the only Tasmanian participant, in the national network of electricity consumer advocates coordinated by the Consumer Action Law Centre. This has involved participation in several national telephone hook-ups in the reporting period.

TasCOSS has also been involved in collaborative briefing of, and ongoing discussions with consumer representatives on national stakeholder consultative committees, specifically the Retail Policy Working Group's (RPWG) *Stakeholder Reference Group*, and the Department of Industry, Tourism and Resources *Smart Meter Stakeholder Working Group*.

I also participated in a national telephone link-up in July with other councils of social service (COSS) utilities policy staff to discuss NEM issues affecting low income and disadvantaged consumers and the COSS responses to these issues.

In August I attended the very useful *CUAC Expert Forum on Electricity Pricing* in Melbourne. The Forum heard a British perspective on the deregulation of electricity markets, and examined network pricing options and other issues related to electricity pricing. I also attended a meeting/planning session of the national network of electricity consumer advocates ('Roundtable') which followed the Forum.

Liaison with Tasmanian representative on Retail Policy Working Group

In the reporting period I met several times with the Tasmanian representative on the Retail Policy Working Group (RPWG), Giles Whitehouse from the Tasmanian Department of Infrastructure, Energy and Resources. We met to discuss the RPWG working papers and consultation process, as well as issues of concern to low income, vulnerable and disadvantaged residential consumers in Tasmania.

Submission to the MCE Secretariat on the Retail Policy Working Group's composite *Consultation Paper* (July 2007)

TasCOSS made a submission on the *Consultation Paper* (a composite of issues raised in the previous series of working papers) released by the RPWG. Although Tasmanian residential consumers have not yet experienced retail competition, it is likely that they will in several years time (expected in 2010, pending the outcome of a public interest test), and will therefore benefit, along with other consumers, from the inclusion of strong consumer protection measures in the national regulatory regime.

The *Consultation Paper* dealt with the full range of issues covered in the working papers and the TasCOSS submission focused on primary issues of interest to Tasmanian consumers including

the application of the framework, pre-payment meter systems, late payment fees and hardship issues. Part of our submission was a joint response from the national network of electricity consumer advocates (Roundtable) to the detailed table of proposals in the *Consultation Paper*. TasCOSS participated in the process of drafting comments on the proposals. [See attached copy of submission and joint recommendations with comments]

In July I also attended and addressed a meeting held in Hobart of the Australian and New Zealand Energy and Water Ombudsmen's Network (ANZEWO). My address and the subsequent discussion concerned the RPWG consultation process, as well as smart meter and pre-payment meter issues for consumers.

Tasmanian Energy Regulator's 2007 Electricity Pricing Determination

In July, the Tasmanian Energy Regulator released a Draft Report on his *Investigation of Prices for Electricity Distribution Services and Retail Tariffs on Mainland Tasmania*. TasCOSS had previously made several submissions to the Investigation and attended a briefing prior to the release of the Draft Report. The Report signalled significant price increases for small consumers, both business and residential, and we made a submission to the Regulator on the Draft Report. [See attached copy of joint submission]

While distribution and retail pricing remain State matters, the Tasmanian decision is both informed by and has implications for the national market. We therefore see participation in the pricing investigation as part of the core business of our electricity consumer advocacy project.

The Regulator's Final Report was released in September with electricity supply to non-contestable residential consumers to rise by 15.7% in January 2008, by a further 3.9% in July 2008, and by another 3.8% in January 2009.

These are substantial increases which will have considerable impact on the budgets of low income households in Tasmania and are likely to contribute to increased financial hardship for many. Consequently since the announcement, TasCOSS has been active in advocating for ameliorative measures including:

- an increase in the electricity concession,
- the introduction of a state-funded retro-fitting program for low income households, and
- a reform of the existing electricity tariff structure (currently a declining block tariff with a high standing daily service charge which penalises low consumption users).

TasCOSS met with both the Tasmanian Energy Regulator and the State Treasurer to advocate for these measures.

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