

8th October 2007

Mr Frank Peach
Chair
National Electricity Consumers Advocacy Panel
PO Box 43
Surrey Hills Vic 3127

Dear Chair,

Thank you for the opportunity to respond to the Draft Strategic Plan. Our initial impression of the draft strategic plan is that it is still an evolving document. It is our view that this Plan would be improved if the needs of the different end-user groups were more closely identified and if key terms were more defined. These issues partly reflect the fact that the Panel appears to be still evolving in the way it identifies its role and how it adjudicates on applications from different classes of end-users.

Classes of end-user

There is a lack of distinction in this document between the classes of end-users in the NEM. How funds are apportioned to these different classes and why is an issue of great significance. The following key paragraph in the document (that does distinguish classes of end-users) is left until last in the draft strategic plan.

‘The Panel must respond to these new responsibilities by maintaining a cost-effective administrative structure and by reaching agreement with stakeholders on the interpretation of the key new responsibility to “seek to promote the interests of all consumers of electricity or natural gas while paying particular regard to benefiting small to medium consumers of electricity or natural gas.”’

It is unclear from our perspective why this central statement is left until last. For instance how does this objective tie in with other aspects of the document which focuses on all classes of end-users? (See for instance references under ‘Values-diversity’ and ‘Vision-decision making’ that discusses advocacy for all classes of end-user in the national electricity market or the interests of all classes of end-user.)

We welcome a number of points in the strategic plan including the following:

Building the capacity of advocacy groups

Promoting the Panel's resources to groups of end-users who are currently under-represented. Among small end-users in Queensland there is insufficient knowledge of the Panel as a potential funding source. An additional issue that we have identified is that these groups may even lack sufficient capacity to apply for funding because of other competing priorities.

Consulting with stakeholder groups about innovative capacity building approaches and fund a trial of such an approach. We welcome a thorough examination of these different approaches.

Research

Develop a research agenda in conjunction with stakeholders. We welcome a research agenda that has the capacity to inform stakeholders and address current information gaps.

Evaluation of projects

Conduct evaluations that will be comprehensive, realistic, acceptable to those being assessed, and economical in cost. In particular we welcome evaluations that are acceptable to those being assessed. This did not necessarily occur in the recent evaluation process particularly with respect to the time-frame.

Panel operations

We welcome the further development of a budgetary model that takes into account the different types of advocacy and different issues. We would also advocate an expanded budget to take into account the advocacy needs of small end-users in relation to the NEM. This is particularly because of the rapid expansion of policy this area that requires robust consumer responses.

The following comments are made with a view to identifying the meaning of key terms and in clarifying some aspects of content of the Plan. These points are mentioned in the order they appear in the Plan.

Values

Effectiveness and efficiency in its funding allocation – How are effectiveness and efficiency to be defined? This Plan would benefit from a closer definition of these terms. (See also under 'Continuing need to assist in building the capacity of end-user advocates in some areas').

Vision

Funding is spread across regions and end-user classes according to need. How does the Panel propose to identify this need? This statement also seems inconsistent with references in the Plan to all classes of end-user.

Building the capacity of advocacy groups

Increase the range and number of advocacy groups that apply for funding. As per earlier points - what will form the guiding principles for this endeavour? We look forward to hearing about initiatives to achieve this goal.

Evaluation of Projects

Another general observation is that the order of mention of particular points under particular sub-headings combines different levels of importance of activity. For instance under 'Evaluation of Projects-actions evaluation' of a specific project is placed at the same heading level as conducting evaluations in proportion to funding allocations. The evaluation of a specific project should sit within the process of conducting evaluations because the latter point provides the rationale for undertaking the evaluation.

In situations where classes of end-users of a reasonable size are not being represented in energy matters... How does the Panel propose to determine what is a reasonable size of end-user?

Thank you for the opportunity to respond. If you have any questions about this submission please do not hesitate to contact me.

Yours sincerely,



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