



ACT Electricity Consumer Advocates Training Project 2004

Report Final Session, 24 November 2004.

How do we advocate for people living with fuel poverty in Canberra?

OVERVIEW

The fifth workshop was attended by:

Karen Nicholson – ACTCOSS
Ian McAuley – Canberra University
Charlie Pahlman – ACTCOSS
Kerrie Tucker – ACT Shelter
Di Lucas – Essential Services Consumer Council
Christa Gottselig-Hall – YWCA-FEATT
Bronwyn Smith – YWCA-FEATT
Ara Cresswell – ACTCOSS (only there for part of the session)
Tim Gough – Care FC & CLC (only there for part of the session)
Amy Kilpatrick – Care FC & CLC

Ian McAuley gave a presentation on advocacy in the utilities market, followed by a re-presentation of Andrea Sharam's and Angela Savage's presentations (abbreviated) on fuel poverty. (First training session in July).

The group then discussed the various actors and forums available for raising issues of fuel poverty, utilities debt and competition policy.

The session wound up at 2pm.

ANALYSIS

The final session was a departure from previous workshops in that there were no copious notes taken. Much of Ian's paper and the fuel poverty material had been discussed before, so the content was not unfamiliar to the participants. The forum therefore decided to concentrate on an examination of advocacy issues for the ACT.

The meeting discussed the people who are involved in energy advocacy in the ACT, and ways to engage their skills in advocacy around NEM issues. The table below demonstrates the types of actions that the forum felt provided good opportunities to engage with decision makers, the community and the policy on utilities and fuel poverty.

| <i>Groups involved</i> | <i>Vehicles for advocacy</i> |
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| The Conservation Council of the South East Region and Canberra | Project on household greenhouse gas emissions with ACTCOSS. Has also done a joint project on water conservation, emphasising the false economy in penalising low income households with inappropriate water charging. Potential for other joint projects. |
| Emergency Relief Forum (Facilitated by FaCS) | Potential to link with NEM advocacy around affordability issues. |
| Essential Services Consumer Council Already provide hardship support through its role as Ombudsman – started the original WEST collaboration. Some concern that it's role could be undermined under GATT | Could be approached about lobbying for funding for an advocacy position on utility issues – need to discuss location of that position. |
| Regional Community Services | Partners in advocacy through poverty alleviation roles |
| Care Financial Counselling and the Consumer Law Centre of Canberra | Already active in this area through participation on ACCC and joint partners with ACTCOSS on NEM training project |
| ACTCOSS | Role in systemic advocacy – issue with lack of support on NEM issues |

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| | to date. Looking to use all available forums to provide improved community sector awareness of issues |
| ACT Shelter | Partner interstate with various COSS and EAG projects on fuel poverty. Interests of low income households as core area of concern |
| Academics and researchers | Provide the information required to reinforce ideas of social justice in utilities provision. There is also a need for gender analysis of fuel poverty and household energy consumption, given the overrepresentation of women and single parent families headed by women in poverty statistics. |
| ACT Legislative Assembly – Cross and back benches | Lobbying of Government on issues of fuel poverty and equity within the energy markets. |
| ACT Office of Sustainability | Now has an expanded role to review issues of sustainability – could have synergies with collaborative work with the Cons Council |
| Independent Competition and Regulatory Commission | Needs better information on consumer issues to inform its regulatory reviews. ACTCOSS has discussed this with the ICRC in the past – may be worth pursuing further. |

Other issues were discussed, resulting in some directions for the ACTCOSS advocacy to take in the future. These included:

A project to undertake community education on utilities issues.

This would build on the work done for the residential greenhouse reduction project by the Cons Council and ACTCOSS. Such a project would have the capacity to link into future NEM advocacy models.

There would also have to be funding provided for utilities advocacy – the location and quantum of that advocacy would have to be discussed within the sector and with Government, industry and the ICRC.

Immediate action to have the sunset clause covering "return to franchise" provider extended.

Concern was expressed that the provisions allowing a consumer to return to the franchise supplier (in Canberra's case, ActewAGL) are still subject to a sunset clause in the ACT legislation. This raises the problems of difficult consumers being forced onto disadvantageous contracts without the option of returning to a simple arrangement.

There is still quite a bit of confusion between the concept of "supplier of last resort" and the supplier that has an obligation to supply all consumers who wish to have the option of a basic energy contract. In Canberra it is believed unlikely that "supplier of last resort" as it is outlined in the NEM legislation (the supplier who picks up consumers from a failed retailer) will have much use, as only one of the 12 newly-registered suppliers have commenced any form of marketing for ACT residential customers.

The action seen as desirable was to lobby the Legislative Assembly on the sunset clause issue, to educate the ACT community on this legislation, and to seek an inquiry into the social justice impacts of moving away from a safety net. It was noted that the Victorian Government has recently voted to keep its safety net provisions, and keeping informed about other state and territory approaches would be part of the advocacy around this issue.

Tariffs, bills and the informed consumer.

The group felt that not enough information of sufficient clarity and quality was available for consumers to make appropriate choices about utility services. This was particularly of concern when a household chose to "bundle" services, such as water, electricity and gas, or internet and broadband services.

There are several dimensions to this issue, including the provision of information to consumers about their energy usage. It is impossible to make decisions about usage based on the data provided on current bills, for example. As discussed at the fourth session, it was felt that

information about fortnightly usage and time-of-day consumption patterns would provide a better basis for comparison of tariffs. It was also felt that there needs to be some information on appliances and their comparative energy consumption to allow consumers to make appropriate choices.

Ian likened current electricity billing to going to a petrol station and filling up your vehicle from a pump with no price per litre or amount gauges, and then getting a bill every three months for the fuel. This analogy rang true for those attending, and it was resolved that ACTCOSS should support the ESCC bid to have improved billing information provided to consumers. ACTCOSS also believes that smart metres, not prepaid metres, should be part of the competition roll out.

CONCLUSION

ACTCOSS sees a role for this organisation in continuing to advocate for resources for people living with poverty, or other forms of disadvantage, including access to affordable sources of energy. While we have not applied for further NEMCAP funding, the role we feel best able to fulfil is to keep advocating for Canberra consumers in those forums available to ACTCOSS. We are therefore committed to having input to ICRC inquiries, lobbying Ministers on issues of affordability and fairness in utilities, and taking part in the forums that have been established between the state and territory energy advocates.

From a community sector perspective, it appears a large job has been assigned to this small sector with inadequate resources. Advocacy is not an activity that can be undertaken in spare time. The people advocating for the other interests in the NEM such as generators, distributors, retailers, big business customers and even small to medium enterprises have corporate structures that can accommodate this role. In fact, many businesses employ legal representatives, or provide their CEOs with resources and support to network with other decision makers in the NEM. What has been offered to the community sector to represent the most vulnerable consumers has been small scale, project-based funding that cannot guarantee the development of skills and knowledge within the sector.

ACTCOSS firmly believes that providing adequate representation of the interests of consumers requires the duplication of structures that exist within the business and government structures supporting the NEM. To

put it another way, the third sector needs to be an equal partner at all levels of NEM operations.

There needs to be national advocacy organisations with appropriate skills and resources to join in NEM discussions on generation, legislation and infrastructure issues, as well as state-based organisations that can talk to distributors and state/territory governments. At the local level, there needs to be community-based, fully funded advocacy that is ongoing and well resourced to ensure that the issues of concern to consumers are “fed up” the chain to be reflected in national negotiations, and that there is someone at local level to explain national issues to consumers. There also needs to be provision for consultancy and research, as well as providing a wide range of opportunities for consultation to ensure a wide range of diverse voices are heard.

ACTCOSS is very pleased to have had the opportunity to take part in the NEMCAP training project, and will use the knowledge and resources developed over this period to inform its work at the local and state-territory level.



The National Electricity Market and ACT consumer advocacy.

How do we advocate for people living with fuel
poverty in Canberra?

**Wednesday 24 November, 2004
10am**

ACTCOSS has been running training workshops on energy issues over the past five months. We are now interested in asking community organisations how to ensure that the voices of people living with disadvantage are not lost in the National Electricity Market (NEM) debates.

10am – Welcome by Karen and Charlie

10:10 Ian McAuley – Utilities and advocacy. What are the issues for ACT end user advocates?

10:50 – Karen Nicholson – reprise – fuel poverty slides from VCOSS, and some discussion of what currently exists for ACT residents who find themselves in fuel poverty.

11:15 – Charlie and Karen will lead a facilitated discussion on how we taken take utilities advocacy forward.

Some suggestions to date have been:

- Write to the ICRC about having consumer representation on its expert panel.
- Write to the ACT Government about funding a community organisation to provide ongoing utilities advocacy, along the lines of the EAG in Victoria.
- Incorporate utilities advocacy information and networks into the work of emergency relief provider orgs.

We are interested in hearing of any other mechanisms the group can think of that will ensure that the ACT community sector has the resources it needs to provide effective advocacy in ever-changing electricity and gas markets.

