

Consumer Law Centre Victoria (CLCV)

Report to the Advocacy Panel of the National Electricity Code Administrator

**CAPACITY BUILDING IN THE COMMUNITY SECTOR
NETWORK DEVELOPMENT
FINAL REPORT**

1. Background

Since October 2003 the CLCV has carried out a project to develop the capacity of the community sector nationally to ensure ongoing informed consumer contributions to the development of the National Electricity Market (NEM) (Project). A central feature of the Project has been the creation of a national network of advocates from consumer, social welfare and environmental organisations (the NEM Network). The purpose of the NEM Network is to strengthen the independent and collective capacity of the various organisations to participate more effectively in the NEM and its many regulatory debates.

This report sets out our recommendations for the continued development of the NEM Network and the possibility of it becoming self-financed at some time in the future. The report is provided in accordance with Clause 2.1 of the Funding Agreement dated 3 July 2003.

2. Current Structure

Extensive initial research was undertaken in order to identify appropriate consumer, social welfare and environmental organisations and individuals within those organisations who we perceived would benefit from, and contribute to, the NEM Network. The development of the membership base of the NEM Network is ongoing. The NEM Network is currently made up of over 150 advocates (see list of NEM Network members in the newsletter, *On the Wire*, September 2004). There are no guidelines that govern who can join the NEM Network as we would prefer that all community organisations in Australia feel encouraged to participate in the activities of the NEM Network.

In addition, the NEM Network has developed relationships with more than thirty individuals from government departments, independent regulators and ombudsman schemes. Through these relationships the NEM Network benefits from access to information regarding reforms and systemic issues for consumers, while regulators and government benefits from the NEM Network's contacts, information delivery and effective engagement with regulatory processes.

The NEM Network currently requires a full-time Project Coordinator so as to function at an optimum level. The Project Coordinator currently undertakes the following activities:

- Arranges face-to-face meetings and training sessions in each of the NEM jurisdictions which, in addition to developing participants' knowledge of NEM issues, generates interest in participating in the NEM Network and in collaborative advocacy;
- Arranges phone link-ups of NEM Network members based in different States/Territory to discuss issues as they arise, to consolidate/debate ideas and opinions, share information or prepare and allocate responsibility to contribute written responses to policy or regulatory debates;

- Engages in individual communication, necessary to maintain participation in the NEM Network's collaborative activities. The Project Coordinator contacts NEM Network members to discuss issues of interest as they arise, to arrange meetings or identify representatives to be present at relevant consultations, and to gather input and written contributions to the quarterly publication, *On the Wire*;
- Creates the quarterly publication, *On the Wire*, to continue to build interest in knowledge development and sharing. The Project Coordinator encourages written contributions on a variety of topics (particularly as those topics differently affect NEM jurisdictions), to demonstrate the usefulness of sharing information among the community sector nationally. Each edition of *On the Wire* includes an updated list of members of the NEM Network and a biography of each of the contributors to encourage communication among members; and
- Maintains the database of NEM Network members in order to disseminate information. For example, the Project Coordinator sends emails to NEM Network members to update them on the release of consultation papers and/or to provide briefing notes of NEM Network member phone link-ups.

The above activities have provided a framework for communication to continue but, more importantly, have generated interest in, and support for, coordinated and collaborated community sector input into NEM debates, to a level not previously seen. However, while the NEM Network is achieving the objective of providing collaborative responses to critical NEM regulatory and policy debates, processes will be further improved with continued input from the Project Coordinator. A number of developments will occur in the following year of the Project to ensure that community sector collaboration is ongoing, efficient and effective.

3. Developments Required

The NEM Network brings together consumer, social welfare and environmental organisations despite those organisations often having different agendas, work practices and skill bases.

The NEM Network relies on the Project Coordinator's and, in some cases, other NEM Network members' to drive collaborative advocacy on NEM issues. That is, advocacy is dependent on the Project Coordinator or a NEM Network member making a case for the advocacy to occur and other members supporting and agreeing to participate. The way in which collaboration proceeds and the advocacy that results depends on the members involved on each occasion.

Generally, the Project Coordinator will identify and contact NEM Network members who are likely to be interested in participating in advocacy on a particular issues. The Project Coordinator will then arrange for telephone link-ups or set up email groups to enable sharing of information. This occurred in relation to the Ministerial Council on Energy's (MCE) National Framework for Electricity and Gas Distribution and Retail Issues Paper, released 30 August 2004. The Total Environment Centre and the Alternative Technology Association produced a joint submission while other NEM Network members prepared individual submissions with input received from telephone and email discussions facilitated by the Project Coordinator.

The Project Coordinator will often allocate responsibility for research and written contributions and will gather and edit contributions. Recently the Project Coordinator brought together more than twenty community organisations in five States and the ACT, to develop a package of proposed amendments to the National Electricity Law (the Amendment Package). The Project Coordinator's role included editing the Amendment Package.

The Project Coordinator also reports back to the NEM Network members on advocacy activities and outcomes such as the recent participation in the MCE's consultations on 5 November 2004 in

Melbourne and 8 November 2004 in Sydney on future consumer advocacy arrangements for the energy sector.

In our view, the NEM Network has reached a stage where greater focus can be given to advocacy, including how that advocacy will occur. Some of the ways in which we will develop the NEM Network's approach to carrying out advocacy is by facilitating the following:

- An externally facilitated annual strategic planning day to enable the NEM Network to set priorities for a 12 month period;
- Monthly telephone conferences with agendas planned in advance;
- Quarterly face-to-face meetings (a need for this kind of communication was raised at the Roundtable on the MCE's National Framework Issues Paper that occurred in September 2004);
- Development of sub-groups within the NEM Network that would be responsible for seeking and arranging responses to particular allocated topics, for example, distribution in particular jurisdictions; and
- Developing guidelines on contributing to written submissions, including timelines for input and editing procedures.

In our view, the above developments will achieve the following:

- Increased advocacy overall;
- a greater variety of advocacy (in relation to a broader range of issues from retail through to network and wholesale market issues);
- more timely advocacy;
- more targeted advocacy;
- involve a greater number of advocates from the community sector nationally; and
- involve less ongoing time/effort on the part of NEM Network members to achieve agreement/collaboration.

The development of a more formalised structure to plan the advocacy activities of the NEM Network will, in the short term, require considerable time and effort (particularly to achieve consensus on a strategic plan). However, in our view, a strategy framework is essential to encourage greater collaboration between NEM Network members and to facilitate improved knowledge sharing and effectively targeted advocacy.

The NEM Network has been widely supported by the members and the broader community sector, and there is wide recognition of the benefits that flow from national collaboration. We are confident that the NEM Network is committed to achieving a more formalised approach to its activities in the coming year.

4. Self-financing of the NEM Network

In funding the Project for a further 12 months the Advocacy Panel has recognised the importance of the continued formal coordination of the NEM Network and the need for external funding for this coordination function to continue. While NEM Network members are enthusiastic about

participating in training and receiving the newsletter, they are not willing to self-finance the coordination of the NEM Network via membership fees, training fees or publication subscriptions, at this stage. Indeed, some NEM Network members experience difficulties in engaging with the NEM Network given the constrained resources within their organisations. Ideally those organisations such as the Council of Social Service organisations based in South Australia, Tasmania and the Australian Capital Territory and the Centre for Credit and Consumer Law in Queensland would receive additional funding to employ a staff member to take on a NEM policy role and to ensure that they can commit in advance to the advocacy that the NEM Network plans to carry out. In our view, if recurrently funded energy policy staff were present in more NEM Network member organisations, those organisations may then be better placed to make financial contributions to the coordination of the NEM Network.