

5th December 2005

Dear Panel members,

Re: Advocacy Panel Project No. 99 - Implications for small end-users of Queensland's further integration into the National Electricity Market

Please find enclosed the first interim report of the above named project to be submitted to the Panel as part of the funding agreement.

The project is well underway. Key achievements thus far include:

- the appointment of the senior research assistant;
- the appointment of a 13 member consumer committee to advise the project;
- good progress in respect of the research project;
- advocacy and liaison with key organisations; and
- input into key MCE submissions.

Yours sincerely



Dr Elena Marchetti
Acting-Director
Centre for Credit and Consumer Law

Interim project Report No. 1, 5 December 2005

Milestones	Date	Comments	Outcome/next steps
Senior Research Assistant (SRA) position advertised	Closing date for applications 17 June 2005. Interviews conducted in July.		Appoint researcher
Senior Researcher Assistant appointed	5 September 2005	Delay in commencement due to contract constraints in previous position.	Develop timeline
Timeline completed	26 September 2005		Advertise for members for Electricity Reform Committee
Committee appointed	<p>Advertisement for prospective members for Consumer Committee placed 24 September in the Courier Mail and on Centre's Website.</p> <p>Selection on 6 October</p> <p>2 meetings held 14 October 2005 and 29 November 2005</p>	<p>6 initial candidates at first meeting with 12 members at the second meeting.</p> <p>Membership was obtained through a mixture of advertising and strategic targeting through phone calling. Membership includes a representative of the Financial Counsellors</p>	<p>Organise remaining committee meetings for the life of the project. Provide ongoing support/liason for committee.</p> <p>One of the key outcomes of this committee is the establishment of a coalition of electricity interests in respect of small-end users with which to interface with government and non-government</p>

		Association of Queensland, the Australian Pensioners and Superannuants League, members of the Regional Electricity Councils and the Queensland Consumers Association. The Committee also has Indigenous participation.	organisations re the NEM.
Networking: Key meetings, correspondence and/or substantive phone contact	October/November 2005 and ongoing		Meetings with the following: -Department of Energy (DOE) -Qld Competition Authority -Ergon -Energex -EUAA -Treasury -Interstate electricity advocates (PIAC, CUAC, EAG, CLCV, SACOSS, TASSCOSS) -Qld Consumer Association -Consumer Federation of Australia
Interviews commences with end user advocates	17 October 2005	Interviews commenced.	30 potential interviewees (consumer advocates) contacted 15 interviews conducted to date. 5 people declined to be interviewed. Focus group interviews to be held in the new year.
First Report due to funding body	1 December 2005	First report submitted early December	Other Reports due in 1 April, 31 July and

			the final report is due on 31 August.
Full Retail Contestability. (Also relates to regulation of retail and distribution, retail pricing, alternative dispute resolution and pricing regulation.)	Ongoing until completion of specific projects – 9 November	Of major significance to this project was the Queensland Government's announcement of the implementation of Full Retail Contestability (FRC) in a media release on 28 of September. FRC is to be implemented in July 2007. There is currently no opportunity for small-end consumers to formally input into the proposed input of FRC in Queensland. However, the Queensland Consumer's Association with the support and participation of the project's Consumer Committee has organised meetings with the Qld government. The DOE has expressed an interest in the outcome of the Advocacy Panel funded project.	FRC strategy developed in consultation with the consumer committee includes networking with the Qld government and local and interstate advocates in order to develop a robust consumer response to FRC. SRA and other consumer committee members met with the Qld Treasury re the proposed introduction of FRC as outlined in the Cost Benefit Analysis released in September. SRA subsequently submitted outline of interstate advocacy/research models to Treasury Qld (see attachment 1). Questionnaire containing questions on FRC also submitted to consumer advocates for interview
Submissions (in relation to regulation of retail and distribution, retail pricing, pricing regulation.)	7 November MCE Review of Decision-Making in the Gas and Electricity Regulatory Frameworks	Letter of support for PIAC Submission sent to MCE re this discussion paper (see attachment 2).	

	15 November Application to NCEAP	To attend Qld Power and Gas conference with a view to capacity building in a number of areas including FRC	Awaiting response from Advocacy Panel to funding application
	Ongoing MCE Public Consultation on a National Framework for Energy Distribution and Retail Regulation		Engaging in ongoing discussions with advocates.
	13 January (as above)		Roundtable meeting of advocates on 30 November to ascertain strategy and respond to discussion paper
Other - Miscellaneous	10 October	Short article about project for 'On the Wire'	

Attachment 1

AUSTRALIAN CONSUMER ADVOCACY AND RESEARCH ARRANGEMENTS

Summary: Most states in Australia, except Queensland and Tasmania, receives direct funding from the state government for advocacy and research on behalf of consumers on utilities. To-date state governments in NSW and Victoria have provided long-term funding for advocacy for utilities combined – electricity, gas and water. NSW and Victoria have the longest running and most established utility advocacy programs. The Federal Government, through the National Consumers Electricity Advocacy Panel established by the Ministerial Council of Energy, has provided funding for advocacy specifically on electricity issues in connection with the National Electricity Market. The Centre for Credit and Consumer Law, Griffith University, recently received funding for 12 months from this source (see below).

Organisation	State	Staff	Project	Funding source	Amount if available and nature

					of funding
Public Interest Advocacy Centre	NSW	2 F/T policy officers working on electricity, gas and water Community-based reference groups	Utility Consumer's Advocacy Program – established 1998 Mandate to develop policies and advocate in the interests of residential consumers, particularly low-income consumers, in the NSW energy and water industries	NSW Govt: Department of Energy, Utilities & Sustainability.	\$200,000 Funding is applied for every 2 years
Consumer Utilities Advocacy Centre	VIC	3.5 staff members (with 2 staff working on energy issues) 5 remunerated board members	Established 2002 Mandate to represent Vic energy and water customers with focus on low income, disadvantaged and rural consumers	Vic: Department of Justice – Consumer Affairs	Recurrent funding \$500,000 (of which \$180,00 goes towards other organisations for grants)
Consumer Law Centre Victoria	VIC	1 F/T staff member	National Electricity market Capacity Building in the Community Sector Designed to develop the capacity of the community sector to participate in debates surrounding the policy and regulatory framework of the National Electricity Market	Federal: National Consumers Electricity Advocacy Panel Note: CLCV has undertaken general advocacy work in respect of utilities for over 10 years. CLCV has also undertaken and continues to undertake project based work on electricity	2.5 years (finishes December 2005)

				issues and consumer rights with funding from a mixture of Victorian Government and philanthropic funding sources.	
TASCOSS	TAS	1 P/T (Policy officer devotes 1 day a week to project)		Federal: National Consumers Electricity Advocacy Panel	12 months
SACOSS	SA	1 P/T policy officer devoted to energy issues	Unknown at this stage	Unknown at this stage	Non-recurrent funding.
WACOSS	WA	2 F/T	Consumer Utilities Project Mandate to work with consumers and consumer representative organisations to achieve reform in the provision of utilities for WA.	WA: Consumer Protection Agency	12 months
ACCOSS	National	1 F/T		National National Consumers Electricity Advocacy Panel	12 months (recently advertised)
Centre for Credit and Consumer Law, Griffith University	QLD	1 P/T (Less than one day a week of this position can be devoted to FRC – based on the aims and objectives of the position).	Implication for small end users integration into the National Electricity Market	Federal: National Consumers Electricity Advocacy Panel	12 months (commenced September 2005)

		<p>Note: In early 2005, an additional day of funding was requested by CCCL to the Department of Energy to work on FRC issues in the above position – the Department of Energy declined to fund the extra day.</p>			
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Attachment 2

7 November 2005

Manager – Energy Market Reform Team
National Energy Market Branch
Department of Industry, Tourism and Resources
GPO Box 9839
CANBERRA ACT 2601

Dear Manager – Energy Market Reform Team,

Re: Consultation on MCE Review of Decision-Making in the Gas and Electricity Regulatory Frameworks

We refer to the Public Consultation on a National Framework for Energy Distribution and Retail Regulation dated May 2005.

The Centre for Credit and Consumer Law has been provided with the submission made by the Public Interest Advocacy Centre in relation to the Public Consultation document. We endorse this submission.

The Centre for Credit and Consumer Law has been funded by the National Consumer's Electricity Advocacy Panel to undertake a study investigating Queensland's entry into the National Electricity Market. This study is in its infancy and due to funding

constraints the Centre is, unfortunately, unable to respond to the Consultation Document in more detail.

As electricity and gas are essential items for consumers the issue of consumer protection in the electricity and gas market is paramount. It is essential that small end users of electricity are able to challenge and obtain a review of regulatory decisions so as to ensure that they are able to obtain just outcomes.

It is noted that the Consultation Document suggests two models for a forum for review of regulatory decisions. We reiterate that we support the Public Interest Advocacy Centre's submission. We also note that any model that is established needs to ensure: -

- That it is easily accessible to consumers (small end users) in terms of costs;
- Small end users or consumer advocates are able to obtain standing to bring an action in relevant circumstances; and
- That the grounds upon which a decision may be reviewed are sufficiently wide enough to take into account all reasonable circumstances.

We would like to thank you for giving the Centre an opportunity to comment on the Consultation Document.

Please do not hesitate to contact Dr Jane Bathgate on (07) 37353244 if you require any further information.

Yours sincerely
Dr Elena Marchetti
Acting Director
Centre for Credit and Consumer Law