

21 April 2006

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 second interim report of the above named project to be submitted to the Panel as part of the funding agreement.

Key achievements in this period include:

- Submissions to the SCO/MCE and Energy Competition Committee (ECC)
- Meetings with the Queensland Government
- Completion of interviews with consumer advocates;
- Conference attendance; and
- Ongoing Networking and capacity building
- Editing a series of Issues papers on FRC

Yours sincerely



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

Interim project Report No. 2, 20 April 2006

| Milestones | Date | Outcomes | Comments |
|-------------------------------------|---|---|---|
| Committee Progress | Third meeting held February 21 st | Update from members, discussion on submissions and research progress. Discussion on maximising the role of the committee and developing an FRC response strategy. Next meeting May 31 st | Participation was more modest at this meeting (7 in attendance and 7 apologies). However the Australian Pensioners and Superannuants League presented in person for the first time and valuable ongoing individual liaison/assistance continued to be received from members of the committee. |
| Key meetings and conferences | February 2 February 23 February 28 to March 1 | Meeting with ECC Secretariat and implementation personnel from Treasury in conjunction with Queensland Consumers Association (QCA) Meeting with Customer Advocate –Ergon Attendance at Queensland Power and Gas Masterclass on FRC and Conference | See Report on this conference previously sent to Advocacy Panel (6/3/06 Project 164) |

| <u>Milestones</u> | <u>Date</u> | <u>Outcomes</u> | <u>Comments</u> |
|---------------------------------|-------------|--|---|
| Meetings and Conferences | March 13 | Presentation at Ergon to Office of Customer Advocate and Service Quality Team. | Presentation on 1) what are the current issues confronting the electricity consumer in Queensland and 2) Possible future issues that could arise for customers in a deregulated environment |
| | March 27 | QCA presentation to various membership bodies (eg Ethnic Communities Council) on the implications of FRC for consumers. | Good networking meeting facilitated by QCA and held at QCOSS. This was the first official function with QCOSS on electricity issues |
| | March 16-17 | Attendance at Third National Consumer Congress | |
| | April 10 | ECC Forum to discuss submissions on FRC Policy Paper No.3 Electricity Full Retail Competition Proposed Policy Positions.' | |
| | | Note: Ongoing meetings and consultation throughout this time with the Queensland Consumers Association particularly with regard to the introduction FRC. Ongoing liaison with participants in NEMCHAT. | |

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|--|-------------------------------------|--|---|
| <p>Research progress: Interviews Consumer Advocates</p> | <p>October 18 – February 14</p> | <p>28 consumer advocates have been interviewed from across Queensland and from a variety of different areas eg consumer advocates, financial counsellors, regional electricity council Chairs. One interview is outstanding.</p> | <p>Some advocates proved difficult to contact and some advocates declined to participate mostly on the basis that electricity was not considered an issue for their client group.</p> <p><u>Emerging issues</u> The consultations revealed clear differences between geographic areas. For instance supply appeared to be the main issue in outlying regional centres. Capacity to pay was identified as an issue in metropolitan Queensland and major regional centres. There was an almost universal lack of knowledge about the impending introduction of FRC in Queensland.</p> |
| <p>Focus group planning underway</p> | <p>April/May</p> | <p>5 focus groups were scheduled for April but have been rescheduled for May due to a lack of participants.</p> | <p>It appears the initial publicity strategy was insufficient to engage participants. A new media strategy is currently being devised. There is also an ongoing issue in terms of generating interest among people on the subject of electricity.</p> |

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|-------------------------|---------------|--|---|
| Submissions | 13 January | Submission to Ministerial Council on Energy. Public consultation on a national framework for energy distribution and retail regulation (see attachment 1) | Discussions at the NEM Roundtable meeting last year assisted me in writing this submission. |
| | 7 April | Submission to ECC. Electricity Full Retail Competition Proposed Policy Positions (see attachment 2A) | This Submission was well received by the forum convened by the ECC to discuss Submissions. A collections of Issues Paper written by interstate advocates on FRC was also included in this submission (see attachment 2B and also below under 'Articles/Reports'). |
| Articles/Reports | December 2005 | 1500 word article 'Where for art thou? Identifying consumer voices in the National Electricity Market, <i>On the Wire</i> | |
| | April 2006 | Editor of a collections of Issues papers on FRC (see attached) 'Electricity Issues: Interstate perspectives on full retail competition for residential consumers.' | The production of these Issues papers was predominantly funded by Griffith University. |