

Consumer Advocacy Panel

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PANEL-INITIATED RESEARCH PROGRAM

INVITATION TO SUBMIT GRANT APPLICATIONS TO UNDERTAKE RESEARCH ON NSW AND QUEENSLAND RURAL CONSUMER ISSUES IN THE NATIONAL ENERGY MARKET

The Consumer Advocacy Panel is inviting organisations to submit a grant application to undertake research to identify issues facing rural consumers in NSW and Queensland. Applications are sought by close of business 19 June 2009.

Background

The Consumer Advocacy Panel has two research programs in 2008/09:

- Research initiated by other organisations: the Panel has provided funding totalling \$96,400 (exc GST) to consumer organisations and academic institutions to undertake research on electricity and gas issues; and
- Research initiated by the Panel: in its 2008/9 budget, the Consumer Advocacy Panel committed a total of \$108,000 for Panel-initiated research in consumer electricity and consumer gas issues.

The Panel undertakes research for the following purpose(s):

1. To raise awareness of emerging consumer energy issues
2. To provide information that can be used to facilitate consumer advocacy; and
3. To stimulate discussion or debate on consumer energy issues.

In choosing issues, the following criteria have been used:

- Projects directly enhance advocacy by consumer organisations;
- Projects are of broad benefit to a number of classes of consumer organisations; and
- Projects add value and do not duplicate other work underway.

The Panel has identified three priorities in its 2008/09 research agenda:

1. Landscaping consumer energy issues 2009-14.
2. Identifying NSW and Queensland rural consumer issues in the national energy market (NEM); and
3. Gas pricing – identifying cost drivers and likely impact on consumer classes;

This paper seeks grant applications on the second priority; information on the others is available at the Panel's website.

Focus of research: Identifying NSW and Queensland rural and regional energy consumer issues

Rural consumers face different issues from those of metropolitan consumers, including

- access to competition – which might be exacerbated by the economic downturn if retailers stop marketing outside densely populated areas or unload certain types of consumer;

- reliability and quality of electricity supply, and the capacity to influence/inform network investment decisions;
- impact of restricted fuel choice; and
- lack of access to decision-makers.

It is likely that consumers in different jurisdictions will share similar problems, but may prioritise issues differently.

There has been little analysis across the NEM of rural and regional consumer issues, by class of consumers or by region. There has been work done in some jurisdictions, but for the most part consumer organisations have not had the mandate or resources to investigate rural consumer issues systematically. Policy-makers and regulators are less well-informed about rural consumer issues, and also have limited incentive and resources to investigate them.

The Panel intends to initiate a research project in each NEM State and Territory, the outcomes of which will then be synthesised into a national report. The national report would identify common issues, and propose broad steps forward to resolve or progress issues, and will be the subject of a separate research grant in a forward financial year.

Objectives of research

- To enhance the capacity of NSW and Queensland consumer organisations to represent the interests of rural consumers in policy and regulatory decisions
- To produce a systematic outline of rural consumers' issues to feed into decision-making
- To engage rural and regional consumer organisations into the debate, and alert them to information and advocacy networks that would facilitate their involvement.

Methodology

While the Panel is open to innovative methodologies, it envisages that the most effective method of undertaking this research is likely to be for an organisation with a well-established network in its jurisdiction to hire or deploy a staff member for 3 months who could undertake a series of visits, and then write a report outlining the range of issues. Organisations with no background on energy issues may wish to consider partnering with an organisation active on energy advocacy.

Outputs

A report from NSW and a report from Queensland outlining the main rural and regional issues in that jurisdiction, for circulation to jurisdictional and national policy-makers and regulators, and jurisdictional and national consumer organisations. The researcher should provide to the Panel a list of all the organisations/individuals contacted, for inclusion in the Panel's list of stakeholders.

Budget

The total budget committed to this research project in 2008/09 in total is \$65,000 (exc GST).

There may be some capacity to increase that amount, depending on the final budget of other research projects in other areas. The Panel therefore recommends that applicants specify in their grant application exactly what work could be done within a total budget of \$65,000, and what could be elicited for an increased amount.

While NSW and Queensland are the focus for this project, applicants are welcome to indicate their willingness to be considered for further work.

Process of application

Applicants should submit a grant application form (the form and guidelines containing advice are available at Panel's website www.advocacypanel.com.au/applications.htm) by **close of business 19 June 2009**.

Any questions should be directed to the Panel's Executive Director, Kerry Connors, at kerry.connors@advocacypanel.com.au or by phone 02 8296 7880.