



Kerry Connors  
Executive Officer  
Consumer Advocacy Panel  
PO Box A2258  
Sydney South NSW 1235

1 July 2009

Dear Kerry

Please find enclosed an invoice for the final payment to TasCOSS for its NEM Consumer Research and Advocacy Project 2008-09 (No 306), a final report on the activities of the Project and copies of submissions made in the reporting period.

If you have any queries or require any further information, please let me know.

Regards

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Chief Executive Officer

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TASMANIAN  
COUNCIL OF  
SOCIAL SERVICE  
INC.

ABN 69 078 846 944

# **TasCOSS National Electricity Market Consumer Advocacy Project (No. 306)**

## **Final Project Report for period: March to June 30 2009**

This project, involving research and advocacy on national energy issues and jurisdictional issues related to the National Energy Market on behalf of Tasmanian domestic consumers (end users), commenced with funding from the Advocacy Panel in July 2006. This report is the final for the 2008-09 year, and covers the period March to 30 June 2009. Note that project reports for the periods July-November 2008 and November 2008-March 2009 have been submitted to the Panel.

## **Participation in the National Consumers' Roundtable on Energy**

TasCOSS has continued to play an active role, as the only Tasmanian participant, in the national network of energy consumer advocates coordinated by the Consumer Action Law Centre. This has involved attendance at meetings of the National Consumers' Roundtable on Energy (the Roundtable), participation in national telephone link-ups and in the preparation of joint submissions.

## **Energy efficiency**

TasCOSS partnered with the Tasmanian Climate Change Office, Sustainable Living Tasmania and Shelter Tasmania to present training workshops for community sector front-line workers and Housing Tasmania tenancy staff on household energy efficiency. Workshops were well attended and were held in April in Hobart, Launceston and Burnie. Flyer advertising the workshops attached.

## **Energy White Paper**

TasCOSS attended a workshop in Hobart on the proposed national Energy White Paper held by the Australian Department of Resources, Energy & Tourism (DRET). We also made a written submission on the White Paper process and the preliminary discussion papers to DRET

TasCOSS submission attached.

## ***National Energy Customer Framework***

TasCOSS made a submission to the Ministerial Council on Energy on the first exposure draft of the National Energy Customer Framework (NECF) legislative package in June. The submission comprised a comprehensive table of recommendations for all parts of the legislative package – Law, Regulations and Rules – which was the joint work of the National Consumers Roundtable on Energy and a brief letter outlining some Tasmanian-specific issues.

TasCOSS submission attached (joint Roundtable 'Table of recommendations' not attached due to length – a pdf version of the Table will accompany the electronic version of this report).

TasCOSS attended a forum in Melbourne in May held by the Ministerial Council on Energy's Standing Committee of Officials on the details of the legislative package. This trip also included meetings of Roundtable members to discuss in detail a joint response to the legislative package.

## **Tasmanian Energy Regulator's Customer Consultative Committee**

TasCOSS continued to participate in the Tasmanian Energy Regulator's Energy Customer Consultative Committee and to receive quarterly reports on the performance of Aurora Energy and updates on the activities of the Regulator's office.

### **Jurisdictional issues**

TasCOSS made a submission to the Tasmanian Energy Regulator on the Energy Supply Industry Reporting Guideline Review for distribution and retail activities of Aurora Energy. See attached submission.

TasCOSS also provided feedback verbally to both the Regulator's Office and to Aurora Energy regarding Aurora's proposal to introduce of new distribution and retail tariff structures, and regarding retail price increases above the level set in the Regulator's 2008-10 Price Determination.

### **Attachments**

- Submission to the MCE on the first exposure draft of the National Energy Customer Framework legislative package (Part 1 only), June 2009.
- Submission to DRET on the Energy White Paper Discussion Papers, May 2009.
- Submission the Tasmanian Energy Regulator on the Draft ESI Reporting Guideline, April 2009.
- Flyer advertising Home Energy Efficiency Workshops for community sector front-line workers, April 2009.

Kath McLean  
Policy & Research Officer  
Tasmanian Council of Social Service

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# Free 'save energy, save money' workshops

*Earn your stars*

*Want to help your clients reduce their energy bills and save money?*

These energy efficiency training workshops are being conducted for the community housing and services sector and Housing Tasmania.

The workshops will give you the skills, knowledge and confidence you need to help your clients become more energy efficient in their homes. You will be able to show your clients how to reduce their power bills and live more comfortably.

You will receive:

- ★ information about simple steps to make homes more energy efficient (see overleaf for more details of the workshop program)
- ★ a ready-to-use manual that will include simple instructions and pro-formas for the assessment of household energy use and recommended actions to reduce energy use
- ★ a home energy saver starter pack which you can pass onto your clients, containing a Home Energy Saver Guide.

These FREE workshops will be held in Glenorchy, Burnie and Launceston. Details are as follows:

Location	Date	Time	Venue
Glenorchy	Tuesday 7 April 2009	9.30am - 1pm (lunch included at 12.30pm)	Conference Room-Tech 3 TechnoPark 30-38 Innovation Drive, Glenorchy
		12.30pm – 4pm (lunch included at 12.30 pm)	Conference Room-Tech 3 TechnoPark 30-38 Innovation Drive, Glenorchy
Burnie	Thursday 23 April 2009	10am – 1.30pm (lunch included at 1pm)	Burnie Civic Centre Wilmot Street, Burnie
Launceston	Friday 24 April 2009	10am – 1.30pm (lunch included at 1pm)	Launceston Tram Shed 4 Invermay Rd, Launceston

To register please complete the attached form by Monday 30 March 2009 and return to Teresa Dennis at the Tasmanian Climate Change Office by email ([Teresa.Dennis@dpac.tas.gov.au](mailto:Teresa.Dennis@dpac.tas.gov.au)) or by fax (6233 2769).

This training will be provided by the Tasmanian Government and Sustainable Living Tasmania and is supported by TasCOSS and Shelter Tasmania.



SUSTAINABLE LIVING  
TASMANIA



Tasmania  
Explore the possibilities

# Free 'save energy, save money' workshops

Earn your stars

## Workshop Program

Topic	Allocated time	Presenter/s
Welcome and introductions	10 mins	Helen Pryor, Shona Prior
Why save energy? A quick overview	20 mins	Helen Pryor, Shona Prior
What is Housing Tasmania doing?	10 mins	Lynden Pennicott
Encouraging tenants to save energy	20 mins	Tony Weaver, Helen Pryor
A quick energy assessment	30 mins	Tony Weaver, Helen Pryor
A case study: energy, cost, comfort and health	45 mins	Tony Weaver
Q & A	15 mins	Panel

Please note: There will be 15 minute breaks for morning or afternoon tea and 30 minutes for lunch

**Helen Pryor** has worked on energy conservation programs with State and Local Government and community organisations for the past nine years. Helen is a project officer with Sustainable Living Tasmania, which is a non-government organisation working to promote sustainable lifestyles at home, in small business and in the workplace. Helen is an accredited Home Sustainability Assessor.

**Shona Prior** has a background in social science, financial management and project management and has worked in the defence industry and with the scientific community. Currently, Shona assists local government, businesses and the community mitigate against, and adapt, to climate change. She is one of the program managers in the Tasmanian Climate Change Office, which is part of the Tasmanian Government Department of Premier and Cabinet.

**Lynden Pennicott** has held a number of roles across Australia and overseas working within the banking and finance, project management and the social housing sector. Currently Lynden is responsible for delivering public housing services in Tasmania. Lynden holds a Graduate Certificate in Social Science (Housing Management and Policy) and is committed to promoting sustainable practices in the social housing sector.

**Tony Weaver** completed his Masters thesis on the benefits of energy-efficient retrofitting to low-income households. As part of his thesis, he worked closely with a rental household in Tarooma, Tasmania, which will form the basis for his case study presentation. Tony is an accredited Home Sustainability Assessor.

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# ENERGY WHITE PAPER SUBMISSION COVER PAGE

Name **Thomas Muller**

Address **PO Box 1126 Sandy Bay Tasmania 7006**

Organisation (if any) **Tasmanian Council of Social Service (TasCOSS)**

Phone number **03 62 310755**

Email address **tom@tascoss.org.au**

By signing this cover sheet I warrant that this submission:

1. does not promote a commercial product or service; and
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3. does not contain material liable to offend or vilify sections of the community; and
4. does not contain material copied without attribution from any other source; and
5. does not contain material defamatory of any individual or group of individuals.

(strike out any that do not apply)

You are required to state below whether your submission is provided on a commercial-in-confidence basis, or if you wish to identify any part or parts of your submission that are commercial-in-confidence. Material so identified will not be published.

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By signing this cover sheet I consent to the Commonwealth of Australia as represented by the Department of Resources, Energy and Tourism publishing my submission in whole or in part, in accordance with its policy of refraining from publishing material that may be considered as promoting a commercial product or service, that contains offensive language, that contains material liable to offend or vilify sections of the community, that is in whole or part unattributed material from another source, or that contains defamatory statements.

Signature



Date **May 29 2009**

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29 May 2009

The Tasmanian Council of Social Service (TasCOSS) welcomes the opportunity to participate in the development of the Australian Energy White Paper.

TasCOSS is the peak body for the Tasmanian community services sector. Its membership comprises individuals and organisations active in the provision of community services to low income, vulnerable and disadvantaged Tasmanians. TasCOSS represents the interests of its members and their clients to government, regulators, the media, and the public. Our focus in the energy policy arena is on household energy supply and in particular, on energy supply issues for low income, disadvantaged and vulnerable households.

From our attendance at the Hobart Energy White Paper Workshop (11 May 2009) and from perusal of the White Paper discussion papers, we believe that it is clear that energy and other industry players and their interests are well-represented in this development process. We would therefore like to focus this contribution to the process on two areas that we feel require more attention.

TasCOSS believes that the development of a national Energy White Paper offers opportunities to embed in Australia's long term energy policy framework some fundamental issues that have hitherto been absent from much energy policy debate. Primary among these issues is the recognition, at the highest level, of energy as an essential service that is central, not only to national economic development, but also to individual and community health and wellbeing. This recognition necessitates a focus on policies that ensure the ongoing affordability of energy supply and robust consumer protection for all, and in particular for those living on low incomes and experiencing financial hardship.

It is also an opportunity to embed in energy policy and planning the principle of sustainability for a low carbon future. This includes not only generation issues, but also a focus on energy efficiency. The development of the Energy White Paper offers an opportunity to bring together current energy efficiency efforts across jurisdictions

and across sectors, and to plan to augment and coordinate these in order to maximise their contribution to lowering national greenhouse gas emissions.

Household energy efficiency measures and programs have clear and significant potential to lower both household emissions and costs of energy to households. While planning is underway to provide funding to implement national household efficiency measures as part of the proposed Carbon Pollution Reduction Scheme, we do not want such measures to be contingent on the introduction of the CPRS in 2011 or, indeed, to wait that long for implementation. The White Paper process provides an opportunity to focus on energy efficiency ahead of the CPRS and we hope that that opportunity is taken.

We look forward to the release of an Energy Green Paper in August this year and to the opportunity to make a further contribution in response to that.



Tom Muller  
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**TasCOSS**

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Glenn Appleyard  
Tasmanian Economic Regulator  
GPO Box 770  
Hobart Tas 7001

April 17 2009

Dear Mr Appleyard

○ Thank you for the opportunity to comment on the proposed amendments to the *Electricity Supply Industry Performance and Information Reporting Guideline*. While we understand that most of the proposed amendments are relatively minor and serve primarily to bring the *Guideline* into line with changes to the Code, we believe there are several that may have unanticipated and adverse effects on consumers.

Regular performance reporting, particularly in distribution and retailing, plays an important role in protecting consumers through its ability to track both supplier and consumer behaviour in certain critical areas such as reliability of supply, payment and credit management, disconnections, and re-connections following disconnection. As a organisation that promotes the interests of low income and vulnerable Tasmanians, TasCOSS takes a keen interest in essential services and therefore in issues associated with maintaining access to affordable, safe and reliable household electricity supply.

○ The performance and information reporting requirements of electricity distributors and retailers provide vital information that allows the Regulator, and other interested parties such as TasCOSS, to track reliability and affordability issues closely. Quarterly reporting allows for problems, trends and issues to be identified and followed closely, and for any necessary policy or other interventions to be advocated for and implemented in a timely manner to protect vulnerable consumers.

The proposed change to provide for the Regulator to waive reporting requirements for retail licensees which have no customers at all is understandable and appropriate. However, having no customers should be the sole criteria for the Regulator to waive this important requirement. TasCOSS believes that this should be made explicit in the *Guideline*.

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Similarly, TasCOSS believes that the requirement to report quarterly to the Regulator should not be waived or altered – again unless a licensee has no customers. As mentioned above, regular and frequent reporting allows for the early identification of problems, issues and trends, and for ameliorative interventions to be implemented. TasCOSS contends that any watering down of this requirement has the potential to impact negatively on customers.

A final concern we have with the proposed amendments involves several of the information requirements for supply by pre-payment meter (PPM).

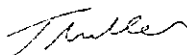
- An additional requirement should be included to report the average debt being repaid through pre-payment meter agreements ('progress rate'). Average debt is included as a requirement under 'Payment Plans' with standard black meters in the *Guideline* and there should be the same requirement for PPMs.
- TasCOSS would like the use of the term 'self-disconnection' to be re-considered when referring to disconnection from a PPM. 'Self-disconnection' implies that a deliberate decision has been made to disconnect from electricity supply when, in most cases, households are disconnected because they inadvertently or unintentionally run out of credit (and emergency credit) on their card and meter. We suggest that the term 'disconnection' be used in the case of PPMs, as it is with standard black meters.
- We question whether it is possible to detail the percentage of disconnections from PPMs by cause. Even with technology that reports PPM disconnection events, their duration and re-connections, it is unlikely that the cause of disconnections could be accurately identified.

In 2006 TasCOSS commissioned research on PPMs in Tasmania and found a range of causes of disconnection from PPMs, including forgetting to recharge the PPM card; not having enough money to recharge the PPM card; being unable to get to a point-of-sale agent to recharge the PPM card; having lost a card; and deliberately allowing credit to run out because no-one was using the house. It is highly unlikely that retailers will be able to detail such causes and may have information only on causes such as malfunctioning meters and customers leaving premises and terminating their PPM agreements. We therefore suggest that this requirement be re-considered.

- In line with requirements for standard black meters, we would like to see the number of concession card holders disconnected from PPMs also reported.

We hope that these comments and suggestions are helpful. If you require any further information, please contact me.

Yours sincerely



Tom Muller  
Chief Executive Officer

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Manager, MCE Secretariat  
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12 June 2009

Dear Madam / Sir

The Tasmanian Council of Social Service (TasCOSS) welcomes the opportunity to comment on the First Exposure Draft of the National Energy Customer Framework legislative package.

Our submission on the package is in two parts – a detailed table (also attached in this e-mail) with comments on, and supporting arguments for suggested changes to details of the draft legislative package. The table represents the joint agreed response of a number of organisations comprising the National Consumer Roundtable on Energy. The other part of our submission is this letter that highlights several issues that are of particular concern to us.

#### **The omission of Tasmania**

We would like to note at the outset our disappointment with the omission of Tasmania from Sections 4 and 5 of the Draft National Energy Retail Regulations in which the existing jurisdictional regulators and energy industry ombudsman schemes are listed. While this is likely a drafting error, we hope it is not indicative of a deeper neglect of Tasmania in the NECF development process.

#### **Application of the framework**

We understand that each jurisdiction will develop an implementation regime to the NECF and will make the transition to the Framework at different times – and perhaps in different ways – depending on the particular circumstances in each jurisdiction. In

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Tasmania for instance, full retail competition exists for the supply of gas but not for the supply of electricity. We would welcome the application of the NECF for gas supply as soon as possible, given the current 'light-handed' regulation of retail gas supply in Tasmania. However, in the absence of full retail competition in electricity supply, the application of the Framework – designed as it is for a competitive retail environment – is obviously not appropriate to electricity supply in Tasmania currently.

It is unclear when Tasmanians can expect full retail competition in electricity to be introduced in the State since no announcement has yet been made by the Tasmanian Government. We are therefore interested to have further information on the regulatory status of small customers of both electricity and gas, who remain non-contestable and contestable respectively, after the NECF is passed as law in South Australia. While this is likely to be an issue for the Tasmanian Government to resolve, the draft legislative package offers little insight into possible transition options.

#### National Energy Retail Law Objective

While the National Energy Retail Law Objective is addressed in the attached table, we believe that, as the fundamental rationale and basis for the NECF, it is vitally important that it be altered from the Draft to reflect both the essentiality of energy and the consumer protection focus of the Law and Rules. We therefore also address it here to underline its significance.

Section 113 in Division 3 of the Draft NERL details the NERL Objective. It is similar to the objectives of both the National Electricity Law and the National Gas Law in that it seeks to 'promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.'

Given that the focus of the NERL is on activities associated with retail energy supply and with relationships between suppliers and consumers, it would make more sense to focus the objective of the Law on the nature of the service – that is, on the essential nature of energy services – and on consequent necessity to protect consumers of energy services. An objective with such a focus will make unequivocal the intention of the legislation to protect consumers in order to ensure their ongoing access to essential energy services.

#### Hardship policies

This is also addressed in the attached table; however, we reiterate our concern here in order to draw attention to its importance to those experiencing financial hardship and consequent difficulties in maintaining a continuing household energy supply.

We are disappointed to see in the Draft legislative package that no requirement has been made for retailers' hardship policies to be approved by the Australian Energy Regulator (AER). Our response to the earlier NECF Policy Paper (July 2008) called for a mandatory approval process by the AER for retailer hardship policies on the grounds that hardship

policies that are subject to an approval process are more likely to be 'appropriate, effective and robust'.

The Draft NERL requires a retailer to develop, publish and implement a customer hardship policy (NERL Div 9 s.232 (1)) and goes on to list the minimum requirements for hardship policies (Div 9, s.233 (a)-(f)). This seems to us to have obvious enforcement problems and we therefore believe that it would make more sense to require retailers to have their hardship policies approved by the AER, rather to develop, publish and implement hardship policies that may not meet the minimum requirements. Pre-approval by the AER would remove the necessity for the Regulator to search out the hardship policies of all retailers and measure them against the minimum requirements subsequently. Pre-approval would also ensure awareness of, and compliance with minimum requirements from the outset.

The remainder of our concerns with the Framework are detailed in the attached table. We hope our comments and suggestions are useful to you in your further deliberations on this important legislative package. We look forward to continuing to participate in the process of establishing a best practice national regulatory framework that protects the interests of consumers, and in particular, of the most vulnerable consumers.

Yours sincerely



Tom Muller  
Chief Executive Officer, TasCOSS