

**NATIONAL CONSUMERS ELECTRICITY
ADVOCACY PANEL**

**DRAFT REPORT – ALTERATION OF TERMS AND CONDITIONS
OF REPRESENTATIVE MEMBERS**

On 27 July 2004 I notified a proposal to pay an annual fee of \$35,000.00 to representative members of the panel. If implemented the proposal would have affected the consumer and domestic representative only, as the generator and retailer representatives do not take fees in respect of their work on the panel. This is a draft report on the proposal, for the purpose of cl 8.9.(g) and (h) of the National Electricity Code, which considers the submissions received.

I received two submissions on the proposal, one from the Victorian Council of Social Service of 23 August 2004 to the effect that this sum was inappropriately high, given “the unavailability of core funding for utility customer/community advocacy in Victoria and the apparent lack of performance measures by which to assess NEM AP outputs”. The other submission of 1 September 2004 from Energy Action Group was that the proposed sum was excessive “given the number of meetings, applications and the number of decisions made by the Panel members”. EAG proposed \$15,000.00 as adequate. It also said that the proposed sum of \$35,000.00 “reflects remuneration for a skills base well beyond the experience demonstrated by the current consumer panel members”.

At the time of the proposal for, annual, remuneration, the work of the panel had become more settled. The establishment work in the first year of the panel required additional work for members against which the proposed annual fee of \$35,000 would have been a reduction. However in August 2004, the Ministerial Council on Energy placed the matter of customer advocacy in the energy market on its agenda. This has affected the workload of the panel as well as creating uncertainty as to its future.

In the circumstances the proposal to change the fees of the panel members to an annual fee, is, in my view, now not warranted.

I also note the two submissions received, and they do cause me to agree that my original proposal of \$35,000.00 per annum was too high.

I propose not to proceed with the proposed alteration.

The balance of the proposal notified on 27 July was that the domestic customer representative's term expires at the same time as the other representative members. To the extent that it is necessary to do this under the code consultation procedures, I do propose to make this change. The two submissions received do, correctly in my view, raise the issues of selection processes and criteria for the domestic customer representative. When the next opportunity arises for appointment of representative members of the panel (not just the domestic representative) I propose to have in place new procedures and new criteria to reflect the experience of the panel over the last 22 months and the concerns expressed in the two submissions.

Submissions may be made on this draft report by Friday 21 January 2005 by email to advocacypanel@axtonjones.com.au, or by letter to the Chairman, PO Box 43, Surrey Hills, Victoria, 3127. The draft report will be finalised after the submission period.

A BISITS
Chairman
10 December 2004