

1    **Final Report to the NEM Advocacy Panel on the**  
2  
3    **EAG National NEM Advocates (Roundtable) Meeting**

***Project Background and Description***

In its September 2004 funding round the National Electricity Market Advocacy Panel (NEM AP) selected the EAG Inc. submission to organise and host a national, two-day roundtable meeting of small and low income consumer representatives.

In its submission, EAG nominated the purpose of the meeting as providing a much needed national forum for small consumer advocates to discuss and identify areas of consensus in response to the MCE (Roundtable) Issues Paper.

***Project Objectives and Performance Indicators***

The specific objectives of the project were:

- 1    That EAG organise and host a two day meeting in Melbourne for small consumer representatives drawn nationally with the intention of;
  - 1.1        Identifying potential areas of consensus amongst residential and low income consumer advocates in response to the MCE Issues paper;
  - 1.2        Enabling the sharing of information & knowledge about jurisdictional difference in retail and distribution;
  - 1.3        Enabling the identification of areas for further collaboration, research and advocacy in the NEM, its further development & operation;
- 2    That EAG administer the project in a timely fashion, within budget and in accordance with the reporting requirements of the NEM AP.

These objectives have been re-expressed for this Report as the EAG project major performance indicators. They are:

- 1) EAG organises, administers, hosts timely two-day meeting for nationally drawn NEM consumer advocates;
- 2) EAG designs and conducts meeting to:
  - a) support participation, consensus and agreement amongst consumer advocates in response to the MCE Issues paper;
  - b) identify areas for further research, advocacy and collaboration in NEM development/operation, draft work plan;
  - c) support the sharing of information and knowledge amongst consumer advocates;
- 3) EAG conducts project within budget and in accordance with NEM AP reporting requirements.

The performance indicators are used to structure the layout and content of this Report appearing below as the Performance Indicator sub-sections housing details of the project's performance.

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## **Activities and Performance Report – EAG National NEM Advocates Meeting**

### **Performance Indicator 1**

*EAG organises, administers, hosts timely two-day meeting for nationally drawn NEM consumer advocates;*

Definitions:

- 'timely' as determined by the closing date for submissions MCE Issue Paper public consultation process, the receipt of the first payment from the NEM AP, and meeting organisational requirements
- 'nationally drawn' – energy consumer advocates active at jurisdictional and/or NEM levels.

### **Activities & Outcomes Report**

- Upon news that the NEM AP had agreed to fund the project, EAG notifies consumer representatives from NSW, QLD, Victoria, Tasmania, South Australia, Queensland, ACT and Western Australia and sets meeting date and place: 11-12 October, Melbourne.
- Upon receipt of first payment from the NEM AP EAG:
  - books venue – conference room, Adelphi Hotel, Flinders Lane, Melbourne
  - finalises registration list – 15 participants representing EAG host (1), Victoria (7), NSW (2), SA (2), Tasmania (1), Queensland (2)
  - books accommodation and catering – Adelphi Hotel, and Rosati's Restaurant (dinner only)
  - finalises travel arrangements
  - liaises with participants about meeting arrangements

### **Performance Indicator 2a**

*EAG designs and conducts meeting to support participation, consensus and agreement amongst consumer advocates in response to the MCE Issues paper.*

## **Activities and Outcomes Report**

- EAG drafts agenda, circulates to participants for comment, receives comment, adjusts and finalises agenda. See Attachment 1;
- EAG selects, engages and briefs experienced meeting facilitator – Russell Fisher, *Two Planets*;
- EAG engages and briefs rapporteur – Merrin Canning;
- EAG engages sound system service;
- EAG conducts pre-event venue & accommodation inspection, event planning meeting – EAG host, EAG support administrator, facilitator, rapporteur, venue operator;
- EAG liaises with participants about agenda and meeting arrangements;
- EAG greets and registers meeting participants;
- EAG hosts meeting.

The meeting was able to achieve agreement and consensus as described in Attachment 2 – response to MCE Issues from the meeting was a letter requesting a moratorium on proposed changes to the NEM until more is known about customer impacts including all small customers and low-income/vulnerable customers in particular.

## **Performance Indicator 2b**

*EAG designs and conducts meeting to identify areas for further research, advocacy and collaboration in NEM development/operation, draft work plan.*

## **Activities and Outcomes Report**

The meeting was able to achieve agreement and consensus as described in Attachment 2 – research to establish impacts on small customers, particularly low income/vulnerable customers.

At the meeting participants drafted a work plan identifying development of letter to MCE as per 2a (above), formed a working group to identify research areas.

Meeting participants agreed to continue communicating by email and expressed the need for a follow up NEM advocates meeting in the next 4-6 months.

## **Performance Indicator 2c**

*EAG designs and conducts meeting to support the sharing of information and knowledge amongst consumer advocates.*

In addition to using the services of an experienced and briefed meeting facilitator, the meeting was designed to encourage both formal and informal networking and interaction amongst participants. Plenary sessions supported by smaller break out sessions were used to facilitate both whole group and more focused discussion and exploration of

issues. The opening plenary session included an overview of the NEM, the MCE Issues paper, and issues for customer representatives by EAG President and meeting host, John Dick. EAG provided ample quantities of butchers paper/pens for recording break out and plenary session reports. Plenary report backs and discussions were sound recorded.

The recording was used by the rapporteur in the preparation of the *NEM Meeting Report for Participants* (see Attachment 3). EAG has circulated the *Participants Report* both as meeting report and as a resource to assist in planning future national consumer advocacy activities.

In addition to the structured meeting, EAG provided opportunity for informal communication and networking amongst participants via the dinner. With most participants attending, the dinner was held on the first night of the meeting at Rosati's Restaurant.

### **Performance Indicator 3**

*EAG conducts NEM Meeting project within budget and in accordance with NEM AP reporting requirements.*

### **Activities and Outcomes**

As anticipated, there was some variation from the budgeted line item amounts to the actual costs incurred. Careful EAG financial and project administration saw the project come in under budget (see Summary Table below). EAG has paid all accounts associated with the project.

A final statement of accounts (Attachment 4), invoice to the NEM AP for second payment, and this Project Report complete the reporting requirements for the project.

**Budget/Expenditure Summary Table**

<b>2.4</b>	<b>Submission Project Budget</b>	<b>Budget Amount</b>	<b>Project Actual Expenditure</b>	<b>Actual Amount</b>
	<b>Main elements (by reference to sec 2.1 above)</b>	<b>\$\$\$</b>	<b>Main elements</b>	<b>\$\$\$</b>
	Venue, meeting setup, administration, on-costs	<b>3600</b>	Venue, accom., catering, s/system	<b>4752</b>
	Facilitator/record of discussion	<b>2500</b>	Facilitator/rapporteur	<b>4100</b>
	Phone and taxi fares	<b>1200</b>		
	Airfares	<b>5260 - 7450</b>	Travel	<b>3210.43</b>
			Meeting Administration incl. meet set-up, administer, phone, stationary, misc, project final rpt + on costs	<b>5265.57</b>
	Accommodation plus meals for 10 people	<b>2800</b>		
	Catering for Melbourne participants	<b>1300</b>		
	<b>Total</b>	<b>\$17,500</b>	<b>Total</b>	<b>\$17,328</b>

## **Attachments**

### **Final Report on the NEM Advocates Meeting Project**

- Attachment 1 - NEM Advocates Meeting Agenda**
- Attachment 2 - Letter from meeting to MCE outlining agreed position**
- Attachment 3 - Excerpt from *NEM Advocates Meeting Report for Participants***
- Attachment 4 - Project/Income Expenditure Report**

**National NEM Advocates Meeting  
11 - 12<sup>th</sup> October, Adelphi Hotel, Melbourne**

**Agenda**

**Monday 11th October**

**Registration coffee /tea 9.30 am. to 10.00 am**

***Start 10.00 am.***

Introduction by EAG President and meeting host, John Dick

The role of EAG – Meeting rationale and objectives, facilitator and rapporteur introductions

Where we appear to be at in the NEM reform process?

Some issues across the NEM

10.30 am.

Discussion on the MCE paper re: convergence of Distribution and Retail Codes.

Role of the Distribution and Retail Codes.

Who's doing what?

What is the best approach - do we want to maintain jurisdictional oversight?

Will convergence of the retail and distribution codes give us better outcomes than jurisdictional oversight?

How do we prevent lowest common denominator outcomes?

What resources are available to support good outcomes for small customers?

What roles are the Australian Regulators Forum, Australian Energy Regulator and the Australian Energy Markets Corporation likely to play in the process?

**11.15 am.**

**Morning Tea**

11.35 am.

Continuation of the discussion on convergence of the MCE Distribution and Retail Codes paper

**12.30 pm.**

**Lunch**

1.45 pm.

How do we improve consumer participation in the NEM?

The role of the Allen Consulting Report

MCE response/approach to consumer participation.

Relationship between large and small consumers

The role of Capacity Building

**3.15 pm.**

**Afternoon Tea**

3.35 pm.

Resume discussion on consumer participation

4.45 pm.

Sum up of the day's work

5.00 pm.

Finish for the Afternoon

**5.20pm**            **Pre-dinner drinks**

**6.30 pm**            **Dinner at Rosatti's (see Advocates meeting sheets for details)**

**Tuesday 12<sup>th</sup> October: Meeting Resumes**

**Coffee 8.45am**

***Start***

9.00 am.            Current NEM consultations processes:  
NEMMCo  
ACCC

9.15 am            Where each state is at  
Distribution Use of System Charges, retail pricing, regulatory  
consultations underway/in process  
Annual regulatory processes

10.00 am.            How best to use the available resources

**11.15 am.            Morning Tea**

11.35 am.            Energy Market risk and pricing issues  
Cost of the energy only market and the various enhancements REC's,  
NGAC's and other trading system proposals including Market levies -  
AER and AEMC, DM funding and Energy Efficiency.  
The role of the Regional Boundaries Review, Draft Statement of  
Regulatory Principles

12.35 pm            Way forward and any other issues

**1.00 pm.            Close and Lunch**



**Final**

Date

Name

Minister

Address

Address



Dear Minister

We are writing to each of the members of the Ministerial Council on Energy to express our concern that the dialogue on energy market reform and restructuring is developing without sufficient attention being given by policy-makers and regulators to the needs of consumers, particularly low-income and vulnerable consumers.

The signatories to this letter therefore make the following recommendations to the Ministerial Council on Energy:

1. That Ministers make a public statement of their support for the need to protect vulnerable consumers, and direct officials to incorporate that need actively into their deliberations. Energy is an essential service and its unique characteristics impose an ongoing requirement for robust, sector-specific safety nets of regulatory and non-regulatory protections;
2. That the Ministerial Council on Energy ensures that in supporting the establishment of a national consumer advocacy mechanism, it is adequately resourced to ensure that vulnerable consumer's interests are effectively represented in policy and regulatory decisions pertaining to the National Energy Market, and underpinned by well-resourced advocacy in each of the NEM regions; and
3. That the Ministerial Council on Energy direct officials to collect further data on the implications for consumers, particularly vulnerable consumers, on the proposed move to a national retail and distribution regulatory regime, so that the social, environmental and economic implications of restructuring are clearly understood by government, industry and consumers alike. In light of the differing consumer protection regimes in the different jurisdictions, we also recommend that the individual jurisdictions instigate processes as a matter of urgency to ensure adequate levels of protection are afforded to vulnerable consumers.

These recommendations were developed during the first ever national seminar held by advocates representing small consumers to discuss consumer energy issues within the National Electricity Market, and to identify the risks and benefits to consumers of further energy market reform. They are supported by organisations representing residential and low-income energy consumers from NEM jurisdictions and Tasmania.



TOTAL ENVIRONMENT CENTRE





We are deeply concerned at the timetable that has been set by Ministers to develop policy on these issues, and the dearth of analysis on the implications for consumers of developing a national regulatory framework underpinned by State social and environmental protections, or of any evaluation of the effectiveness of elements of state regulatory frameworks.

Energy affects every Australian household and business – it is crucial social and economic infrastructure. It is the single largest contributor to greenhouse gas emissions in Australia. Policy development on the economic regulation of energy must consider the social and environmental implications of reform, and must be directed by the public interest.

Some of the signatories to this letter will be making individual responses concentrating on the needs of their constituencies to the MCE Issues Paper on developing a National Framework for the regulation of retail and distribution.

We will also be making representations to relevant Ministers and officials in each of the NEM jurisdictions, and consumer advocates from your State will be seeking an appointment with you to outline our concerns in more detail.

<p>Andrew Nance Policy Officer South Australian Council of Social Service 1<sup>st</sup> Floor Torrens Building, 220 Victoria Square ADELAIDE 5000 Phone: (08) 8226 4111 Email: <a href="mailto:andrew@sacoss.org.au">andrew@sacoss.org.au</a></p>	<p>Ara Cresswell Director ACT Council of Social Service Lower Ground Floor, Jamieson House 43 Constitution Ave REID ACT 2612 Phone: (02) 6248 7566 Email: <a href="mailto:ara@actcoss.org.au">ara@actcoss.org.au</a></p>
<p>Cheryl Wragg Policy Officer Victorian Council of Social Service Level 6, 130 Lt Collins Street MELBOURNE 300 Phone: (03) 9654 5050 Email: <a href="mailto:cheryl.wragg@vcoss.org.au">cheryl.wragg@vcoss.org.au</a></p>	<p>Elissa Freeman Policy Officer Public Interest Law Clearing House Level 1, 46-48 York Street SYDNEY 2000 Phone: (02) 9299 7833 Email: <a href="mailto:efreeman@piac.asn.au">efreeman@piac.asn.au</a></p>
<p>Fiona Guthrie Deputy Chair Consumers' Federation of Australia C/- Consumer Credit Legal Centre ADDRESS Phone: (07) 3369 7247 Email: <a href="mailto:fionaguthrie@creativesparks.com.au">fionaguthrie@creativesparks.com.au</a></p>	<p>Jane Castle Resource Conservation Campaigner Total Environment Centre Level 2, 362 Kent Street SYDNEY 2000 Phone: (02) 9299 5599 Email: <a href="mailto:jane.castle@tec.org.au">jane.castle@tec.org.au</a></p>
<p>Ian Jaratt</p>	<p>John Dick</p>

<p>Member Queensland Consumers' Association ADDRESS PHONE Email: <a href="mailto:ijarratt@australiainmail.com">ijarratt@australiainmail.com</a></p>	<p>President Energy Action Group PO Box 136 NORTH MELBOURNE 3051 Phone: (03) 9482 1328 or 0419 560 966 Email: <a href="mailto:johnld@melbpc.org.au">johnld@melbpc.org.au</a></p>
<p>Kane Thornton Energy Policy Manager  <i>2.i.i.i.1      Alternative Technology Association</i> PO Box 2001 Lygon Street North EAST BRUNSWICK VIC 3057 Phone: (03) 9388 9311 Email: <a href="mailto:kane@ata.org.au">kane@ata.org.au</a></p>	<p>Kath McLean Policy Officer Tasmania Council of Social Services 2<sup>nd</sup> Floor, McDougall Building, Ellerslie Road BATTERY POINT 7004 Phone: (03) 6231 0755 Email: <a href="mailto:kath@tascoss.org.au">kath@tascoss.org.au</a></p>
<p>Kerry Connors Director Consumer Utilities Advocacy Centre Level 2, 172 Flinders Street MELBOURNE 3000 Phone: 9686 0025 Email: <a href="mailto:kerry.connors@cuac.org.au">kerry.connors@cuac.org.au</a></p>	<p>Natasha Leigh NEM Project Coordinator Consumer Law Centre Victoria Level 9, 91 William Street MELBOURNE 3000 Phone: (03) 9629 6300 Email: <a href="mailto:natasha@clcv.net.au">natasha@clcv.net.au</a></p>
<p>Nicola Howell Director Centre for Credit and Consumer Law Griffith University South Bank Campus PO Box 3370 SOUTH BRISBANE 4101 Phone: (07) 3875 3245 Email: <a href="mailto:n.howell@griffith.edu.au">n.howell@griffith.edu.au</a></p>	

**Final Report Attachment 3 –  
excerpt from NEM Advocates Meeting Report for Participants (p 1)**

**NEM Meeting Report for Participants  
NATIONAL NEM Advocates Meeting  
11 & 12 October 2004, Adelphi Hotel, Melbourne  
Facilitator – Russell Fisher Rapporteur: Merrin Canning**

**Participants:** John Dick (Host, EAG), Peter Gibbons, (EAG), Andrew Nance (SACOSS), Mark Henley) (SACOSS), Jane Castles (TEC), Jim Wellsmore (PIAC), Kath Mclean (TASCOSS), Angela Savage/Cheryl Wragg (VCOSS), Dennis Nelthorpe, Natasha Leigh (CLCV), Kerry Connors (CUAC), Ian Jarratt (Qld), Nicola Howe (Griffith University), Andrea Sharam (Vic.).

The meeting opened with a presentation from John Dick. Please refer to the handout. Questions and discussion ensued.

- There is a need to understand how the process is working before groups can organise to influence it and that there is a shared understanding of that.
- A question was asked on the roles of the codes and convergence and the roles of the regulators.  
The rules and the codes next to the jurisdictions are slightly different and the intent is different. The best of the retail codes appear to be the ACT followed by Victoria. When looking at the distribution codes the National Regulators Forum has determined an appalling set of performance standards.
- It was noted that Natasha has a paper comparing all of the codes.
- It was observed that at least half the workshop attendees have to devote most of their resources on a state-based allocation. How you deal with retail and distribution and regulators depends on what role the two new Australian regulators will have and how quickly they get it. If they don't end up with a significant retail role there is a strong argument that these attendees would find it difficult in the short to medium term to devote a lot of time to the two new federal regulators. MCE commentators don't know what roles will be allocated to the new regulators.  
The question was raised of whether the energy reform people want this to go to the national regulators but that the states do not wish to give up current advantages thereby raising doubts whether it will actually eventuate.  
It was observed that if there is doubt then it revolves around the role of public policy and how that interacts with the market. The more that is handed over to something that is beyond state control or influence, the harder it is to deliver on some of the

## **Attachment 4 – Project Income/Expenditure (Actuals) Report**

### **EAG National NEM Advocates Meeting**

*held 11-12 October, 2004*

### **Income and Expenditure (Actuals) Report**

#### **Income**

NEM AP	<i>1st p/ment</i>	10,000
	<i>2nd p/ment due</i>	7,500

**Total** **17,500**

#### **Expenditure**

Venue, accom., catering, s/system	4752
Facilitator	3000
Rapporteur	1100
Administration	5265.53
<i>incl. set up &amp; admin, phone, post, stationary, print, fnl.rept., misc., on costs</i>	
Travel	3210.72

**Total** **17328.25**

**Profit/loss** 172