

TasCOSS National Electricity Market Consumer Advocacy Project

Progress Report

30 January 2006

Project extension requested

The project commenced in January 2005 and was expected to be completed in January 2006, however, we have written to the Chair of the Advocacy Panel (18/1/06) seeking leave to extend the project for six months to 30 June 2006 in order to expend surplus funds from the project funding. During the calendar year 2005, very few opportunities for consumer input into national energy market issues were offered until late in the year. Although we have held consultations with Tasmanian consumers on energy issues, actively participated in the national NEM consumer advocacy network and made several submissions to the Ministerial Council on Energy throughout the year, we have not expended the funds that we anticipated needing for the project.

There is sufficient surplus funding to cover the salary and other costs of a specialist policy officer for one day per week until 30 June 2006. We have requested that we be granted leave to do this. At the end of June, we will fully acquit the funds and report on the activities and outcomes of the whole project. We await a response to our request from the Panel.

Below is a report of project activities for the latter part of 2005 (August-December) and for January 2006.

Consumer consultation

TasCOSS has used its Consumer Issues Sub-committee of the Tasmanian Social Policy Council for consultation on national energy market issues and their impact on Tasmanian consumers, and in particular on low income and disadvantaged consumers. The Sub-committee meets regularly and comprises interested individuals and representatives from TasCOSS member organisations, including Anglicare Tasmania and the No Interests Loans Scheme (NILS).

Participation in the national NEM consumer advocacy network

TasCOSS has been an active participant (and the sole Tasmanian participant) in the national network of electricity consumer advocates coordinated by the Consumer Law Centre Victoria. This has involved, in this reporting period:

- engagement with an active advocacy e-mail list (NEM-CHAT),
- participation in several national telephone link-ups,
- attendance at a national consumer advocates' 'round-table' meeting in Melbourne in November 2005, and
- collaboration – by telephone, e-mail and in person – in addressing issues raised in the MCE-initiated process of determining a framework for national energy distribution and retail regulation and the allocation of high level functions between the state and territory regulators and Australian Energy Regulator.

The network has focused its attention in this period on the MCE process mentioned above and specifically on the consultation documents – *Public Consultation on a National Framework for Energy Distribution and Retail Regulation* (prepared for the MCE by NERA Economic Consulting and Gilbert + Tobin) and *Proposed Framework Schedule for Transfer of Distribution and Retail Functions*.

The papers proposed radical changes to present regulatory arrangements and the regulatory environment. Detailed consideration of the relative merits and potential impact on residential consumers of the proposals was undertaken within the advocacy network and contributed to informing the TasCOSS response to the papers.

Submissions to the Ministerial Council on Energy

TasCOSS has made two submissions to the MCE in this period. The first in conjunction with all of the Councils of Social Service (COSS) in response to the *Proposed Framework Schedule for Transfer of Distribution and Retail Functions*. The deadline for public submissions to the proposed framework outlined in this document coincided with a national meeting of COSS staff held in conjunction with the Australian Council of Social Service National Congress. This meeting provided an opportunity for COSS staff with energy portfolio responsibilities to collaborate on a joint response to the proposed framework.

The second submission was written in response to the paper *Public Consultation on a National Framework for Energy Distribution and Retail Regulation*. The TasCOSS submission emphasised our preference for continued state-based regulation or the need for strong jurisdictional representation, especially from the less populous states and territories, in the national regulation of energy distribution and retail activities. It also addresses a number of principles relating to consumer protection and the essential nature of energy supply that TasCOSS believes should underpin national regulation of those activities.

We attach a copy of the submission for your information.

Attachments

- TasCOSS submission to the MCE on the consultation paper - *Public Consultation on a National Framework for Energy Distribution and Retail Regulation* – January 2006.

30 January 2006

Kath McLean
Project / Policy Officer
Tasmanian Council of Social Service

PO Box 1126
Sandy Bay TAS 7006
Phone 03 6231 0755 Fax 03 6223 6136
kath@tascoss.org.au