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Read by AB  
29.10.04

South Australian Council of Social Service Inc

**Electricity Consumer Advocates Training (ECAT) Project**  
**Progress Report to end of September 2004**  
**for the National Electricity Consumers Advocacy Panel**

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**Project Summary:**

The project aims to deliver a training and support program to representatives of key community based stakeholders on National Electricity Market (NEM) issues. Through a series of training workshops and other communications, the project aims to develop an understanding of the market, the players, their roles, responsibilities and limitations. The ultimate objective will be to develop a capacity within each stakeholder organisation to advocate strategically on behalf of households on key issues that effect residential energy supplies.

If this objective is met, community based organisations will be able to more effectively participate in consultations, negotiations and debate regarding pricing determinations, the NEM and the National Electricity Code (NEC).

**Progress Summary:**

Following on from the previous progress report (to end May 2004), a total of 5 half-day training workshops have been successfully conducted. Andrew Nance continues to coordinate the Project and is the author of this report.

The SACOSS 'Utility Consumer Advocate's Network' e-group was launched in June 2004. As at the end of September, the group has 38 members (including individuals from SA, Victoria, NSW, ACT, Tasmania and WA) that have collectively posted 136 messages since June. This yahoo!group has proven to be a very effective way of sharing information, resources, ideas, news and comments.

The workshops have covered a range of issues and we have been privileged to have had a number of interesting speakers. However, the number of regular attendees has incrementally declined as participants have struggled to meet the time commitments involved. The dates for the workshops were fixed very early in the project but a number have been forced to miss sessions or withdraw completely due to the 'dynamic' nature of the staffing of the organisations involved. All who have had to withdraw have done so with positive comments on the workshops in which they have participated.

Regular participants include representatives of Uniting Care Wesley Adelaide (one of SA's largest community service providers), Community Housing Council of SA (peak

body of the state's many housing cooperatives), Conservation Council of SA, SACoSS, Carer's Association of SA, Lutheran Community Care and Baptist Community Services SA.

Andrew Nance continues to provide support to SACoSS representatives on the Essential Services Commission of SA's Consumer Advisory Committee (ESCoSA CAC), the Minister for Energy's Energy Consumers Council (ECC) and Origin Energy's Customer Consultative Committee. Andrew has also been able to take on the role of SACoSS representative on AGL's National Customer Council.

Andrew has also engaged in the MCE Energy Market Reform process, attended briefings in Melbourne and Adelaide and met with advisors for the Minister for Energy and from the Department of Treasury and Finance.

The final workshop is now planned for early November and will aim to explore the subject of Corporate Social Responsibility and Corporate Engagement as it applies to energy businesses.

Following this, a comprehensive Project report will be compiled that includes copies of electronic and printed materials produced by the project. SACoSS considers this project to be quite successful and worthwhile - an application to the Panel for further funding may accompany this report in anticipation of the Panel's December meeting.

**Project Elements - further detail of activities:**

	Description	Budget	To Date
<b>Element 1:</b>	Establish Project and Engage Participants	50 hours	50 h
<b>Element 2:</b>	Prepare Project Plan and Training and Communications Package	80 hours	80 h
<b>Element 3:</b>	Build Training Content. Engage Consultants, speakers, venues, equipment etc	300 hours	220 h
<b>Element 4:</b>	Deliver Training Workshops	48 hours	40 h
<b>Element 5:</b>	Provide ongoing support and communications	312 hours	196 h
<b>Element 6</b>	Identify further advocacy opportunities and pursue funding options	-	-
	<b>TOTAL:</b>	<b>790 hours</b>	<b>586 h</b>

## Progress/activities for each element

### Element 1

As stated in the summary above, participation rates have declined incrementally from over 10 initial participants to 5-6 participants at each session.

The final workshop will include a broader invite list than the regular participants.

### Element 2

Project Plan developed. Minor adjustments as project has evolved due to feedback received from participants.

### Element 3 & 4

Workshop No. 2 (June 23<sup>rd</sup>): Welcome to the National Electricity Market. Guest presenters were Natasha Leigh (NEM Network Coordinator at the Consumer Law Centre of Victoria) and Adam Wilson (Principle Regulatory Officer at the Essential Services Commission of SA).

Workshop No. 3 (July 28<sup>th</sup>): Householder Impacts I - Electricity Pricing Issues. This session introduced the concept of householder impacts as being related to 'price' and 'conditions' components. The session then focussed on the residential 'price stack' and the mechanisms by which these various elements are set or regulated. Guest presenter was Mark Henley (Manager Advocacy and Communications at Uniting Care Wesley Adelaide).

Workshop No. 4 (August 25<sup>th</sup>): Householder Impacts II - Consumer Protection Issues. This session delved into the 'non-price' components of electricity supply with guest presenter Mr Nick Hakof (Energy Industry Ombudsman SA). Session concluded with a review of the two 'Householder Impacts' workshops in order to facilitate discussion around 'key issues' and 'priorities'

Workshop No. 5 (September 22<sup>nd</sup>): Building Advocacy. This workshop provided a comprehensive update on market activities and media - including the MCE Market Reform program, and the SA reviews of Distribution Pricing and Retail Price path. Also built on the work conducted at the conclusion of the previous session and has lead to a draft statement of principles for engagement on utilities issues and an attempt to focus on prioritising some strategic issues. Guest presenter was Jim Wellsmore (Senior Policy Officer at the NSW Public Interest Advocacy Centre's Utility Consumer Advocacy Project) and we were joined by Denis Nelthorpe (Domestic Consumer representative on the Advocacy Panel).

Agenda's for each of these sessions can be found as an appendix to this documents. More detailed write-ups of the sessions and copies of other materials used will form part of the Project's Final Report in December.

### Element 5

Information, research and media reports are being collated.

Details of the project have been included in SACoSS News and on the SACoSS website (<http://www.sacoss.org.au/projects/ecat/index.html>).

The SACoSS 'Utility Consumer Advocate's Network' [sacoss\_ucan] e-group was launched in June 2004. As at the end of September, the group has 38 members (including individuals from SA, Victoria, NSW, ACT, Tasmania and WA) that have collectively posted 136 messages since June. This yahoo!group has proven to be a very effective way of sharing information, resources, ideas, news and comments.

Visit the group at [http://groups.yahoo.com/group/sacoss\\_ucan/](http://groups.yahoo.com/group/sacoss_ucan/) to see posted messages etc.

#### **Element 6**

The project was able to leverage further funding from the NEM Advocacy Panel to participate in work on 'User Participation in Australia's Energy Markets by the Ministerial Council on Energy' Standing Committee of Officials User Participation Working Group. The resultant submission has received positive feedback from community advocates in the eastern states (who also made submissions).

Andrew Nance was also able to provide support to the Western Region Energy Action Group (WREAG) in the preparation and launch of their 'Powering Poverty' case-study report. The report goes behind the statistics and tells the real stories of 12 low-income households struggling with the impact of Electricity Price rises. Copies of the report can be found in the 'what's new' section of the SACoSS website ([www.sacoss.org.au](http://www.sacoss.org.au)).

The ECAT group was also used as one of the groups contributing to the SACoSS submission to an ESCoSA inquiry into Pre-Payment Meters in SA (copy to be included in final report but available from Andrew Nance upon request). Andrew has also facilitated two meetings with pre-payment system provider EziKey and their parent company Aurora Energy (Tasmania's publicly owned monopoly retailer).

The Spring 2004 edition of the 'SACoSS News' magazine (circulated to all members) contained a 'Power to the People' feature including an article by Andrew Nance 'How the National Electricity Market works in SA'. A copy will be provided in the final report.

**Attached:** Copies of Agenda for Sessions 2-5.



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Electricity Consumer Advocates Training Project 2004

AGENDA - SESSION 2 June 23<sup>rd</sup>, 2004

Time: 1:00 - 5:00 PM

Venue: The Torrens Building (220 Victoria Square - cnr Wakefield St)  
Meeting Room 2 (Ground Floor just near the main door).

TOPIC: 'Welcome to the National Electricity Market'

PART 1: Introduction to the National Electricity Market (NEM)

**Guest Presenter:** Natasha Leigh, Consumer Law Centre Victoria (CLCV) - Coordinator, NEM Capacity Building in the Community Sector Project & National Retail Code Harmonisation Project.

Time	Details	Presenter
1:00 - 1:15	Welcome and Introductions	Andrew Nance
1:15 - 2:45	History and Operation of the NEM a. NEM Characteristics (overview) b. NEM History (Nat Competition Policy etc) c. Market Operation <ul style="list-style-type: none"><li>• NEMMCO</li><li>• Market Participants</li><li>• Bidding &amp; re-bidding</li><li>• Scheduling &amp; Dispatch</li><li>• Interconnected NEM Regions</li><li>• Unscheduled Generators</li><li>• Spot Market</li><li>• Ongoing reform process</li></ul>	Natasha Leigh
2:45 - 3:00	Coffee and Tea Break - informal discussions	

**PART 2: Regulation**

**Guest Presenter:** Adam Wilson, Essential Services Commission of SA (ESCoSA)

Time	Details	Presenter
3:00 - 4:00	a. Introduction to Electricity Regulatory framework in SA b. Introduction to ESCoSA - roles & functions c. Basic Principles of Regulatory Economics	Adam Wilson
4:00 - 4:30	Introduction to the Ministerial Council on Energy and the latest Energy Market reform phase a. Energy Market Review and motivation for further reforms b. Who are the MCE, AEMC, ACCC & AER? c. Implications for Household Consumers	Natasha Leigh & Andrew Nance
4:30 - 5:00	Discussion & Feedback session	Andrew Nance

Please direct any questions, suggestions or apologies to the ECAT Project Coordinator

Andrew Nance

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Adelaide 5000



South Australian Council of Social Service Inc

Electricity Consumer Advocates Training Project 2004

AGENDA - SESSION 3 July 28<sup>th</sup>, 2004

Time: 1:00 - 5:00 PM

Venue: Maughan Church Lounge - UnitingCare Wesley, 10 Pitt St Adelaide

TOPIC: 'Householder Impacts I - Electricity Pricing Issues'

Time	Details	Presenter
1:00 - 1:15	Welcome and Introductions + brief re-cap on previous sessions & plan for sessions 3 & 4	Andrew Nance
1:15 - 2:00	Going from 'What is' to 'What could be' ... d. Opportunities for change e. Price, Conditions or both? f. Brainstorm: Householder Impacts and Interfaces	Andrew Nance & Mark Henley
2:00 - 2:45	Introduction to Electricity Pricing in the NEM a. Low Owens' 'True Story' b. Electricity contract types c. The 'price stack'	Andrew Nance
2:45 - 3:00	Review	Andrew Nance
3:00 - 3:15	Coffee and Tea Break - informal discussions	
3:15 - 4:00	Electricity Pricing - Part 2 d. The elements of the price stack - how they are determined & how to change them e. Concessions f. Tariff structure options	Andrew Nance
4:00 - 4:30	Reflection + what do we want to learn in Session 4 - 'Consumer Protection'	Andrew Nance
4:30 - 5:00	Discussion & Feedback session	Andrew Nance



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AGENDA - SESSION 4 August 25<sup>th</sup>, 2004

Time: 1:00 - 5:00 PM

Venue: The Torrens Building (220 Victoria Square - cnr Wakefield St)  
Meeting Room 2 (Ground Floor just near the main door).

TOPIC: 'Householder Impacts 2 - Consumer Protection Issues'

Time	Details	Presenter
1:00 - 1:10	Welcome and Introductions + brief re-cap on previous session (pricing issues)	Andrew Nance
1:10 - 3:00	Guest Presenter: Nick Hakof - Energy Industry Ombudsman  g. Introduction to the Energy Industry Ombudsman Scheme in SA  h. The regulatory Code framework in SA (Energy Retail Code, Marketing Code, Customer Transfer & Consent Code) *** <i>copies will be provided to all participants</i>  i. Trends & emerging issues  j. Q&A Session	Nick Hakof
3:00 - 3:15	Coffee and Tea Break - informal discussions	
3:15 - 4:30	Review and consolidation of pricing and consumer protection issues  g. Key Issues  h. Priorities  i. Actions - can we agree a set of 'principles' for the operation of the market?	Andrew Nance
4:30 - 5:00	Discussion of Session 5 'Building Advocacy' Sept 22 - what do we want to learn (Guest Presenter will be Mr Jim Wellsmore from the NSW Public Interest Advocacy Centre) + general feedback session	Andrew Nance





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AGENDA - SESSION 5 September 22<sup>nd</sup>, 2004

Time: 1:00 - 5:00 PM

Venue: The Torrens Building (220 Victoria Square - cnr Wakefield St)  
Meeting Room 2 (Ground Floor just near the main door).

TOPIC: 'Building Advocacy'

Time	Details	Presenter
1:00 - 1:10	Welcome and Introductions + brief re-cap on previous session	Andrew Nance
1:10 - 1:50	Item 1: Update (see notes below)	Andrew Nance
1:50 - 3:00	Item 2: 'What is Advocacy? What is effective?' a discussion (see notes below)	Andrew, Jim Wellsmore and Denis Nelthorpe
3:00 - 3:15	Coffee and Tea Break - informal discussions	
3:15 - 4:15	Item 3: 'Principles and Issues' - prioritising the issues (see notes below and discussion paper)	Andrew Nance
4:15 - 4:30	Item 4: Introduction to Corporate Social Responsibility (CSR)	Andrew Nance
4:30 - 5:00	Item 5: Feedback, review and 'where to from here?'	Andrew Nance

Session 5, September 22<sup>nd</sup>, 2004

WORKSHOP NOTES

Item 1: Update

Handouts:

- a. The spring edition of SACoSS news contains a 'Power to the People' feature that features a number of articles and letters on electricity and households in SA.
- b. The Adelaide Advertiser (September 3<sup>rd</sup>, 2004) released the results of a report they commissioned by Deloitte Touche Tohmatsu and the Institute of Chartered Accountants in Australia - "Report on trends in Domestic Utility Prices from July 2000 to July 2004". Copies of the report and the Advertiser coverage (including the associated editorial) will be provided. The report identifies increases in tariffs and other fees and charges that have resulted in an average combined increase in utility bills of 30% - over double the inflation rate for the period.
- c. Rosalyn Williams (SACoSS employee and ECAT participant) has recently prepared a report to the Origin Energy National Customer Consultative Council (Rosalyn is the ACoSS rep) entitled 'Five Burning Issues: Delivery of electricity and gas services to low-income households in Australia'. Copies of Rosalyn's report will be provided.

Other items:

- d. Update on Pre-payment meters and the impending meeting with Aurora Energy and EziKey (September 28<sup>th</sup>, 11AM)
- e. Brief report back from AGL's Customer Council and the emerging 'disconnection crisis' in SA - residential disconnections have more than doubled from historic levels since SA households have been able to access the 'benefits of competition'.
- f. Rosalyn has initiated a meeting with the SA Financial Counsellors Association (SAFCA) for Thursday Sept 23<sup>rd</sup> to discuss the implications of elevated disconnection numbers on the resources of SAFCA members.

Regulatory Update:

- g. ESCoSA released their discussion paper for the 'Inquiry into AGL SA's Standing Contract Prices' on September 15<sup>th</sup>. Submissions close on October 15<sup>th</sup> and a public forum will be held on Wednesday 20<sup>th</sup> October 2004 from 0900-1230 at the Hilton Adelaide (233 Victoria Square). There are a number of relevant issues raised in the paper including a fairly detailed response to my submission in relation to Socially Responsible Tariffs (SRTs). ESCoSA are 'sympathetic to the objective ... of ensuring needy consumers receive sufficient electricity at an affordable price' (page 26) but they prefer that this objective be met through concessions rather than via tariffs.
- h. The Electricity Distribution Price Review (EDPR) continues with ESCoSA. A recent report from lead consultant PB Associates recommends a reduction of

around 15% in what ETSA Utilities claimed in the original Expenditure Submission. This would still equate to an increase for the 'average' household of around \$40pa.

- i. The Ministerial Council on Energy (MCE) Standing Committee of Officials (SCO) has released a substantial Issues Paper: 'National Framework for Electricity and Gas Distribution and Retail Regulation'. Submissions close on October 29<sup>th</sup>. Including appendices, the issues paper is over 290 pages.

#### **Item 2: 'What is Advocacy? What is effective?'**

Amongst other items, this session will explore the interface between the electricity 'market' and public policy. Should we be attempting to address social inequities via tariff structures or is this the sole responsibility of governments and therefore delivered 'outside' the market?

A discussion lead by Andrew and involving guests:

- Mr Jim Wellmore, Senior Policy Officer (Utility Consumers Advocacy Project - UCAP) with the Public Interest Advocacy Centre in NSW, and;
- Mr Denis Nelthorpe, Domestic Consumer Representative on the National Electricity Consumers Advocacy Panel

#### **Item 3: 'Principles and Issues'**

This will entail a discussion of the DRAFT 'Utilities: Principles and Issues' paper circulated separately. We can't represent all consumers on all issues so the aim is to work toward some consensus opinion on the priority issues for us as consumer advocates - and being clear on just which consumers we represent.

#### **Item 4: Introduction to 'Corporate Social Responsibility'**

The depth of this discussion will be determined by time remaining but aims to introduce some of the issues around the behaviour of Energy Corporations and considering how and if we might engage with these businesses in working towards better outcomes for the consumers we represent.

A brief discussion paper will be circulated.

#### **Item 5: Review and 'where to from here?'**

Opportunity for feedback and to discuss the final session (due on October 27<sup>th</sup> which now clashes with the 2004 ACoSS congress in Alice Springs). Brief discussion on the possibility of changing the date but also considering just what we would like to cover in the session.

Possibilities include:

- i. Workshop on building a campaign (or integrating with an 'anti-poverty' campaign)
- ii. More discussion on Corporate Social Responsibility
- iii. A forum/summit with retailers, regulators and government to present our 'key issues' and to commence a dialogue on a collective solution
- iv. A workshop looking at the levels of support for electricity advocacy that our organisations need for 2005
- v. More work on detailing the 'key issues'
- vi. Other ideas ...