

CUAC **Q**

Issue 13, December 08
CUAC Quarterly Newsletter

WWW

Energy info goes on line

Also: **Smart Meters** **Emissions trading** **Latest from**
 cost recovery **scheme:** **CUAC**
 gazetted **hit or miss?** **and more!**


CUAC
Consumer Utilities
Advocacy Centre

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CUAC is an independent consumer advocacy organisation which ensures the interests of Victorian electricity, gas and water consumers—especially low income, disadvantaged, rural and regional, and Indigenous consumers—are effectively represented in the policy and regulatory debate.

CUAC believes all Victorians have a right to:

- ♦ affordable and sustainable electricity, gas and water
- ♦ have their interests heard in policy and regulatory decisions on electricity, gas and water
- ♦ not be disconnected from electricity, gas and/or water due solely to an inability to pay

CUAC:

- ♦ Provides a voice for, and strengthens the input of Victorian utility consumers—particularly low income, disadvantaged, and rural and regional consumers—in the policy and regulatory debate
- ♦ Initiates and supports research into issues of concern to Victorian utility consumers, through in-house research and building the capacity of consumers through its Grants program
- ♦ Investigates and responds to systemic issues affecting Victorian consumers in the competitive electricity and gas markets and with regard to water.

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Energy Prices Go On Line

By May Johnston
CUAC Senior Policy Officer

In less than a month retail price regulation will be removed in Victoria. Consumers, and especially the 40% of Victorians currently on standing offers, need to compare their current contracts with other market offers to ensure that they do not pay more than necessary for their electricity and gas.

CUAC has been a strong proponent for the Government to play an active role in ensuring that consumers can more easily obtain information and compare energy offers. The July issue of the CUAC Quarterly focused on the issue of price deregulation, the need for tools to improve price transparency and information, and to ensure that retailers have an incentive to compete on price rather than other more gimmicky bells and whistles such as magazine subscriptions and DVD players.

In particular, CUAC has strongly advocated for a requirement for retailers to publish standing offers as well as key market offers on the regulator's website. Our argument has been that by removing price regulation the Government has accepted that competition is effective. CUAC argues that the Government must therefore demonstrate a commitment to ensure consumers are informed market participants and that energy retailers operating in Victoria compete on price.

CUAC research (conducted in 2006 and repeated in 2008) has demonstrated exactly how difficult it is for consumers to locate offers and product information statements on the retailers' websites. We concluded that the Product



as providing an incentive for retailers to compete on price. In our view, the requirement to publish on the ESC's website was an opportunity to ensure that consumers can compare offers with other like offers. The community groups all agreed that the best approach to ensure comparability between offers was to require retailers to publish offers according to the underlying network tariff.

The final legislation has placed a requirement on retailers to publish at least one market offer for each meter type, in each distribution zone, if they have one or more available. The four meter types include a single rate meter; a two-rate meter (including a single rate meter and dedicated circuit meter); a time of use meter; and a multi-rate or other meter.

In practice, this means that a customer currently on a single (flat rate) tariff, for example, will be able to search for other flat rate tariffs available in his/her area (consumers will need to provide their postcode in order to search).

The ESC is currently in the process of finalising the website design and we have recommended that consumers be able to rank the offers in their area according to price (cents per kWh/Mj), as we believe this is necessary to provide a strong incentive for retailers to compete on price.

On 1 December, Origin Energy announced its increases to the standing offers taking effect from the first of January. Origin will increase its electricity price by 8.7% and gas by 9.3%. This is a significant increase and it is therefore important that Origin customers currently on the standing offer start looking around for better market offers in order to save on their energy bills.

Targeted assistance to disadvantaged consumers will still be necessary. Consumers without computer skills or internet access, and/or with literacy problems and language barriers, are clearly unlikely to benefit from this tool. While we recognise that certain classes of customers are less likely to use the website and

potentially benefit from its information, we believe this website has the potential to become the energy market's much needed 'shop front'.

In addition to publishing offers on the ESC's website, the ESC will undertake a consumer information and education campaign on behalf of the Government. It is also CUAC's understanding that the Government will produce training and information material for financial counsellors and other case workers to prepare them for some of the new challenges their clients will face from 1 January.

The website, with market offers listed, is expected to be up and running by late January 2009. However, other information about the changes to the retail market and how consumers can exercise choice will be available prior to 1 January 2009. The website is: www.esc.vic.gov.au/yourchoice

“CUAC has played an important role in ensuring that the obligation to publish offers will become a useful tool for many consumers, as well as providing an incentive for retailers to compete on price”

Information Statements retailers currently provide under the requirement of ESC Guideline 19 – Energy Product Disclosure, are generally useful but insufficient to facilitate informed consumer decision making – an essential prerequisite for a competitive market.

On 19 November 2008, Energy and Resources Minister, Peter Batchelor, launched an information campaign aimed at helping Victorians choose the best deal for their electricity and gas bills. CUAC particularly welcomed the announcement of legislation requiring retailers to publish a range of market offers as well as standing offers on the ESC's website.

Together with the Consumer Action Law Centre, St Vincent de Paul Society and VCOSS, CUAC has played an important role in ensuring that the obligation to publish offers will become a useful tool for many consumers, as well

AER not to use incentive based regulation for Smart Meter rollout

By May Johnston
CUAC Senior Policy Officer

Victorian Distribution Businesses (DBs) will commence rolling out smart meters to Victorian households in 2009.

As this is a mandatory deployment and the DBs have been made responsible for the rollout, the regulator needs to make a price determination to allow the DBs to recover their costs. A state-wide mandatory rollout of smart meters is an expensive initiative and although the cost benefit analysis commissioned by the Government shows that the benefits will ultimately outweigh the costs, consumers will be facing an initial increase in network charges to cover these costs.

As the economic regulation of distribution services are transferred from the state regulator (the Essential Services Commission) to the national regulator (the Australian Energy Regulator) from 1 January 2009, as part of the move towards a National Energy Market, the Australian Energy Regulator (AER) will have to complete the cost recovery process and produce this price determination.

On 25 November 2008 the Victorian Government Gazette published an Order in Council for the Advanced Metering Infrastructure (AMI). The key purpose of this Order is to provide for the regulation and setting of the prices, fees and charges that the Distribution Businesses (DBs) may charge in relation to the provision, installation, maintenance and operation of smart meters (and associated services and systems) in Victoria.

The amended Order stipulates the Regulatory Principles the AER must apply to this determination.

Clause 4 of the Order, which refers to Regulatory Principles, states that (our emphasis):

4.1. For the purposes of but subject to this Order, with respect to Regulated Services:

(a) *There shall be no incentive based control mechanism applied. Instead there shall be a pass through of the costs of a distributor for Regulated Services.*

(b) The regulatory economic methodology to be used by the Commission for determining those costs shall be a building block approach

This is a key variation to the previous Order in Council (from 28 August 2007), which stipulated that (our emphasis):

4.2 Principles

In determining the maximum charges for the purposes of clause 4.1 in respect of the Regulated Services referred to in clauses 3(a) and (b), the

Commission must:

(a) assume that remotely read interval meters are installed by a distributor in accordance with the roll out schedule included in the distributor's Pricing Proposal for the initial regulatory period, but *also provide an incentive mechanism designed to encourage the installation of remotely read interval meters (which are operational as remotely read interval meters in accordance with the functionality, distributor performance levels and distributor service levels set out in a further Order in Council to be made under section 46D of the Act) in a manner that exceeds the targets set out in this Order*

As such, the new Order stipulates that the regulator shall no longer provide an incentive based control mechanism to the price determination but rather ensure there is a pass through of the costs that the DBs need to recover for the rollout.

The AER is therefore to approve the DBs budget applications as long as the activities resulting in operating and capital expenditure are not outside the scope of the project or deemed imprudent.

CUAC is concerned about the regulatory framework approved for this important price determination. DBs are typically risk averse businesses and we believe there is a real possibility that the DBs may now build contingencies into their budget submissions which would obviously result in cost inefficiencies. This is potentially good news for the networks' shareholders and bad news for Victorian consumers.

To see the new OIC published on 25 November 2008:

<http://www.gazette.vic.gov.au/Gazettes2008/GG2008S314.pdf>

To see the previous OIC published on 28 August 2007:

<http://www.gazette.vic.gov.au/Gazettes2007/GG2007S200.pdf>

For more information about the Victorian Smart Meter rollout and the Cost Recovery Process, contact May Johnston, Senior Policy Officer, CUAC on may.johnston@cuac.org.au

See also article in 'The Age' 3 December 2008 <http://business.theage.com.au/business/taking-risk-by-the-meter-20081202-6pu5.html>



Emissions trading scheme: hit or miss?

By Tosh Szatow
CUAC Policy Officer

Emissions Trading is a complex way of establishing a price and market for emission abatement that, in theory, will deliver the most efficient path to our emission reduction targets. Alternatives exist but the debate about their merits has been lost in the ideological push – sometimes it feels like the debate we didn't have.

For simplicity, let us call the proposed system 'The Scheme'. The Scheme's objective is to meet emission reduction targets in the most flexible and cost effective way; to support an effective global response to climate change and to provide transition assistance to households and firms.

It is insightful to look at the objectives of The Scheme and at some of the 10 key commitments made by the Government at the outset of The Scheme design. The Scheme objective is to meet emission reduction targets in the most flexible and cost effective way; to support an effective global response to climate change and to provide transitional assistances to households and firms.

Commitment 1 is that every cent raised from The Scheme will be used to help Australian households and businesses adjust to The Scheme and invest in clean energy options. Commitment 3 is that pensioner, senior and allowance beneficiaries will have their payments increased above automatic indexation and will be provided with other assistance to meet the overall increase in the cost of living flowing from The Scheme. Commitments 4 and 5 are to assist low and middle income households adjust to overall cost of living increases.

Commitment 7 is that Energy Efficiency will be ramped

***“The key questions will be who gets the money?
How much will it be? And what strings are attached?”***

up, and finally, commitment 10 is to 'keep the energy industry strong'. The commitment is for a limited amount of direct assistance to coal fired electricity generators to ameliorate risk of adversely affecting the investment environment. This will be delivered through a difference mechanism, an 'Electricity Sector Adjustment Scheme'.

In addition to The Scheme, positioning Australia and, as far as we can, the world, to adequately manage the risks of climate change and to take advantage of emerging markets in clean energy technologies, what should matter most for consumers is how these fundamental commitments are met. The key questions will be who gets the money? how much will it be? and what strings are attached?

The first issue of managing climate change risk and positioning Australia in emerging markets can broadly be



thought of as Scheme efficacy. To position Australia favorably relative to other nations, The Scheme requires targets at least in line with, and ideally at the forefront of, global emission reduction targets. This increases the potential for Australia to attract investment in the development and deployment of clean energy technologies, skills, research and projects from around the world.

To get some perspective on the emerging clean energy technology market, it is estimated the value of worldwide carbon trading reached around \$60b in 2007, up from around \$10b in 2005. This is driven in large part by the EU emission trading scheme and more recently, the fast growing voluntary carbon offset market.

To get a sense of what the value of clean energy could be, current oil production is around 28bn barrels of oil per annum. At \$120 USD a barrel, oil production is worth a staggering 3.3 trillion USD per annum. Roughly 70% of a barrel of oil makes petrol and diesel, so if clean fuels could replace just 40% of this market, they would be worth close to \$1trillion USD per annum, roughly equivalent to the value of Australia's entire economy. The global coal market is currently worth in excess of \$300 billion, only marginally more than the global renewable energy market, however by 2012 most predictions have this being reversed. The sun is setting on the fossil fuel age, highlighting the significant opportunity to be harnessed through the right target setting.

Targets must also be based on equitable principles which, if those principles were accepted by nations around the world, would be sufficient to mitigate the risk of catastrophic climate change. If our targets fall short, there are two main consequences: we rely on the goodwill of other nations to make up our shortfall, without which we would remain exposed to unacceptable climate change risks; and we lose negotiating strength. Given Australia's unique vulnerability to climate change, with large coastal populations,

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heavy reliance on tourism attractions exposed to climate change risks and an already fragile ecosystem, anything but a leadership position on climate change compromises the control we have over our future.

On scheme efficacy, the green paper and background work being conducted by Professor Garnaut should raise concerns. Firstly, talk of target setting to date has been

dominated by the agenda to minimise scheme costs – an explicit objective of The Scheme being ‘cost-effective abatement’. On paper, the objective is harmless, but what does it mean? Does it mean cheap abatement is the priority? What if abatement is more expensive, but is associated with more flow in benefits? What happens if the costs are borne by one firm, but benefits flow to the community? Search for a definition of ‘cost-effective’ and they invariably differ, some relying on circular references back to ‘efficiency’ and ‘economical’. Pursuing cost-effective abatement is a loose objective for such an important

scheme and is consistently interpreted by fossil fuel and energy intensive industries as the need to pursue least cost abatement. This raises the risk that targets will be adopted according to what appears politically feasible, yet the environment will not reward us for meeting political goals.



climate change sensitivity. In effect, this severely constrains the ability of his work to deliver sound risk management advice which should concern us all.

Once these issues are addressed, consumers should focus on the key questions previously outlined: who gets the revenue generated by The Scheme; how much will it be; and what strings are attached.

Of most importance should be an effective energy efficiency (EE) program for households and business. This is because of the complementary benefits such a program brings: it can improve welfare; reduce household costs; reduce emissions; reduce costs associated with peak demand; and pay for itself, typically with attractive financial returns. However we must be mindful that not all households will benefit from energy efficiency and some households will require assistance to ensure energy efficiency improvements are retained in the long term as appliances are replaced.

The lack of detail and apparent effort being directed at scoping and design-

ing an effective EE response is of some concern. Commitments have been made for interest free green loans, EE standards for new homes and appliances are slowly being tightened, but despite the long known and well publicised benefits of EE, limited efforts have been made to seriously engage with the extent of the problem. This is highlighted

by Australia’s emission intensity only really being affected in the last 2 decades by restructuring of the economy to be more service oriented, as opposed to manufacturing oriented.

“Of most importance should be an effective energy efficiency program for households and business.”

The continued emphasis on cheap emission reductions and scheme flexibility, both in the Garnaut paper and The Scheme Green Paper, including the need for linkages with global carbon markets structures such as the clean development mechanism (CDM) are also an issue. When it comes to cheap emission reductions, be careful what you wish for. Cheap insurance doesn’t leave much margin for error and so it has proved to be with global carbon markets. Significant questions have been raised about the integrity of off-sets created through CDM, with many Hydro power projects claiming eligibility, despite being planned for construction before CDM was available. In most cases, Hydro power projects will make financial sense without the need to trade carbon abatement – the additionality of such off-sets is highly questionable. Yet policy makers appear determined to follow the CDM road. Without revisions to rules and processes for certifying abatement through mechanisms like CDM, these linkages will continue to undermine the integrity of any scheme adopted.

Lastly, with regards to targets, Garnaut does touch on the real possibility that without swift action in the next 5-10 years, we risk locking in catastrophic climate change, but his mandate does not allow him to model scenarios based on sound risk management. His mandate is to model scenarios based on middle of the road assumptions about

An issue for retail consumer advocates is that we have no robust system for gathering data on housing stock quality. This means that any effort ultimately directed at EE is likely to be based on substandard data, undermining the ability of any program to be effective.

Consumers should also concern themselves with the compromise that will be made between revenue being directed to compensate trade exposed, energy intensive industries and revenue being directed to measures such as welfare adjustments and EE programs. Determining the appropriate allocation of revenue is naturally a complex task, but consumer advocates should reinforce that compromising affordability on an essential service is unacceptable. We should also be mindful that where energy efficiency reduces energy demand and emissions, it reduces the liability of liable parties and so should be seen as complementing industry compensation, not competing with it.

At the least we must ensure welfare adjustments cover the cost increases associated with a carbon price across all consumer goods and services. But as importantly, we must ensure a robust consumer protection framework remains in place as we transition to a national energy market. Only such a framework will be able to accurately identify and assist those customers at risk of, or experiencing, energy hardship.

Household Utility Consumption Survey

The Department of Human Services has released its 2007 Victorian Utility Consumption Household Survey. The report contains detailed information about energy and water consumption and affordability amongst Victorian concession and non-concession households. As in previous years the interviews were conducted in Melbourne, Ballarat, Bendigo, Geelong and Shepparton. A new component to the 2007 survey is the inclusion of rural locations to cover households using LPG due to lack of access to reticulated gas.

Key findings include:

- That average electricity consumption has increased by 7% since 2001 (which is a lot less than the 23% increase observed between 1996 and 2001). Households consume 5,533 kWh per annum on average while those depending on LPG instead of reticulated gas use the most electricity, 8,247 kWh on average.
- The average annual electricity bill in 2007 was \$973 (exc GST), which is an increase of 38% since the 2001 survey was conducted. This can be explained by electricity price increases but another reason is that fewer households use off peak electricity and the growth in off peak consumption is a lot less than growth in peak consumption (-2% compared to 10%).
- Gas consumption has increased by 5.3% since 2001. The average annual consumption in 2007 being 59,415 MJ.
- The average annual gas bill in 2007 was \$700, an increase of \$200 over a six year period.
- Average annual water consumption declined by 22%, from 276 KL in 2001 to 216 KL in 2007. The average annual water bill in 2007 was \$516, 17% more than the average bill in 2001 (\$442).

The survey report contains information on energy and water consumption and expenditure, household appliances, conservation measures, council rates and expenditure, knowledge and take up of concessions and bill paying and households' expenditure priorities. The Final Report is available on the DHS Concessions website on:

www.cyf.vic.gov.au/concessions



EWOV Annual Report

Complaints to the Electricity and Water Ombudsman Victoria (EWOV) were up 62% in the 2007/8 Financial Year, as shown in EWOV's Annual Report. Redress to customers amounted to \$1,266,460 in billing adjustments, fee waivers, debt reductions and other payments.

EWOV attributed the huge increase to ongoing problems with billing and the customer interface of two national energy retailers.

Systemic issues identified by EWOV largely revolved around billing. These included incorrect billing of solar generation customers, billing delays, double billing, undercharging, high catch up bills after false meter reads, and applying unreasonable costs. Other systemic issues centred around information provision including problems with contact centres, not notifying customers of outages, inaccurate usage graphs, new connection requests not being processed and not providing EWOV's phone number in a timely manner.

Marketing issues continue to be a concern, with 1089 cases of misleading information, pressure sales, transfer to non-account holders, or other marketing issues, and an additional 448 cases of transfer without consent.

EWOV's Annual Report and other details are available on the EWOV website www.ewov.com.au

EWOV Conference

EWOV is hosting a conference on hardship issues on 2 March 2009, looking at:

'key issues faced by energy and water customers experiencing financial hardship and at how companies, regulators and governments can best respond.'

EWOV is keen to see a good cross section of the community sector, including rural and regional representatives.

They have reduced the price of the conference to \$100 (negotiable) for community and welfare groups (\$350 for government and other representatives).

For further details and a registration form, contact France Wood at EWOV on 9649 7599 or email frances.wood@ewov.com.au

Roundtable Roundup

By Jo Benvenuti
CUAC Executive Officer

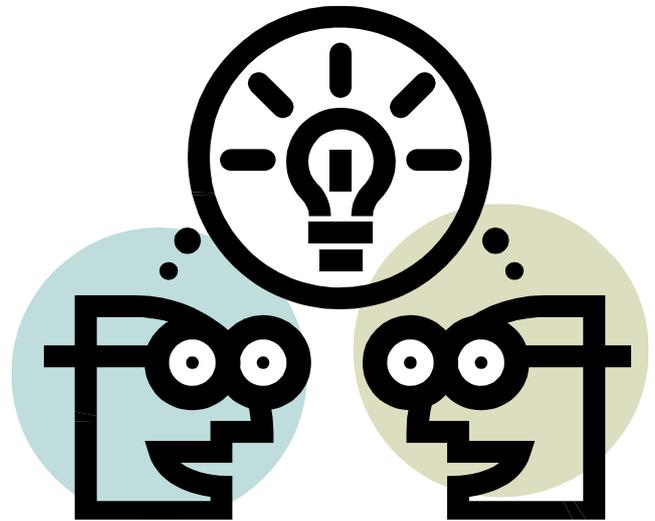
The latest National Consumer Roundtable was convened by CUAC and the Consumer Action Legal Centre on 10 and 11 November 2008 in Melbourne with a good representation of consumer and community agencies from Victoria and all other states and territories represented with the exception of the Northern Territory.

There have been some significant staffing changes in some of the agencies and so there was interaction between the experienced and newer representatives, with a lot of ideas exchanged.

This coincided with the objectives of the Roundtable, which continue to be around building capacity within the consumer movement, particularly to ensure the interests of low income and disadvantaged consumers are included in the national energy market.

The agenda for the meeting included a scan of what is happening across the states with the energy sectors in varied stages of development towards the national framework. Key to the Victorian experience is the need to ensure that the protection framework currently in place is not diluted in this process, given the comprehensive consumer protections in place compared with other states.

Some time was spent on discussion around the Australian Energy Market Commission (AEMC)'s reviews of the effectiveness of competition within the context of the Victorian and recent South Australian reviews. One of the "stand out" issues for consumers is the fact that competition is deemed to be effective simply on participation of retailers and the level of churn. Consumer feedback was that more measures need to be considered including whether consumers benefit from the change, and whether churn is occurring in compliance with explicit informed consent requirements. There was some frustration expressed that the concerns of the consumer agencies had not been properly addressed by the AEMC in their final reports, despite the considerable



work put to them in sector submissions.

Other highlights of the Roundtable included information about the National Advocacy Panel which has undergone considerable change in relation to its legislative base, panel members and of course the appointment of the new Executive Director, Kerry Connors. (For information on the Advocacy Panel go to www.advocacypanel.com.au) Further information was provided about Treasury modeling on the Carbon Pollution Reduction Scheme, the Australian Energy Regulator review of the weighted average cost of capital, gas and solar hot water comparisons, smart meters, deregulation and competition. Finally, the Roundtable spent some time considering the effectiveness of various advocacy and capacity building strategies and the immediate priorities for the consumer sector.

As a first time representative at the Roundtable I was very impressed with its achievements. The sharing of information, and the level of co-operation and collaboration encouraged by the Roundtable forum is very positive, as it builds on the effectiveness of the sector as well as individual agency capability.

CUAC Submissions to LPG Retail Code Review

CUAC has provided a submission to the LPG Retail Code Review.

CUAC argues

- ♦ that Victorian LPG consumers are experiencing systemic disadvantage by the lack of a retailer hardship policy response;
- ♦ that consideration should be given to how awareness of the Code and the Non Mains Winter Energy Concession and Non Mains Utility Relief Grants could be improved;

and

- ♦ consideration should be given to how the Code could provide access to Hardship Policy interventions to address self-disconnection and restriction of supply issues.

Copies of all CUAC Submissions are available on our website.

Utilities and the community sector: a forum

By Kerry Munnery
CUAC Publications Officer

Over 50 representatives from the community sector received a crash course in water and energy regulation, and shared their own experiences of energy issues, at the CUAC Community Engagement seminar on 25 November.

The seminar was an initiative of CUAC's Domestic Issues Reference Group as it works to broaden the community sector's participation in utility policy decisions. Overall, the seminar painted a picture of a complex and changing structure for essential services, combined with a range of policy issues relating to vulnerable and disadvantaged consumer groups. This means increasing challenges for the community sector.

Advocate Dennis Nelthorpe said that energy issues were presenting in the community sector at a rate of at least two or three times what they were a few years ago, and that it is vital for agencies to become involved at the policy and regulatory level to highlight structural problems. He argued the community sector should not be expected to 'navigate the system' for their individual clients.

Removal of protections on energy prices from 1 January 2009 provided an immediate context for these concerns. Panelists provided details about what the changes would mean, how they came about, and an overview of customers at risk from the new system. Discussion revealed a high level of concern from participants around the issue of explicit informed consent, particularly among disadvantaged groups.

Examples were given of aggressive marketing to vulnerable groups, with some community representatives saying Housing Commission estates were being particularly targeted. There was concern that caseworkers in the community could end up bearing the brunt of the impact of changes on disadvantaged consumers.

The seminar covered a broad range of other issues, from the impact of changes to a National Electricity Market to hardship policies and likely changes to the water market. Participants were provided with practical information through both presentations and fact sheets (copies of Fact Sheets are available on the CUAC website, www.cuac.org.au : Consumer Issues: Fact Sheets).

Panelists provided examples of reviews which highlighted both the frustrations and the importance of being involved.

'The regulator seeks to project the public that the reviews are rational, and outcomes based on some form of



measurable threshold of competition,' said Gavin Dufty of St. Vincent de Paul Society, speaking of the AEMC review of the effectiveness of competition. 'However it is a very subjective measure that is not clearly defined and hence the outcomes and recommendations can appear to be mystifying.' Reviews can also be highly technical and time-consuming, a challenge to community-based agencies. 'There are not a lot of resources for consumers to be involved,' he said. Also, sometimes the valid concerns raised in submissions are simply ignored.

However, discussions of reviews of the National Energy Customer Framework by Janine Raynor (Consumer Action Law Centre) and the retailer of last resort (ROLR) by Sarah Toohey (VCOSS) showed the importance of community involvement and the real impact on consumers on what may sound like technical or obscure issues.

There was a strong focus on the future during the seminar. The move to the National Electricity Market raises questions about the impact this may have for Victoria, such as whether there will be a State energy minister in the future and if not, how this will affect Victorian consumers' lobbying; what will happen to the concessions framework; and what will happen if the national framework fails Victorian consumers. The impact of Advanced Interval Metering and the Carbon Pollution Reduction Scheme were also discussed.

There was general agreement that it was vital for community agencies to track the impact of changes to utilities on vulnerable consumers, to keep a record of the 'real world' effect of policy and regulatory decisions, and to give strength to consumer advocacy in the future.

Better Energies Forum



Delegates from across regional Victoria came away with a wealth of information on alternative energy, after CUAC's Improving Energy Supplies Forum on 14 October.

The Forum was initiated by the Market Issues Group of CUAC's Reference Group, and funded by Regional Development Victoria.

The Minister for Rural and Regional Development, Jacinta Allen, gave the opening address. 'Regional and rural areas are well-placed – perhaps even better placed than the city – to harness a wide range of decentralised energy options such as wind power, cogeneration, solar power, geoexchange, landfill gas and bioenergy,' said the Minister.

'Local governments and communities in regional Victoria can play an important role in bringing new, sustainable and efficient power supplies to their regions.'

Forum sessions included an overview of various alternative energy supplies including solar, wind, biomass, cogeneration, geothermal and LPG, provided by experts in each area.

Case studies of community groups' actual experiences in getting alternative energy projects running demonstrated some of the practicalities of the process.

The Forum had a focus on how to build a business case and access resources to support community proposals.

'These outcomes will go a long way towards facilitating the takeup of renewable energy across regional Victoria,' said conference organizer James Henshall.

A report on the Forum is being compiled. If you did not attend the Forum but would like a copy, please email the CUAC Publications Officer

kerry.munnery@cuac.org.au .

CUAC funded research

Customer Protections summary

A detailed summary of the range of consumer protections in the Victorian Energy Market will be available through research funded by CUAC.

The Socioeconomic Rationale for Customer Protections in Energy Markets is an initiative of CUAC's Domestic Issues Reference Group, and was compiled by People-First.

The research is timely as we move towards a National Electricity Market while attempting to ensure the protections currently available to Victorian consumers are not eroded.

The report makes the case that there are sound socio-economic reasons that justify regulation in the energy market.

It goes on to detail the protections, and includes their socioeconomic impact and the rationale for their existence.

Twenty-six consumer protection codes, regulatory bodies and concessions are identified, and grouped into nine key areas:

1. Pricing of energy
2. Marketing of energy
3. Connection to energy
4. Billing
5. Consumer Bill Payments
6. Payment difficulties/Hardship
7. Disconnection
8. Reconnection
9. Regulatory Authorities and Advocacy bodies

The paper provides a summary of these protections in table format, then expands them in detail.

Keeping the Regulators Accountable

A CUAC funded report by the Monash Centre for Regulatory Studies at Monash University examines the accountability practices of independent regulators, with a particular focus on ways in which regulators may be held to account by low income and vulnerable consumers.

The report examines definitions of regulation and accountability and international issues before looking at arrangements in place for the AEMC, the AER and the ACC as well as the ESC, the Independent Pricing and Regulator Tribunal of NSW (IPART) and the Office of Gas and Electricity Markets (Ofgem) in the UK. It includes suggestions for further research on accountability practices.

Both reports will be available on the CUAC website.

CUAC News

Consumer Affairs Minister attends AGM



L-R: CUAC Chair Joan Sturton-Gill, Minister for Consumer Affairs and CUAC's member, Tony Robinson, and new CUAC Executive Officer Jo Benvenuti.

The Minister for Consumer Affairs, and CUAC's member, Tony Robinson MP attended CUAC's AGM on 23 October 2008 .

Mr. Robinson congratulated CUAC on its activities for the year, and spoke of the increasing importance of consumer advocacy across the energy and water sectors. He said that consumers were key players in environmental issues and that environmental and energy policies were changing rapidly.

CUAC's Annual Report was presented, and the retirement of John Mumford announced as a Director, along with the appointment of his replacement John Chu.

CUAC's Annual Report is now available on our website, www.cuac.org.au , or contact CUAC for a hard copy.



CUAC Board welcomes John Chu

CUAC's new Board member is Mr John Chu, a Fellow of CPA (Certified Practising Accountants) Australia and a Certified Management Consultant. Mr. Chu has over fifteen years of Australian and overseas business experience both in public and private sectors across a diverse range of functions and industries which include utilities and energy.

John is also an active consumer advocate in healthcare. He holds a Bachelor of Information

Systems, a Bachelor of Business (Banking and Finance) and an MBA. He is also a JD and a PhD candidate.

Mr Chu will be a valuable addition to the CUAC Board, and we look forward to his participation.



John Mumford retires from the CUAC Board

Longstanding Board member John Mumford formally retired at this year's AGM. John has been a CUAC Board member since 2002, almost since its inception. As a Financial Counsellor in a regional area, he brought a wealth of 'hands-on' expertise to CUAC, particularly in regards to rural and financial hardship issues.

Speaking at the AGM, John said that CUAC had started out in 'unchartered waters' and progressed to be a model organisation for consumer advocacy, and that in his work he saw the direct benefits clients received from work done by CUAC. 'I am especially proud of the work we have done to give rural and regional consumers a voice,' he said.

CUAC would like to thank John for his invaluable work over the past six years.



CUAC News

CUAC farewells Kerry Connors...

As many of you will know by now, CUAC has said goodbye to Executive Officer Kerry Connors.

Kerry has left to take up the position of Executive Director on the Consumer Advocacy Panel in Sydney.

Kerry was with CUAC since its inception in 2002 and was a major force in creating the organisation that CUAC is today. We wish her well in her new position.



...and welcomes our new EO, Jo Benvenuti

Jo Benvenuti started in the position of Executive Officer for CUAC in the first week of November 2008.

She was previously Executive Manager Corporate Affairs for the RSPCA (Victoria) where she managed corporate governance and animal cruelty investigations.

Prior to this role, Jo has had extensive experience in the energy and water sectors with a consumer focus.

She was second in charge to Fiona McLeod, the Energy and Water Ombudsman (Victoria) for seven years, managing customer complaints, policy and public affairs and prior to this worked with the Office of the Regulator-General (now the Essential Services Commission) primarily working on the first Electricity Supply and Sale Code and Customer Performance Reports following the privatisation of the industry.

Jo first began work on utility industry issues as Executive Officer of the Financial and Consumer Rights Council where she was particularly interested in tackling hardship issues. In this role she supported the work of Financial Counsellors and Consumer Support Workers across the state including the provision of training and accreditation programs. She has worked in welfare service provision across a diverse range of policy areas, including the aged, housing, and emergency relief.

In taking up the CUAC role, Jo has expressed how keen she is to take on the challenges of working in such a dynamically changing area and to ensure that the concerns of Victorian consumers, especially those from rural and regional areas and those who are experiencing disadvantage are put to the regulators and relevant government forums.

One of her first priorities will be to meet with as many of you as possible and to hear about your views and those of your constituents.



Goodbye also to James Henshall

CUAC has also said farewell to Policy Officer James Henshall.

James has resigned due to health issues, but we hope he may return in some capacity in the future.

James has been with CUAC since November 2005 and many of you will have worked with him on issues of gas and water, and more recently on the Alternative Energy seminar. We wish James all the best, and he will be greatly missed in the CUAC office.

CUAC will be recruiting for a new Policy Officer in the New Year.



CUAC Christmas Hours

Please note the CUAC Office will close
midday 23 December and reopen 2 January.
All the best from CUAC for the holiday season.