

Consumer Challenge Panel – Q&As

Q. What is the role of the CCP?

A. The main function of the CCP is to advise the AER on whether network business' proposals are justified in the services to be delivered to customers and the effectiveness of network businesses' consumer engagement activities.

The CCP will be guided by the Better Regulation guideline on Consumer Engagement in advising the AER. Additionally CCP members will draw on their expertise and other chosen resources in assessing a network business proposal.

Q. Why was the CCP established?

A. The CCP was established under the AER's [Better Regulation](#) reform program. The Better Regulation program was in response to changes to the electricity and gas rules in 2012 which introduced a requirement for the AER to have regard to a business' consumer engagement when making its revenue determination.

Q. How is the CCP funded?

A. The Council of Australian Governments (COAG) and Standing Council on Energy and Resources (SCER) have provided funding for the CCP for a period of three years from 1 July 2013 to 30 June 2016.

Q. Who is on the CCP?

A. There are 12 members appointed to the CCP for a three year term from 1 July 2013 to 30 June 2016 (for a full list of members see Consumer Challenge Panel - Member Biographies). CCP members were appointed following a competitive formal tender process. CCP members have a wide range of backgrounds and experience in the energy industry and consumer advocacy.

Q. Are CCP members affiliated with any organisation?

A. CCP members have been appointed in their individual capacity and will provide independent views and advice that is not aligned with an organisation.

Q. What are CCP sub-panels?

A. Members will be allocated to sub-panels of 2-5 members to work on a price reset for a particular business or number of businesses. Sub-panels have generally been allocated a cluster of resets that are jurisdiction based e.g. one sub-panel will work on all NSW/ACT distribution resets.

CCP members have been allocated to sub-panels based on their interests and experience. Sub-panels have been formed to avoid any conflict of interest.

Q. How long ahead of a reset will the AER announce the CCP sub-panel?

A. We will announce sub-panel members prior to the AER decision/determination process starting. For electricity the process commences with the framework and approach stage, for gas the process commences when the access arrangement is lodged.

Q. How will the CCP perform its role?

A. The CCP sub-panel will operate throughout the entire reset, commencing with the pre-lodgment or framework and approach stage and finishing when the final determination is released.

The CCP will provide advice to both AER staff and the AER Board. The interaction between sub-panel members and the AER will be different for each reset but will likely involve multiple meetings, sub-panels reviewing AER work and providing written advice.

Sub-panels do not have to engage on all aspects of a reset and may prioritise and select issues where the consumer perspective is important. The AER may also ask sub-panel members to advise us on particular matters.

Q. Is the AER bound by CCP advice?

A. The AER will give due weight to the advice from sub-panel members but is not obliged to accept any or all of it.

Q. How will the CCP interact with businesses?

A: Sub-panel members are expected to meet with businesses 3 times over the reset:

- during the pre-lodgement stage;
- during the development of a regulatory/revenue proposal; and
- during development of a revised proposal.

The objective of these meetings will be for sub-panel members to gain an understanding of the business and its regulatory proposal, or revised proposal, including the output for consumers and the price of these.

Meetings between CCP members and businesses will be organised by the AER's CCP secretariat and will be attended by AER staff. CCP members will not be individually meeting with businesses.

Q. Can CCP members work for other bodies?

A. A CCP member may advise third parties (including NSPs, advocacy groups, consulting firms etc) if the work of the third party does not conflict with the work of a sub-panel the CCP member is on.

For example if a CCP member is on a sub-panel considering NSW/ACT distribution networks they can advise a third party working on a Victorian distribution network.

Q. Can businesses engage CCP members?

A. Yes provided the CCP member is not on a sub-panel that is considering the business' regulatory/revenue proposal and there is no other conflict of interest.

Q. How are conflicts of interest managed?

A. The AER and CCP members will actively manage conflicts to avoid CCP members advising on resets that conflict with work being undertaken for a third party separate to the AER. CCP members are required to disclose all conflicts, perceived or apparent, to the AER's register of conflicts of interest which is available on the AER website.

Q. How will businesses and consumers know what the CCP is working on during a reset?

A. The AER anticipates publishing a report midway through a reset providing an overview of the process and early indication of likely issues. CCP members are also free to comment on their work within confidentiality requirements. Following the release of a Final Decision we will release a summary of information regarding the reset, the main consumer issues addressed and how the AER has taken CCP members' advice on board.

Q. Will CCP members engage with consumer bodies?

A. The role of CCP members is not to engage with consumer bodies on behalf of the AER. The AER will conduct its own consumer engagement work and the CCP is expected to draw on their knowledge and expertise in advising the AER.