



Better Regulation: AER's Consumer Challenge Panel

The Australian Energy Regulator (AER) has established its inaugural Consumer Challenge Panel (CCP). This is part of our Better Regulation reform program and a key component of the Council of Australian Governments' energy reform agenda agreed on 7 December 2012.

The 13 members of the CCP are experts who will provide advice to the AER to help ensure our decisions on energy network costs properly incorporate consumers' interests and views.

The CCP members have been appointed for three years and have significant local and international expertise in economic regulation, energy networks and consumer representation.

What is the Consumer Challenge Panel?

The CCP is a panel of experts—each appointed in their individual capacity—who will sit within the AER to advise us on the issues that are important to consumers as we assess network businesses spending proposals.

For each regulatory determination, we will draw together a number of the CCP members (from the total pool of 13) to provide advice on that particular determination. This will allow for CCP members' expertise and availability to be taken into account.

The CCP's Charter sets out the objective and roles of the CCP and its members. It is available on the AER's website.

Why is the Consumer Challenge Panel being established?

Members of the CCP will provide advice to the AER to help ensure our decisions on energy network costs properly incorporate the interests of consumers. These are technical and complex processes which can make it difficult for ordinary consumers to participate. The expert members of the CCP will bring consumer perspectives and advice into the AER to better balance the range of views considered as part of these decisions.

What will the Consumer Challenge Panel do?

CCP members will advise us on whether network businesses proposals are justified in terms of the services to be delivered to customers and whether they are in the long term interests of consumers.

CCP members will also advise us on how energy network businesses have been engaging with their own customers in developing their proposals.

Members of the CCP may also be requested to provide advice to other bodies (such as the Australian Energy Market Commission, the Standing Council on Energy and Resources, and the new national energy advocacy body to be established from 1 July 2014).

CCP members will meet with the AER Board and staff as well as network businesses and consumer representatives (including the AER's Customer Consultative Group and the new national energy advocacy body). CCP members will use their expertise to provide challenge to network businesses' proposals and the way we approach issues.

The objective of the CCP is to assist the AER make better regulatory determinations by CCP members advising us on issues that are important to consumers.

Who are the members of the Consumer Challenge Panel?

We have appointed 13 members to the inaugural CCP for a period of three years—to 30 June 2016.

The members of the CCP possess significant local and international expertise, spanning a range of fields including economic regulation, energy networks and consumer representation.

The members appointed are:

Ms Jo De Silva	Mr Bob Lim
Mr Hugh Grant	Ms Fiona McLeod
Mr David Headberry	Mr Bruce Mountain
Mr Mark Henley	Dr Gillian Owen
Ms Bev Hughson	Mr David Prins
Mr Adrian Kemp	Ms Robyn Robinson
Ms Ruth Lavery	

When will be CCP start its work?

The first determination the CCP will advise on is due to commence in mid-2014. The CCP will also be involved in transitional determinations from December 2013. Before then we will share information with CCP members and settle our working arrangements and processes.

How will the AER take account of the views and advice provided by the Panel?

Members of the AER's CCP will perform an advisory role. Whilst we will not be obliged to act on the views or advice provided by CCP members, we are committed to giving the advice provided by CCP members due weight and consideration. In doing so, we will provide a clear rationale for our decisions and feedback to Panel members on how their views and advice have been considered and addressed.

How will the CCP interact with the new national energy advocacy body?

We expect that members of the CCP will meet regularly with the new national energy advocacy body once it is established. This will ensure that members of the CCP can provide an effective consumer focus and perspective to the AER.

Regular meetings and consultation will also allow for the sharing of information on issues important to consumers in regulatory determinations and will foster capacity building.

Both bodies are important in furthering the interests of consumers, but have different roles. The CCP will be an addition to our internal analytical capacity and sources of advice and hence includes members with significant expertise in network regulation. The new consumer advocacy body is being established to publicly advocate for consumers on a range of energy issues.

For more information

For more information on the CCP and its inaugural members, please visit our website <http://www.aer.gov.au/about-us/consumer-challenge-panel>.