



Ethnic Communities' Council of NSW Inc.

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Mr Warwick Anderson
General Manager–Network Regulation
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Dear Mr Anderson

RE: Better Regulation: Draft Consumer Engagement Guideline for Network Service Providers

This submission is made on behalf of the Ethnic Communities Council of NSW (ECC) and the Federation of Ethnic Communities Councils of Australia. We welcome the opportunity to comment on the draft **AER Consumer Engagement Guideline for Network Service Providers**. Since its formation 36 years ago the ECC has been the peak body for culturally and linguistically diverse (CALD) community members and representative organisations in NSW. The ECC's main activities are advocacy, education and community development. It is a member of the Federation of Ethnic Communities Councils of Australia (FECCA).

Background

The Australian Energy Market Commission (AEMC) made a number of important changes to the rules governing electricity distribution pricing regulation in November 2012. As a result of this, the Australian Energy Regulator (AER) is developing a series of guidelines about the new regulatory framework. These are to be finalised by November 2013.

A key aspect of the new regulatory framework is the Draft **AER Consumer Engagement Guideline for Network Service Providers**. In July 2013, the AER published draft Guidelines supported by an **Explanatory Statement** and this submission is made in response to these two documents. Both of these documents will contribute to guiding service providers in returning consumer interests to the centre of Australia's energy sector.

However changing the practice of the energy sector will take more than publishing guideline. It will require the service providers' (SPs) practice to be closely monitored and for there to be an incentive for the providers to embrace this changing way to do business.

General Points

1. Explanatory Statement

I support the AER in publishing the Explanatory Statement. The guideline has four components that service providers can follow which were developed in consultation with the AER consumer reference and other groups. The last section 4 sets out the framework behind the guideline and **4.5 Review and Evaluation** is essential for improving practice and needs to be emphasised and clearly linked to planning the

process of **Priorities setting and delivery mechanisms** in a clear feedback loop as this is the way for service providers to continually improve practice.

The reference to the IAP@ engagement spectrum provides the service providers with a clear framework and a measure of where their practice sits on the spectrum.

2. **Guidelines**

The guidelines are based on a series of principles explained in the explanatory statement. The ECC believes this is a worthwhile approach particularly in combination with the IAP@ spectrum.

Although there is recognition within the guidelines that reaching a diverse community of consumers requires different engagement techniques, it needs to be emphasised that SPs need to consult early with the different community organisations when planning the engagement to determine what methodology is the most effective in reaching individual communities. This is essential as otherwise these groups will become increasingly marginalised.

The relevant community organisations are often not well resourced and the SPs may need to budget additional resources for engagement of these more difficult to reach groups. This needs to be factored into the cost of the engagement while recognising the pressure on SPs to reduce expenditure.

There is an imbalance between the customers and the industry and a number of factors need to be overcome to provide a level playing field. These include:

1. Providing information and data in a simple understandable language and format that is brief.
2. Resourcing the customers and their representatives. This may include training
3. Designing processes that address this issue

In the knowledge that gas prices are predicted to increase significantly the ECC recommends that it is critical that the gas service providers become involved.

The consumer engagement should not just be during price determinations but encompass a range of issues including tariff setting, meters and other issues although the SPs need to be careful not to create consultation overload.

The ECC congratulates the AER for this initiative and for embracing the concept of consumer engagement and the importance of recognising consumer diversity. The IAP2 spectrum provides the industry with a hierarchy of consumer engagement providing the industry with a gauge to assess their current practice and direction for continual development

If you have any questions about this submission, please do not hesitate to contact Helen Scott, ECC Energy Programs Coordinator on 02 9319 0288 or 0425 833 892.

Sincerely yours,



Mark Franklin
Executive Officer
Ethnic Communities' Council of NSW Inc.