



Australian Council of Social Service

Submission to Australian Energy Regulator

Better Regulation Draft Consumer Engagement Guideline for Network Service Providers

The Australian Council of Social Service (ACOSS) is the peak body of the community services and welfare sector and the national voice for people affected by poverty and inequality. Our membership represents over 3000 organisations plus additional individuals through the combined network of the Councils of Social Service.

ACOSS' vision is for a fair, inclusive and sustainable Australia where all individuals and communities can participate in and benefit from social and economic life. Electricity is an essential service and should be supplied equitably, affordably, reliably and sustainably.

ACOSS welcomes the opportunity to provide comment on the *Better Regulation Draft Consumer Engagement Guideline for Network Service Providers July 2013*. The development of a guideline to ensure that network service providers more explicitly operate to meet the long term interests of consumers is an important development. Historically, networks have tended to see their primary role and relationships is in relation to retailers, rather than directly to consumers.

ACOSS supports the general approach of this guideline to provide broad high level principles which then allow individual network service providers to develop relevant and appropriate mechanisms for implementation. It is clear that a prescriptive approach could not adequately incorporate the diversity required if consultation and engagement is to be genuine and worthwhile.

We have provided specific comments below.

Overview (Section 2)

ACOSS considers this section to be strong and that it provides a relevant view of what the guideline aims to achieve. While the overview addresses the scope of consultation it is essential that network service providers engage with their customer base and consumers in general on a permanent and ongoing basis. This clearly includes consultation about regulatory pricing processes but must also include a wider range of points of engagement, including tariff reviews, 'do not disconnect' lists and complaint handling and a range of other ongoing issues.

ACOSS recognises, as does this section of the guideline, that a cultural shift is needed on the part of some networks especially those in the gas industry. One critical aspect of culture is for networks to appreciate and be sensitive to the significant discrepancy between their business and the consumers with whom they will be engaging. There are significant challenges in understanding of technical matters (including language) and in the resources different organisations can allocate to this important work. In some



jurisdictions a number of differing networks may well be seeking input and involvement from a limited pool of consumers and consumer organisations.

Best practice principles (Section 3.1)

ACOSS notes that in *Draft AER Stakeholder Engagement Framework* document (also out for consultation at the present time) these best practice principles have been reduced to 4 by incorporating *inclusive* and *accessible* into a single principle. Also *communication* has been expanded in title to *clear accurate and timely communication*. ACOSS simply makes the point that best practice principles should be the same in all AER documentation and looks forward to some consolidation in this area.

In addressing the principles ACOSS notes that the issues of vulnerable and marginalised consumers are important and that there is a specific need to ensure that this perspective is heard, valued and taken into account. There also needs to be a more explicit recognition of the diversity of consumer interests and the value of that diversity. This means in the process of engagement, networks need to welcome differing voices rather than a process that is always premised on securing consensus amongst parties with quite differing views and needs.

In the context of both the 'Communication' and 'Transparency' principles ACOSS suggests the importance of the provision of regular accurate and understandable data as an essential starting point. Under the principle of 'Measurable', there is an expectation of developing measurements and publishing such measurements. One possible venue for the publication of such measurements may well be in the regular reporting that networks already provide to the AER.

Priorities (Section 3.2)

It would strengthen the guideline if there was a specific reference to the need to ensure that marginalised consumer voices are at the table as a specific priority for networks. It would also benefit from strengthening an expectation that networks have a specific responsibility to assist in empowering and resourcing consumer groups to adequately engage. Finally, it might be possible to encourage some networks to develop joint processes where relevant to avoid unnecessary duplication and an overburdening of the consumer section with too many demands around consultation.

Our expectations (Section 3.6)

ACOSS believes that this section indicates that the quality of consumer engagement will be a factor in assessing expenditure proposals in the regulatory process. However the guideline itself emphasises that the expectation around consultation is wider than just the price setting mechanism. It may be of value to also include some reporting on consultation into the AER Networks Information Framework which was published in June 2012. This could ensure that the consultation obligations around the range of issues other than price could be examined and if necessary commented upon.



General comments on the draft guideline

The development of this guideline is an important step in ensuring that networks are more responsive to their obligation to act in the long term interests of consumers. The process will be difficult and will pose challenges for both networks and consumers. The imbalance of knowledge, information and resources between networks and consumers makes especially the initial engagement quite difficult. ACOSS however believes that this guideline provides a positive framework within which with the broad aims can be achieved. The AER has an important role in ensuring that the network response is more than just window dressing and that consumer views are adequately sought out and more importantly listened to.

To discuss this submission further, contact ACOSS Senior Project Officer Chris Dodds
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