



Submission to the Select Committee on Energy Planning and Regulation in Australia

DATE: 18/10/2024



Dear Chair, Deputy Chair, and Senate Committee members

We welcome the opportunity to provide a submission to the Select Committee on Energy Planning and Regulation in Australia. We provide the following information related to the Terms of Reference of the Committee, which include reference to our role and function.

About Energy Consumers Australia

Energy Consumers Australia (ECA) is the independent, national voice for residential and small business energy consumers. We are a not for profit registered as a public company limited by guarantee and incorporated under the Corporations Act 2001. We were established by the Council of Energy Ministers in 2015 through a constitution. Under our constitution, the South Australian energy minister is the sole Member of Energy Consumers Australia, on behalf of federal, state and territory energy ministers.

We were set up to promote the long-term interests of Australian consumers to decision makers and industry. We are also independent. Our independence is integral to our ability to provide evidence-based advice and to advocate in the best interests of consumers, regardless of the direction of governments.

What we do

ECA promotes the long-term interests of households and small businesses who use energy by providing and enabling evidence-based advocacy to the energy sector on the issues that affect consumers.

We do this by:

- **Researching** consumer expectations, values, and needs for the energy market through regular surveys, focus groups and forums with households and small businesses, and sharing recommendations from the findings of this research with the energy sector to influence policy development.
- **Engaging** in energy sector processes, including meeting with industry and governments and making submissions, to make sure the needs of households and small businesses are considered by decision-makers.
- **Funding** work by other organisations (via our grants program) that provides a strong evidence base for positive system changes that will benefit households and small businesses.
- **Working collaboratively** with other organisations to promote the needs of consumers in the energy sector.
- **Helping** build the capability of other organisations to be able to advocate to the energy market on behalf of diverse consumer groups.



Our funding

We are funded by levies paid by consumers in NEM states on their energy bills, recovered by AEMO in accordance with the National Electricity Rules and the National Gas Rules. This equates to approximately 0.03% of an average household electricity bill (the average regulated standing offer for residential electricity consumers was around \$1,970 in 2023-24). When ECA was established almost a decade ago, electricity metering points were levied \$0.65 per year, today that figure is \$0.66. We try to run a break even budget and use our funding extremely carefully.

Our budget for FY 2023-24 was \$9.6 million. \$2.6 million of our budget was for grant payments for our Grants Program (which is more in demand than ever). Our audited financial statements are available publicly on our website (under our Constitution, our 2023-24 Annual Report needs to go to our AGM in November before being published).

Our governance

Energy Consumers Australia has a five-member Board, appointed by an independent panel under the auspices of the Energy and Climate Change Ministerial Council. Full profiles of our Board members are available publicly on our website.

We also have a Reference Committee, the role of which, as set out in our Constitution, is to act as an advisory group to the Board on energy consumer issues. It is chaired by a member of the Board. Our Reference Committee underpins our close engagement with other advocates in the sector and has an oversight role with annual feedback from advocates on our effectiveness.

Our work

Below are some examples of our recent work in order that the Committee can better understand how we achieve our remit and work for good outcomes for households and small businesses in Australia.

Researching consumer expectations, values, and needs for the energy market

ECA conducts regular nationwide consumer sentiment and behaviour surveys, which are the most comprehensive ongoing research studies of the attitudes and activity of residential and small business energy consumers in Australia. This work provides a unique and valuable evidence base to influence policymaking and better service provision for consumers.

Our Energy Consumer Survey, published twice annually, explores how households and small businesses use energy, and how they think and feel about the energy market, including key issues like value for money, confidence participating in energy markets, and satisfaction with energy services.

We also conduct discrete research projects throughout the year, for example, in the last year we completed a three-part research project looking at the preferences that households and small businesses have for receiving communication and information about energy (what information they want to know, how they like to receive it, who is a 'trusted source' etc). We also conducted a qualitative study into consumer attitudes towards Consumer Energy Resources (solar, batteries, EVs etc).



Engaging in energy sector processes

ECA has the remit and expertise to engage in a broad range of energy policy and regulatory decisions – and frequently we are the only consumer voice in the room. At the same time, demand for us to engage has greatly increased, driven by the complexities of the energy transition. It is vital we are able to advocate for the interests of households and small businesses at this time.

In the last 6 months alone, we have contributed to consultations with the AEMC, AER, ESC, Federal, SA, WA, NSW and VIC governments, among others, on issues affecting consumers including:

- Building a more robust evidence base around small business experiences in the energy market – including small business energy incentives and information needs.
- Ensuring that consumers are afforded appropriate protections – including through reforms to the National Energy Customer Framework (NECF).
- Advocating for regulators to minimise energy prices and understand the impact on households and small businesses – including Default Market Offers and tariff structures.
- Making sure there is a strong safety net for consumers who are struggling to pay their bills or face barriers to engaging in the market – including through regulatory reform.
- Helping design more fit-for-purpose protections for households and small businesses supplied through different arrangements – including embedded networks and prepayment meters.
- Ensuring consumers are rewarded for their contribution to the energy system, and can actively benefit from the transition – including through the smart meter roll-out, and network planning.

Advocating for households and small businesses

Many energy companies and industry peak bodies are well staffed with government relations and policy people who promote industry interests, but our small organisation of 22 people (at time of submission) is unique. Although there are many other consumer advocates who do excellent work, none are specifically funded to advocate to the energy sector on behalf of all households and small businesses in Australia.

We regularly sit in roundtables, consultations and meetings, make submissions, and engage in processes on behalf of households and small businesses on the energy issues that affect them as consumers. We also attend Energy and Climate Change Ministerial Council meetings, and provide briefings on consumer issues to energy ministers.

In July 2024, energy ministers agreed to progress a package of consumer reforms that ECA has long called for. These will help all consumers access cheaper energy deals, increase support for people experiencing hardship, and deliver more protections for households and small businesses. The reforms will also look at tariff structures, a topic on which we have made a number of submissions.

We also regularly talk to the media and engage on social media on consumer energy matters, and provide practical advice and information for consumers on our website and through social media content.

Helping build the capability of other organisations for greater consumer advocacy

In 2023-24, we published our Small Business Energy Information research and the Power Over Their Power report, which provide the sector with findings regarding the barriers small businesses face in engaging in energy policy matters. The latter recommended that a small business roundtable be



established to enable small business representatives to talk directly to government about energy. Following conversations with government, ECA will be facilitating this next year.

In 2024, ECA funded the University of Melbourne to develop and deliver a modular online and in-person course to help consumer advocates better engage on energy transition matters. More than 150 experienced and aspiring consumer advocates registered for the free course, including many who had come into contact with ECA through our work this year with diverse community organisations.

Working collaboratively to promote the needs of consumers

ECA works in tandem with other organisations in a range of advocacy forums that have a particular focus or remit to advance consumer interests, including ACTCOSS' policy forum, the Healthy and Affordable Homes coalition, VCOSS' utilities working group, the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) policy forums, and the Efficient Electric Homes coalition. We sit on the Executive Committee of the Consumers Federation of Australia, the consumer movement's peak, and, since 2015, we have funded the National Consumers Roundtable on Energy, a collaborative gathering of consumer advocacy organisations representing households.

Through our 'collaboration grants', we build partnerships with grantees on projects to understand the dimensions of problems faced by consumers, and achieve systemic reform. Recently we worked with Sydney Community Forum to better understand the experiences of culturally and linguistically diverse (CALD) consumers in the energy market.

During the project we conducted a joint 'deep dive' with community leaders in Western Sydney, with the resulting report outlining practical recommendations for governments and industry to address the main barriers faced by CALD households engaging in the energy system. We then connected Sydney Community Forum with market bodies and industry organisations who would be able to make the changes they were seeking. This has led to tangible results, for example, the AER updated its 2024-25 Compliance and Enforcement Priorities in response to a recommendation in the report to improve retailer provision of interpreter services, particularly for consumers already experiencing vulnerability.

Grants program

Our grants program funds high quality, innovative research and advocacy initiatives that have potential to deliver outcomes that will benefit the long-term interests of energy consumers in the National Energy Market. We have a number of grants categories in the program, including scholarships for consumer advocates.

In 2023-24, our Board approved 21 Influence/Collaboration grant applications. The projects ECA funds continue to inform our own advocacy work on behalf of households and small businesses, with data and insights from the grants, combined with our own work, forming the basis of briefings, submissions, and presentations to industry and government.

In the last year, we have funded research by organisations as varied as the Council of Small Business Organisations Australia (into the impact of energy pressure on small businesses), Original Power (to improve understanding of the lived experience of First Nations households and communities using prepayment arrangements for electricity in remote areas), and ACTCOSS (research into ensuring a just transition to net zero and building energy literacy).

Current grant-funded projects the Committee may be interested in include the Institute for Sustainable Futures at the University of Technology Sydney, who are developing new metrics to update 'network



utilisation' to measure and improve electricity network productivity. This may not seem directly relevant to consumers, but it matters a lot because network costs make up around half of the average energy bill and consumers are paying more than they need to for their electricity because some networks are underutilised.

Over the last few years, ECA has also provided several grants aimed at ensuring regional households and small businesses are supported to prepare, withstand, recover, and thrive after severe weather events and other hazards. The latest of these grants is the Energy Ready Toolkit project (delivered in partnership with UTS ISF, the Community Power Agency and Parallel lines), which is a publicly available free resource to help communities build resilience and be prepared to act if their power goes out.

More information about our grants program, including guidelines and details of projects funded, is available publicly [on our website](#).

Our strategy

Since we were founded in 2015, our research has consistently shown that affordability is the number one priority consumers have for the energy system – but they also expect reliable, clean energy and a system that considers the diversity of their requirements, is fair and protects them from harm.

Energy Consumers Australia wants to see an energy system that is fair, affordable, reliable and meets the needs of everyone. To achieve this, we need to ensure that consumers are at the heart of decision-making about the energy system. Our [2024-27 Strategic Plan](#) provides the Committee with more background on the targets our research with consumers tells us the energy sector will need to achieve in order to meet this goal.

Kind regards

Brendan French

CEO, Energy Consumers Australia