

11 May 2007

David J L Bremner
National Electricity Consumers Advocacy Panel
PO Box 43
Surrey Hills
VIC 3127

By email: djlb@axtonjones.com.au

Dear David

Thank you for the opportunity to comment on the Advocacy Panel's current assessment of fixed costs and the criteria for assessing projects. We provide the following comments from the perspective of a long term working relationship with the panel and trust that you will consider them in due course.

If you require any further information, please do not hesitate to contact me on 08 8226 4111 or by email at karen@sacoss.org.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Grogan', written in a cursive style.

Karen Grogan
EXECUTIVE DIRECTOR



SACOSS

*South Australian Council
of Social Service*

**National Electricity Consumers Advocacy Panel
Submission on request for comment on fixed
costs and capacity building projects**

May 2007

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About SACOSS

SACOSS is the peak organisation for community services organisations in South Australia. Our significant membership that numbers in excess of three hundred comprises of peak bodies, health and welfare organisations and concerned individuals who provide numerous services such as financial counselling, disability advocacy, primary health care and accommodation support for low income and disadvantaged consumers in South Australia.

Effectiveness of capacity building projects

SACOSS wishes to make comment on the following funding criteria:

The Panel aims to increase the overall resources committed by end users to advocacy and not substitute resources that endusers would otherwise commit.

Input into electricity advocacy in South Australia on behalf of small consumers, particularly into the National Electricity Market (NEM) is only possible with Advocacy Panel funding. As a small state within the NEM, South Australia has a particularly relevant perspective to offer to advocacy debates that occur on a national scale with features of the market like electricity demand patterns and the lead legislator perspective that is not seen anywhere else in Australia. Opening up the NEM to a choice based system has led to a myriad of issues for low income and disadvantaged consumers and strong, well supported consumer advocacy is required to ensure that their interests are adequately protected. South Australia does not have a consumer legal organisation or state government or industry funding like other states in the NEM to resource this work. Without the positive commitment made to date by the Advocacy Panel, funded advocacy for small end consumers in South Australia would likely cease to exist altogether. There is little chance that end user organisations like SACOSS would have the resources to commit to advocacy without panel support so we respectfully suggest that from a South Australian perspective, the Panel provides critical and long term sustaining assistance to advocacy in South Australia.

SACOSS notes the Panel's increase in funding going to capacity building projects with interest and appreciate the Panel's understanding of the increased complexity of issues and advocacy opportunities arising in the NEM in recent months. We wish to make the Panel aware that the small increases in capacity building funding, while noted and appreciated, have not met the sharp increase in work for end user advocates in recent times. Advocacy in South Australia depends on funding that is commensurate with increases in workloads and we encourage the Panel to consider this perspective when defining criteria for providing future increases in funding.

Criteria for analysis of effectiveness of projects

When assessing capacity building projects, there are some core considerations that must be taken into account. Advocacy in this context may

not necessarily mean direct contact with consumers or provision of client services but can, as the Panel know, take several different forms depending on the resources provided to the funded organisation. The Panel has a difficult task in defining advocacy and the criteria for which advocacy work might be judged effective. This difficulty is partly due to the scope and breadth of the projects that the Panel funds. SACOSS suggests that any criteria for advocacy that the Panel develops need to be based on a sound understanding of the capacity of the organisation and the worker(s) funded to undertake advocacy in a number of different forms. A set of criteria that the Panel use to assess the effectiveness of projects could be based on the following:

- Number of submissions made to relevant NEM-based inquiries.
- Forums conducted
- Networking events participated in (such as the National Consumers Roundtable or other state based opportunities)
- A breakdown of hours spent on different elements of the project: e.g. reading, submission analysis and direct work to support advocacy as part of the project.
- Building capacity for advocacy in other organisations and the broader community
- Issues that are hard to quantify around strategy, influence, political acumen etc. This includes the capacity and ability of workers to liaise with other workers, organisations and clients to develop advocacy structures that are long term and self sustaining.

Fixed costs

In terms of the panel's assessment of fixed costs, SACOSS agree that the panel should not contribute funding where an organisation will make a profit as a result of a working relationship with the Panel.

SACOSS appreciates the Panel's recognition that it is difficult to provide an assessment of fixed overheads and the extent to which they may vary during an advocacy project. We find the Panel's assessment of a one third cost inclusion an appropriate assessment.