

REVIEW OF ENERGY CONSUMERS AUSTRALIA (ECA)

Terms of Reference

Context

The Council of Australian Governments (COAG) Energy Council agreed to establish a national energy consumer advocacy body on 13 December 2013 based on the Proposal for a National Energy Consumer Advocacy Body. This report was developed by independent advisors in consultation with consumer groups and other stakeholders as part of the energy market reform package agreed by Energy Ministers in 2012.

Energy Consumers Australia (ECA) was established as a company limited by guarantee on 30 January 2015, and assumed the responsibilities of the former Consumer Advocacy Panel, which was closed on ECA's establishment.

The COAG Energy Council considered the establishment of a national energy consumer advocacy body was an important step towards increasing consumer advocacy on national energy market matters of strategic importance and material consequence for energy consumers, in particular, households and small business consumers.

The objective of ECA is:

To promote the long term interests of Consumers of Energy with respect to the price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular for Residential Customers and Small Business Customers. [Constitution of Energy Consumers Australia Limited]

The ECA Constitution sets out that the first independent review of the ECA will be conducted after the first three years of its operation and subsequent reviews at least every five years or at the discretion of the COAG Energy Council.

The purpose of the review is to assess the effectiveness of the ECA in performing against its intended purpose including areas for potential improvement.

Scope

Matters to be considered by the review shall include, but not be limited to:

- The effectiveness of organisational structure, governance arrangements and operational performance, including period of tenure for board directors and whether the skills matrix described in Schedule 1 of the ECA Constitution remains appropriate.
- The effectiveness of the ECA in undertaking its roles and functions as the national energy consumer advocacy body including:
 - Participating in National Energy Market (NEM) issues and influencing regulatory activities and energy market reform to benefit consumers;
 - Engaging and communicating with consumers and consumer advocates regarding NEM policies, reforms and issues;

- Building national and jurisdictional expertise and capacity through research, knowledge development and consultation to advance the interests of Australian energy consumers, in particular residential and small business energy consumers;
 - Undertaking robust research to build knowledge, engage and influence policy development and educate consumers in the energy markets; and
 - Other Activities outlined in article 4.2 of the ECA Constitution (attached).
- The performance of the ECA against stakeholder expectations.
 - The effectiveness of grant allocation functions in delivering tangible benefits for energy consumers.

The review should have regard to other relevant past and current reviews such as the ACCC Retail Electricity Pricing Inquiry.

The review will be informed by consultation with relevant organisations including but not limited to governments, energy market bodies, energy market participants, jurisdictional regulators, energy ombudsmen, consumer advocacy groups and grant recipients.

Outputs and timeframe

The review will be undertaken in two stages:

- A preliminary report on the effectiveness of the organisational structure, governance arrangement and operational performance is expected by the end of June 2018.
- A final report assessing the effectiveness of the ECA in undertaking their Activities, the performance against stakeholder expectations and the effectiveness of grant allocation functions is expected by the end of December 2018.

Both reports will be presented to the COAG Energy Council.

Unless specifically excluded, the preliminary and final reports will be published after they have been presented to the COAG Energy Council.

Process

The review will be conducted by a consultant with appropriate expertise in consumer advocacy as well as the Australian energy market.

An advisory committee will be established comprising members nominated by participating jurisdictions. The consultant will from time to time seek feedback from and provide notice of its advice to the committee.

Attachments

ECA Constitution