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Major Issues Identified in the Draft National Electricity Law

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Consultation

Kildonan Child And Family Services request a moratorium on the Energy Market Reform Program to ensure adequate consultation. The current time frame is inadequate. Consultation in Melbourne is after the submissions are due, 24 Dec. 04 and on the afternoon of the second submission deadline which means we submit and have consultation after. On 7 January 2005, the second submission is due and the consultation takes place. This date is not reasonable given that it is Australia's peak holiday season, and will ensure minimum participation by the community sector. We have not been aware of any consultation prior to the drafting of the National Electricity Law and the legislation reflects the lack of any consumer focus or adequate protections.

This legislation makes consumer groups nervous about national consumer protections. The fears around inadequate consultation reflect the fears about lowest common denominator consumer protections, may be adopted for the National Electricity Market as this may be easier to achieve than national best practise.

NEM objective

The national electricity law objective is inadequate to protect the interests of consumers. The objective: "The national electricity market objective is to promote efficient investment in, and use of, electricity services for the long term interests of consumers of electricity with respect to price, quality, reliability, safety and security" does not mention access to an essential service, especially for low income and vulnerable consumers.

Promoting efficient investment is important but should not have prevalence over any social objectives. As electricity is an essential services to the point where people cannot function adequately in society. A stronger more socially focused objective would send a clearer message as to the essential nature of electricity and that it not just an industry like any other, whose prime objective is return on investment to shareholders but one that access by consumers is essential for health, safety, and family cohesiveness. Without electricity domestic consumers are on a fireman's pole to the stone age.

Finally Kildonan Child And Family Services would like to highlight concerns regarding National Electricity Market flaws raised by Jane Castle from The Total Environment Centre:

- Constitutional uncertainty
- Conflict with core Competition Policy goals
- Undercutting of the Trade Practices Act
- Undermining of the Australian Competition & Consumer Commission as competition watchdog
- Absence of effective demand side participation
- Absence of protections for low –income consumers
- Failure to consider greenhouse emissions
- Lack of equity for small generators wishing to connect to the grid

Recommendations

- Kildonan Child And Family Services strongly recommends that a moratorium is granted to ensure adequate consultation is given to the National Electricity law. Further intense consultation and a time frame until the end of February for further submissions is needed.
- The national electricity law objective needs to be strengthened in order to provide minimum protections to consumers. The legislation needs to include the right of access to electricity by domestic consumers and that they and their rights and interests will not be disadvantaged by the national electricity market.
- That concerns raised by Jane Castle are addressed and resolved before the finalisation of the National Electricity Law.