



public interest
ADVOCACY CENTRE LTD

**Regulating prices for consumers, with consumers:
Submission to IPART review of customer engagement in
price setting for monopoly services**

31 August 2011

Erin Halligan, Policy Officer

Energy + Water Consumer Advocacy Program

1. The Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit law and policy organisation. PIAC works for a fair, just and democratic society, empowering citizens, consumers and communities by taking strategic action on public interest issues.

PIAC identifies public interest issues and, where possible and appropriate, works co-operatively with other organisations to advocate for individuals and groups affected. PIAC seeks to:

- expose and redress unjust or unsafe practices, deficient laws or policies;
- promote accountable, transparent and responsive government;
- encourage, influence and inform public debate on issues affecting legal and democratic rights; and
- promote the development of law that reflects the public interest;
- develop and assist community organisations with a public interest focus to pursue the interests of the communities they represent;
- develop models to respond to unmet legal need; and
- maintain an effective and sustainable organisation.

Established in July 1982 as an initiative of the (then) Law Foundation of New South Wales, with support from the NSW Legal Aid Commission, PIAC was the first, and remains the only broadly based public interest legal centre in Australia. Financial support for PIAC comes primarily from the NSW Public Purpose Fund and the Commonwealth and State Community Legal Services Program. PIAC receives funding from the NSW Department of Trade and Investment, Regional Infrastructure and Services for its work on energy and water, and from Allens Arthur Robinson for its Indigenous Justice Program. PIAC also generates income from project and case grants, seminars, consultancy fees, donations and recovery of costs in legal actions.

2. Energy + Water Consumers' Advocacy Program (EWCAP)

EWCAP was established at PIAC as the Utilities Consumers' Advocacy Program in 1998 with NSW Government funding. The aim of the Program is to develop policy and advocate in the interests of low-income and other residential consumers in the NSW energy and water markets. PIAC receives policy input to EWCAP from a community-based reference group the members of which include:

- Council of Social Service of NSW (NCOSS);
- Combined Pensioners and Superannuants Association of NSW (CPSA);
- Park and Village Service;
- Ethnic Communities Council NSW;
- Rural and remote consumers;
- Physical Disability Council of NSW

3. Introduction

PIAC welcomes the opportunity to participate in the Independent Pricing and Regulatory Tribunal of NSW (IPART) review of customer engagement in the development and setting of prices for regulated monopoly services (the Review).

IPART is responsible for setting the prices of monopoly services. In making pricing determinations, IPART must consider the 'protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services'.¹ PIAC believes that meaningful consumer input is essential to ensuring these consumer interests are protected.

IPART has defined consumer engagement as the 'involvement of customers and/or their representatives in the process of setting prices for monopoly services'.² In line with this definition, PIAC sees consumer engagement as the process of capturing information and input from a diverse range of consumer stakeholders, and enabling their ongoing participation through collaborative consultation.

There has been increased recognition in both Australian and international policy making that engaging the community in the planning and development processes of key policy decisions results in better policy outcomes.³ For IPART, the involvement of consumers in the development and setting of prices and service standards has contributed to better outcomes in their determinations.⁴ By engaging with customers, regulated businesses are able to better understand consumer concerns, preferences and their willingness to pay.⁵

IPART has noted several issues in its current consumer engagement practices which have led to the commencement of this review. These include:

- ongoing difficulty in engaging with end-customers, especially small customers;⁶
- increasing pressure of price rises and the need for increased investment by regulated businesses; and
- increasing disillusionment with existing consumer engagement mechanisms and the capacity of consumers to influence decisions.⁷

IPART has further noted that there have been additional issues affecting consumer engagement in electricity and water consultation processes. In electricity and water pricing determinations, consultations have often required a high level of technical expertise. IPART perceives this has been a considerable barrier for consumers and consumer advocates to meaningfully engage in electricity and water determinations, as they often lack access to the resources and expertise

¹ *Independent Pricing and Regulatory Tribunal Act, 1992, (NSW) s 15(1)(b).*

² IPART, *An invitation to participate: Customer engagement on prices for monopoly services* (2011) 1.

³ Planning NSW, *Community Engagement in the Planning System*, NSW Department of Planning (2003) 6.

⁴ IPART, above n 2, 2.

⁵ *Ibid.*

⁶ *Ibid* 1.

⁷ Cambridge Economic Policy Associates (CEPA), *Regulated Monopoly Service Providers and Customer views, preferences and willingness to pay: A Report for IPART* (June 2011) 1.

needed to participate.⁸ IPART contends that this has led to an inequitable representation by regulated businesses, which are fully resourced to participate in pricing reviews.

Energy and water are essential services. PIAC believes that decisions made regarding the pricing and service standards for these services must include meaningful consumer engagement to ensure that business interests are not disproportionately represented over consumer interests.

PIAC, through its direct experiences in energy and water advocacy with IPART, has identified a few key barriers for consumers and consumer advocates to participate in pricing and service consultative processes.

4. Effective consumer engagement: general principles

A core function of IPART's role is to protect consumers by ensuring the quality and reliability of regulated services and considering the social impacts of decisions relating to these services through transparent consultation with all stakeholders.⁹ When making price determinations, IPART is required to protect consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services.¹⁰ PIAC believes it is only through effective consumer engagement that IPART is able to properly consider the needs and impacts of proposed changes on consumers, and protect them from potential negative impacts.

Although IPART does not currently have a policy or code of practice in place to guide its customer engagement practices, the various industry teams within IPART follow a similar process of consultation that works to ensure all stakeholders are well informed and enabled to participate.¹¹ This process includes some or all of the following steps:

- advertising all investigations and inviting public submissions, particularly from key stakeholders;
- hosting public hearings, public seminars and workshops;
- maintaining a public register of submitted material;
- publishing issues and discussion papers and research reports;
- conducting targeted consultation;
- releasing interim reports as required to seek comments before releasing final reports; and
- maintaining a website with comprehensive information about IPART, investigation timetables, submissions and reports issued.¹²

PIAC notes that, although these steps incorporate a variety of consumer engagement mechanisms, IPART has not evaluated the efficacy of these engagement practices positively, recognising in the Review there is considerable difficulty getting sufficient consumer

⁸ IPART, above n 2, 2.

⁹ IPART, *Corporate Governance Statement* (January 2009) 3.

¹⁰ *IPART Act*, above n 1.

¹¹ Email from Alexander Oeser, IPART Analysis and Policy Development to Erin Halligan, PIAC Policy Officer 19 August 2011.

¹² IPART, above n 9, 7-8.

representation throughout these processes. IPART has noted, for example, that in electricity and water pricing reviews consultation processes are often quite technical in nature. As many consumer advocacy organisations do not have the knowledge base to understand this material, IPART generally does not receive many submissions from small, end-customers.¹³

In the Planning NSW handbook for *Community Engagement in the Planning System*, it is outlined that for engagement to be effective it must be conducted in a 'clear, transparent manner that provides the public and all participants with a realistic understanding of the policy and decision-making process and the range of possible outcomes'.¹⁴ PIAC believes that for consumer advocates to have a realistic understanding of IPART's decision-making processes, there must be support and encouragement for a range of consumer voices to contribute.

PIAC believes that meaningful engagement includes consumers and their representatives having:

- sufficient capacity and resources to participate;
- a sense that they are able to have influence in consultative processes; and
- a partnership between decision makers and consumers that facilitates a continuous flow of knowledge and ideas.

5. Barriers to effective consumer engagement

5.1 Capacity to engage

PIAC believes there are a number of barriers contributing to the lack of consumer representation in IPART energy and water price determination processes. Complex technical reports, lack of expertise among consumers and their representative organisations, and insufficient resources have all created barriers for many small, grassroots consumer organisations to engage in IPART price determinations.

In PIAC's experience, consumer advocacy organisations often work across a range of policy issues affecting a variety of consumer groups. The complexities of policy and consumer advocacy work in relation to for energy and water, for example, can be uniquely demanding. Energy and water advocacy often requires input across a range of issues that involve complex technical, economic, legislative and regulatory problems, in rapidly evolving markets.¹⁵

PIAC contends that, in managing the complex range of issues in energy and water consumer advocacy, many consumer stakeholders do not have the capacity to contribute in consultation processes. In PIAC's experience, consumer engagement in IPART's review processes involves a commitment of time, technical expertise and resources that are not always available to consumer advocates. Without these inputs, consumer advocates face real barriers to effective engagement.

¹³ IPART, above n 2, 2.

¹⁴ Planning NSW, above n 3, 7.

¹⁵ Gordon Renouf and Polly Porteous, 'Making Energy Markets Work: The Role of Consumer Advocacy' (2011) *Consumer Advocacy Panel*, 8.

5.1.1 Expertise

IPART acknowledges that it would like to see more consumer groups providing direct input into the technical aspects of the price and service proposals, rather than limiting their comments to the potential social impacts of the final determinations.¹⁶ This view was expressed by IPART Chairman, Mr Rod Sims, in his presentation to PIAC's Energy + Water Consumers' Advocacy Conference, *Competition and Consumers*. Mr Sims said:

As a regulator, we would find it easier if consumer groups provided countervailing technical input to our review processes, as this would better enable us to weigh up the interests of the businesses and consumers, levelling the playing field.¹⁷

IPART believes that, due to the technical aspects of its reviews, it is increasingly difficult to attract and meaningfully engage a broad range of small, end-customers.¹⁸ In PIAC's experience, this is especially the case for utility price determinations. Due to the nature of energy and water policy, consumer advocates are regularly required to have access to expertise on a broad range of technical issues, including engineering, regulatory economics, environmental economics and government policy.¹⁹ For consumer advocates to access such technical expertise, they require a strong network of resources, which can include expert staff, partnerships with research centres and the capacity to retain professional consultants.²⁰

Mr Sims' keynote address noted that the technical nature of determinations has been an increasing problem. Mr Sims highlighted, as an example, that:

In 2004, our final report on prices for the NSW electricity distribution businesses was 287 pages long. The AER's 2009 report was 722 pages long, and its equivalent 2010 report on prices for the Victorian distributors ran to 1832 pages. It is no wonder that the regulatory and review processes are dominated by the well-resourced industry participants, who can effectively engage in matters of technical detail that are beyond the expertise and resources of consumer groups.²¹

As consumer advocates do not have access to the same resources as industry participants, IPART does not receive submissions on detailed technical cost inputs from customers. Rather, if they do receive consumers' submissions, they focus mainly on the potential outcomes of final determinations.²²

In PIAC's experience, this deficit in technical expertise by consumer advocates is often compounded by the technical requirements of IPART's own consultation methodologies. In IPART's June 2011 review of Hunter Water's Operating License, the issues paper requested a

¹⁶ IPART, above n 2, 2.

¹⁷ Rod Sims, 'PIAC Speech' (Speech delivered at the Energy + Water Consumer Advocacy Program Conference on 'Competition and consumers', Sydney, 27 June 2011) <http://www.ipart.nsw.gov.au>.

¹⁸ Ibid.

¹⁹ Renouf and Porteous, above n 15, 14.

²⁰ Ibid, 12.

²¹ Mr Rod Sims, above n 17.

²² IPART, above n 2, 2.

cost-benefit analysis from consumer stakeholders on complex operational mechanisms and policy information. IPART noted in the issues paper for the Hunter Water review that by selecting this methodology many smaller organisations and consumer stakeholders would have limited resources and capacity to respond. IPART also noted that by using the chosen cost-benefit approach, Hunter Water would be in a better position to quantify costs and benefits or provide quantitative indicators than other stakeholders.²³

PIAC believes that a broad information base from a variety of stakeholders is a key pre-requisite for good policymaking. This knowledge base must include balanced input from both regulated businesses and consumer representatives.

In order to achieve this balance, PIAC believes IPART must support consumer stakeholders to understand the technical components within its reviews and determinations. PIAC understands there is variation in the level of technical expertise among consumer representatives. As such, different organisations require different levels of expert assistance. PIAC recommends IPART develop a coordinated approach of communicating with a range of consumer stakeholders, including access to simple, plain English information, that is supplementary to issues papers; and conducting individual, informal consumer information sessions to allow advocates the opportunity to have open discussions with IPART consultants.

PIAC believes there must be a greater focus on direct contact with consumer stakeholders. In order to accurately explore the costs and benefits of potential regulatory changes and their likely social impacts, consumer advocates must have greater capacity to understand and research the needs of a range of consumer stakeholders.²⁴

Recommendation

PIAC recommends IPART provide avenues for targeted communication with consumer stakeholders, including access to simple, plain English information, supplementary to issues papers, and conducting informal consumer information sessions to allow consumer advocates the opportunity to directly question IPART consultants.

5.1.2 Timeframes

In PIAC's experience, brief consultation periods for IPART determinations have been a significant barrier for consumers and consumer advocates to participate in consultation processes. PIAC understands that IPART does not have a standardised timeframe to conduct public consultations. IPART works to a minimum of eight weeks for public consultation; however, this has been reduced to as low as five weeks on some occasions.²⁵

In NSW there are relatively few consumer advocates working on energy and water policy, and these advocates are often required to represent consumer interests across a number of policy forums. For example, PIAC is regularly requested to provide consumer input into consultations conducted by the NSW Department of Trade and Investment, Regional Infrastructure and Services (DTRIS), the NSW Office of Water (NOW), IPART, the Australian Energy Regulator

²³ IPART, *Review of the Operating Licence for Hunter Water Corporation: Issues Paper* (2011) 6.

²⁴ Renouf and Porteous, above n 15, 11.

²⁵ Email from Alexander Oeser, above n 11.

(AER), the Australian Energy Market Commission (AEMC) and other retailer advisory panels. In these consultations, PIAC is often requested to provide advice on a range of issues, such as licensing, consumer protection, utility networks, regulatory frameworks, affordability and pricing, and environmental policy. PIAC does this work with two dedicated policy staff.

Given the scope of this work, consumer advocates in NSW are often forced to make quick evaluations of their capacity to engage, as they are often managing competing deadlines for participation in consultations that are occurring simultaneously. In PIAC's experience, this means that advocacy groups are unable to participate in all of the consultation requests, and many important consumer issues do not get represented in these processes. PIAC recommends that IPART consider ways to coordinate consultation periods in their internal processes, and potentially with other regulating bodies.

PIAC notes that IPART is already trialing new ways to coordinate consultation in the upcoming water determinations. For the first time, IPART has consolidated the 2011/12 pricing determination and operating licence review for the Sydney Catchment Authority (SCA). By doing so, IPART hopes to increase the capacity for stakeholders to engage in both determinations, as they are able to dedicate time and resources into one amalgamated process. IPART also recently released a water bulletin. *In the pipeline* was released in August 2011, and provides information to stakeholders on upcoming water consultations, as well as contact information for all relevant IPART consultants. PIAC welcomes both these new changes. PIAC believes that streamlining the review process, and providing regular updates on review scheduling, will result in a greater capacity for consumer stakeholders to plan and engage in IPART reviews.

PIAC has also noted in previous submissions to IPART that the review process would be enhanced with longer time frames for consumer consultation. In August 2011, PIAC made the following comment in its submission to IPART's review of the price structures for metropolitan water utilities:

PIAC is concerned that, although IPART identified the need for analysis of metropolitan price structures in the 2007/08 and 2008/09 price reviews, a broader consultative process for discussing potential changes has only commenced in June 2011 with a relatively short time frame for community consultation.²⁶

PIAC believes that increasing the length of consultation periods will allow for a broader range of consumer engagement in IPART reviews. PIAC believes it will also facilitate greater opportunity for IPART to communicate directly with consumer stakeholders, which is particularly useful if there are detailed technical aspects that IPART is seeking consumer input on.

PIAC believes IPART's 2011 Review of electricity retail pricing serves as a good model for consultation and engagement. The consultation period was run over six months, commencing with informal consultation with key consumer stakeholders, including PIAC, NCOSS, CPSA, the Energy and Water Ombudsman of NSW (EWON), and the Council on the Ageing (COTA), in December 2011.²⁷ Following this initial scoping phase, there was the release of industry and

²⁶ PIAC Submission to *IPART review of the price structures for metropolitan water utilities* (2011) 4.

²⁷ Email from Anna Brakey, IPART Program Manager to Carolyn Hodge, PIAC Senior Policy Officer, 15 December, 2010.

consumer fact sheets in February 2011, the release of a Draft Report and Draft Determination in April 2011, public hearings held in February and early May 2011, and the release of the final determination in mid-June.²⁸ Although PIAC acknowledges the period for lodging written submissions to the Draft Report was only four weeks, the ongoing consultation from the very early stages of the process meant that consumer organisations, like PIAC, had more time to ask questions and be engaged in the process.

PIAC recommends that IPART establish a standard period for consultation processes. PIAC believes there should be a minimum of eight weeks set for formal consultation procedure, and up to as long as six months for bigger determinations, as modelled on IPART's 2011 Review of regulated prices for electricity.

Recommendation

PIAC recommends that IPART coordinate consultation periods internally, as well as considering mechanisms for coordination with other regulators.

PIAC also recommends that IPART formalise a standard public consultation period of a minimum of eight weeks for its review processes, with longer periods for more complex reviews.

5.1.3 Resourcing

Effective consumer engagement requires the support and commitment of a diverse network of consumer advocates. IPART is dependent on the work of consumer advocacy groups to provide essential information to ensure consumer interests are protected in pricing determinations for monopoly services.

In the 2008 Australian Productivity Commission's Review of Australia's Consumer Policy Framework, it was indicated that many consumer organisations had felt unable to meet all requests for input into specific policy matters due to a lack of resources.²⁹ PIAC contends that the dependence on consumer advocacy by government and decision-makers is not matched with the resourcing they receive. In the Australian Productivity Commission's review, the consumer organisation, CHOICE, submitted:

This demand for our input demonstrates a real need expressed by government and parliamentary inquiries for consumer advocacy. It is time that appropriate advocacy was funded at a level sufficient to meet this need.³⁰

PIAC believes that the provision of additional resourcing through funding and access to technical expertise to a wide range of consumer representative bodies will allow for more meaningful consumer input into price review processes. Increasing resources to consumer advocacy organisations will build the capacity of consumer advocates to provide high-quality input, across a greater range of issues, into a greater proportion of the consultation processes.³¹

²⁸ IPART, *Timetables* (22 August 2011) IPART, <http://www.ipart.nsw.gov.au/timetables.asp#RET>.

²⁹ Australian Productivity Commission, *Review of Australia's Consumer Policy Framework* (2008) 281.

³⁰ *Ibid.*

³¹ Renouf and Porteous, above n 15, 67-68.

A good model for increasing resource capacity for consumer advocates is through access to small financial grants for consumer research projects. PIAC believes research grant programs are an excellent way to allow consumer advocates to undertake unique research into the differing needs of a range of consumer groups.

The Consumer Utilities Advocacy Centre (CUAC) has been running a grants program since 2002, which works to build the consumer engagement capacity of Victorian agencies working on energy and water advocacy.³² As part of the scheme, CUAC established an Executive Officer (EO) Grants program, which is open to applicants throughout the year, to be assessed by CUAC's Executive Officer. CUAC also developed an Initiated Grants program, enabling CUAC to commission research on consumer utilities issues.³³ For example, the EO Grants program, which is capped at \$8000, has facilitated many consumer research projects, including:

- research into the impact of gas extension on fuel poverty in the Upper Yarra, Eastern Access Community Health (2007-08);
- a critique of the Gippsland Water Water Plan for the Essential Services Commissions' 2008-2012 Price Review, Gippsland Resource Group (2007-08);
- research into energy consumption, costs and concessions for households with Multiple Sclerosis, MS Society (2008-09);
- pilot project involving a retrofit of ten low-income private rental households, Just Change (2008-09); and
- the Energy and Water Ombudsman (Victoria) African Community Engagement Project, Footscray Community Legal Centre and Financial Counselling Services (2009-10).³⁴

A review of the CUAC grants program found that the scheme has provided a valued opportunity for organisations to influence policy and regulatory debates – with many successful advocacy outcomes for smaller consumer advocacy groups working at grassroots levels.³⁵ The reports and project work are also circulated among other community organisations, creating the opportunity to share knowledge and build a broader range of expertise among consumer stakeholders.

Recommendation

PIAC recommends IPART make recommendations to the NSW Government to increase support and resourcing for grassroots consumer organisations through the funding of small grants schemes.

5.2 Continuity and influence

PIAC believes that for consumer engagement to be effective, it must be conducted in a manner that provides the public and all participants with a realistic opportunity to participate in the policy and decision-making process. An essential component of consumer participation is consumer

³² CUAC, *Grants Program* (22 August 2011) < <http://www.cuac.org.au/grants-program/>>.

³³ Ibid.

³⁴ Ibid.

³⁵ CUAC, *A Review of the Consumer Utilities Advocacy Centre Grants Program*, (2010) 7.

confidence that their view will 'be heard' and may contribute to real change.³⁶ Relationship building is a key component to building this confidence. Relationships and continuity of contact is valued by consumers³⁷ and following up on consultation processes is crucial to effective community engagement and building confidence.³⁸

In the Cambridge Economic Policy Associates (CEPA) analysis of consumer engagement, it is highlighted that the provision of information is only the first step to involving consumers in the process.³⁹ It is PIAC's experience that the invitation for submissions and dissemination of issues papers is primarily a one-way flow of communication from IPART to consumers. This often presents limited opportunity for feedback from all consumer advocates. PIAC believes that when consumers have access to information but no further interaction with the regulator, there is limited opportunity for consumers to influence the outcome of regulatory decision-making.⁴⁰

In previous review processes, PIAC has been fortunate to have an open dialogue and ongoing interaction with IPART consultants through informal channels and existing relationships. PIAC believes consumer engagement must be a two-way relationship, and has valued these open lines of communication with IPART.

A good example of a working partnership IPART has with consumer stakeholders can be seen in the Memorandum of Understanding (MOU) IPART has with EWON. The MOU was established in 2005 to help IPART and EWON work together to ensure consumers are protected in a competitive retail environment.⁴¹ Since its implementation, EWON believes the MOU has been a valuable mechanism for building a relationship with IPART, and has provided both organisations with the opportunity to discuss consumer issues in a protected environment.

PIAC notes that, although the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW) does not place a legislative requirement on IPART to establish a standing customer consultation group or a Charter of Consultation,⁴² consultative groups that meet regularly provide an invaluable forum for collaborative consumer engagement.

The Essential Services Commission (ESC) is the independent economic regulator for prescribed essential services in Victoria. A key component of the regulator's consultation framework is the facilitation of a Consumer Consultation Committee (CCC). The function of the ESC CCC is to advise the Commission on customer issues and needs. The CCC also provides a forum in which customer representatives are able to exchange information on their needs and make those needs known to the regulated industries.⁴³ Membership of the CCC includes key consumer bodies,

³⁶ Jim Cavaye, *Governance and Community Engagement - The Australian Experience* (Ashgate Publishing, UK, 2004) 9.

³⁷ Ibid, 8.

³⁸ Ibid, 9.

³⁹ Cambridge Economic Policy Associates (CEPA), above n 7.

⁴⁰ Ibid.

⁴¹ Memorandum of Understanding between IPART and EWON, July 2005, 1.

⁴² Monash Centre for Regulatory Studies, *Keeping the Regulators Accountable: Improving Practices in Energy Markets for Disadvantaged Consumers and Stakeholders*, Monash University, Faculty of Law, (2008) 51.

⁴³ Ibid, 44.

selected from a wide range of stakeholder interest groups, including vulnerable and low-income consumers, rural and remote consumers and industry and commerce.⁴⁴

The Australian Energy Regulator (AER) also has established a Customer Consultation Group (CCG) to provide advice to the AER on its functions under the energy laws affecting energy consumers across participating jurisdictions.⁴⁵ The AER CCG connects consumers to the regulator through its members, who provide comment and advice to the AER on market developments, law and rule changes, strategic developments and relevant reviews and consultation processes.

PIAC is a member of the AER CCG. Through the CCG, PIAC has had the opportunity to advise the AER on relevant issues that impact our consumer constituency. The CCG also allows PIAC to connect and share information with other consumer representatives from other jurisdictions.

Recommendation

PIAC recommends IPART establish a Customer Consultation Group, or similar, for key consumer representatives and stakeholders from across NSW, to inform, engage and advise IPART on issues relating to consumers of monopoly services regulated by IPART.

6. Conclusion

PIAC believes meaningful engagement is about consumers and their representatives having sufficient capacity and resources to engage, a sense they have influence in consultative processes, and a partnership with decision makers that facilitates a continuous flow of knowledge and ideas.

PIAC believes there are a number of factors contributing to the current lack in consumer representation in IPART energy and water price determination processes. Complex technical reports, lack of expertise, and insufficient resources are creating barriers for many consumer organisations to provide input to IPART consultations.

PIAC supports IPART's contention that stronger customer engagement in regulation processes will help ensure a balanced process. Consumer engagement will help regulators test the proposals put forward by regulated businesses, and will provide opportunity for alternative views on matters such as service priorities, capital expenditure proposals, and price structures to be considered.⁴⁶

PIAC understands that IPART will be organising a number of workshops leading into the next stage of this review in the next few months. PIAC welcomes the opportunity to provide comment to the first stage of this review, and looks forward to providing further input on behalf of NSW energy and water consumers in the next stages of consultation.

⁴⁴ Ibid.

⁴⁵ AER, *Terms of Reference: Customer Consultative Group* (2009).

⁴⁶ IPART, above n 2, 2.