

Consumer Advocacy Panel

Announcement - New approach to resourcing advocacy

At its meeting on 8 April 2009, the Consumer Advocacy Panel approved a new funding model for more established consumer organisations with existing experience and expertise. The Panel intends to trial and evaluate the model in 2009/10 with the Major Energy Users Inc (MEU) and the Energy Users Association of Australia (EUAA).

The model allows certainty for EUAA and MEU, while ensuring there remain funds available to support a range of consumer advocacy groups. The new approach helps established advocates develop a pipeline of projects relating to decisions of importance to their members or constituency, and reduces the administrative burden for applicants.

As it outlined in its 2009/10 budget proposal, the Panel is of the view that it will receive more funding applications from a broader range of groups than has previously been the case. Rising energy prices and climate change policy responses have already prompted approaches from new entrants to these debates.

In a situation where demand will outstrip supply, the Panel is cognisant of the need to provide certainty to existing consumer organisations, but retain the capacity to attract and support new entrants.

The Panel provides funds to build capacity in those organisations who would otherwise not participate in policy and regulatory decisions pertaining to the National Energy Market.

Mature consumer organisations do not require funding to build *capacity* as they already have the requisite experience and expertise to participate, but do require support for *advocacy*.

The new model has the following features:

- Applicants will be asked to provide the Panel with a list of priorities for 2009/10, with a ballpark budget against each priority (including the organisation's contribution to the work), and the anticipated high-level outputs and outcomes:
 - The total budget will be no more than \$200,000 (exc. GST);
 - The applicant will not be able to access the capacity-building grants program.
- It will be left to the applicant's discretion as to the methodology it uses to address those priorities (eg through employment of personnel, or hiring specialist technical expertise).
- Once the Panel has approved the list, the applicant will be asked to provide relevant information about each priority as they seek release of the funding through a streamlined process:
 - Detailing key personnel, substantiation of the organisation contribution, detailed outputs and outcomes, and an actual budget.
- The Panel will then approve the distribution of those funds, which will be released to the applicant.
- If unanticipated, urgent projects arise during the year, applicants must consider substitution of priorities for pre-approved projects, as the Panel does not anticipate being in a position to provide funding outside the pre-approved amount.
- This approach will be trialled for 2009/10 with the intention of having the model evaluated by the Panel's independent consultant in the latter part of that financial year
 - In addition, the Panel will monitor progress of trial and continue to liaise closely with those organisations over the course of the year.

The Panel intends to implement this model with the Energy Users Association of Australia (EUAA) and Major Energy Users Inc (MEU). They are both widely regarded as mature consumer organisations with significant experience and expertise on national energy market issues.

Both EUAA and MEU have received significant funding from the Panel in previous years, but there is now increasing demand from a growing number of organisations for funding for advocacy on national energy market issues

- MEU (including its affiliate member organisations) has received \$1,167,698 or 14% of the total funding approved by the Panel since its establishment in 2002/03
- EUAA has received \$2,523,351 or 31% of the total funding approved by the Panel since its establishment in 2002/03.

The Panel's proposed approach will provide those organisations with sufficient resourcing to assist their advocacy, and ensures the Panel is able to provide comparable support to other consumer advocacy organisations.

The Panel is continuing to accord high priority to promoting its capacity to provide support to consumer advocacy organisations, particularly those that are currently poorly represented in decisions pertaining to the National Energy Market, such as small businesses and rural consumers.