

APPENDICES

APPENDIX 1 – CONSUMER ADVOCACY PANEL ANNUAL REPORT 2008-2009

The following report is the report of the Consumers Advocacy Panel published in accordance with the provisions of the *Australian Energy Market Commission Establishment Act 2004* of South Australia as amended.

The Consumer Advocacy Panel is an independent body and as such its accounts are not consolidated into the accounts of the AEMC.

CONSUMER ADVOCACY PANEL

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

ABN 42 203 580 500

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CONSUMER ADVOCACY PANEL

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

A. INTRODUCTION

The functions and objectives of the Consumer Advocacy Panel (the Panel) are specified in the *Australian Energy Market Establishment Act 2004* (the Act).

The Panel makes funding grants for electricity and natural gas customer advocacy and research. In doing so, it must seek to promote the interests of all consumers of electricity or natural gas – while paying particular regard to benefiting small to medium consumers.

The Panel was established on 1 July 2008. The predecessor organisation, the National Electricity Consumers Advocacy Panel, ceased operations on 30 June 2008 – its assets, rights and liabilities were transferred to the Australian Energy Market Commission (AEMC) for administration on behalf of the Panel pursuant to the Act.

This 2008/09 Report from the Panel satisfies requirements in Part 4 (Section 47) of the Act.

The Panel's 2008/09 financial statements will be included in the AEMC's financial statements, tabled in the South Australian Parliament, and subsequently published.

B. PANEL REVENUE IN 2008/09

In 2008/09 the Panel's total revenue was \$2,455,778 (ex GST):

- \$1,805,860 via the National Electricity Market Management Company (NEMMCO) from fees charged to certain market participants, mainly electricity retailers, for expending on electricity advocacy and research projects and the portion of the Panel's administrative costs that relate to electricity – in future years, this funding will come from the Australian Energy Market Operator (AEMO)
- \$565,588 via the AEMC from participating jurisdictions, for expending on gas advocacy and research projects and the portion of the Panel's administrative costs that relate to gas – in future years, a portion of this funding will come from AEMO
- \$84,330 interest.

C. GRANTS MADE IN 2008-09

The Panel makes the following types of advocacy and research grants:

- consumer advocacy projects for the benefit of consumers of electricity
- consumer advocacy projects for the benefit of consumers of natural gas

- projects in research or consumer advocacy for the joint benefit of consumers of electricity and consumers of natural gas
- research projects for the benefit of consumers of electricity
- research projects for the benefit of consumers of natural gas

In 2008/09, the Panel received 55 applications for funding, 44 of which were approved at 30 June 2009.

The number of applicant organisations was 24 – up from 12 in 2007/8 – including a number of organisations which had not previously applied for Panel funding.

The diversity of the grants made by the Panel demonstrates the scope of national energy market reform.

The Panel believes the funding it allocated in 2008/2009 fully complied with the principles set out in Schedule 1 of the *Australian Energy Market Commission Regulations 2005*.

Figure 1: Grants made by project type 2008/09 (ex GST)

GRANT TYPE	GRANTS MADE	FUNDING ALLOCATED
Advocacy projects		
• Electricity	17	\$1,050,463 ¹
• Gas	9	\$194,830
• Joint	14	\$1,128,526 ²
Panel-initiated research	2	\$50,000
Stakeholder-initiated research	2	\$96,400
TOTAL	44	\$2,520,219

Figure 2: Amounts and customer types 2008/09 vs 2007/08

	BUSINESS		DOMESTIC		TOTAL	
	08/09	07/08	08/09	07/08	08/09	07/08
\$0 – \$50,000	15	16	11	9	26	26
\$50,001 – \$100,000	3	1	8	2	11	2
\$100,000 +	3	1	4	3	7	4

1 Of these, two grants were funded to a total amount of \$122,440 that will begin after 1 July 2009

2 Of these, eight grants were funded to a total amount of \$1,024,566 that will begin after 1 July 2009

D. ACTIVITIES UNDERTAKEN IN CONSUMER ADVOCACY AND RESEARCH PROJECTS APPROVED FOR FUNDING IN 2008/09

NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
305	Electricity Advocacy	Energy Users Association of Australia (EUAA)	Impacts of an emissions trading scheme on the National Electricity Market (NEM)	<ul style="list-style-type: none"> Report on the results of the modelling and strategic analysis of the impacts of the Carbon Pollution Reduction Scheme (CPRS) & 20% Renewable Energy Target (RET) EUAA submissions to the Parliamentary inquiries into both the CPRS and RET draft legislation Input to the Australian Energy Market Commission (AEMC) climate change review Using the report to support advocacy with stakeholders who could provide leverage 	A	\$146,000.00
315	Electricity Advocacy	Australian Council of Social Service (ACOSS)	Travel costs for consumer representatives on the National Smart Meter Working Groups 2008/9	<ul style="list-style-type: none"> Representation of small end-user views in the range of Working Groups 	A	\$35,991.00

D. ACTIVITIES UNDERTAKEN IN CONSUMER ADVOCACY AND RESEARCH PROJECTS
APPROVED FOR FUNDING IN 2008/09

NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
319	Electricity Advocacy	Major Energy Users Inc (EMRF, ECCSA, EUCV)	Australian Energy Regulator's (AER's) review of Weighted Average Cost of Capital (WACC) for transmission and distribution networks	<ul style="list-style-type: none"> • Response to AER Issues Paper and Draft Decision • Presentation at AER Public Forum 	A	\$39,904.00
321	Electricity Advocacy	Major Energy Users Inc (Electricity Consumers Coalition of South Australia)	Respond to ElectraNet appeal to Australian Competition Tribunal (ACT) over AER's decision of 2008	<ul style="list-style-type: none"> • Preparation for and attendance at ACT hearings 	A	\$27,952.00
323	Electricity Advocacy	Energy Users Association of Australia (EUAA)	AER review of WACC for transmission and distribution networks	N/A	R	Duplicated another grant
324	Electricity Advocacy	Total Environment Centre	Role of the NEM in responding to the CPRS and linkages to demand management (DM): the small consumer and environmental view	<ul style="list-style-type: none"> • Report for submission to AEMC climate change and demand-side participation (DSP) reviews • Forum with key stakeholders on the NEM and its interaction with climate change policies • Advocacy, including submissions, letters, media releases and meetings with Energy Ministers, Environment Ministers and the Minister for Climate Change and Water. 	A	\$67,172.00
332	Electricity Advocacy	Ethnic Communities Council of New South Wales	Advocacy for small business in NEM national smart metering program	<ul style="list-style-type: none"> • Submissions on 2008 Pilots/Trials Status Report & Pilots Scenarios Working Paper • Attend 6 workshops • A mid-term progress report • A detailed advocacy review report on the completion of the project 	A	\$12,000.00
334	Electricity Advocacy	MS Australia	Contribute to survey data analysis in order to inform advocacy to increase energy rebates/ concessions	<ul style="list-style-type: none"> • Data analysis and publication of the survey data 	A	\$5,000.00

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NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
335	Electricity Advocacy	St Vincent de Paul Society Australia Inc	Interval meters and implications for the National Energy Customer Framework (NECF), Customer Service Obligations (CSOs) and jurisdictional consumer protections	<ul style="list-style-type: none"> • One national and four reports specific to each state (Victoria, South Australia, New South Wales and Queensland) consumer protection framework, and consultation with the consumer groups in that jurisdiction • Participation in relevant AEMC reviews on impact of climate change and DSP • Participation in AER price determination for interval meters 	A	\$93,700.00
336	Electricity Advocacy	Monash University & Foundation for Effective Markets and Governance	Attaining optimal carbon abatement rules through consumer advocacy : learning from the European experience on energy regulation	<ul style="list-style-type: none"> • Briefing papers and submissions in response to AEMC papers arising from its review of the NEM in light of climate change policies and DSP 	A	\$100,000.00
337	Electricity Advocacy	Social Justice Initiative, University of Melbourne	Investigation of the impacts of the national rollout of smart meters on consumers	<ul style="list-style-type: none"> • Publication of research – working papers, discussion papers, conference papers, and journal articles – into the impact that energy pricing initiatives will have on consumer behaviour and how these impacts will affect social equity and inclusion • Proposal of a number of recommendations governing pricing structures in different energy jurisdictions 	A	\$53,529.50
338	Electricity Advocacy	Energy Users Association of Australia (EUAA)	Tasmania's newly contestable commercial and industrial electricity customers NEM readiness	N/A	R	Did not meet funding criteria
340	Electricity Advocacy	Queensland Council of Social Service (QCOSS)	Attendance at NEMMCO course	<ul style="list-style-type: none"> • Improved staff understanding of NEM structure and key processes contributing to submissions on a number of electricity related reviews and processes • Contribution to small end user policy position discussions and submissions • Ensure that the interests of domestic small end users are represented in distribution determinations 	A	\$3,774.00
344	Electricity Advocacy	Queensland Council of Social Service (QCOSS)	Residential consumers and the AER Queensland Distribution Determination 2010-2015	<ul style="list-style-type: none"> • Submission on Energex and Ergon Energy regulatory proposals • Submission on AER draft determination decisions • Attend public forums in relation to Energex and Ergon regulatory proposals and draft determination decision 	A	\$45,400.00
349	Electricity Advocacy	The Retailers Association	(RESCUE) Retailers Electricity Supply Chain Under Enquiry Project	N/A	deferred	

D. ACTIVITIES UNDERTAKEN IN CONSUMER ADVOCACY AND RESEARCH PROJECTS
APPROVED FOR FUNDING IN 2008/09

NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
360	Electricity Advocacy	Goanna Energy	Issues facing Tasmania's newly contestable electricity customers	Project report that will: <ul style="list-style-type: none"> • Address issues that affect the introduction of contestability in Tas and limit the ability of contestable customers to gain the benefits of retail competition • Make suggestions for the ongoing advocacy and education role of these bodies • Consider ways to enhance the attractiveness of the Tasmanian market to new retailers 	A	\$47,600.00
362	Electricity Advocacy	Allan Driver	AER Victorian advanced metering infrastructure (AMI) price review	Paper providing: <ul style="list-style-type: none"> • Comparison of distribution businesses' initial metering services prices that took effect from 1 January 2009 and of CAPEX & OPEX details • Briefing paper on AER draft determination • Attendance at AER public forum • Briefing paper for consumer groups on AER determination. • Action plan for consumer groups to consider for 2011 charges 	A	\$50,000.00
298	Consumer-initiated electricity research	Major Energy Users Inc (EMRF, ECCSA, EUCV)	NEM Rule change proposal to mitigate the exercise of generator market power	<ul style="list-style-type: none"> • Report on mechanisms used in electricity markets in other countries to limit the exercise of market power by generators 	A	\$38,400.00
322	Gas Advocacy	Energy Users Association of Australia (EUAA)	BG Group PLC Proposed Acquisition of Origin Energy Limited	<ul style="list-style-type: none"> • Submission to the ACCC on the market impacts of the merger for users in Queensland specifically, and on the east coast of Australia. • Advocacy to ACCC on the impact of the proposed takeover 	A	\$34,000.00
325	Gas Advocacy	Energy Users Association of Australia (EUAA)	Gas Market Leaders Group Short-term Trading Market (STTM) – Steering Committee participation	Specific output by participation in the Steering Group and Working Group including: <ul style="list-style-type: none"> • Regular reports to EUAA Executive Director, Board and members on progress and strategy • A midway 'milestone' report that will be made available to the Panel • A final assessment report, with recommendations for further actions 	A	\$41,000.00
326	Gas Advocacy	Energy Users Association of Australia (EUAA)	Gas Market Leaders Group Gas Statement of Opportunities	<ul style="list-style-type: none"> • Submission to Gas Market Leaders Group 	A	\$11,550.00

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NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
327	Gas Advocacy	Major Energy Users Inc (MEU)	National Competition Council (NCC) preparation of a guide to gas pipeline owners regarding light regulation of determinations	• Submission to NCC	A	\$7,840.00
328	Gas Advocacy	Major Energy Users Inc (MEU)	NCC review of the application to convert full regulation of Moomba-Sydney pipeline to light handed regulation	• Submission to NCC	A	\$7,840.00
329	Gas Advocacy	Energy Users Association of Australia (EUAA)	Submission to ACCC re proposed acquisition of Sunshine Gas by Queensland Gas Company	• Submission to ACCC	A	\$9,000.00
339	Gas Advocacy	Energy Users Association of Australia (EUAA)	Queensland LNG exports and likely customer impact	• Report covering the likely impacts of LNG export based on Coal Seam Gas (CSG) and associated strategic and policy implications for local gas users	A	\$58,000.00
342	Gas Advocacy	Major Energy Users Inc (MEU)	National Gas Market advocate	N/A	R	New funding approach applied
355	Gas Advocacy	Major Energy Users Inc (MEU)	Response to Energy Security Working Group discussion paper	• Submission to discussion paper	A	\$6,400.00
359	Gas Advocacy	Major Energy Users Inc (MEU)	Advocacy relating to development of new gas STTM April – June 09	• Participation in working groups	A	\$19,200
330	Joint Advocacy	Major Energy Users Inc (MEU)	AEMC 's review of energy market frameworks in light of climate change policies	• Written submissions to the AEMC • Dialogue with AEMC officers and commissioners • Briefing consumer advocates who are members of the AEMC Advisory Committee	A	\$56,840.00
331	Joint Advocacy	Energy Users Association of Australia (EUAA)	AEMC's review of energy market frameworks in light of climate change policies	• Submissions to the AEMC on each of the major discussion papers • Presentation at a public forum in Feb 2009 • Briefing and support for EUAA member of AEMC Advisory Committee	A	\$62,000.00

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APPROVED FOR FUNDING IN 2008/09

NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
333	Consumer-initiated joint research	Choice	NEM energy efficiency - retailers' role in energy service provision	<ul style="list-style-type: none"> Design and assessment of current and potential systems, model policies and practices and/or innovative programs to be adopted by energy retailers to promote household energy efficiency Subject to research findings, development of policies to increase number of energy services offered by energy retailers Rule changes reducing barriers and increasing incentives for energy retailers 	A	\$58,000.00
347	Joint Advocacy	Public Interest Advocacy Centre (PIAC)	Review of the NECF Exposure draft law and rules	<ul style="list-style-type: none"> Public report examining proposed legislation for the NECF draft law and rules 	A	\$18,000.00
357	Joint Advocacy	Major Energy Users (MEU)	Submissions to Dept of Resources, Energy and Tourism (DRET) Energy White Paper	<ul style="list-style-type: none"> Submissions to DRET on each of the discussion papers 	A	\$21,600.00
358	Joint Advocacy	Consumer Action Law Centre	National Consumer Roundtable participation in NECF workshops	<ul style="list-style-type: none"> Consumer advocates' travel to the workshops convened by the Retail Policy Working Group to discuss the NECF draft law and rules 	A	\$9,370.00
361	Joint Advocacy	IRS Pty Ltd	Small business issues and problems	<ul style="list-style-type: none"> Advocacy strategies to facilitate small business input to NEM policy and regulatory decisions 	A	\$50,000.00
363	Joint Advocacy	UnitingCare Wesley Adelaide	NEM advocacy	<ul style="list-style-type: none"> Submissions to a range of policy and regulatory processes (NECF, AER's SA distribution determination, Energy White Paper) Web-based tool to compare core consumer information across jurisdictions 10 local level forums and 4 Capital city forums in at least 4 States / Territories At least 2 email reference groups to be established within the UnitingCare network 	A	\$86,150.00
364	Panel-initiated gas research	Engineroom consulting	Gas pricing	<ul style="list-style-type: none"> Report on the composition of gas prices and possible future gas price directions under a range of plausible scenarios Seminar on report findings for consumer stakeholders 	A	\$35,000.00
365	Panel-initiated joint research		NSW and Queensland rural consumer issues	<ul style="list-style-type: none"> Carried over to 2009/10 research agenda 	Deferred	

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NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
366	Panel-initiated joint research	Etrog Consulting	Stakeholder forum to map consumer energy issues 2009-2014	<ul style="list-style-type: none"> • Development of structure for, and facilitation of Stakeholder Forum • Report on priority consumer energy issues 	A	\$15,000.00
341	Joint Advocacy	Major Energy Users Inc (MEU)	NEM electricity advocate	<p>Contributions (submissions and/or lobbying activities) in relation to following processes:</p> <ul style="list-style-type: none"> • AER's review of South Australian electricity distribution prices • AER's review of Victorian electricity distribution prices • AER's review of New South Wales gas distribution prices • Department of Energy, Resources & Tourism development of Energy White Paper • Development of National Gas Market, including short-term trading market • Economic Regulatory Authority review of West Australian gas distribution prices • Rule changes arising from AEMC review of national energy market framework in light of climate change policies 	A	\$200,000.00
345	Joint Advocacy	Tasmanian Council of Social Service	Energy research and advocacy	<ul style="list-style-type: none"> • Submissions and, as appropriate, representations to decision-makers in relation to NECF, AEMC review of NEM in light of climate change, development of CPRS and National Strategy for Energy Efficiency, Commonwealth White Paper • Input to development of Tasmanian decisions, including Framework for Action on Climate Change, review of the introduction of full retail competition in Tasmania and feed-in tariffs • Building capacity of organisation to advocate effectively on NEM issues 	A	\$39,200.00
346	Joint Advocacy	Energy Users Association of Australia (EUAA)	NEM advocate	N/A	R	New funding approach applied
350	Joint Advocacy	Ethnic Communities Council of NSW	NEM advocate 2009/10	<ul style="list-style-type: none"> • Submissions to decisions pertaining to the NECF, AEMC review of NEM in light of climate change and DSP and Commonwealth White Paper 	A	\$24,100.00

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NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
351	Electricity Advocacy	Total Environment Centre	NEM advocacy 2009/10	<ul style="list-style-type: none"> • Submissions and lobbying to processes pertaining to the Smart Meter Stakeholder Working Group, NECF, AEMC review of NEM in light of climate change and DSP and Commonwealth White Paper, as well as other related reviews • Building capacity of consumers, TEC and consumer and environmental organisations to improve the utilisation of demand management and distributed generation 	A	\$98,340.00
356	Electricity Advocacy	Alternative Technology Association	NEM advocacy 2009/10	<ul style="list-style-type: none"> • Submissions and lobbying to processes pertaining to the NECF, AEMC reviews of NEM in light of climate change, DSP and national transmission planning, national renewable energy technology review, smart meter roll-out, as well as other related reviews • Ongoing analysis and lobbying relating to the introduction of feed-in tariffs in NEM jurisdictions • Informing ATA members 	A	\$53,612.00
343	Joint Advocacy	Consumer Action Law Centre	NEM Network coordinator and consumer advocate	<ul style="list-style-type: none"> • Submissions and lobbying to processes pertaining to the Smart Meter Stakeholder Working Group, NECF, AEMC review of NEM in light of climate change and DSP and Commonwealth White Paper, as well as other related reviews • Monitoring and action as required to maintain robust price disclosure regime in Victoria • Submissions and lobbying to Victorian smart meter roll-out • Moderate NEM Network and NEMchat, the National Consumers Roundtable on Energy online forum • Organise quarterly teleconferences for NEM consumer advocates to identify and formulate collaborative advocacy • Co-host with CUAC, three meetings of the National Consumers Roundtable on Energy 	A	\$177,146.00
348	Joint Advocacy	South Australian Council of Social Service (SACOSS)	NEM advocate	<ul style="list-style-type: none"> • Submissions and lobbying to processes pertaining to the, NECF, AEMC review of NEM in light of climate change, smart meter roll-out, AER review of SA distribution prices and Commonwealth White Paper • Development of plain English summaries for SACOSS members about all above processes 	A	\$109,250.00

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NO	PROJECT TYPE	APPLICANT	PROJECT	PRIMARY OUTPUTS	APPROVED/ REJECTED	AMOUNT FUNDED
352	Joint Advocacy	Australian Council of Social Service (ACOSS)	NEM advocacy 2009/10	<ul style="list-style-type: none"> • Submissions and lobbying to processes pertaining to the NECF, AEMC review of NEM in light of climate change and DSP and Commonwealth White Paper, as well as other related reviews • Membership of National Smart Meter National Stakeholder Steering Committee • Research, policy development and advocacy regarding responses to climate change, including action to improve residential small end user energy efficiency, facilitate demand management, design and implement an emissions trading system, establish safety net arrangements for low income and vulnerable consumers • Inform ACOSS constituency of the import and impact of these decisions 	A	\$119,006.00
353	Joint Advocacy	Energy Users Association of Australia (EUAA)	Priority projects for 2009/10	<p>Contributions (submissions and/or lobbying activities) in relation to following processes:</p> <ul style="list-style-type: none"> • AER Review of Qld distribution prices • Implementation of CPRS and energy users <p>Research into:</p> <ul style="list-style-type: none"> • Stocktake of energy reform • Gas price transparency 	A	\$200,000.00
354	Joint Advocacy	Centre for Credit and Consumer Law	NEM advocate 2009/10	<ul style="list-style-type: none"> • Submissions and lobbying to processes pertaining to the NECF, AEMC review of NEM in light of climate change and smart meter roll-out, as well as other related reviews • Strengthen participation of Queensland NGOs in NEM decision-making • Submissions and lobbying to decisions made on energy retail prices by Queensland Competition Authority 	A	\$126,352.00
					TOTAL	\$2,520,218.50

E. PANEL OVERVIEW

Members

The Panel consists of a chairperson (Frank Peach) and four other members (Catherine Cooper, Bill Russell, Bruce Connery and Karen Chalmers-Scott) appointed on the recommendation of the Ministerial Council on Energy (MCE).

Panel members are appointed for their knowledge of the energy sector, ability to assess funding applications against specified criteria, experience in public interest advocacy, and ability to assess proposals for energy sector research benefitting consumers of electricity or natural gas.

In 2008/09, the Panel held 10 formal meetings and, where necessary, also dealt with grant applications or other matters by email resolution.

Administration

The Panel is supported by a full-time Executive Director (Kerry Connors) and a part-time Administrative Assistant (Alison Michalewicz).

The Panel seeks to maximise the amount of funding available for the allocation of grants by keeping administrative costs associated with its work to a minimum. In 2008/09, \$263,836 was expended on administration – this represented 11% of total revenue, down from 16% in 2007/08.

Back office functions for the Panel – financial, contracting and human resources – are provided by the AEMC in accordance with the Act.

2009/2010 budget

On 30 September 2008, the Panel published a draft 2009/10 budget on its website, seeking comments from stakeholders. The final 2009/10 budget was submitted for the MCE's approval on 30 October 2008.

The Hon Martin Ferguson, in his capacity as MCE Chair, advised the Panel on 19 December 2009 that

the MCE had approved a total 2009/10 budget of \$2,767,294, comprising \$2,195,294 for electricity advocacy, research and administrative costs and \$572,000 for gas advocacy, research and administrative costs.

Grant guidelines

The Panel is responsible for developing – in consultation with the AEMC and other interested stakeholders – guidelines for grant allocation consistent with criteria set by the MCE. In 2008/09, the MCE approved minor changes to the Panel's guidelines, which were required to ensure their alignment with the new legislation.

The Panel's *Grant Allocation and Application Guidelines* are published on its website – to provide guidance to prospective applicants.

Funding research

The Panel's capacity to fund research came into effect on 1 July 2008. Research projects may be initiated by the Panel, or other persons or bodies. The Panel consulted with stakeholders on its panel-initiated 2008/09 research agenda, inviting applications from organisations or individuals to undertake the research.

Ensuring diversity

To inform its grant making, the Panel commissioned a study during 2007/08 into the major classes of energy consumers, their interest and current involvement in energy market issues, and any gaps or overlaps in advocacy on their behalf.

From this report, the Panel has now identified three classes of consumers whose interests could be more comprehensively represented in national energy market policy and regulatory decisions – small business, residential households and rural consumers. The Panel is working on encouraging greater participation by these groups and those representing them.

In its meetings with stakeholders, the Panel has also promoted its capacity to fund gas advocacy as of 1 July 2008.

Evaluation of grants

The Panel has commissioned a formal independent evaluation of a selection of 2008/09 grants – this should conclude by the end of October 2009. The Panel will publish a report outlining the results of the evaluation process.

New funding approach

The Panel provides funds to build capacity in organisations which would otherwise not participate in energy policy and regulatory decisions. While more established organisations require support for advocacy, they do not require funding to build capacity – as they already have the requisite experience and expertise.

The Panel has decided to trial a different funding approach for these more established organisations – commencing in 2009/10, with the Major Energy Users Inc (MEU) and the Energy Users Association of Australia (EUAA). The new model provides each organisation with greater funding certainty and reduces its administrative work. It encourages the organisation to develop and submit a list of priority projects for Panel approval – in return for a commitment from the Panel for an overall funding amount. The Panel believes this approach will provide these organisations with sufficient resourcing to assist their advocacy – at the same time as ensuring it is able to provide comparable support to other organisations.

The Panel's website (www.advocacypanel.com.au) provides more information on its role, functions, operations and grant making.

FRANK PEACH
Chair