NATIONAL CONSUMERS ELECTRICITY ADVOCACY PANEL

FINAL REPORT ON RESPONSES BY INTERESTED PARTIES TO THE DRAFT FUNDING CRITERIA ISSUED BY THE PANEL ON 18 MARCH 2005

David J L Bremner
Executive Officer
Advocacy Panel
7 October 2005

Final determination

Following its consideration of the responses to the Draft Report, the National Consumers Electricity Advocacy Panel (the Panel) now publishes this final report, available to all consulted parties, setting out:

1. the conclusions and determinations of the Panel in relation to the funding criteria and guidelines;

2. its reasons for those conclusions;

3. the procedure followed by the Panel in considering the matter;

4. summaries of each issue, that the Panel reasonably considers to be material, contained in the responses to the draft report and the Panel's response to each such issue;

and, subject to any confidential issues in the responses, the Panel will provide on request by a consulted party copies of any material submitted to it.

The final report has been provided to the AEMC for display on its website and is published on the Panel's website.

The Panel having, in accordance with the consultation provisions of clause 8.9 of the National Electricity Rules (the Rules), sought comments on the proposed new funding criteria and guidelines and issued a draft report on those comments has now considered the comments received on the draft report and has made the following determination:

> The funding criteria and guidelines set out in attachment B are adopted by the Panel with effect from 8 October 2005.

Consultation Process

Call for Submissions

At its meeting on 2 March 2005, the Panel considered a report entitled "A review of funding criteria and guidelines" prepared at its request by the consultant, ACIL Tasman. The Panel reviewed the report and resolved to adopt amended funding criteria and guidelines for publishing and processing in accordance with the code consultation procedures of cl 8.9 of the National Electricity Code[1].

On 18 March 2005 the Panel published a notice in *The Australian* newspaper advising interested parties of the draft funding criteria and calling for submissions (attachment A).

The notice was also provided to the National Electricity Code Administrator (NECA) with a request that it be distributed to code participants, intending participants and interested parties on the NECA email distribution list. The notice was also displayed on the Panel's website and a copy of the notice was mailed to each person or organisation that had applied to the Panel for funding. The notice was also provided to NEMMCO for its information.

The notice called for submissions to be made by no later than 5.00 pm on 29 April 2005 i.e. at least 25 working days was provided for responses.

Submissions

The Panel received seven submissions. The respondents were:

- Energy Markets Reform Forum, the Electricity Consumers Coalition of South Australia, and the Energy Users Coalition of Victoria
- Australian Gas Light Company
- Energy Retailers Association of Australia
- Energy Action Group
- Mr J G McLeod, business consumer representative on the Panel
- Energy Users Association of Australia, and
- Paul Bidwell, Commerce Queensland

The submissions were generally supportive of the new criteria and guidelines although a number of comments, suggestions and recommendations were made.

[1] With effect from 1 July 2005, the National Electricity Code was replaced by the National Electricity Rules

It is noted that the only response from a representative of domestic end-users was from the Energy Action Group. Other domestic representatives who have been funded by the Panel and who did not respond to the draft criteria include the Consumer Law Centre Victoria, South Australian Council of Social Services, Moreland Energy Foundation, Tasmanian Council of Social Services, South Australian Council of Social Services Alternative Technology Association and the Centre for Credit and Consumer Law at Griffith University.

No respondent requested that it meet with the Panel to discuss its response.

Process for further consultation

Under the consultation provisions, the Panel must within 20 business days of 29 April 2005 (i.e. by 27 May) consider the submissions made by respondents. On 26 May the Panel considered a report on the submissions.

Following its consideration, the Panel published a draft report setting out:

1. the conclusions and any determinations of the Panel in relation to the funding criteria and guidelines;

2. its reasons for those conclusions;

3. the procedure followed by the Panel in considering the matter;

4. summaries of each issue, that the Panel reasonably considers to be material, contained in the responses by interested parties and the Panel's response to each such issue; and

5. in a notice in the front of the draft report, an invitation to consulted parties to make written submissions to the Panel on the draft report.

The draft report included, as an attachment, the revised funding criteria and guidelines.

Subject to any confidential issues in the responses, the Panel offered to provide on request by a consulted party copies of any material submitted to it.

The Panel provided its draft report to the Australian Energy Market Commission (AEMC) on 9 August 2005 for it to publish on its website. The draft report was also published on the Panel's website.

The Panel sought responses to its draft report by 29 August 2005 being at least 10 business days from the date the draft report was provided to the AEMC.

Following the deadline for responses to the draft report, the Panel considered all valid responses on 7 October 2005 i.e. within a period of not more than a further 30 business days. It now publishes this final report, available to all consulted parties, setting out:

1. the conclusions and any determinations of the Panel in relation to the funding criteria and guidelines;

2. its reasons for those conclusions;

3. the procedure followed by the Panel in considering the matter;

4. summaries of each issue, that the Panel reasonably considers to be material, contained in the responses and the Panel's response to each such issue;

and, subject to any confidential issues in the responses, the Panel will provide on request by a consulted party copies of any material submitted to it

The final report has been provided to the AEMC for it to display on its website and will be published on the Panel's website. The Panel will then apply the new funding criteria and guidelines for use in assessing applications for funding.

Assessment of submissions in response to the draft report of 8 August 2005

The Panel received two responses to the draft report. The responses were from the Australian Gas Light Company and Mr J McLeod, business consumer representative on the Panel.

The table set out below contains a summary of the issues that the Panel considered to be material and the Panel's response to each issue. Where relevant, the Panel has made modifications to the original draft criteria and guidelines and has provided reasons for the modifications.

Party	Comments	Response
The Australian Gas Light Company (AGL)		
	Scope of funding - AGL argued that the funding of projects relating to matters in chapter 6 of the Rules is outside the Panel's remit because: (a) NECA's initial proposal when establishing the Panel was that as the Panel is funded by market participant fees, the funding should only be used for advocacy and research projects directly linked to the operation of the national market. AGL therefore contends that the Panel was established to deal with market not network issues unless those network issues impact on the market. (b) Network service providers are not market participants.	The Panel disagrees with AGL's contention. In its Determination on NECA's application for an amendment to the Code to create the Panel, the ACCC said in relation to the scope of the Panel's funding of projects "The Commission, however, accepts NECA's proposal on the basis that, since the Advocacy Panel funding is sourced from market participant's fees, it is reasonable for the funding to be used for advocacy and research projects directly relating to the operation of the national market"[2]. The "national market" is the national electricity market which is defined in the *National Electricity (South Australia) Act* 1996 as being: (a) the wholesale exchange operated and administered by NEMMCO under this Law and the Rules; and (b) the national electricity system; The national electricity system is defined as being: (a) the generating systems and other facilities owned, controlled or operated in the participating jurisdictions connected to the interconnected transmission and distribution system referred to in paragraph (b); and (b) the interconnected transmission and distribution system in the participating jurisdictions used to convey and control the conveyance of electricity to which are connected— (i) generating systems and other facilities; and (ii) loads settled through the wholesale exchange operated and administered by NEMMCO under this Law and the Rules; The NEM therefore includes the transmission and distribution systems and therefore the Panel is able to fund advocacy in relation to pricing determinations for those systems. In relation to the claim that network service providers are not market

[2] Determination "Amendments to the National Electricity Code… and end user advocacy" published by the ACCC on 19 September 2001. p42ff.

Party	Comments	Response
		participants, the Panel notes that in the National Electricity Rules the term Market Participant is defined to include a Market Network Service Provider registered by NEMMCO. However, Network Service Providers do not pay the market participant fee charged by NEMMCO to recover its costs and to provide funds for the Panel
	Stream 4 projects – AGL argues that stream 4 projects should not be provided for because all panel funding must be approved in advance of the quarter in which the project is to occur – see Rule 8.10.3(f).	Stream 4 projects are a continuation of the Panel's present practice which allows urgent applications to be considered. Paragraph (f) has been interpreted by the Panel as requiring at least quarterly determinations. No change to the funding criteria and guidelines will be made in this respect.
Mr J McLeod – Advocacy Panel, business consumer representative		
	Section 1.2 - The sentence "The Panel aims to increase the overall resources committed by end-users to advocacy and not substitute resources that end-users would otherwise commit" should be deleted because it is not possible for the Panel to determine what might have been, it has not been invoked in the past three years (as a reason for refusing an application for funding) and is unlikely to be, and a consumer who pays into the Panel's fund should have a right to access that fund:	The aim of increasing the overall resources committed to advocacy and not substituting for existing sources of funding is consistent with: 1. the principle set out in the Rules that there should be diversity in the allocation of funding[3]; 2. the view that existed at the time NECA sought a change in the Code to create the Panel that there needed to be an increase in the level of involvement of end-users in order to improve the effectiveness of the market; and 3. NECA's view as expressed in the ACCC's Determination on the Code changes to create the Panel, that "it would be inappropriate for market based funding to extend significantly more widely or <u>cover areas where other sources of funding already exist</u>" [4] (emphasis added). No change to the funding criteria and guidelines will be made in this respect.

[3] Rules 8.10.3(d)(1)
[4] Determination "Amendments to the National Electricity Code… and end user advocacy" published by the ACCC on 19 September 2001. p35

Party	Comments	Response
	Section 1.3 – the example provided of the special needs or circumstances of end-users in relation to the "reasonableness of the number of end-users" is contentious as those applicants would be ineligible for funding under the Panel's criteria.	The funding criteria and guidelines will be amended to include a less-contentious example – retirement villages.
	Section 1.4 – to avoid confusion "or" should be added after the first dot point defining eligibility so that "and" is not inferred	The word "or" is not needed at the point suggested.
	Section 1.4, stream 3 – the statement that "An eligible applicant funded in stream 1 will not be eligible for this stream unless the need for the stream 3 project could not have reasonably been foreseen when stream 1 funding was applied for" is too severe, even draconian. It could be used to deny funding to an applicant who had overlooked one foreseeable project.	Disagree; The word "reasonably" softens the exclusion from funding. The objective of stream 1 is to have applicants carefully consider and plan their long-term advocacy needs. This helps the Panel to plan its expenditure and to identify the issues it will fund. That objective will not be achieved if stream 1 applicants can later seek to increase their funding by applying under stream 3 for projects that could have reasonably been foreseen when the stream 1 funding was approved.
	Section 1.4, stream 4 – there should be a definition of an "exceptional" project.	The objective of stream 4 is to provide a streamlined method of approval of urgent projects. A streamlined method is justifiable in relation to urgent applications but the fact that a project is exceptional in the sense of being unusual and is not urgent does not, on reflection, justify the use of a streamlined method of approval. Stream 4 will be modified to remove the reference to exceptional projects; such projects will be treated as stream 3.
	Section 1.5 – it would be discriminatory to fund 80% of an application by a business applicant or 90% if the application was by a domestic end-user. The Rules do not provide for different funding levels	Cl 8.10.3(d)(4) of the NER states as a principle for the funding criteria that an applicant must fund a share of a project's cost. The share to be met by the applicant is set in the funding criteria. The applicant may seek to waive this requirement and the Panel has the discretion as to whether or not to grant the waiver. The Rules are silent on the matter of the funding level. In its Determination regarding the changes to the Code to create the Panel, the ACCC commented that "The Commission, in considering this matter, maintains its support for the co-payment requirement on

Party	Comments	Response
		the basis that it illustrates an applicant's commitment to the project and that it should deter projects with limited value. However, the Commission shares the concerns of interested parties that this requirement not be imposed inflexibly and not be used to systematically limit the ability of smaller groups to access funds for projects of interest to their constituents. The Commission believes that these concerns would be mitigated if it were applied flexibly. The Commission also considers that non-financial contributions, such as the provision of staff time, should be taken into account when assessing the co-payment requirement."[5] The funding levels now proposed are designed to remove a discriminatory aspect of the present 70% maximum funding that applies to both user categories. This was that both groups had difficulty meeting the 70% requirement, but especially the domestic user groups, who do not have the access to funds of members that business user groups do. The higher maximum funding for domestic groups accords with the ACCC's abovementioned concern that the co-funding requirement not limit smaller groups' access to funds – the domestic groups are usually 'smaller groups'.
	Section 2.1.2 – "The objectives and scope of the project for which funds are sought must be described to show it is eligible under criteria 1.2 and 1.4." An applicant should not have to describe how it conforms to the diversity criteria in section 1.2 as that criterion is an issue for the Panel to decide on. In addition, eligibility for approval should not depend on whether an applicant demonstrates diversity.	The applicant is required to describe the project so as to show it is eligible under criteria 1.2 (diversity) and 1.4 project (eligibility). While diversity is ultimately a question for the Panel, it is an issue that the applicant should be asked to address. No change will be made in this respect.

[5] Determination "Amendments to the National Electricity Code… and end user advocacy" published by the ACCC on 19 September 2001. p42

Party	Comments	Response
	Section 2.1.3 – staff and consultants. It is requested that "outside" be inserted as follows "As a general rule, if outside consultants…" It is submitted that "The issue is whether the AP will choose to allow a person, who has the role of managing an end user organization, and acting at consultant level of expertise, to be paid consultant's rates for specific applications, and not be required to obtain quotes for work. This person would be trusted and required by the End-user organization to do all the work he can, especially given his in-house knowledge, and manage outside consultants where he can't. He would thus be an in-house consultant. He would find it impossible to continue to get quotations where he was a contender if for no other reason that he was cheaper. I suggest that in the requirement for quotes consider outside consultants only to reflect realities."	Section 2.1.3 refers to consultants and staff, and relevantly provides: "As a general rule, if consultants are to be engaged, it is expected that applicants would seek competitive quotes…" The Panel does not say that two quotes must be provided and thus it leaves the position open to an organisation to justify why it does not wish to obtain competitive quotes. No change will be made in this respect.
	Section 2.4 – in relation independent evaluation of reports, the guidelines should require that the evaluation report be given to the applicant rather than leaving it to the Panel's discretion as to whether a copy will be provided.	The purpose of the final paragraph of section 2.4, which states that the Panel may seek independent evaluation of work funded, is to let the funded party know that this might happen. Anyone can usually read funded submissions, because they appear on the websites of the inquiries to which they are made. Readers of submissions will use their discretion as to whether they will communicate with the funded party about the submissions. Those conducting the inquiries similarly use their discretion. So too will the Panel. No change will be made in this respect.

Party	Comments	Response
	Section 3 – the Panel should be required to consider a genuinely urgent project through a telephone conference, especially if the project is genuinely urgent.	The present wording "Where considered necessary in order to expedite consideration of an application, the Panel may consider the project at a telephone conference" authorises the Panel to use a telephone conference if it wishes to. The amendment proposed would make it mandatory for a telephone conference to be held even if everyone agreed with the merit of the application. Urgent applications are dealt with as stream 4 if under $15,000 or as stream 3 if higher in value. No change will be made in this respect.

Attachment A

National Consumers Electricity Advocacy Panel

New Focussed Funding Criteria - Call for Submissions

Pursuant to cl 8.10.3(d) of the National Electricity Code, the Advocacy Panel has developed new criteria to fund the case for electricity customers before energy and economic regulators and other authorities, including the Ministerial Council on Energy. Funding would be in four streams: long term funding for budgeted salary/consultant costs; commissioned funding, especially to achieve diversity; project by project grants; and streamlined approval for small urgent projects. Co-funding requirements are eased, among other changes.

The new criteria are available from the Panel's website at www.advocacypanel.com.au or from the Panel's office.

Code Participants, Intending Participants and interested parties are invited to make written submissions to the Panel concerning the criteria. Submissions should be forwarded to reach the Panel's office by no later than 5 pm on 29 April 2005.

Energy Advocacy Development - Funding Round

The Panel wishes to develop the capacity of domestic and business organisations to represent electricity customers' interests affected by the national electricity market, the National Electricity Code and the underlying policies and by the regulators of the market and the code, and will consider applications for this purpose at its meeting on 4 May 2005.

Who may apply: (i) energy customer organisations and other bodies such as consumer, welfare, business or industry organisations, and progress and regional development organisations, with the potential to represent electricity customers; (ii) persons or bodies wishing to form representative organisations eligible for funding.

How to apply: complete the application form which is available from the Panel's website at www.advocacypanel.com.au or the Panel's office. Parties interested in forming organisations are invited to write to the Executive Officer with proposals or enquiries.

When: applications and proposals should be lodged by 20 April 2005.

Further details and enquiries:
David Bremner, Executive Officer
The National Consumers Electricity Advocacy Panel
PO Box 43
Surrey Hills Vic 3127
Tel: 03 9899 5111 Email: advocacypanel@axtonjones.com.au

Attachment B

NATIONAL CONSUMERS ELECTRICITY ADVOCACY PANEL

Funding Criteria and Guidelines

1 Funding Criteria

1.1 Preamble

The National Consumers Electricity Advocacy Panel (the Panel), was developed by the National Electricity Code Administrator in 2001. NECA stated that "(e)nd use customers have the same rights to be involved in national electricity market decision making as participants in the market"[6].

Clause 8.10 of the National Electricity Rules (the Rules) establishes the Panel and its membership, defines its functions and specifies review arrangements. The Panel is responsible for determining the total resources to be available for assistance for advocacy, establishing criteria and guidelines for funding and allocating funds in accordance with these criteria and guidelines.

The following Criteria and Guidelines are published pursuant to clause 8.9 of the Rules. They draw on Clause 8.10.3(d) and (e) of the Rules.

1.2 Objectives of funding support

The National Electricity Law provides a national electricity market objective - to promote efficient investment in, and efficient use of, electricity services for the long term interests of consumers of electricity with respect to price, quality, reliability and security of supply of electricity and the reliability, safety and security of the national electricity system.

The prime objective of funding support is to increase end-user input into consultation processes towards the longer term goal of increased end-user involvement in the national electricity market and making that market more efficient and effective.

In accordance with clause 8.10.3 of the Rules, an objective of funding is to achieve diversity in:

- the end-users represented in consultations;
- the nature of the interests represented; and

[6] NECA, *End-user advocacy in the national electricity market*, Final report, December 2000, p2

- the issues that are put forward for consideration for funding.

Diversity in end-users represented is taken as diversity in the number of classes and sectors, and geographical areas, of end-users.

Diversity in the nature of interests represented is taken as diversity in categories of customers (e.g. business and domestic).

Diversity in the issues that are put forward is taken as including diversity in the different sectors of the energy industry, and diversity as between issues under the National Electricity Rules and the national electricity market.

The Panel aims to increase the overall resources committed by end-users to advocacy and not substitute resources that end-users would otherwise commit. It also seeks to achieve effectiveness, balance and diversity in advocacy that is responsive to issues arising in policy formulation, market reform and regulation and rule change and the conduct and operation of the electricity market.

1.3 Eligible applicants

The funds of the Panel are available for advocacy by or in the interests of domestic, commercial or industrial consumers of electricity (end-users) supplied through the national electricity market.

To be eligible to receive funding an applicant must be in a position to represent the common interests of a reasonable number of end-users. For this purpose end-users are:

- the direct members of an applicant, where the applicant body is a recognised organisation representing end-users;
- members of organisations supporting an application, where those organisations are recognised as representing end-users;
- end-users whose interests are likely to be affected in common with the direct members;
- in the case of a non-representative body that is an applicant, such as a consultant or a single end-user, end-users in whose interest the applicant proposes to carry out a project.

The Panel's preference is to fund end-user organisations but applications by non-representative bodies will be considered.

The reasonableness of the number of end-users whose interests are represented will be considered in the context of a particular application, having regard to:

- the relationship of that number to the overall number of end-users, e.g. some applications will be in the interests of all end-users or a very large portion of domestic and or business end-users;
- the implications for the efficiency and effectiveness of the national electricity market of the interests in question of those end-users;

- the special needs or circumstances of those end-users, e.g. retirement villages.

The applicant may be:

- a representative organisation acting on behalf of a reasonable number of end-user members;
- an organisation or person acting in the interests of a reasonable number of end-users.
- an organisation or person applying to carry out a project or commission for or on behalf of the Panel.

1.4 Eligible projects

Eligible projects are those that address issues that relate to the efficiency and effectiveness of the national electricity market or of the retail electricity market where that market or an aspect of that market affects the efficiency and effectiveness of the national electricity market. Eligible projects must:

- relate to the development, design or policy behind the national electricity market, its regulations, rules and codes that may apply from time to time;
- relate directly to:
  - the responsibilities of the Australian Energy Market Commission (AEMC) or the National Electricity Market Management Company (NEMMCO) under the National Electricity Law and the Rules; or
  - the monitoring, investigation or enforcement responsibilities of the Australian Energy Regulator (AER) or functions of the AER relating to the exemption from registration of network service providers under the National Electricity Law and the Rules; or
- have implications for the national electricity market as a whole.

As a matter of practice the Panel will consider eligible projects in four streams:

Stream 1 projects

These address longer term issues and will be considered by the Panel following application by eligible applicants for funding in the context of periodic funding rounds. Examples of stream 1 projects include long term funding of a salaried officer or of a retained consultant for a defined project or capacity building within an end-user organisation. An applicant in this stream should consider whether it desires to be involved in consultation or inquiry processes associated with energy market reform or other market reviews including regulation and rule change and make allowance for this in any application. If the appointment is for capacity building, the application should show how the capacity of the organisation will be increased in the long term.

When assessing stream 1 projects, the Panel will take into account:

- the expected benefits to accrue compared with the cost;

- the extent to which the project will contribute to the efficiency and effectiveness of the electricity market;
- the extent to which the project contributes to diversity in allocation of funds with respect to
    - the number of end-users represented;
    - the nature of the interests represented;
    - the issues that are subject of the application for funding.

Stream 2 Projects

Stream 2 comprises projects that may be commissioned by the Panel from time to time.

The Panel may, for example, commission projects to meet diversity as interpreted in criterion 1.2 or where it is apparent from submissions to the Panel that new involvement is required in particular fields or matters. If necessary, the Panel may commission work to assist in the development of projects to address identified deficiencies.

When considering a stream 2 project, the Panel will avoid unnecessarily duplicating the work of end-user advocates and may consult with advocates on the necessity for and objectives of the stream 2 project.

At the present time the Panel notes that regional interests in agribusiness and local government and small business generally are not well represented in current applications.

Stream 3 Projects

Stream 3 projects address special cases that may arise from time to time in relation to consultation or inquiry processes associated with energy market reform, regulation and Rule change or other market issues. An eligible applicant funded in stream 1 will not be eligible for this stream unless the need for the stream 3 project could not have reasonably been foreseen when stream 1 funding was applied for.

For example, stream 3 projects will be considered by the Panel as they arise during energy market reform processes or Rules change and related consultation processes including by energy regulators.

The Panel notes that implementation of energy market reform will require end-user input into consultation processes.

The Panel notes the priority given by the Ministerial Council on Energy[7] to:

- the implications for consumers resulting from the introduction of full retail contestability and the policies to protect some consumers from the exercise of market power by retailers; and
- the desire to encourage a demand side response pool in the national electricity market.

[7] Discussion Paper – Improving User Participation in the Australian Energy Market. User Participation Working Group, MCE SCO March 2004

The work program of the User Participation Working Group of the Standing Committee of Officials also identifies issues for public consultation.

In these cases the Panel will only consider projects that are timely and related to the inquiry underway.

The Panel is prepared to consider funding for a reasonable period to cover preparation of submissions and for representation during Energy Market Reform consultation processes.

Stream 4 Projects

Stream 4 projects are projects that require streamlined approval because they are genuinely urgent and which are subject to appropriate dollar limits.

Stream 4 projects will be for budgets of less than $15,000 and will be determined by the Chairman and a nominated delegate of the Panel, subject to prior notice to all Panel members and the right of a member to participate in a determination. Urgent projects with a budget of $15,000 or higher will be dealt with as stream 3 projects.

The Chairman will report on funding of stream 4 projects to the full Panel on a periodic basis, not later than the following meeting.

1.5 Funding

Funding support will be limited to 80% of the budgeted cost of a project for business end-users and 90% of the budgeted cost of a project for domestic end-users (less than 40 mega watt hours).

The Panel may, at its discretion, reduce or waive the applicant's proportion of budgeted costs and for this purpose will have regard to, for example:

- whether in the case of an applicant it has access to any other funds;
- in the case of applicants generally:
    - whether the outcome of the project is considered to be of benefit to the majority of end-users;
    - whether additional expenditure can be justified by the expected benefits of the project:
    - whether the ultimate benefits are long term.

Non-financial contributions in lieu of direct pecuniary contributions are permissible on the basis that the resources are fully allocated to the project for a specified period and the cost of resources allocated is consistent with the level of service provided.

2 Guidelines for Applications

2.2 Requirements of an application

2.2.1 Name and representation

An application must state the name of the applicant and how it is eligible under criterion 1.3 and separately indicate any bodies that have expressed support for the proposed project. Any expression of support for the proposed project from an organisation, and on which the applicant relies to meet relevant criteria, should be confirmed in writing from the organisation and included with the electronic and paper form of the application.

2.2.2 Description of the project

The objectives and scope of the project for which funds are sought must be described to show it is eligible under criteria 1.2 and 1.4.

The project should describe

- the title and description of the project;
- the study or other work to be produced including how and when it will be published;
- the plan for communication or advocacy to the appropriate authority or decision maker;
- benefits to end-users.

Applications related to consultations on Energy Market Reform should address priorities identified from time to time by the Ministerial Council on Energy or the Standing Committee of Officials.

2.2.3 Work program and budget

The work program and budget for the project should be outlined including:

a) The budget and any related income;

b) The timetable for the project by key elements including the expected date of completion of the project;

c) The time and cost of each consultant or staff to be engaged in the project;

d) The actual or required qualifications and capability of consultants and/or professional staff who will carry out the specified work;

e) The cost of disbursements such as travel, conference rooms, printing and telecommunications;

f) The cost of in kind support including project management and supervision by the applicant and how the inclusion of in kind support meets criterion 1.5;

g) The proportion of budgeted funds sought, the timetable and milestones for which progress payments are to be made;

h) The arguments in support of any application for waiver in terms of criterion 1.5;

The application should explain how value for money is ensured. As a general rule, if consultants are to be engaged, it is expected that applicants would seek competitive quotes from at least two potential providers of consulting services for projects over $40,000 in value and provide a detailed written analysis of at least three tenders for projects of over $100,000 in value.

If consultants are to be appointed after approval of an application, the application should state the procedures that will be adopted to appoint consultants and the basis of the cost estimate for consultants included in the budget.

2.2.4 Preparing and submitting applications

The responsibility of submitting applications is with the applicant. Applicants or prospective applicants may seek assistance from the Panel's Executive Officer in ensuring compliance with these criteria, the choice of stream, and as to past or anticipated projects. An applicant may seek advice from a Panel member on these matters but may not seek to involve the member as agent, broker or consultant to the project, whether paid or unpaid. An applicant may submit a draft application to the Panel for the above assistance.

Applications must be submitted on the form available from www.advocacypanel.com.au or the Executive Officer.

Where possible, an application must be submitted in electronic form. The application should include discussion of each matter under headings corresponding to matters a to h in 2.1.3 above. The application should address any other relevant criteria. Applications, apart from qualifications (item 2.1.3 d above), should comprise no more than eight pages where practical.

The Panel may seek additional details of an application.

Applications should be addressed to:
The Executive Officer
National Consumers Electricity Advocacy Panel
PO Box 43
Surrey Hills Vic 3127

Tel: 03 9899 5111 Email: advocacypanel@axtonjones.com.au

2.3 Conditions

An application may be approved on conditions in order to make express an aspect of the project approved, such as the scope, timetable or other aspect of implementation, or to make a project come within these criteria.

2.4 Agreement

The Executive Officer will prepare an agreement between the applicant and the Panel to give effect to its granting an application. A pro forma agreement is available on www.advocacypanel.com.au.

2.5 Execution

A project should be completed in accordance with the time and other terms agreed between the applicant and the Panel. The applicant must keep appropriate records and provide progress reports as set out in the agreement.

A successful applicant must within 2 months of the completion of the project or as soon as reasonably practicable after receipt of a written request for a report from the Panel publish a report setting out:

a) The purpose of the project; and

b) The issues considered and outcomes of the project.

An electronic copy of the report or study comprising the advocacy in the project must be given to the Panel on completion.

For advocacy comprising oral submissions, the speaking notes or a transcript of the submissions should be provided to the Panel within one month of submission.

The Panel will publish reports, studies and submissions funded by it. In due course the results of advocacy should be advised to the Panel.

The Panel may, at its discretion, seek an independent evaluation of a work funded by it and may raise with the applicant any relevant issues arising from the evaluation.

3 Determination of Applications

The Panel will determine an application having regard to these criteria, including the timetable for the advocacy, and the principle that there should be diversity in the allocation of funds with respect to the number of end-users represented, the nature of the interests represented and the issues which are the subject of the application for funding.

An application may be granted in whole or as to part only and on conditions, including that the project be modified.

Where considered necessary in order to expedite consideration of an application, the Panel may consider the application at a telephone conference.

The Panel will provide reasons where an application is rejected or deferred.