



GRANT ALLOCATION AND APPLICATION GUIDELINES

The Consumer Advocacy Panel allocates grants to organisations and individuals to undertake advocacy and research on behalf of electricity and gas consumers in the National Energy Market. An outline of the Panel's grants programs and the current financial year budget is available on the Panel's website.

The Panel's roles and functions are outlined in the *Australian Energy Market Commission (AEMC) Establishment Act 2007*. The Ministerial Council on Energy [or its successor] establishes the criteria the Panel must use in determining grant applications, which are set out in the *AEMC Establishment Regulations 2005*.

The Ministerial Council on Energy (MCE) [or its successor] has approved these guidelines for the allocation of grants and for advice to grant applicants.

HOW TO APPLY

All applications should be provided on the Panel's application form, which can be downloaded from the Panel's website. Please keep applications to a reasonable length (preferably no more than 12 pages).

The Panel meets regularly to assess grant applications. Please check the Panel's website for the meeting dates and due date for applications.

- Recognising that sometimes policy and regulatory decisions have tight timelines, the Panel may consider urgent applications out of session. In that instance, please contact the Executive Director directly to discuss the best way to progress the application.

All applications should be submitted by email to info@advocacypanel.com.au. Any hard copy attachments should be sent by the due date for applications to the following address:

Consumer Advocacy Panel
PO Box A2258
Sydney South NSW 1235

The Panel encourages applicants to discuss their proposed project and application with the Panel's Executive Director, Kerry Connors, who can be reached by phone on 02 8296 7880 or by email at kerry.connors@advocacypanel.com.au.

MCE CRITERIA FOR GRANT ALLOCATION

The Regulations outline the criteria the Panel must use in its determination of applications. The following explains each criterion, to help grant applicants assess whether their project is eligible for funding.

1. Diversity of projects

The Panel must ensure diversity in its allocation of funding, taking into account:

- The number and range of consumers who may benefit from the relevant project;
- The nature of interest represented across the project; and
- The issues to which the project will relate.

The Panel therefore asks applicants to identify which consumers will be the primary beneficiaries of the proposed advocacy or research project, and what consumer issues the project will address.

2. Projects should address electricity and/or gas market issues

The Regulations stipulate that a project must be for the benefit of electricity and/or gas consumers and pertain to, or have relevance to, the national energy market, policy framework or regulatory regime.

- Applicants must be able to tick at least one of the boxes in Q 17 on the application form.

3. Projects must seek to benefit a material number of consumers

The Regulations state that a proposal for grant funding must relate to an issue of relevance to a material number of consumers.

The Act states that the Panel must promote the interests of all consumers of electricity or natural gas, while paying particular regard to benefiting small to medium consumers of electricity or natural gas

- the Regulations define a small to medium consumer as one using less than 4000 megawatt hours per annum, or 100 terajoules per annum.

4. Applicants should contribute to the project

There is an expectation that an applicant will fund a share of the costs of the project. That contribution can be financial, or through the provision of in-kind goods or services. The Panel expects that

- Groups representing business consumers will seek no more than 80% of the project costs;
- Groups representing domestic consumers will seek no more than 90% of the project costs.

5. Information about the project plan

All applicants must provide information about the proposed project, with the regulations stipulating that applicants must furnish: an outline of the project objectives; information on which consumers will benefit from the project; proposed budget; and the amount of funding sought from the Panel.

The Panel's application form seeks that information, as well as further detail to ensure the project complies with the MCE criteria for grant allocation.

COMPLETING THE APPLICATION FORM

This section provides advice to applicants on the application form.

Section A. Organisation information

Please provide information about the organisation, contact details and the organisation's ABN and bank account details to facilitate processing of grant monies if the grant is approved.

The Panel also requires a copy of the organisation's most recent Annual Report or audited accounts to be provided with the form.

Section B. Summary project information

Section B of the application form requires applicants to provide an outline of the project including:

Information required	Explanation
Project title	This will be the title used by the Panel in its funding agreement and on the website
Project purpose	Please provide a brief (3-4 sentences) description of the project's objective and intended outcome. Please note this statement may be used by the Panel to describe the grant on its website.
Funding sought from Panel	What is the expected Panel contribution to the project?
Which consumers will benefit	Identify primary and, where relevant, secondary classes of consumers that will be benefit from the project. Do not mark more than 2 categories in each column.
Outline the consumer problem to be addressed by the research or advocacy	Outline the nature of the problem or issue for electricity and/or gas consumers which has prompted this project at this time.
What are the start and end dates for the project	Note that the end date will be used to calculate the due dates for project and funding acquittal.

Section C. Detailed project information

Section C seeks more detailed information on aspects of the project, including

Information required	Explanation
Project eligibility for funding	Applicants must be able to tick <u>at least one</u> of the boxes in Q 17 on the application form, to confirm that the project relates to advocacy or research on behalf of national electricity or gas consumers
Whether the project is an advocacy or a research grant ¹	<p>An advocacy grant will involve some form of advocacy strategy on behalf of consumers arising from the project; it may include research within the project plan, but will have distinct advocacy outputs and outcomes. Funding for advocacy forms the bulk of Panel grants.</p> <p>A research grant does not have an advocacy output. The Panel has two research grants programs, which together cannot total more than 25% of the Panel's budget:</p> <ul style="list-style-type: none"> ○ stakeholder-initiated research, where applications can be made at any time; and ○ Panel-initiated research, where the Panel will invite applications in a targeted funding round.
Methodology	<p>Provide a detailed description of how you will undertake the project (e.g. desktop research, preparation of a submission, engagement of an expert, employment of staff etc) and any peer review mechanism.</p> <p>If the Panel's previously provided funding to your organisation to undertake similar work or engage in similar advocacy, you also need to outline how this project is different.</p>

¹ More information about the Panel's research grant programs can be found on its website www.advocacypanel.com.au

Section C. (cont)

Information required	Explanation
Advocacy and communications strategy	<p>Where the grant results in a published report, you must provide information about</p> <ul style="list-style-type: none"> ○ the project’s proposed advocacy and communications strategy, ○ the primary and secondary audiences for the report (or reports) ○ where the report will be published <p>Where there are <u>multiple</u> reports, please tick ‘yes’ in the box, and ensure that you list in Section D. Outputs and Outcomes</p> <ul style="list-style-type: none"> ○ What reports will be produced ○ Who are the likely primary and secondary audiences for each <p>The Panel informs the MCE [or its successor] of the projects it has funded, so that jurisdictional governments may indicate their interest in reviewing a report for factual and technical errors prior to its release. The grant recipient must then provide the draft report 11 business days before its publication.</p> <p>The Panel recommends that applicants ensure that their project timelines enable sufficient time for the consideration of any comments</p>

Section D. Defining project outputs and outcomes

The project outputs and outcomes are a key element of the application, and are used by the Panel as the benchmark against which the project’s success will be assessed, and on which you will have to report progress.

As such, we strongly recommend that you consider carefully the way in which you formulate the outputs and outcomes, ensuring that they are achievable, realistic and measurable.

Organisations must outline the following in the application form:

- Project output(s): outputs are the tangible items or actions arising from the work.
 - They can include submissions, reports, meetings, or media campaigns.
- Project outcome(s): outcome describes the change that occurred because of the output.
 - Outcomes can be changes to regulation, lower prices, or inclusion of consumer interests in decision-making.

Applicants must also outline where and when the advocacy will occur:

- Organisation to which advocacy/research will be directed: the decision-maker is usually the focus of the advocacy, but it is helpful to highlight what other organisations will be receiving the research
- Rule, review or process: most energy advocacy is targeted toward a particular regulatory or policy decision, and the Panel asks applicants to identify where that is the case.

Section E. Project milestones and funding tranches

The Panel usually distributes funds in tranches, where a portion of the grant is provided when a project milestone is reached.

The Panel asks the applicant to identify what are the key project stages at which the next tranche of funding could be released

- But may request changes to that schedule.

The Panel usually provides the final 10% of the grant on project completion and acquittal.

Section F. Budget

The budget should outline all the costs incurred in undertaking the project.

Section F provides a template to prompt consideration of costs, but please amend that as necessary to ensure that your application conveys the full budget and cost drivers for the project and an indication of what the Panel's contribution would be.

The budget template seeks the following information:

- Personnel costs: please include an indication of
 - staff costs, including salaries, super and associated on-costs and likely hours worked
 - external consultant cost, including the daily rate and likely hours worked
 - travel costs: please itemise airfares, accommodation, meals, other expenses
- Operational costs: please include an indication of
 - Costs associated with printing, publication and distribution of a report
 - Participant support costs: costs incurred through the use of peer review, steering committees, focus groups, etc
 - Meeting costs: costs incurred through venue hire, catering etc
- Organisational costs: any office costs incurred because of this project
 - New or additional costs incurred through the project may be funded by the Panel.
 - The cost to an applicant of any existing internal resources to be devoted to this project (e.g. supervision, support from senior staff, space, equipment and other overheads) can be included in the project budget as a co-contribution.
 - Please note that imputed costs cannot be included in the budget, but if they are material can be mentioned separately (i.e. as a footnote or reference to the budget item). Imputed costs are costs incurred during a project but are not costs the applicant has to pay, e.g. assigning a value to unpaid volunteers, or a market-based value for an employee that is greater than the actual remuneration cost.

CONSUMER ADVOCACY PANEL

In addition, Section F also asks for questions about the way in which the funding will be managed.

Information required	Explanation
Percentage of Panel funding of total project cost	Please indicate what percentage of the total project cost will be contributed by the Panel.
Is a waiver required?	<p>As mentioned earlier, the Panel expects applicants for business consumers to contribute at least 20% of the project budget, and applicants for residential consumers to contribute at least 10% of the project budget</p> <ul style="list-style-type: none">○ Applicants must outline the grounds on which a waiver of this requirement is sought. That Panel will consider the following in making that decision<ul style="list-style-type: none">○ Applicant's access to other sources of funding; and○ Benefit of the project outcome(s).
Method for engagement of external consultants	<p>As a general rule, if consultants are to be engaged, it is expected that applicants will seek competitive quotes from at least three potential providers of consulting services for projects of \$40,000 or more in total value</p> <ul style="list-style-type: none">○ And receive a detailed written analysis of at least three quotes received as a result of a competitive tender for projects of \$80,000 or more in total value.○ Applicants must outline the grounds on which a waiver of this requirement is sought. <p>Where external consultants are to be engaged, please provide details of how your organisation manages any perceived conflict of interest (where there may be or perceived to be a personal or private interest that may undermine the impartiality of the decision).</p>
Will the project generate any income?	Will there be revenue to your organisation as a result of this project?
Is funding being sought from sources other than the Panel?	If you are seeking funding from other organisations, you must inform the Panel of the amount sought, and whether it is tied to any particular stages of the project.

DETERMINATION OF GRANT APPLICATIONS

The Panel first assesses the eligibility of the grant application and, if deemed eligible, considers the proposal against the following criteria:

Assessment criterion	Matters considered by the Panel
The project's significance and likelihood of success	<ul style="list-style-type: none"> ○ The impact of the outcomes compared to the project cost ○ The importance of the issue ○ Likelihood the project will influence decision makers ○ Likelihood the project will increase diversity of consumer views ○ Importance of consumers' views being heard on the issue ○ (for capacity-building projects): effect of the project on the capacity of the organisation to advocate in the future
Whether the project increases advocacy	<ul style="list-style-type: none"> ○ Whether the project adds and not substitutes resources committed to advocacy ○ Where there is no current advocacy for those consumers
Whether the project adds to the diversity of consumer views	<ul style="list-style-type: none"> ○ The Panel will take into account the diversity of its existing portfolio of funding projects
Whether the project benefits small to medium consumers	<ul style="list-style-type: none"> ○ The Panel will consider whether the proposed project contributes to its portfolio of funded projects that benefit all consumers, especially small to medium consumers.

The Panel can provide feedback on why an application has been rejected or deferred.

IF YOUR APPLICATION IS APPROVED

Funding agreement

Once a grant application is approved, the Panel directs the Australian Energy Market Commission to enter into a funding agreement with the applicant. The Panel's website has a pro forma agreement.

The agreement imposes a range of obligations on a grant recipient, including

- That the grant recipient must maintain and make available to the Panel on request accounts and reports concerning the expenditure of Panel funding
- Where requested by a jurisdictional government, that any report must be provided to the Panel to convey to a jurisdictional government to enable review of the technical and/or factual accuracy of data at least 11 business days before its public release.
- That the grant recipient agrees to provide a report, on request or at the end of the project, containing
 - A comprehensive description of the objectives of the project;
 - The issues that have been considered for the purposes of the project;
 - The outcomes that have been achieved in connection with the project;
 - A detailed breakdown of the costs and expenses associated with the Project; and
 - Your assessment of the effectiveness of the project.

Project management

The Panel has approved the grant in accordance with the project plan outlined in the application form.

Panel approval must be sought for any changes to that plan before their implementation.

Publication of grant outputs

The Panel is committed to ensuring that all consumers have access to the research or advocacy that is produced through its grants.

The Panel therefore requires that all reports, studies or submissions are published on the Panel's website.

Evaluation of project outcomes

The Panel commissions an independent evaluation of a selection of grants in any financial year, and publishes them on its website, in order to

- improve the effectiveness and efficiency of advocacy by providing specific feedback and guidance to applicants whose work is evaluated, and by providing a general 'lessons learnt' available to all applicants;
- provide information on the effectiveness and efficiency of the Panel's grant allocation program.

A sample of projects funded by the Panel will be evaluated. Generally, the sample is randomly selected based on the quantum of the project budget although the Panel may also select particular projects for evaluation where it sees a need to do so.

Evaluations are conducted by a suitably experienced external resource who will consult with stakeholders, including the targets of the advocacy, involved in the project in order to evaluate its effectiveness.

The Panel will advise applicants whose projects are to be evaluated and will involve them in the process and seek their comments on the evaluation reports.

More detail about the evaluation process can be found on the Panel's website.

FURTHER ASSISTANCE

The Panel's website www.advocacypanel.com.au provides information about the Panel, and outlines the grants it has approved since its establishment.

The Panel's Executive Director can be contacted for assistance with the application process, or if you have questions about Panel grants, by email at kerry.connors@advocacypanel.com.au or by phone on 02 8296 7880.

May 2011