

**NATIONAL ELECTRICITY
CONSUMERS ADVOCACY PANEL**

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Dr John Tamblyn
Chairman
Australian Energy Market Commission
1 Margaret Street
Sydney NSW 2001

Dear Dr Tamblyn

Draft National Electricity Amendment (Advocacy Panel) Rule 2006

As requested, I have set out below my comments on the draft Rule. Please note that my comments have been endorsed by the Panel's acting chairperson, Frank Peach.

1. Transparency

Several clauses in the draft Rule do not reflect in a transparent manner the actual responsibilities of the Panel. The specific clauses are as follows:

a. Cl 8.10.1 Establishment of the Panel

The draft Rule provides that the Panel will determine annual funding requirements and develop and publish funding criteria and application guidelines whereas the Panel's actual role is to develop provisional versions and to publish the versions approved by the AEMC. It would therefore be preferable for the final Rule to reflect this reality in order not to inadvertently confuse readers of the Rule.

For the same reason, it would be preferable to include in this clause the requirement for the Panel to publish an annual report.

It is also recommended that, where relevant, the Rule require the Panel to publish the approved versions on its website. This will provide guidance to readers as to where the documents can be located.

My suggested revised version of cl 8.10.1 is as follows:

- (a) *The AEMC must establish an Advocacy Panel. The Advocacy Panel must, in accordance with clause 8.10:*
- (1) *determine the proposed annual funding requirements for end-user advocacy and publish the approved funding requirements on its website;*

- (2) *develop proposed criteria for the allocation of funding for end-user advocacy and publish the approved criteria on its website;*
- (3) *develop proposed guidelines for applications for funding for end-user advocacy and publish the approved guidelines on its website;*
- (4) *allocate funding to individual projects;*
- (5) *publish an annual report; and*
- (6) *ensure appropriate auditing arrangements.*

b. CI 8.10.6 – Guidelines for funding applications and funding criteria

The Panel's responsibility is to develop proposed guidelines and criteria. I therefore recommend the relevant clauses be amended as follows:

- (a) *The Advocacy Panel must develop proposed guidelines for applications to the Advocacy Panel for funding for end-user advocacy in accordance with the Rules consultation procedures (the funding application guidelines) and submit the proposed funding application guidelines to the AEMC for approval. The Advocacy Panel must publish the guidelines approved by the AEMC in accordance clause 8.10.6 (b) on its website.*
- (b) *The AEMC must approve the funding application guidelines submitted to it in accordance with clause 8.10.6 (a) if they....*
- (d) *The Advocacy Panel must develop proposed funding criteria for use by the Advocacy Panel in allocating funding based on applications for funding for end-user advocacy, in accordance with the Rules consultation procedures and submit the proposed funding criteria to the AEMC for approval. The Advocacy Panel must publish the funding criteria approved by the AEMC in accordance clause 8.10.6 (e) on its website.*

2. CI 8.10.2 (e) – Reappointment of Chairperson

It is recommended that the Commission also provide for the reappointment of members of the Panel in order that it can, when warranted, retain valuable members.

3. CI 8.10.3 (c) – Review of guidelines for the appointment of members of the Panel

It is not clear from the draft Rule as to whether the AEMC must review the guidelines in accordance with the Rules consultation procedures. The consultation procedures provide an opportunity for interested parties to take part in the review and thus assist the Commission with its deliberations. I therefore recommend that the clause be amended to make clear that the review is to be conducted in accordance with the Rules consultation procedures.

4. Clause 8.10.5 – Funding of the Advocacy Panel

- a. The draft of this clause contains two clauses each numbered as "(b) – see pages 5 and 6.

- b. Clause (b) on page 6 contains a reference to cl 8.10.5(a), the definition of Advocacy Panel funding requirements. I would have expected the reference to be to cl 8.10.5(b) on page 5 as that clause describes the proposed Advocacy Panel funding requirements that the AEMC must approve by 14 March each year.
- c. Clause (e) on page 6 provides, in effect, that the Panel must not vary its estimated operating budget. In my view, it will be an unnecessary administrative burden if the Panel has to seek the Commission's prior written consent to any variation to the budget. The Panel should be free to "vary" its budget downwards at its discretion while still fulfilling its obligations. I therefore suggest it would be preferable for "vary" to be replaced by "exceed" so that consent is only required if the operating budget is to be exceeded which may lead to a consequential reduction in funds that would otherwise be applied to advocacy projects.

Please advise if any additional information is required.

Yours sincerely



David J.L. Bremner
Executive Officer