



Ethnic Communities' Council of NSW Inc.

221 Cope Street Waterloo NSW 2017

Tel: (02)9319 0288 Fax: (02)9319 4229 Email: energy@eccnsw.org.au

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Comment on the Energy Consumers Australia Grants Review Issues Paper 2015

The Ethnic Communities Council of NSW (ECC NSW) welcomes the opportunity to provide comment on the Grants Review Issues Paper presented by Energy Consumers Australia in September 2015.

Since its formation 40 years ago the ECC NSW has been the peak body for culturally and linguistically diverse (CALD) community members and representative organisations in NSW. The Ethnic Communities' Council of NSW main activities are advocacy, education and community development. It is a member of the Federation of Ethnic Communities Councils of Australia (FECCA) and the Energy Advocacy role represents FECCA in the NEM.

The Issues Paper presented the following questions for consideration:

- *Feedback on the proposed definition and whether it provides a workable basis for ECA grants*
- *Feedback on the structure of the grants program – Advocacy, Research, CEO and Education grants*
- *Feedback on the features of the ECA grants program design:*
 - *Aligning with ECA Strategic Priorities*
 - *Building sectoral capacity*
 - *Bringing jurisdictional expertise to the national debate*
- *Input on potential measures to foster collaboration and partnership with ECA or with other advocates/researchers*
- *Advice on other mechanisms to streamline grant applications and management*
- *Feedback on how ECA grant administration processes could further assist potential applicants to achieve outcomes*
- *Input about:*
 - *How to assess and take into account an organisation's capacity to pay*
 - *How a co-contribution could be measured more effectively and consistently*
- *Guidance on the most useful forms of evaluation and feedback*
- *Shared experience of experience of relevant evaluation methodologies and approaches*
- *Feedback on draft eligibility criteria*
- *Feedback on ways of enhancing accountability and other mechanisms for reporting or information*
- *Feedback on maximising opportunities to promote research findings*

We have provided comments and feedback on some of the above points.

Feedback on the proposed definition and whether it provides a workable basis for ECA grants

We agree with the proposed definition. We also agree that the NEM is in a process of considerable transformation, not just through technological change¹ but also by a greater focus on consumer engagement and understanding, demand and supply changes as well as an ongoing push for increased competition within energy markets.

A multi-faceted mechanism such as the NEM also has considerable inertia around change and adaptation, and we agree that consumer advocacy must be able to adapt to be in the forefront of change, representation, information and action. This also means that the grants process must be able to adapt quickly and effectively to the changing energy landscape.

Feedback on the structure of the grants program – Advocacy, Research, CEO and Education grants

The comments about the need for ECA and advocacy to be able to be in the forefront of change equally apply to the structure of the grants program. While individual advocacy projects may have quite specific stated outcomes, it is quite often the case that projects are not ever ‘completed’, rather left in a state of ‘somewhat completed’ or ‘in progress towards completion’ at the conclusion of the relevant funding.

Difficulties with ‘completion’ include inertia around change, steady reversion to the prior status quo once advocacy pressure is removed, loss of relevancy of a particular issue etc. Advocacy is more often an attempt to bring about change or understanding rather than having assured success. Results often take time to filter their way through bureaucratic processes, particularly if they require material changes in the way things are done within a large organisation and champions for change within large organisations are rare. The acceptance and adoption of advocacy positions can take considerable time to happen, and can often happen after the end of a particular project. The current funding procedures and timelines for ECA advocacy projects present some difficulties for maintaining long term follow-up and tracking of required outcomes.

An ECA focus on innovative and future-focused research² possibly misses some avenues of less innovative, but nonetheless valuable work not undertaken by industry players. The AEMC research on retail competition each year (conducted by Newgate currently) is a case in question – no questions have been, or, at this stage, are to be asked about the first language spoken by respondents to that survey, even though considerable effort is taken to make sure that other demographic factors fit the suggested population profile. Solid, if hardly innovative, research using similar questions but including some about language and cultural background would quickly confirm or refute the assertions about the population fit of existing and proposed AEMC research.

Relying on industry research, while often compelling for its size and scope, needs to be verified. ECA is in a very good position to coordinate, undertake or commission some of that research.

The structure of any organisation administering ECA grants has a major bearing on the management of projects in any of the areas of advocacy, research, CEO grants or education. Organisations receiving funding often have a range of funding provisions from other sources which have varying timeframes that may or may not line up neatly with ECA funding.

¹ Energy Consumers Australia, *Grants Review Issues Paper*, September 2015, page 4

² *ibid* page 6

Community organisations are not static, and can undergo changes in priorities over quite short periods, again, sometimes dependent on other funding sources. It is rare for a community organisation to have the staffing or resources to provide high level administrative and/or clerical backup to a project at minimal charge. This becomes a major factor in the management of a project, particularly when contribution in-kind and the administrative costings of projects are being calculated.

We would suggest that the possibility of longer term funding for particular projects (possibly biennial or triennial funding) be considered, subject to the outcomes of the deliberations about the timeframes for ECA funding by the industry. Longer term funding would allow some degree of certainty about project operations, ensure the retention of experienced staff and potentially remove some of the difficulties associated with the management of change within large organisations mentioned above.

While resources for specific submissions and evidence gathering is often part of a wider advocacy or research project, we agree that the establishment of a CEO grants program has merit. It will allow the research and advocacy network to respond quickly to unforeseen and/or quickly evolving events in the NEM.

Education has not been seen as a priority within previous funding process under CAP. An emphasis on consumer engagement and understanding is not satisfied by just advocacy and research, and we would welcome further discussion about the possible avenues for consumer education that fit within the ECA guidelines. It will be important in that discussion to distinguish who is to be the subject of the education, and in what manner that education is to be delivered.

Feedback on the features of the ECA grants program design:

- ***Aligning with ECA Strategic Priorities***
- ***Building sectoral capacity***
- ***Bringing jurisdictional expertise to the national debate***

Input on potential measures to foster collaboration and partnership with ECA or with other advocates/researchers

We note that alignment with ECA strategic priorities will be a consideration in the grants program priorities.³ We feel that in its role as one of the major funding bodies for consumer advocacy and research, the ECA should not limit its review of grant applications on the basis of its strategic priorities as indicated from time to time. Consumer advocacy and research need to be flexible and both reactive and proactive, and as such may not necessarily align to a set of strategic priorities determined by ECA. A diversity of views on important issues is valuable, especially where there may be differences in approach and conclusions.

We agree in principle with the current strategic priorities for ECA as listed. To the first we would add consumer protection mechanisms with respect to new products and services, particularly as they relate to the interstices and gaps in the protections provided by NECF and ACL.

In the third, there is definitely discussion required around what is meant by ‘understandable pricing structures’ and how (or indeed if) that is achievable?

³ *ibid* page 8

Within CALD communities, there is certainly the opportunity to build sectoral understanding, capacity and flexibility using appropriate mechanisms – for example, our existing bi-lingual educator network (not currently funded/trained for energy market work) could play a valuable role as facilitators in CALD sector engagement/understanding/capacity building with appropriate training and funding.

We agree that given the differences in jurisdictional policy and regulation it is most important to maintain expertise at the various jurisdictional levels. It is also imperative that this expertise is shared across jurisdictions to help the development of a competitive national energy market.

Factors that may assist in this:

- Mechanisms by which the expertise and knowledge of longer term advocates and their organisations are shared as widely as possible across and within jurisdictions. Possibly:
 - Organising, encouraging and funding projects that build knowledge and skills for advocates (the master-class approach) so that specific and targeted knowledge and expertise is shared over as wide a section of the advocacy network as possible
 - More frequent meetings of the National Round Table on Energy or additional forums on particular issues so that both experienced and newer advocates can share their knowledge, information and insights
- The collection of results, findings, data and submissions via a centralised ECA ‘resource library’ to allow sharing by all advocacy groups
- The facilitation by ECA of collaboration between organisations seeking similar advocacy outcomes, subject to the provisos noted in the Issues Paper.⁴
- Encouraging a diversity of approaches and views on both jurisdictional and national energy issues. This could mean funding of projects which may duplicate that done in another jurisdiction, or the interrogation of a ‘national’ approach by looking at how it applies to a particular jurisdiction etc.

Advice on other mechanisms to streamline grant applications and management

We agree that ECA is suited to being an information platform for the results of research, advocacy and education projects.

We are unsure about the mechanisms by which the results of advocacy, research and education are reported. The requirement to produce a podcast/video at the end of a project as a way to communicate often very complex and involved concepts presents considerable difficulties. It may have merit in some circumstances, but as a requirement of any funding arrangement may have the adverse effect of reducing major and important work to the ‘lowest common denominator’ of a short YouTube clip.

More useful, we would contend, is a requirement for each project to provide an executive summary of the outcomes, results and recommendations of the project, with a full report to provide the necessary detail and data. These could then become part of the ECA ‘resource library.’

There are a wealth of projects that have been undertaken (both under CAP and other funding provisions) that should also be part of such a library – it would be a great opportunity to provide prior project reports, data and research in a centralised advocacy resource.

⁴ ibid page 9

Feedback on how ECA grant administration processes could further assist potential applicants to achieve outcomes

Notwithstanding our previous comments about flexibility around change and longer term funding, we believe that the backward mapping ‘outcomes’ approach is a fair model for ECA funding of specific projects and research. Principle 4, ‘asking applicants to test that their proposed approach will create the change’ sets up an expectation that advocacy will have success. We believe that a more realistic outcomes orientation needs to be about ‘the possibility and potential’ of the change in the market. Innovative or otherwise, advocacy is a very fluid and inexact process with far too many variables to allow advocacy organisations to guarantee success.

As indicated earlier, there are problems with the ‘completion’ of a project and the assessment of the achievement or otherwise of its proposed outcomes. The acceptance and adoption of advocacy positions can take considerable time to happen, and can often happen after the end of a particular project. The current funding procedures and timelines for ECA advocacy projects present some difficulties for maintaining long term follow-up and tracking of required outcomes.

While we have considerable doubts about how the process could be managed successfully for all the reasons enunciated previously about security and longevity of funding and staffing, the idea of a ‘report back’ process has some merit, especially in relation to the value of an ECA ‘resource library’ and the longer term evaluation of the success of a project or advocacy process. Such feedback may then identify areas for further advocacy work, research and funding.

Input about:

- ***How to assess and take into account an organisation’s capacity to pay***
- ***How a co-contribution could be measured more effectively and consistently***

The application of a cost benefit analysis to advocacy, research and education projects⁵ would be a particularly challenging process. The quantifying of social benefits has never been a simple task and we feel that the ECA should resist strongly a direct economic focus in any such analysis. How this could be attempted, and whether it has merit, certainly needs a broader discussion between the interested parties.

As indicated earlier, the structure of any organisation administering ECA grants has a major bearing on the management of projects. Organisations receiving funding often have a range of funding provisions from other sources which have varying timeframes that may or may not align neatly with ECA funding. Community organisations are not static, and can undergo changes in priorities over quite short periods, again, sometimes dependent on other funding sources. It is extremely rare for a community organisation to have the staffing or resources to provide high level administrative and/or clerical backup to a project at minimal charge. This becomes a major factor in the management of a project, particularly when contribution in-kind and the administrative costings of projects are being calculated.

ECC NSW currently has a policy of requiring an administrative reimbursement from any funding application. This is to provide an on-site workspace, utilities supply, ICT backup, financial, clerical and reception support etc. Without the provision of appropriate administrative funds, organisations such as ECC NSW would not be able to apply for grants to undertake important advocacy, research and education functions as it has limited ongoing general funding. Administrative funding shortfalls in one grant process cannot be made up from other grants and

⁵ ibid page 13, ‘will produce benefits that outweigh the project costs...’

so would not be provided. In our organisation there is no un-allocated source of money to provide such support.

The same can be applied to grant co-contribution. Membership fees and some (limited) additional funding provides for the employment of an Executive Officer and some of the operational costs of ECC NSW premises. Oversight management of ECA funded projects is provided through our Executive Officer as the major part of our co-contribution. Additionally, ECC NSW have trained a team of bi-lingual educators who regularly contribute (opportunistically and as needs arise) to the assessment of the sense and appropriateness of language, ease of CALD community understanding and general CALD community feedback to Government agencies, energy industry members and in our preparation of responses to energy market forums and submissions. This is a valuable human resource which is hard to quantify and is often not explicitly stated as a co-contribution by ECC NSW.

Guidance on the most useful forms of evaluation and feedback

Shared experience of experience of relevant evaluation methodologies and approaches

There is a plethora of evaluation methods and tools available; some applicable and useful in evaluating ECA funded projects. While we recognise that the ECA did not want to close off discussion of which one (or ones) may be suitable it would be helpful to provide suggested potential methods for consumer groups to explore and comment on.^{6 7} Possibly engaging a consultant to investigate evaluation processes for the ECA and its projects would be a useful mechanism to provide some further guidance in this.

Feedback on draft eligibility criteria

The draft eligibility criteria generally appear robust and relevant. As indicated earlier:

- The provision that projects would '[a]lign with ECA strategic priorities and functions' certainly needs the 'if not' provisions, for reasons indicated earlier concerning flexibility in a rapidly changing market and the maintenance of a diversity of views in the consumer advocacy and research space.
- The thrust of Criterion 5: 'offer value for money: the benefits should outweigh the costs, and costs should be prudent and minimised'⁸ presents some difficulties in execution and we feel that further discussion among interested parties about the process of evaluation of benefit is warranted.

Feedback on ways of enhancing accountability and other mechanisms for reporting or information and on maximising opportunities to promote research findings

We welcome the proposal that ECA publish reports produced through its funding processes, and have made suggestions about possible mechanisms earlier.

ECA is to be a major participant in the consumer voice in the NEM. As such the ECA will no doubt maintain high level political, industry and business access as well as longer term industry sourced funding and considerable weight in mainstream media. We recognise that the organisation undertaking the project will most likely be the primary publicist of the results of its

⁶ One useful publication is Dr Yoland Wadsworth, *Everyday Evaluation on the Run*, 3rd Edition, Allen and Unwin

⁷ Possibly a formative and summative approach based on an outcomes hierarchy rather than a linear list of outcomes against which success is measured. Also see work by Assoc Professor Roberta Ryan, Director of the Centre for Local Government at the University of Technology, Sydney

⁸ Energy Consumers Australia, op cit page 16

work. The ECA could have a powerful and complementary voice in the publication and success of their funded projects and research.

General issues

We recognise that the issues addressed in this paper are an important part of the development of the ECA as a major player in energy advocacy, research and education across the NEM.

In a number of other forums, advocates (including ECC NSW advocates) have made the point that considerable time is spent duplicating consultative processes. Long meetings or forums with little recognition or record of what was presented/discussed/decided are closely followed by the requirement for full written submissions. Apart from the time factor for mostly time-poor advocates this process takes what is often a collegiate and consensual exploration and discussion mechanism and channels it into tightly focussed individual submissions, which then have to be assessed and collated. This process often obscures and blurs the individual contributions to the overall discussion by advocates. Indeed, in a number of recent forums, there have been many requests for the recognition of how, and in what form, submissions and discussions by advocates have been taken into account in a final determination. The results of these requests have been very mixed; occasionally well done, often procedural and tokenistic and most often appear to be ignored completely.

Possibly, as a facilitator of advocacy, ECA could explore different approaches to the variety of consultative processes that:

- are not merely based on the traditional ‘issues paper followed by forum followed by submission’ format
- involve what is now an accepted educative and consultative process – the recording of the deliberations of a forum electronically and its immediate distribution to participants as a record of what was discussed/decided and what actions are to be taken.
- provide as many groups as possible with meaningful access, participation and feedback in a time-efficient way
- limit the time and duplication currently experienced by advocates and others with forums followed by workshops and submissions
- provide avenues for the recognition and acknowledgment (real rather than token or worse, ignored completely) of advocacy views in any consultative process

While it may have been a more expensive and less tightly controlled process, the issues presented in this paper could have been the subject of a forum of advocacy groups in concert with the ECA. Such a forum and subsequent consensus may have expedited the process and avoided the requirement for individual organisation comments and the associated collation of all of the various viewpoints by the ECA (followed by the potential for another round (or two) of deliberations).

If you require additional information please contact Iain Maitland, Energy Advocate on (02) 9319 0288 or email energy2@eccnsw.org.au .

Sincerely yours,

Mary Karras



Executive Officer
Ethnic Communities’ Council of NSW Inc.