



Consumer Advisory Panel (CAP)

Workshop #2 summary report

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Responsibilities

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1 Introduction

1.1 Engagement purpose

The Consumer Advisory Panel (CAP) provides the key forum for engaging National Electricity Market (NEM) customers on the Marinus Link Revenue Proposal. The CAP aims to be broadly representative of NEM customers. Its purpose is to:

- Provide consumer representatives with a real opportunity to participate in the Marinus Link Revenue Proposal, especially on elements where consumer feedback can have the greatest impact.
- Provide a forum for members to raise questions and concerns on behalf of the consumers they represent.
- Help Marinus Link to ensure that consumers' views and preferences are reflected in the revenue proposal.

The CAP members are:

- Gavin Dufty, Manager policy and research, St Vincent de Paul Society
- John Pauley, Chair, Tasmanian Policy Council, COTA Tasmania
- Professor Richard Eccleston, Director, Tasmanian Policy Exchange, University of Tasmania
- Anne Nalder, Founder & CEO, Small Business Association of Australia
- Nicole Griffin, General Manager, Morwell Innovation Centre, Federation University Australia
- Elizabeth Skirving, Deputy Chair, Council of Small Business Organisations of Australia.
- Leigh Darcy, Tasmanian Minerals, Manufacturing and Energy Council representative
- Andrew Richards, CEO, Energy Users Association of Australia
- Stephen Durney, Senior Policy Officers, Tasmanian Council of Social Services.

1.2 Workshop objectives

The objective of the workshop was to reach a consensus on the level of involvement the CAP will have in the tender evaluation process for Marinus Link.

1.3 Preparation

All CAP members participated in Workshop #1 on 30 and 31 May 2022. Insights from that workshop that related to Workshop #2 included:

- The CAP is eager to understand how international suppliers will work with Australian partners to employ and support local suppliers.
- CAP members would like to understand what measures will be in place to ensure housing and accommodation shortages in regional communities are not exacerbated by the project, and what measures might prevent Marinus Link from taking labour from other local industries, such as dairy production, for the duration of the project, leaving long-term negative impacts on those industries.
- The CAP provided an example where stakeholders were given an opportunity to have input into the evaluation criteria on a tender in Tasmania.

A [summary report from Workshop #1](#) is available on the Marinus Link website.

Workshop #1 was also preceded by five roundtable discussions that aimed to equip CAP members to participate meaningfully in the CAP process.

2 Engagement methodology

CAP members were invited to participate in a two-hour online workshop led by an independent facilitator from RPS. CAP members were provided with pre-reading in the form of a slide pack that included:

- A recap of the Marinus Link procurement strategy
- An overview of the tender evaluation criteria and methodology

The workshop consisted of three parts:

- Introduction

CAP members were provided with a debrief of Workshop #1, an overview of the procurement process, and an overview of four options for CAP involvement in the tender evaluation process. The options aligned to the IAP2 engagement spectrum from Inform to Collaborate (see below).

- Breakout discussions

First in pairs, and then in two small groups, CAP members debated the merits of the four options for CAP involvement. CAP members aimed to achieve consensus on a preferred option first in their pair, and then in their small group. The breakout discussions were not observed by Marinus Link or the facilitator, however both groups were provided a note taker to record insights from their discussion.

➤ Group consensus

Following the breakout activities, CAP members came back together and the two groups were asked to pitch their preferred option and debate its merits. As a result of this discussion, the CAP landed on the following final resolution:

The CAP would prefer to operate at INVOLVE on the spectrum, with strong feedback loops, and use the additional workshop offered by Marinus Link to Collaborate by placing definition around the role of the evaluator, particularly as it relates to risk and probity.

Figure 1: Options for CAP involvement in the tender evaluation process

Inform	Consult	Involve	Collaborate
Provide you with comprehensive information about the tender evaluation criteria and process and keep you well informed as procurement progresses.	Present and seek feedback on our tender evaluation criteria and other topics that influence the total cost of the project including risk allocation (complete), our approach to community benefit sharing (local jobs and procurement), input assumptions and capex forecasting approach. Keep you informed as procurement progresses, ensuring that we clearly communicate how your feedback has informed our decisions.	<i>Consult +</i> Work with you to develop the specifications that feed into the Australian Industry Participation (AIP) criteria applied during Phase 2 of the procurement process. We will provide an overview of how tenderers have responded to the criteria and how the CAP's specifications were taken into account in the tender assessment.	<i>Involve + Collaborate</i> to appoint a CAP evaluator (at Marinus Link's cost) who will participate in the evaluation process by sitting on the Tender Evaluation Steering Committee. This would include collaboration on the scope of the role, the requirements for the role and the choice of whom to appoint. Some budget constraints will apply.
No additional time commitment from the CAP	No additional time commitment from the CAP	One additional workshop in 2022 to develop specifications	As per <i>involve</i> , but the workshop would be longer and an additional meeting may be needed to select the evaluator

3 Engagement outcomes

This section summarises the outcomes of the workshop and how Marinus Link is responding or intending to respond.

3.1 Procurement strategy recap – what we heard

Jason Good, Head of Procurement for Marinus Link, provided the CAP with a recap of Marinus Link's procurement strategy. He also provided an overview of the tender evaluation criteria and methodology.

Feedback included:

- A CAP member asked what is meant by the criteria, 'quality of the overall tender offer'.
 - Jason explained that in circumstances where tenders are too close to differentiate, they will be assessed based on their overall quality, adding that there will be an element of subjectivity in these circumstances.

- The CAP expressed support for the strong weighting on Australian industry participation, with one member suggesting that tenderers should be asked to provide modelling or forecasting of local workforce requirements.
- Some CAP members suggested that the CAP could play a key role in further developing the NF criteria, particularly around recruitment and workforce transition.
- Some CAP members expressed concern that the NF criteria places responsibility for stakeholder management and industrial relations with the contractor instead of Marinus Link, reducing Marinus Link's control of these elements.
 - Jason confirmed that the Engineering, Procurement and Construction (EPC) contract model passed responsibility for industrial relations and management of stakeholders impacted by construction to the contractor. Marinus Link will embed requirements for managing and reporting on this into its contracts. Marinus Link will continue to control the remaining aspects of stakeholder management and engagement.
- Some CAP members noted that it would be important to prevent the F criteria from outweighing the NF criteria to ensure that the cheapest option is not automatically determined to be the most suitable.
 - Jason confirmed that Marinus Link had completed sensitivity analysis for this reason.
- CAP members are eager for local housing shortages to be considered part of the Australian industry participation criteria and project contracts to avoid the project impacting local communities and businesses trying to operate in the same market.
 - Jason confirmed that this has a significant weighting in the evaluation criteria, with tenderers to be asked how they will house their workforce. In addition, housing solutions that offer long-term benefits will be considered favourably (e.g., housing solutions that can be made available for low-cost rentals at the completion of the project).

3.2 CAP involvement in the tender evaluation process

CAP members were briefed on four options for involvement in the tender evaluation process.

CAP members discussed the four options in pairs and reached a consensus about their preferred option before moving into two small groups.

3.2.1 Breakout group 1: What we heard

Breakout group 1 was made up of five CAP members and provided the following feedback:

- The group congratulated Marinus Link for its engagement planning and for offering Collaborate as an option.

- The group discussed the role of the CAP as consumer advocates and whether that role should include decision-making elements or remain as an advisory function. The group agreed that its role is to be an advisory body that provides robust feedback.
- The group is eager to maintain an 'arm's length' distance from the project to protect its independence but recognised that consumers should be represented in the decision-making process.
- For the above reasons, the group agreed that it wanted to sit between Involve and Collaborate and do this by developing a strong and robust feedback loop that doesn't include a CAP member being part of the final decision-making committee.
- The group discussed risks involved with CAP members sitting on the decision-making committee, with some of those risks relating to:
 - The project incurring social, environmental, and economic impacts.
 - Cost "blowouts" during the project that may not be manageable by Marinus Link and may require government support.
 - There is a consideration to be made on whether buying local materials will incur a significant cost increase, meaning Marinus Link may need to trade-off between local spend and affordability.
 - A civil construction workforce shortage already exists, so adding Marinus Link to the mix may have detrimental impacts. Seeking an international workforce could address this issue but would involve complexities around supporting the local economy.
- The group suggested that the CAP could assist Marinus Link with considering trade-offs between NF criteria.

3.2.2 Breakout group 2: What we heard

Breakout group 2 was made up of three CAP members and provided the following feedback:

- Some members of the group expressed concern that as a consumer advisory function rather than a project advisory function, participating at the Collaborate level could present issues regarding lack of expertise, probity, and independence.
- Other members of the group suggested that having "skin in the game" would be beneficial to consumers and would maximise social license, adding that the risk of over-involvement could be managed. Some members noted that discussion on the management of independence should be had without Marinus Link present.
- Some members questioned whether there should be one or multiple CAP representatives on the evaluation committee.
- Group members questioned whether the right expertise is held by the CAP for this purpose

- Some members suggested that a CAP evaluator could sit on the committee but step back at the final decision point.
- Overall, the group settled on Collaborate but recognised that there were different perspectives held by the group members.

3.2.3 Group consensus: What we heard

The CAP recounted the discussions had in their breakout groups and debated the merits of Involve and Collaborate, with the following additional feedback provided:

- It would be helpful for the role of the CAP evaluator to be better defined.
- The CAP did not support a third-party representative on the evaluation committee.

For Collaborate:

- CAP members want consumers to feel comfortable that consumer input has been robust and at the highest level possible.
- CAP members want input into the final decision to avoid the project settling on the cheapest option by default.
- CAP members believe appropriate expertise is held within the group to participate on the committee.
- CAP members have witnessed other projects where having consumers involved in the evaluation process has worked.

For Involve:

- It is crucial that the CAP maintains independence from the project.
 - The facilitator asked whether having a CAP representative observe the committee and manage the feedback loop rather than participate might provide a good compromise; however, some CAP members felt this approach could still present issues with governance, probity and independence ("group think").
- The CAP can still be highly involved by providing robust feedback throughout the process with strong feedback loops.
- Confidentiality regarding discussions within the evaluation committee might present an issue for a CAP evaluator.

The CAP agreed to the following final resolution:

The CAP would prefer to operate at Involve on the spectrum, with strong feedback loops, and use the additional workshop offered by Marinus Link to understand what a Collaborate approach would entail by placing definition around the role of the evaluator, particularly as it relates to risk and probity.

4 How Marinus Link will respond

Marinus Link is committed to:

- Providing the CAP with comprehensive information about the tender evaluation criteria and process and keeping the CAP well-informed as procurement progresses.
- Seeking feedback from the CAP on topics that influence the total cost of the project, including risk allocation (complete), the approach to community benefit sharing (local jobs and procurement), input assumptions and CAPEX forecasting.
- Instigating clear feedback loops with the CAP and communicating how CAP feedback has been reflected throughout the assessment process.

In line with the workshop outcomes, Marinus Link has agreed to involve the CAP in procurement by working with the CAP to develop the specifications that feed into the Australian Industry Participation (AIP) criteria applied during Phase 2 of the procurement process.

Marinus Link proposes that this will involve one additional workshop, likely in April 2023, where de-identified information responses to the Australian Industry Participation criteria provided by bidders during round one will be presented. Feedback from the CAP will be consolidated and provided to shortlisted bidders in round two.

The CAP would also like to explore collaborating with Marinus Link to appoint a CAP evaluator who will participate in the evaluation process by sitting on the Tender Evaluation Committee.

Marinus Link will develop a draft role description for an independent evaluator that is aligned with the Tender Evaluation Committee's terms of reference.

This will be presented for further discussion at the CAP's November workshop.

5 Engagement evaluation

CAP members completed an evaluation at the end of the workshop to provide feedback about their experience of the workshop.

The feedback received on the administration of the workshop (facilitation, tools, supporting information and workshop support) was very positive, with all providing ratings of 4/5 or 5/5.

Of the six respondents, all agreed or strongly agreed that the objectives of the session were clear and that they were informed enough to participate meaningfully.

CAP members provided the following additional feedback:

- "It would have been good to have the Inform-Collaborate information before the session, with an agenda of how the breakouts were going to operate, to aid pre-thinking and planning. Great run session, time flew by."
- "More clarity about the role of the CAP evaluator would have been useful to aid decision making."
- "As I begin to understand the nature of the project, it fills me with excitement and commitment for better engagement and contribution. Today, a great meeting. Thank you to all involved including Marinus Link personnel."
- "I thought today's session enabled members of the CAP to participate in a highly effective manner. The breakout rooms in Zoom worked very well and the discussion after the breakout sessions was really good and thoughtful."