

Table 1 Functions of the Financial Trustee under the EII Act

Function area	Ref	Function	Mandatory (Y/N)	Comments
Consultee about contribution determinations	Sections 56(6)(a) and 61(2)(b)	The Financial Trustee is to be consulted about contribution determinations, and to advise the regulator about contribution determinations.	Y	The Financial Trustee attended a consultation meeting with the regulator, Australian Energy Regulator, on 8 December 2022 in relation to the inaugural contribution determination.
Scheme financial vehicle	Section 61(2)(a)	The Financial Trustee must administer the scheme financial vehicle	Y	<p>The Financial Trustee was appointed through the Instrument of Appointment – Financial Trustee dated 15 September 2022 (Instrument of Appointment).</p> <p>The Instrument of Appointment contains various conditions, obligations and services in relation to the administration of the Scheme Financial Vehicle Pty Ltd.</p> <p>A list of establishment conditions/services including completion dates and commentary are detailed below:</p> <ul style="list-style-type: none"> • Scheme Financial Vehicle Pty Ltd was incorporated on 16 September 2022 and the shares are held by the Financial Trustee on statutory trust for the purposes of the EII Act. • A full interim board of directors was completed in October 2022. • Procured Scheme Financial Vehicle Pty Ltd establish the Electricity Infrastructure Fund by opening an account kept with an authorised deposit-taking institution in October 2022. • Appointment of the permanent board of directors was completed in April 2023. • Entered into Risk Management Contracts as recommended by the Consumer Trustee which were completed in December 2022. • Entered into arrangement in March 2023 with Scheme Financial Vehicle Pty Ltd to enable the issue, variation or disposal of derivatives (including swaps) within the meaning of 'derivative' under 761D of the Corporations Act to Wholesale Clients under or

in connection with long-term energy service agreements (as defined under the EII Act)

- Procured Scheme Financial Vehicle Pty Ltd enter into one or more arrangements with outsourced providers for the provision of services to enable Scheme Financial Vehicle Pty Ltd to operate as required under the EII Act, or provide the Consumer Trustee with a plan, that in the reasonable opinion of the Consumer Trustee, allows Scheme Financial Vehicle Pty Ltd to operate as required under the EII Act. This condition is partially completed with the appointment of an outsourced service provider, AEMO Services Ltd, under a short form agreement for the provision of services, including staff, information technology services, offices and equipment, to enable Scheme Financial Vehicle Pty Ltd to operate as required under the EII Act.
The Financial Trustee continues to work closely with the Consumer Trustee to ensure the appointment, and related agreements, with appropriate outsourced service provider(s) to continue to enable Scheme Financial Vehicle Pty Ltd to operate as required under the EII Act.
- External auditors have been appointed by Scheme Financial Vehicle Pty Ltd to audit the financial reports and will be engaged to prepare a cash controls audit report in relation to the cash management controls within the Scheme Financial Vehicle Pty Ltd in accordance with ASAE 3150 (Assurance Engagements on Controls). These audits are expected to be completed by 30 September 2023.

In addition to the above the Financial Trustee, under the Instrument of Appointment, have undertaken the following administration services:

- Company secretariat activities (e.g. meetings and resolutions) associated with administering Scheme Financial Vehicle Pty Ltd and being the sole shareholder.
- Act as payment agent for Scheme Financial Vehicle Pty Ltd, by making payments on behalf of the Scheme Financial Vehicle Pty Ltd. This includes receiving from and making payments on behalf of Scheme Financial Vehicle Pty Ltd in relation to its ongoing administration costs.

	Section 62	The Financial Trustee is to establish the scheme financial vehicle as a company limited by shares under the <i>Corporations Act 2001</i> (Cth) within 3 months of the commencement of section 62. The shares must be held by the Financial Trustee on trust for the purposes of the Act.	Y	<p>The Financial Trustee established Scheme Financial Vehicle Pty Ltd as a company limited by shares under the <i>Corporations Act 2001</i> (Cth) within 1 month of the appointment of the Financial Trustee.</p> <p>Scheme Financial Vehicle Pty Ltd was incorporated on 16 September 2022 and the shares are held by the Financial Trustee on statutory trust for the purposes of the EII Act</p>
Annual reports	Section 70	The Financial Trustee must, as soon as reasonably practicable after the end of each financial year, provide the regulator with a report on the exercise of the functions under this Act during the financial year.	Y	The Financial Trustee provides this report on the exercise of the functions under the EII Act during the financial year ended 30 June 2023.
Delegation	Section 71	The FT may delegate any of their functions, other than the power of delegation, to a person of a class prescribed by the regulations	N	The Financial Trustee did not delegate any functions under Section 71 in FY 2022-23.
Contribution determination	Clause 39	The Financial Trustee must, if requested to do so by the Regulator, provide information to the Regulator that the Regulator considers reasonably necessary to enable the	Y	The Financial Trustee did not exercise the functions in Clause 39 in FY 2022-23 as no request was made by the Regulator.

regulator to make a contribution determination.				
Functions of the Financial Trustee	Clause 42B(1)-(2)	<p>The Financial Trustee must report to the Regulator on the activities of the scheme financial vehicle during a financial year.</p> <p>The report must be included as part of the report provided by the Financial Trustee to the Regulator under the Act.ⁱⁱ</p>	Y	The Financial Trustee will provide a copy of the annual report, including audited financial reports, of the Scheme Financial Vehicle Pty Ltd when approved by the Scheme Financial Vehicle Pty Ltd Board of Directors.
	Clause 42B(3)	The Financial Trustee may request information from the scheme financial vehicle for the purposes of preparing the report.	N	The Financial Trustee will provide a copy of the annual report, including audited financial reports, of the Scheme Financial Vehicle Pty Ltd when approved by the Scheme Financial Vehicle Pty Ltd Board of Directors.

ⁱ In this column, references to sections are to section of the EII Act, while references to clauses are references to clauses of the regulations.

ⁱⁱ Section 70(1) of the EII Act.