

Economic Regulation Authority

 WESTERN AUSTRALIA

Minutes

Meeting of the Economic Regulation Authority Consumer Consultative Committee

Meeting 3 / 2014

Date & Time: Wednesday, 3 September 2014, 1:00pm
Location: Ken Michael Room, 4th Floor, Albert Facey House
469-489 Wellington Street

Attendees:

Mr Paul Kelly	Executive Director, Licensing Monitoring & Customer Protection (LMCP), ERA <i>(Proxy Chairman)</i>
Ms Cathryn Greville	Assistant Director Customer Protection, LMCP, ERA
Ms Caroline Coutts-Kleijer	Senior Project Officer, LMCP, ERA
Mr Ben Hammer	Chamber of Minerals & Energy of WA <i>(proxy for Andrew Winter)</i>
Ms Mary White	Deputy WA Ombudsman
Mr Irina Cattalini	WACOSS
Ms Rebecca Douthwaite	Property Council of Australia <i>(attended from 1.20pm)</i>
Mr Charles Brown	Financial Counsellor's Association of WA
Mr Paul Schollum	WA Local Government Association (WALGA)

Apologies:

Ms Christine Coyne	Aboriginal Affairs Consultant, Christine Coyne & Associates
Mr Andrew Winter	Chamber of Minerals & Energy of WA
Mr Gary Newcombe	Consumer Protection, Department of Commerce


Absent:

Ms Lisa Kazalac	Chamber of Commerce & Industry of WA
Mr Leon Bradley	Pastoralists & Graziers Association
Mr Chris Wyhoon	WA Farmers Federation

Presenters:

Mr Jason Waters	Chief Executive Officer, Synergy
Ms Stephanie Unwin	General Manager Commercial, Synergy
Ms Irina Cattalini	Chief Executive Officer, WACOSS
Mr Greg Watkinson	Chief Executive Officer, ERA
Ms Anna Johnson	Assistant Analyst, Economics, ERA

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1 WELCOME & APOLOGIES

Mr Kelly chaired the meeting. Mr Kelly noted the apologies as listed above and welcomed members to the third meeting of 2014.

Mr Kelly noted the resignation of former ERA Chairman, Mr Lyndon Rowe, and explained the process of appointing a new Chairman.

2 MINUTES OF MEETING 2/2014 HELD ON 4 June 2014

The minutes were accepted as a true and correct record of the meeting.

3 STATUS REPORT

Mr Kelly spoke to the Status Report. Mr Kelly highlighted key items including new licence applications in electricity, the large number of audits and reviews currently underway, the new audit and review guidelines for energy and water, the release of the ERA's Final Report on Microeconomic Reform, the review of ATCO's and GDS's access arrangement revision proposals, Brookfield Rail's floor and ceiling cost determination and the ERA's investigation into Vinalco Energy's pricing behaviour.

Ms Cathryn Greville noted that expressions of interest are now sought for the Gas Marketing Code of Conduct Committee and that proposed amendments to the Gas Compendium have been released for public consultation.

4 ERA PRESENTATION – ERA Work Program 2014-2015 – Mr Greg Watkinson, Chief Executive Officer, ERA discussed the ERA's 2014-2015 Work Program and highlighted some of the main areas of work for the ERA during the current financial year. Mr Watkinson also discussed the ERA's new Strategic Goals.

5 GUEST PRESENTATION – Synergy: Moving Forward – Mr Jason Waters, Chief Executive Officer and Ms Stephanie Unwin, General Manager Commercial, Synergy provided an overview of some of the challenges facing Synergy today, such as declining demand, its recent merger with Verve Energy and the current oversupply of generation capacity in the electricity market. Mr Waters and Ms Unwin also provided their views on the recently released Electricity Market Review Discussion Paper and what the options presented in the paper might mean for Synergy.

6 ENERGY OMBUDSMAN'S REPORT

The report was taken as read. Ms Mary White, Deputy WA Ombudsman highlighted key aspects of the report, in particular the decline in electricity complaints. Ms White explained that when considering complaints, the Ombudsman takes into account a number of factors including the law, good industry practice and what is fair and reasonable in the circumstances.

7 MEMBERS PRESENTATION – Funding and Contracting under the new Delivering Community Services in Partnership Policy – Ms Irina Cattalini, Chief Executive Officer, WACOSS provided an overview of the new Delivering Community Services in Partnership Policy which establishes a funding and contracting relationship between the public and not-for-profit sectors. This included a useful overview of how funding is allocated at a national and state level.

8 ERA PRESENTATION – Final Report: Inquiry into Microeconomic Reform in Western Australia – Ms Anna Johnson, Assistant Analyst, Economics, ERA gave a short overview of some of the key recommendations made in the recently released Final Report on Microeconomic Reform. Ms Helen Ensikat, Mr Daniel Vincent and Mr Rajat Sarawat also attended to answer questions. Members had an opportunity to ask questions about the review and review process following the presentation.

9 MEMBERS' ISSUES & QUESTIONS

There were no formal questions on notice. As members had raised issues and questions throughout the meeting and presentations, there were no further questions to be addressed at this stage of the meeting.

10 NOMINATION OF MEMBER TO PRESENT AT NEXT MEETING

The presentations scheduled for the next meeting agenda include *Cost 'Drivers' of the Retail Electricity Price* by Mr Ray Challan, Deputy Director General, Public Utilities Office (PUO) and *Rail Access Arrangements* by the ERA's Access team. Ms Lisa Kazalac was due to provide a presentation on the 'Red Tape Project' but has since left the Chamber of Commerce & Industry of WA.

Ms Greville invited ERACCC members to put forward any other ideas for presentations at the next ERACCC meeting. Ms Rebecca Douthwaite indicated that the Property Council of Australia would be interested in receiving a presentation on the Government's (potential) plans for privatising the electricity and water industries.

Ms Irina Cattalini raised concerns about the lack of funding available to consumer representative organisations to represent the interests of energy consumers in the development of government policy. In particular, Ms Cattalini questioned how consumer interests would be considered in the electricity market review (and supported to participate in that review) and views on industry funded consumer advocacy that could be implemented in WA. Ms Cattalini advised that she would send Ms Greville some formal questions for inclusion in the December agenda as Questions on Notice. It was agreed to then seek Mr Ray Challan's views on these matters during the next ERACCC meeting as Questions on Notice.

The December meeting agenda will be finalised as soon as possible and circulated well in advance of that meeting.

11 CHAIRMAN'S TAKE AWAY & AGREED MESSAGE FOR THE COMMUNIQUE

Mr Kelly thanked Guest Presenters Ms Stephanie Unwin and Mr Jason Waters from Synergy for their presentation, and Ms Irina Cattalini for her member presentation. Mr Kelly noted that the Chairman's takeaway for the meeting was that we should be moving towards a competitive cost-recovery market in Western Australia, and that we look forward to market reform.

Mr Kelly encouraged members to identify matters of interest either for a presentation or for the next biennial ERACCC Seminar, and thanked everyone for attending the meeting.

12 DATE OF NEXT MEETING

The next meeting will be held on Wednesday 3 December 2014 at 1.00pm (lunch from 12:30pm).

Meeting closed at 4:15 pm