

Minutes

Meeting of the Economic Regulation Authority Consumer Consultative Committee

Meeting 3 / 2018

Date & Time: Thursday, 8 November 2018, 1:00pm

Location: Ken Michael and Stirling Rooms, 4th Floor, Albert Facey House
469 Wellington Street

Attendees:	Nicky Cusworth	Chair, ERA
	Jenness Gardner	Chief Executive Officer, ERA
	Paul Kelly	Executive Director, Regulation & Inquiries, ERA
	Robert Pullella	Principal Advisor, ERA
	Doug Hall (<i>proxy for Gary McGill</i>)	Pastoralists and Graziers Association
	Graham Hansen (<i>proxy for Louise Giolitto</i>)	WA Council of Social Services
	Bev Jowle	Financial Counsellors' Association
	Dana Mason	WA Local Government Association
	Daniel Norrie	Chamber of Commerce and Industry WA
	Penny Lipscombe	Consumer Protection, Department of Mines, Industry Regulation and Safety
Apologies:	Rachael Champtaloup	Property Council of Australia
	Caroline Cherry	Chamber of Minerals and Energy WA
	Marcus Claridge	Energy and Water Ombudsman
	Louise Giolitto	WACOSS
	Gary McGill	Pastoralists and Graziers Association
	Emma Thunder	Property Council of Australia
	Tony York	WA Farmers Federation
Presenters:	Stevan Green	ATCO Gas Australia
	Hugh Smith	ATCO Gas Australia
	Tyson Self	ERA

1 WELCOME

The meeting opened at 1:09pm. Chair Nicky Cusworth noted the apologies as listed above. She thanked members for the understanding of the cancellation of the meeting scheduled for September, and welcomed new member Daniel Norrie from CCIWA.

2 MINUTES OF PREVIOUS MEETING (21 JUNE 2018)

The minutes of the previous meeting on 21 June 2018 were accepted as a true and correct record of the meeting.

3 ERACCC STATUS REPORT

Ms Cusworth summarised the key points from the ERACCC Status Report and took questions from members on the content of the report.

Projects discussed included the final decision for Western Power's access arrangement, and the work created for the ERA through changes to the National Gas Law regarding non-scheme pipelines.

4 GUEST PRESENTATION: ATCO Gas Australia – An update on stakeholder engagement and access arrangement proposal

Stevan Green, President, Gas, and Hugh Smith, Manager Regulatory Strategy, ATCO Gas Australia, provided members with an overview of their revised access arrangement proposal, which is currently under review by the ERA.

ATCO also visited ERACCC in March 2018, as part of its stakeholder engagement process when preparing the access proposal, which was submitted to the ERA on 31 August 2018.

Mr Smith advised that one of the changes to the current access arrangement was the proposal to reclassify special metre reads as a reference service. As competition has increased in the WA gas retail market, the number of special meter reads has increased dramatically, to around 100,000 a year. A special meter reading is required when a customer switches gas retailers, as part of closing out their account. These meter reads are currently funded by ATCO.

Members discussed the price path, and ATCO's proposal to increase prices in one jump, rather than incrementally.

5 ATCO ACCESS ARRANGEMENT – The ERA's process

Tyson Self, ERA, provided members with a brief outline of the ATCO access arrangement process from the ERA's perspective. He also gave members an overview of the WA gas industry.

This included the fact that the ERA does not set gas prices, but does set reference prices which can be used as a template or default negotiation position for third parties.

Mr Self discussed how, in reviewing the proposal, the ERA has to act in the long-term interest of the State – balancing the short-term and long-term issues and the interests of business and general public.

Members discussed the interplay between electricity and gas prices, as gas generators supply much of WA's peaking electricity generation.

AFTERNOON TEA

6 ERACCC FORM AND FUNCTION – Update following member survey

Jenness Gardner provided members with an overview of the results of the member survey that was conducted in August 2018. The survey concluded that members were largely satisfied with ERACCC as it was, but there were possible improvements to be made in how and what information was distributed to members.

Members discussed the findings and the committee in more detail, and provided further suggestions for improvement.

Feedback from members included:

- It is not always clear why presentations are being made, or what the ERA is seeking from members.
- The ERA can do more to explain the context of issues, and how the issues discussed may affect the organisations and their members.
- The consultation timeframes for ERA projects is often too short, particularly for smaller, less well-resourced organisations.
- The purpose of the committee should be clearer, with opportunities for informal and formal feedback.
- The members attending ERACCC may not always be best placed to comment on/discuss the topics on the agenda. Would it be possible to bring other staff members along, or receive more information/questions in advance so the representative can seek input from within their organisation?
- Technical information needs to be expressed more simply, without assuming prior knowledge.
- Members could be provided with an opportunity to update the committee on current issues and concerns for their organisation.

All members agreed it was beneficial to hear the views and concerns of the other member organisations.

Ms Gardner advised that the next meeting would be held on 7 March 2019, and the ERA would be writing to all current member organisations and a range of other community organisations to offer them membership on the committee.

Other changes to be in place by the next meeting include:

- Providing members with more input into the agenda, whether through formal agenda items or questions for discussion.
- Providing members with more context on agenda items, as well as questions in advance.
- An introduction to the ERA session to be the first item on the agenda.
- Meetings to begin mid-morning.

7 BUSINESS LICENSING INQUIRY – Update following release of draft report

Ms Cusworth provided members with an overview of the ERA's draft report into business licensing reform in Western Australia, which was released on 22 October 2018. The report makes nine recommendations, and seeks feedback on a range of issues and specific questions.

The main findings are, there is no consistent culture of improvement and active management of licensing systems, reform is often not prioritised, and the consumer voice is missing from the reform process.

Members asked a number of questions, including on why the ERA did not conduct a cost benefit analysis of each licensing scheme, whether there was a dollar figure which could be placed on the whole system and its problems, and the ERA's analysis of fees and charges.

Members discussed options for improving consumer input into licensing schemes and government activities more generally, as well as the resourcing issues which limit individual organisations from engaging more.

8 ENERGY AND WATER OMBUDSMAN'S REPORTS

The report was taken as read.

Meeting closed at 3:58pm

NICKY CUSWORTH
CHAIR, ERACCC