

Minutes

Meeting of the Economic Regulation Authority Consumer Consultative Committee

Meeting 2/2019

Date & Time: Thursday, 6 June 2019, 10:30am

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
	Natalie Warnock	Senior Media and Communications Advisor, ERA
	Clare Darragh	Communications and Website Administrator, ERA
	Sandra Brewer	Property Council of Australia WA
	Caroline Cherry	Chamber of Minerals and Energy WA
	Marcus Claridge	Energy and Water Ombudsman
	Tim Dymond	UnionsWA
	Nebojsa Franich	WA Local Government Association
	Roberta Grealish	Consumer Credit Legal Service WA (proxy)
	Graham Hansen	WA Council of Social Services
	Diane Hayes	Financial Counsellors' Association WA
	Penny Lipscombe	Department of Mines, Industry Regulation and Safety
	Daniel Norrie	Chamber of Commerce and Industry WA
	Suresh Rajan	Ethnic Communities Council of WA (proxy)
Apologies:	Doug Hall	Pastoralists and Graziers Association
	Gemma Mitchell	Consumer Credit Legal Service WA
	Kitty Prodonovich	Regional Chambers of Commerce and Industry (WA)
	Ramdas Sankaran	Ethnic Communities Council of WA
	Rhys Turton	WA Farmers Federation
Presenters:	Paul Reid	ERA
	Rajat Sarawat	ERA

1 WELCOME

The meeting opened at 10:34am. Chair Nicky Cusworth noted the apologies as listed above and particularly welcomed new members and those filling in for standing members.

2 MINUTES OF PREVIOUS MEETING (7 MARCH 2019)

The minutes of Meeting 1/2019 on 7 March 2019 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.

Topics briefly discussed included the finalisation of the ERA's investigation into Synergy's pricing behaviour in the wholesale market, the progress of a number of access arrangement reviews, and the annual performance reports for energy retailers and distributors.

4 MEMBER INTRODUCTIONS

Ms Cusworth asked members who did not attend the first meeting in March to introduce themselves and briefly outline the economic issues of concern to their members. Concerns raised included the efficiency and reliability of electricity and other utilities, financial hardship and affordability, access to government services, and equity.

5 OMBDUSMAN'S OFFICE INTRODUCTION

Marcus Claridge, Energy and Water Ombudsman's Office, provided members with an overview of the work of the office and the services it provides to consumers. This presentation was scheduled after members expressed interest at Meeting 1/2019 in learning about how the Ombudsman's activities overlap and intersect with those of the ERA and other government bodies.

Mr Claridge discussed the independence of the structure and processes of the Ombudsman's office and described how its activities were guided by the principles of independence, natural justice, access, equity, effectiveness and community awareness.

Mr Claridge noted that, year-to-date, complaints are up around 10 per cent on the previous year. The most common complaints cover billing and credit matters, but complaints about the reliability of supply are increasing.

Members asked questions regarding the provision of materials to culturally and linguistically diverse communities, marketing complaints, disconnection policies, and accessibility.

The quarterly reports prepared for ERACCC by the Ombudsman's office were taken as read and members had the opportunity to ask questions.

6 ENERGY RETAILER AND DISTRIBUTOR REPORTS

Paul Reid, ERA, provided an overview of the annual performance reports for energy retailers and distributors in Western Australia, which were released in April.

For distributors, the report includes information on major disconnections of more than 12 hours. In 2017/18, major disconnections were at a six-year high due to major storms and planned maintenance. There was also a reduction in the growth of new connections to both the electricity and gas networks, reflecting the downturn in the property sector and economy more broadly.

For retailers, Mr Reid noted the increased competition in the gas market, which is keeping downward pressure on prices as new entrants offer discounts.

Members discussed indicators related to hardship, including the sharp increase in the number of customers paying their debts using instalment plans.

Mr Reid noted that the disconnection rate (as a percentage of customers) had risen from 0.8 per cent to 1.8 per cent in just two years. Members discussed that this seemed to be due to three factors: the State Government's eligibility changes to the Hardship Utility Grants Scheme, the economic environment, and Synergy's enforcement of its disconnections policy.

Mr Reid noted that it was sometimes difficult to interpret the data to truly understand consumer behaviour, and Daniel Norrie from the Chamber of Commerce and Industry raised the possibility of including some featured questions in his organisation's future consumer confidence surveys.

7 WATER LICENCE REVIEW

Paul Reid, ERA, provided members with a brief update on the ERA's process of reviewing water licences in Western Australia, particularly some of the proposed changes and removals of some standards and conditions from the template licence.

The ERA regularly reviews the utility licences it regulates to ensure they remain best practice and reflect current industry issues and standards.

The ERA has proposed to remove some contract provisions and performance standards from the template licence, but nothing that is likely to have a meaningful impact on consumers.

LUNCH

8 ENERGY MARKET OVERVIEW

Rajat Sarawat, ERA, described how the ERA's activities covered the whole "lifecycle" of the electricity sector, from licensing generators, distributors and retailers, to negotiating network access arrangements, and overseeing compliance with the Wholesale Electricity Market Rules.

He discussed the policy instruments and regulatory structures that a consumer can see (like their interactions with their retailer and Western Power, and the ombudsman) versus the instruments that are more invisible, like the market objectives and Market Rules.

Finally, Mr Sarawat gave a brief overview of recent government activity in the energy sector, including the establishment of the Energy Transformation Taskforce.

Members discussed their interest in other topics related to the energy sector, including the difference between the South West Interconnected System and the rest of the State, and the state of play for different generating technologies. The ERA will consider which topics would be suitable for the next meeting, scheduled for 12 September.

Meeting closed at 1:35pm

NICKY CUSWORTH
CHAIR, ERACCC