

Minutes

Meeting of the Economic Regulation Authority Consumer Consultative Committee

Meeting 1/2020

Date & Time: Thursday, 23 April 2020, 10:30am

Location: Online via Microsoft Teams

Attendees:	Nicky Cusworth	Chair, ERA
	Jenness Gardner	Chief Executive Officer, ERA
	Paul Kelly	Executive Director, Regulation & Inquiries, ERA
	Paul Reid	Assistant Director, Utility Services Regulation, ERA
	Natalie Warnock	Manager Strategic Communications, ERA
	Michael Britton	Property Council of Australia WA
	Tim Dymond	UnionsWA
	Nebojsa Franich	WA Local Government Association
	Rachelle Gill	Energy Policy WA
	Roberta Grealish	Consumer Credit Legal Service WA
	Graham Hansen	WA Council of Social Services
	Adrienne LaBombard	Chamber of Minerals and Energy WA
	Kitty Prodonovich	Regional Chambers of Commerce and Industry WA
Apologies:	Marcus Claridge	Energy and Water Ombudsman
	Doug Hall	Pastoralists and Graziers Association
	Diane Hayes	Financial Counsellors Association
	Penny Lipscombe	Department of Mines, Industry Regulation and Safety
	Daniel Norrie	Chamber of Commerce and Industry WA
	Suresh Rajan	Ethnic Communities Council WA
	Rhys Turton	WA Farmers Federation

1 WELCOME

The meeting opened at 10:35am. Chair Nicky Cusworth noted the apologies as listed above. Ms Cusworth thanked members for their attendance at the first online meeting for this committee.

2 COVID-19 UPDATE

Ms Gardner provided an update on the ERA's operations as related to the COVID-19 pandemic, noting that almost all staff had been working from home for the past five weeks.

Operationally, the ERA is focussed on monitoring financial hardship and emerging issues for regulated entities, and has written to all utility licensees, and electricity and gas market participants requesting the advice of any regulatory hurdles they may experience during this time.

The ERA is also delaying some activities required for utility licensees, in recognition of the many priorities companies are currently grappling with.

Ms Cusworth noted that the State Government had taken a number of actions to protect utility consumers during this time.

Members then each provided an update on the operations and experiences of their organisations and members.

Mr Britton noted that the Property Council's quarterly sentiment survey showed a sudden and drastic drop in confidence, after many months of slow and steady improvement. He also noted that it was hard to predict what post-COVID recovery may look like, particularly for the commercial market, as some companies may reconsider their office requirements after an extended period of staff working from home.

Mr Dymond noted that UnionsWA was coordinating the cross-workforce response to the crisis as well as monitoring the implementation of Government support payment and how these intersected with the state's industrial relations system.

Mr Franich noted that, as the activities of local governments were so broad, the impact in the sector had been profound, with around 27 per cent of the workforce affected. He noted the actions that some councils were taking to assist residents, including rate freezes and rent waivers, but also that some councils were not in the financial position to provide such assistance.

Mr Hansen noted that the WA Council of Social Services was seeking great financial pressure on its members, as well as challenges with accessing services. He expected the demand for services to change as WA moves through the pandemic – with an early rush for emergency and food relief likely to move to more long-term support.

Ms Grealish noted that the Consumer Credit Legal Service was expecting an increase in inquiries in coming months, as consumers struggled to pay their bills. She also noted that the Service no longer had access to volunteers to run its call centre.

Ms LaBombard noted that the Chamber of Mineral and Energy was working in consultation with the State Government on a framework to ensure the continuation of the resources industry. She noted that the border closures affected around 5 per cent of the resources workforce.

Ms Prodonovich provided an update on the affects of COVID-19 on regional communities, noting that the regional chambers of commerce had been swamped by the number of inquiries from small businesses. She noted that the ongoing viability of tourism and hospitality businesses, particularly in the north of the state, was of great concern. Ms Prodonovich provided members with a copy of her organisation's fortnightly survey of regional businesses.

Ms Gill provided an update on the activities of Energy Policy, noting that the State Government was monitoring the conduct of retailers and distributors to ensure that customers were being treated fairly. She noted that EPWA would focus some upcoming work on whether the pandemic was changing energy use (for example, by more people staying home during the day), and what that meant for both the security of the grid and energy bills.

3 ENERGY RETAILER AND DISTRIBUTOR DATA REPORTS

Mr Reid provided members with an overview of the ERA's energy retailer and distributor reports, which were released in early April.

These annual reports provide insight into the provision of financial hardship programs, as well as detailing the size and stability of the energy network.

Mr Reid noted that most of the indicators for financial hardship increased over 2018/19, including the number of customers paying off a bill via instalment plans and the number granted more time to pay a bill.

The overall percentage of electricity customers on a hardship program has risen from 2.2 per cent to 3.4 per cent over the past three years. However, most (88 per cent) electricity customers are successfully completing their hardship program by paying off their debt.

Mr Reid also noted that competition in the gas retail market continued to increase, with Alinta Energy's market share declining to 63.2 per cent in 2018/19, down from 68.8 per cent the year before.

Members asked questions as to the reasons behind increases in financial hardship indicators and the behaviour of gas retailers.

4 OTHER MATTERS

Ms Cusworth stated that the next meeting was scheduled for 23 July 2020.

Meeting closed at 12:19pm

NICKY CUSWORTH
CHAIR, ERACCC