

## Minutes

### Meeting of the Economic Regulation Authority Consumer Consultative Committee

#### Meeting 2/2020

**Date & Time:** Thursday, 23 July 2020, 10:30am

**Location:** Online via Microsoft Teams

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<b>Attendees:</b>	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
	Rajat Sarawat	Executive Director, Energy Markets
	Natalie Warnock	Manager Strategic Communications, ERA
	Marcus Claridge	Energy and Water Ombudsman
	Rachelle Gill	Energy Policy WA
	Roberta Grealish	Consumer Credit Legal Service WA
	Doug Hall	WA Farmers Federation
	Graham Hansen	WA Council of Social Services
	Diane Hayes	Financial Counsellors' Association
	Adrienne LaBombard	Chamber of Minerals and Energy WA
	Kitty Prodonovich	Regional Chambers of Commerce and Industry WA
	Suresh Rajan	Ethnic Communities Council of WA
	Nicholas Warland	Property Council of Australia WA
<b>Apologies:</b>	Tim Dymond	UnionsWA
	Nebojsa Franich	WA Local Government Association
	Penny Lipscombe	Department of Mines, Industry Regulation and Safety
	Daniel Norrie	Chamber of Commerce and Industry WA
	Rhys Turton	WA Farmers Federation

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## **1 WELCOME**

The meeting opened at 10:32am. Chair Nicky Cusworth noted the apologies as listed above.

## **2 COVID-19 UPDATE**

Mr Reid provided an overview of the first three months of hardship data received from electricity and gas retailers covering the initial COVID-19 period. Comparing June 2019 with June 2020, average bill debts for household electricity and gas customers but the number of customers on a hardship program has reduced. Government actions like one-off hardship payments and the moratorium on disconnections have reduced the needs for payment plants.

For business customers, there have been sharp increases in the number of gas customers repaying bill debts and average bill debts. For electricity, there have been sharp decreases due to the Government's one-off \$2500 payment for small businesses. thanks to the one-off \$2500 small business offset payments.

Synergy is now considering whether the extend the disconnections moratorium beyond September.

Ms LaBombard provided an overview of the resources sector, noting that most commodity groups were operating well and as normal. The Chamber of Minerals and Energy is focussed on the movement of necessary workers across the state border, with around 1,500 people working in Western Australia but living in other states.

Ms Hayes noted that the Financial Counsellors' Association had received increased government funding, and so was now looking to recruit and train new counselling staff. She noted that Hardship Utility Grants applications were down due to other government assistance.

Mr Hall noted that the border closures, particularly the intrastrate closures, had presented a significant challenge to the agricultural sector but that the sector had proved itself essential and relatively resilient. He noted that it was clear that existing pandemic and crisis plans had not been enough to meet this challenge, and that there should be a review of how COVID-19 was handled at a later date.

Mr Hansen noted that the recent announcement of cuts to the rate of JobKeeper and JobSeeker were very concerning, and they were seeing an increase in small business owners accessing community support for the furt time. The WA Council of Social Services is also observing higher rates of family and domestic violence, and while the moratorium on rental evictions had kept many in their homes, the rate of homelessness was still high.

Ms Prodonovich noted that business confidence in regional communities had greatly improved since government support started flowing to communities, with 92 per cent of surveyed regional businesses now saying they were confident of surviving the crisis (up from 50 per cent in April). She also noted that Horizon Power was providing additional grants to those businesses that did not the fit the criteria for existing support programs.

Mr Claridge provided an overview of complaint data from the Energy and Water Ombudsman, noting complaints were down about 25 per cent year on year – largely due to the moratorium on electricity disconnections. He also noted that there seemed to be a cultural shift within energy retailers to treat customers' individual circumstances with more consideration, and this had been accelerated by COVID-19.

Mr Warland advised that the Property Council was focussed on commercial tenancy issues, local government rate reviews, residential construction and regulatory changes. He noted that Western Australia was the last state to put into place a code of conduct to guide landlords and tenants during COVID-19, and that the Council had some concerns with this code. He noted that sentiment in the construction sector was high, but the outlook for office tenancies was uncertain with office occupancy rates between 25 per cent and 50 per cent.

Mr Rajan noted that international students and temporary visa holders had been omitted from all government support programs, and while the Ethnic Communities Council had some Lotterywest

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funding to assist them, this would soon run out. He also noted that this was likely to affect the number of international students wishing to study in Australia in the future, and noted that there had been a disturbing surge in anti-Chinese racism during the pandemic.

Ms Grealish was unable to give her update as her microphone was not working. Her remarks will be circulated to members after the meeting.

### **3 ENERGY REFORM PROCESS - UPDATE**

Mr Sarawat provided an update on the energy transformation process and the expected effect on the ERA's functions.

The reforms are being driven by the need to manage the increasing amount of renewable, variable generation in the system, and will introduce more flexibility and update service standards and regulatory frameworks.

Mr Sarawat noted that the ERA would gain a number of new functions, including administration of the technical rules covering Western Power's network, more discretion to investigate non-compliance with the market rules and the power to levy infringements rather than just warnings.

These changes should ultimately benefit consumers by reducing the cost of regulation and making it easier to quickly identify and prevent wrongdoing by power companies.

Members asked questions about minimum pricing, customer choice, and the need for technological neutrality in the new regulatory system.

### **4 OTHER MATTERS**

Ms Cusworth stated that the next meeting was scheduled for 15 October 2020. At this stage, the meeting is intended to take place in person.

Members discussed the possible overlap with Energy policy WA's Advocacy for Consumers of Energy forum, and whether members would like to meet less regularly to accommodate their participation in that forum. Members advised they were happy to continue to meet as scheduled.

**Meeting closed at 12:14pm**

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NICKY CUSWORTH  
CHAIR, ERACCC