

Minutes

Meeting of the Economic Regulation Authority Consumer Consultative Committee

Meeting 4/2019

Date & Time: Thursday, 5 December 2019, 10:30am

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

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

1 WELCOME

The meeting opened at 10:35am. Chair Nicky Cusworth noted the apologies as listed above. Ms Cusworth noted that Rachelle Gill, Energy Policy WA's new consumer advocacy officer, was attending the meeting.

2 MINUTES OF PREVIOUS MEETING (12 SEPTEMBER 2019)

The minutes of Meeting 3/2019 on 12 September 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.

Ms Cusworth outlined the main points of the ERA's recent access arrangement decision for ATCO Gas Australia's distribution network, which was published in November. The ERA's decision will increase network charges by 5.7 per cent in 2020. These charges make up around 30 per cent of the average residential gas bill. Ms Cusworth discussed the difficulty in being able to calculate the exact likely impact for customers, as the maximum gas price is set by the Government and there are varying discounts on offer from retailers.

Members discussed the perverse incentives of discounting – that customers experiencing financial hardship may not be able to access discounts due to previous debts and also that customers accessing discounts generally must forgo the protections of a standard form contract. Ms Gill advised that this was an area of research in the eastern states that she was monitoring.

Ms Cusworth also provided members with an update on the process for finalising the ERA's inquiry. She advised that the ageing inquiry discussed at Meeting 3/2019 was unlikely to proceed now that the Royal Commission into Aged Care had delayed its final report until November 2020, meaning that the policy space is uncertain and the consultation space crowded.

Ms Cusworth invited members to send through any ideas they may have as we liaise with Treasury to progress other possible inquiry topics.

Members discussed an issue raised by the Ethnic Communities Council, about the high interest rate charged by energy retailers for late payments.

Representatives from Energy Policy WA advised that while Synergy's fees and charges were regulated by Government, the gas sector was unregulated. However, customers generally were provided the opportunity to negotiate with retailers on payment plans and whether interest payments could be credited toward future bills. Suresh Rajan, Ethnic Communities Council, discussed the difficulties that members of cultural and linguistically diverse populations had negotiating with retailers, or knowing that such negotiation was possible.

Marcus Claridge, Energy and Water Ombudsman's office, offered to come present to the Ethnic Communities Council on the Ombudsman process, including the language options available and the ability for other parties to act as advocate on behalf of vulnerable consumers.

4 ENERGY TRANSFORMATION TASKFORCE – CONSUMER PROTECTIONS

Kate Ryan and Matthew Martin, Energy Policy WA, attended to provide Members with an overview of the Government's Energy Transformation Strategy and specifically the customer protection aspects being considered or implemented.

The Energy Transformation Strategy was launched in May and is being delivered by a Taskforce chaired by former ERA Chair Steve Edwell. The Strategy intends to better plan for and integrate to fast uptake of new generation and distribution technologies into Western Australia's electricity grid and address the challenges of retiring or reducing older forms of generation.

Ms Ryan outlined the implementation work streams of the strategy, including system modelling for future scenarios, modernising the regulatory structures, and the integration of distributed energy

resources into the grid. She advised that inequity issues, such as access to solar energy for those who cannot afford to purchase solar panels, were being considered. – customer protection and engagement, licensing.

Mr Martin provided an outline of planned changes to the licensing framework for new technologies, like microgrids and stand-alone power systems. He advised that the changes were planned to be a framework that could be adapted as new technologies emerge, so that regulation can better keep pace with technological change.

Members asked questions including the setting of minimum standards for technologies, the next steps and consultation process, and how efficient costs were being determined through the modelling exercise.

Ms Ryan gave a brief overview of recent structural changes in Government's energy policy unit, with the Public Utilities Office becoming Energy Policy WA, and moving from Treasury to the Department of Mines, Industry Regulation and Safety.

5 ELECTRICITY DISCONNECTIONS – CCIWA UPDATE

Following a discussion at Meeting 3/2019, ERACCC Member Daniel Norrie, CCIWA, provided a presentation on business electricity disconnections and what this may say about the broader economic circumstances.

Mr Norrie provided an overview trading conditions for WA businesses, including that business investment has fallen by 60 per cent since 2012, and commercial property transactions have fallen by 80 per cent over a similar period.

Mr Norrie also discussed the lack of consumer spending, with Western Australian households focussed on paying down debt.

Members discussed whether productivity was a meaningful economic indicator in Western Australia given the growth in health, education and personal services, and whether a possible inquiry or reference topic for the ERA could be the development of alternative economic markers for the State.

6 ENERGY AND WATER OMBUDSMAN'S REPORTS

The quarterly reports from the Energy and Water Ombudsman were taken as read. Marcus Claridge, Ombudsman's office, attended. There were no questions from members.

7 OTHER MATTERS

Ms Cusworth stated that the next meeting was scheduled for 19 March 2020, and invited members to stay for lunch to mark the end of the year.

Meeting closed at 12:30pm

LUNCH

NICKY CUSWORTH
CHAIR, ERACCC