

## Minutes

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

#### Meeting 3/2020

**Date & Time:** Thursday, 29 October 2020, 10:30am

**Location:** ERA Offices, Level 4, Albert Facey House, 469 Wellington St Perth WA 6000

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<b>Attendees:</b>	Nicky Cusworth	Chair, ERA
	Jenness Gardner	Chief Executive Officer, ERA
	Paul Kelly	Executive Director, Regulation & Inquiries, ERA
	Jason Dignard	Principal Regulatory Advisor
	Paul Reid	Assistant Director, Utility Services Regulation, ERA
	Natalie Warnock	Manager Strategic Communications, ERA
	Angela Newland	Synergy
	Marcus Claridge	Energy and Water Ombudsman
	Tim Dymond	UnionsWA
	Melanie Every	Financial Counsellors' Association WA
	Tom Filov	Department of Mines, Industry Regulation and Safety
	Nebojsa Franich	WA Local Government Association
	Rachelle Gill	Energy Policy WA
	Doug Hall	Pastoralists and Graziers' Association
	Graham Hansen	WA Council of Social Services
	Adrienne LaBombard	Chamber of Minerals and Energy WA
	Daniel Norrie	Chamber of Commerce and Industry WA
	Nicholas Warland	Property Council of Australia WA
<b>Apologies:</b>	Roberta Grealish	Consumer Credit Legal Service WA
	Nebojsa Franich	WA Local Government Association
	Penny Lipscombe	Department of Mines, Industry Regulation and Safety
	Kitty Prodonovich	Regional Chambers of Commerce WA
	Suresh Rajan	Ethnic Communities Council of WA
	Rhys Turton	WA Farmers Federation

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## **1 WELCOME**

The meeting opened at 10:33am. Chair Nicky Cusworth noted the apologies as listed above.

Ms Cusworth welcomed all members to the first in-person ERACCC meeting of 2020, after meeting online due to the COVID-19 pandemic. She also welcomed Tom Filov and Melanie Every to their first ERACCC meeting.

## **2 MINUTES OF PREVIOUS MEETINGS**

The minutes of Meetings 4/2019, 1/2020 and 2/2020 were accepted as a true and correct record of the meeting.

## **3 COVID-19 UPDATE**

Ms Cusworth invited members to provide a brief update on the experiences of their organisations, members and stakeholders of the COVID-19 pandemic.

Ms LaBombard, Chamber of Minerals and Energy, noted that resources businesses continued to focus efforts on managing the flow of staff across the State's hard border. Access to specialist skills is expected to be difficult over the next 18 months.

Mr Hansen, WA Council of Social Service, noted that member organisations were waiting to see what happened as government support programs were reduced and moratoriums on disconnections and evictions started to wind up. He also noted that there were emerging shortages of some staple foods.

Mr Hall, Pastoralists and Graziers Association WA, noted that his stakeholders were export-focused, so border closures continued to have a significant effect on businesses, along with access to migrant workers.

Ms Gill, Energy Policy WA, noted that the State Government's \$600 energy credit payment would be applied for all residential accounts from 1 November 2020. She noted that considerable work was happening to ensure that all customers, including those behind the meter, received the credit. She noted that the disconnections moratorium had been changed to provide more encouragement for customers to speak to their retailer.

Mr Franich, WA Local Government Association, noted that some regional and remote councils were concerned about how they might deal with a COVID-19 outbreak over summer, particularly as they would be managing bushfire and cyclone season at the same time. He also noted that WALGA was coordinating the allocation of federal government road and infrastructure funding.

Mr Warland, Property Council of Australia WA, noted that despite economic conditions some councils were increasing their rates by double digits – for example, the City of Perth. He expressed concern with the extension of eviction moratoriums for commercial tenancies, noting that around \$4.8 billion in rent relief had been provided by property owners across Australia.

Mr Dymond, UnionsWA, noted that his organisation was still lobbying for paid pandemic leave to be made available for all workers, across the State, as well as ensuring that the Federal JobKeeper and JobSeeker payments connected correctly with the State's industrial relations system.

Ms Every, Financial Counsellors' Association of WA, noted that one positive outcome of the pandemic appeared to be a more customer-centric view of financial hardship and its management. She also advised that, under recent changes, small businesses could now use FCAWA's services for debt management.

Mr Claridge, Energy and Water Ombudsman's offices, noted that there had been a sharp decrease in the number of complaints received related to bills – mostly due to the assistance payments and disconnections moratorium.

Mr Norrie noted that the Chamber of Commerce and Industry WA was hoping to see some clarity on when the State's border would re-open, which would assist businesses to address local skills shortages. He also agreed with other members that the economic effects of the pandemic were

currently being masked by various government support measures, and it was unclear what would happen as that support was wound back.

Tom Filov, Consumer Protection, noted that his team had been engaged on ensuring that national cabinet decisions like the evictions moratorium were being enacted correctly in Western Australia.

Ms Newland, Synergy, noted that the electricity disconnections moratorium was due to expire in early 2021, and that Synergy was currently working to identify any hidden hardship customers currently not covered by support measures.

## **MORNING TEA**

### **4 FINANCIAL HARDSHIP DATA**

Paul Reid, ERA, provided an overview of the monthly financial hardship data the ERA has been collected since March 2020, to monitor the effect of the COVID-19 pandemic on hardship in Western Australia.

The data covers small use electricity and gas customers, which includes households and small businesses.

Mr Reid noted that, for household electricity customers, the ERA is observing the amount of bill debt rising, while the number of customers taking part in a hardship program is declining. This is likely due to the disconnections moratorium, which reduces the incentive for customers to engage in a hardship program. The State Government is due to provide all households with a \$600 energy credit from 1 November 2020, which will see the average bill debt reduce.

For household gas customers, bill debts are mostly unchanged over the past six months, except for AGL which has reported an increase.

For business customers, the average bill debt for Horizon customers has declined, while for Synergy it has risen slowly. The data for business gas accounts is much more mixed.

Mr Reid noted that the ERA's annual data report for 2019/20, covering a range of indicators across electricity and gas, should be released in December 2020 or January 2021.

### **5 CONTAINER DEPOSIT SCHEME UPDATE**

Jason Dignard, ERA, provided members with a brief overview of the ERA's role conducting price monitoring for the State Government's Containers for Change scheme, which commenced operation on 1 October 2020.

The Treasurer has asked the ERA to monitor any effect on beverage prices, and to release two reports – one after the scheme has been operating for six months, and one after it has been operating for 12 months. The final report is to include any recommendations to mitigate any observed price increases, including whether the ERA should continue to conduct a price monitoring role.

The ERA has acquired data for the Perth metropolitan area via an industry data source and has contracted a local company to collect data in regional and remote areas of Western Australia.

Mr Dignard noted that a number of states had recently introduced container deposit schemes, and so the ERA had taken on and adapted the methods adopted by other regulators conducting similar roles.

Members asked questions including the average cost increases observed in other states that have introduced container deposit schemes. Mr Dignard noted that average cost increases in other states had been fairly close to the cost of the administration of the scheme.

### **6 GUEST PRESENTATION – SYNERGY**

Angela Newland, Synergy's manager of retail operations, attended ERACCC to present to members the early results of a number of trial programs that Synergy has been running to manage financial hardship.

**Minutes**  
**Meeting 3 of 2020 – ERACCC – 29 October 2020**

Synergy has introduced individual case management for 822 chronic hardship customers in a pilot program operational since May. This program includes incentivising small, regular bill payments and education about energy reduction and runs until the end of October 2020. Synergy will then explore how to roll out learnings from this program to its broader operations.

Synergy has also constructed an online portal for financial counsellors, which reduces time and administrative effort for financial counsellors to access customer information. Around 90 financial counsellors are currently using the portal. Synergy intends to broaden the use of the portal to allow counsellors to set up payment plans and remove customers from the disconnections listing.

Ms Every noted that these programs were assisting customers by reducing their engagement with Synergy and their need to restate their case to multiple employees.

Synergy is also using smart meter technology to conduct a trial of engaging with customers with very high energy usage to reduce their bills. Customers receive notifications as their energy use starts to peak, set usage goals, and receive bill discounts of between \$40 and \$60 if they reach those goals.

Ms Newland also discussed the effect of the State Government's disconnections moratorium on its operations, noting that there were 30,000 customers currently technically eligible for disconnection. However, this figure is realistically closer to 3,000 after taking into account those customers willing to engage with Synergy to enter payment plans and financial hardship programs.

Ms Newland noted that the State Government's \$600 energy payment to all customers would reduce the number of hardship customers across the various categories monitored by Synergy, including:

- customers with payment difficulties: from 95,128 down to around 51,000
- customers in financial hardship: from 32,358 down to around 20,000
- customers in chronic hardship: from 1,336 to under 1,000.

Synergy is currently working on strategies to keep those numbers down after the \$600 payments have been made.

## **7 OTHER MATTERS**

Members discussed whether the ERA was likely to receive another economic inquiry shortly, and particularly whether the ERA would conduct an inquiry into local government rates. Ms Cusworth advised that this was unlikely to occur before the March 2021 state election.

**Meeting closed at 12:47pm**

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NICKY CUSWORTH  
CHAIR, ERACCC