



wacoss

Western Australian
Council of Social Service Inc

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a difference*

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Mr Paul Reid
Assistant Director, Monitoring
Economic Regulation Authority
Perth WA 6000

9/5/2011

WACOSS Submission to ERA on its Compliance Enforcement Policy

Dear Paul,

WACOSS is pleased to provide a submission on the Authority's Compliance Enforcement Policy.

About WACOSS

The Western Australian Council of Social Service (WACOSS) is the leading peak organisation for the community, and represents 300 member organizations and individuals, and over 800 organizations involved in the provision of services to individuals, families and children in the community. Each year, WACOSS member organizations deliver community services to hundreds of thousands of West Australians.

WACOSS is part of a national network consisting of State and Territory Councils of Social Service, and the Australia Council of Social Service (ACOSS). Our national coverage strengthens our capacity to represent the interests of low income and disadvantaged West Australians across the breadth of State and National agendas.

Our Submission

WACOSS is broadly supportive of the compliance enforcement policy and agrees with the Authority's educational and persuasive approach to encourage licensees to implement a compliance framework.

Electricity, gas and water are essential services. It is necessary that utility companies "adhere to the requirements of laws, industry and organizational standards and codes, principles of good governance and

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accepted community and ethical standards"¹ so that consumers are not adversely affected in any manner.

In light of recent non-compliance issues in electricity retail, WACOSS calls for a review of specific aspects of the compliance enforcement policy as outlined in the following paragraphs.

- *Expand the Purpose of the policy to include social well-being as an outcome of compliance enforcement:*

WACOSS suggests that the Authority should foster a culture of compliance by strengthening its focus on social well-being for licensees' customers as an outcome of compliance enforcement. With social well-being as the ultimate outcome, the Authority can signal licensees to go beyond obligatory compliance and critically reflect upon the outcomes of their daily organizational practices and processes.

WACOSS suggests that the Authority include the following statement in the section titled "Purpose of this Policy":

"assist licensees in developing a culture of compliance within their organizations so as to achieve social well-being for their consumers"

- *Expand Enforcement Aims to reflect social well-being for licensees' customers as the desired outcome:*

Compliance enforcement is desired so that licensees direct their actions towards creating and maintaining social well-being for their customers. WACOSS suggests that the Authority expand its Enforcement Aims to include the following:

"encourage licensees to work towards maintaining social well-being for their consumers"

- *Create enabling environment for best practice in compliance:*

WACOSS supports the Authority's policy on voluntary adoption of compliance programs and recommends that an enabling environment for best practice in compliance be created. To complement guidelines and manuals that assist licensees understand their obligations, the Authority should consider publishing case examples of best practices in compliance enforcement.

¹ AS3806-2006 Compliance Program

The Authority could also delineate different levels of voluntary compliance as high, medium or low by identifying guiding principles compiled in Australian Standard Compliance Programs as those which must be followed and those which should be followed. This will assist licensees in working towards benchmarks.

The Authority could consider providing incentives for a licensee's high levels of compliance or high intention to mitigate risk from a contravention.

- *Encourage engagement with consumer representatives:*

WACOSS notes that the Authority has put in place Memoranda of Understanding with Government departments and the Energy Ombudsman to consult on relevant matters as well as discuss complaints.

WACOSS also recognises that the Authority engages with consumer representatives through both formal and informal channels. Consumer representative organisations are an important conduit of information and often bring to attention utility related complaints which may indicate a systemic issue.

WACOSS suggests that the Authority use the Compliance Enforcement Policy to encourage licensees to engage in dialogue and work with affected and interested stakeholders to rectify any actions of non-compliance and work with consumer representatives to prevent breaches or contraventions in the future.

WACOSS looks forward to engaging with the Authority on enforcing compliance in the interest of all consumers and thanks the ERA for an opportunity to make this submission.

Please feel free to call Aditi Varma (Senior Policy Officer, Essential Services) if you have any queries related to this submission.

Yours sincerely,



Irina Cattalini
Chief Executive Officer
WACOSS