

Minutes

Meeting of the Economic Regulation Authority Consumer Consultative Committee

Meeting 3 / 2015

Date & Time: Monday, 14 September 2015, 1:00pm

Location: Ken Michael Room, 4th Floor, Albert Facey House
469-489 Wellington Street

Attendees:

Dr Stephen King	Member, ERA (<i>ERACCC Chairman</i>)
Mr Paul Kelly	Executive Director, Licensing Monitoring & Customer Protection (LMCP), ERA
Ms Caroline Coutts-Kleijer	A/Assistant Director Customer Protection, ERA
Ms Sarah Lyons	A/Assistant Director Customer Protection, ERA
Mr Matthew Sargeant	Chamber of Commerce & Industry of WA
Mr Benjamin Hammer	Chamber of Minerals & Energy of WA
Mr Charles Brown	Financial Counsellor's Association of WA
Ms Rebecca Douthwaite	Property Council of Australia
Ms Irina Cattalini	WACOSS
Mr Paul Schollum	WA Local Government Association (WALGA)
Mr Gary Newcombe	Consumer Protection, Department of Commerce
Mr Marcus Claridge	Energy and Water Ombudsman's Office

Apologies:

Ms Christine Coyne	Aboriginal Affairs Consultant, Christine Coyne & Associates
Mr Chris Wyhoon	WA Farmers Federation

Absent:

Mr Leon Bradley	Pastoralists & Graziers Association
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Presenters:

Mr Greg Watkinson	Chief Executive Officer, ERA
Mr Charles Brown	Executive Officer, Financial Counsellor's Association of WA
Mr Tyson Self	Assistant Director, Gas Access, ERA
Mr Geoff White	Manager Customer Service, Horizon Power
Mr Jeremy Threlfall	Assistant Director, Rail, ERA

Minutes
Meeting 3 of 2015 – ERACCC – 14 September 2015

1 WELCOME & APOLOGIES

Dr Stephen King chaired the meeting. Dr King noted the apologies as listed above and welcomed members to the third meeting of 2015.

2 MINUTES OF MEETING 2/2015 HELD ON 2 June 2015

The minutes were accepted as a true and correct record of the meeting.

3 STATUS REPORT

Dr King invited Mr Paul Kelly to speak to the LMCP sections of the Status Report. Mr Kelly highlighted the following:

- The amendments to the electricity retail licences of AER Retail Pty Ltd and Amanda Energy Pty Ltd, allowing both licensees to supply electricity to small use customers consuming more than 50 MWh of electricity per year.
- The first operational audits and asset management reviews of the 17 Local Government Authority sewerage and non-potable water licensees under the *Water Services Act 2012* have seen a mixed result. The Department of Water is currently considering whether to remove the requirement for these service providers to be licensed.
- The Electricity Code Consultative Committee's Draft Review Report on the 2015 review of the *Code of Conduct for the Supply of Electricity to Small Use Customers* was released for public consultation today.

Dr King spoke to the Status Report, highlighting the following:

- The public consultation period for submissions on the Draft Report on the *Inquiry into the Efficiency and Performance of WA Prisons (Prisons Inquiry)* closed recently. The ERA is currently considering the submissions received.
- The ERA has published an amended Final Decision revising ATCO Gas Australia's Pty Ltd Access Arrangement for the Mid-West and South-West Gas Distribution Systems.
- The ERA is currently finalising its Draft Report on the third review of the Railways Access Code. The report is scheduled to be released shortly.

4 ERA PRESENTATION – ERA Work Program 2015-2016

Mr Greg Watkinson, Chief Executive Officer, ERA, provided an overview of the ERA's 2015-2016 Work Plan and highlighted some of the main areas of work for the ERA during the current financial year, including:

- The review of all three gas access arrangements; the Mid-West and South-West Gas Distribution System, the Goldfields Gas Pipeline, and the Dampier to Bunbury Natural Gas Pipeline.
- Participation in the Public Utility Office's electricity market review.
- Finalisation of the ERA's Prisons Inquiry and the ERA's investigation into Vinalco Energy's pricing behaviour.

ERACCC members also discussed the status of the ERA's report on the operation of the Electricity Generation and Retail Corporation's regulatory scheme.

Mr Watkinson and Dr King answered questions from members regarding the areas the ERA was likely to comment on in its final report on the Prisons Inquiry. Mr Watkinson noted that the ERA was particularly concerned about the lack of accurate data, and use of data, relating to the performance of the current prison system.

5 GUEST PRESENTATION – Horizon Power Metering Project

Mr Geoff White, Manager Customer Service, Horizon Power, provided an overview of Horizon Power's Advanced Metering Infrastructure program (AMI). Under AMI, the meters of all of Horizon Power's customers will be replaced with a "smart meter". These meters are able to provide up-to-date metering information to Horizon Power and can be programmed remotely (e.g. disconnected or reconnected, or switched to a pre-payment setting). The program is expected to save money over time as meters no longer have to be read manually and Horizon Power can determine from headquarters whether an outage is due to a fault on its network, or a fault in the customer's electrical installation. Other benefits are a significant reduction in the number of estimated bills, and better visibility of the disconnection patterns of pre-payment meter customers (allowing Horizon Power to contact those customers and offer hardship assistance).

6 MEMBERS PRESENTATION – FCAWA Budget Update

Mr Charles Brown, Executive Officer, Financial Counsellors' Association of WA, provided an overview of the funding issues faced by the financial counselling sector.

On 5 June, the WA Government announced funding cuts that would have resulted in the closure of all state-funded face-to-face financial counselling services in the Perth metropolitan area. The decision caused outrage in the financial counselling sector and was widely reported on in the media. The financial counselling sector has since met with Government and some of the funding has been reinstated. Negotiations are still ongoing.

Mr Brown noted that the issue had highlighted to FCAWA the importance of good data collection; not only to counter some of the (mis)information being reported in the media but also to better be able to sell the work that you do and how it benefits the community.

Ms Irina Cattalini noted that the Hardship Utility Grant Scheme (HUGS) Steering Committee had been disbanded and it is unclear at this stage whether the Committee will be reinstated. Mr Cattalini further noted that the decision to no longer require the involvement of a financial counsellor for HUGS grants could have unintended consequences. Whereas a financial counsellor will use a HUGS grant to achieve the best outcome for a customer, a retailer is likely to try and persuade a customer to use the full grant to pay their bill with that retailer; which could result in other utility bills being left unpaid.

7 ERA PRESENTATION – ATCO Access Arrangement

Mr Tyson Self, Assistant Director, Gas Access, ERA provided an overview of the ERA's amended Final Decision revising ATCO Gas Australia Pty Ltd's Access Arrangement for the Mid-West and South-West Gas Distribution Systems. Mr Self discussed the review process undertaken by the ERA and some of the key amendments made by the ERA to ATCO's proposed Access Arrangement. Many of the changes resulted from the ERA's view that costs should be borne by the person receiving the benefit; they should not generally be distributed over the total customer base.

Mr Self noted that the decision would result in significantly lower usage charges for all users. However, the standing charge for B3 (residential) users would increase as the current standing charge does not cover the actual cost of maintaining a connection. This would mean that customers who use very little gas may be worse off.

8 ERA PRESENTATION – Review of the Railways Access Code

Dr King proposed to postpone Mr Jeremy Threlfall's presentation on the Review of the Railways Access Code to the next ERACCC meeting as today's meeting was running significantly behind schedule. Members agreed with Dr King's proposal.

9 ENERGY OMBUDSMAN'S REPORT

The report was taken as read. Mr Marcus Claridge, Director of Energy, Energy Ombudsman briefly highlighted customer complaint trends in electricity, gas and water. Mr Claridge noted that energy billing complaints have reduced significantly, whereas gas disconnection complaints have increased. However, the overall number of gas disconnection complaints remains low.

10 NOMINATION OF MEMBER TO PRESENT AT NEXT MEETING

Ms Cattalini offered to give a presentation at the next ERACCC meeting on Sustainable Development Goals in WA. Ms Cattalini also noted that Mr Chris Twomey, WACOSS, would be pleased to give a presentation on the work he had undertaken on the (lack of) consumer representation in the WA energy sector.

11 MEMBER'S ISSUES & QUESTIONS (Questions on notice)

There were no questions or issues raised on notice.

12 CHAIRMAN'S TAKE AWAY & AGREED MESSAGE FOR THE COMMUNIQUE

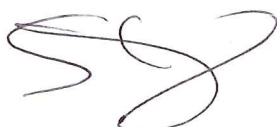
Dr King thanked Member Presenter Mr Charles Brown, Guest Presenter Mr Geoff White and ERA presenters Mr Greg Watkinson and Mr Tyson Self for their presentations. Dr King also thanked members for their attendance and active participation.

Dr King noted that a common theme of the day's presentations and discussions was the importance of data collection. Dr King proposed that the ERACCC's agreed message for the communique would be that the ERACCC encourages government to consider the importance of good data, especially where the data is obtained from customers themselves, and to use that data for the design of better policies and institutions, particularly in the area of human services. Members supported Dr King's proposal.

13 DATE OF NEXT MEETING

The next meeting will be held on Wednesday, 9 December 2015 at 1.00pm (including Christmas lunch at 12:30).

Meeting closed at 3:50pm



DR STEPHEN KING
CHAIR, ERACCC