

Minutes

Meeting of the Economic Regulation Authority Consumer Consultative Committee

Meeting 1/2021

Date & Time: Thursday, 29 April 2021, 10:00am

Location: Online via Microsoft Teams

Attendees:	Nicky Cusworth	Chair, ERA
	Jenness Gardner	Chief Executive Officer, ERA
	Robert Pullella	Principal Advisor, Regulation & Inquiries, ERA
	Natalie Warnock	Manager Strategic Communications, ERA
	Colin Pettitt	Commissioner for Children and Young People
	Marcus Claridge	Energy and Water Ombudsman
	Tim Dymond	UnionsWA
	Melanie Every	Financial Counsellors' Association WA
	Penny Lipscombe	Department of Mines, Industry Regulation and Safety
	Rachelle Gill	Energy Policy WA
	Roberta Grealish	Consumer Credit Legal Service WA
	Doug Hall	Pastoralists and Graziers' Association
	Graham Hansen	WA Council of Social Services
	Adrienne LaBombard	Chamber of Minerals and Energy WA
	Kitty Prodonovich	Regional Chambers of Commerce
	Nick Warland	Property Council of Australia WA
Apologies:	Dana Mason	WA Local Government Association
	Suresh Rajan	Ethnic Communities Council of WA

1 WELCOME

The meeting opened at 10:02am. Chair Nicky Cusworth noted the apologies as listed above.

2 GUEST PRESENTATION – CHILD IMPACT ASSESSMENT

Colin Pettitt, Commissioner for Children and Young People, provided an overview of the Child Impact Assessment Guidelines, which provide local and state governments with information on how to consider the effect of policy decisions on children and young people in Western Australia.

The Commissioner is responsible for upholding the United Nations Convention on the Rights of the Child in Western Australia, including that the best interests of children be taken into account in all decisions that affect them.

The Child Impact Assessment provides a simple framework in which agencies and organisations can consider how their decisions affect children and young people, and how projects can include the considerations and needs of young people in their planning. The Child Impact Assessment is not yet mandatory in Western Australia, but is required for all cabinet proposals in other jurisdictions like New Zealand.

Mr Pettitt noted that a number of local government authorities, including the City of Wanneroo, had established working groups with children to involve them in the development of policy and public works.

Members asked questions, including whether issues related to children and young people also carried over to the broader population. Mr Pettitt noted that in a survey conducted with 5,000 young Western Australians in 2019, they found that mental health, gender equity, personal safety and support for Aboriginal and Torres Strait Islander peoples were the areas of chief concern for young people.

3 COVID-19 UPDATE

The Chair asked members to provide an overview of how the COVID-19 pandemic was affecting their members and organisations, particularly in light of economic support packages starting to be withdrawn, and the two short lockdowns in the Perth and Peel region in February and April 2021.

Mr Dymond, Unions WA, noted that the effect of the \$600 electricity credit could be seen in the most recent Consumer Price Index figures, which showed rising inflation. However, wages, and particularly the minimum wage, are not increasing.

Ms Grealish, Consumer Credit Legal Service, advised that the telephone advice service had been relatively quiet, largely due to the moratoria on disconnections and evictions. As those moratoria were wound back and other financial assistance packages ceased, she expected to see an increase in calls to the service.

Mr Hall, Pastoralists and Graziers' Association, noted that agriculture had been fairly resilient throughout the pandemic, however access to labour was a challenge for the industry.

Ms Every, Financial Counsellors' Association, noted that government support for financial counselling had come too early in the pandemic, and real and urgent needs were emerging now as support programs were withdrawn and those in hardship sought out financial counselling.

Mr Hansen, WA Council of Social Service, noted that the most urgent issue at the moment was rental affordability, with a very tight rental market pushing up prices. WACOSS is working with Consumer Protection to ensure those in need receive rental relief grants. The lockdowns and cyclone Seroja had also put pressure on organisations providing social services.

Ms LaBombard, Chamber of Mineral and Energy, noted that the CME had published a recent report into how the resources sector had fared during the pandemic. Mostly, the sector had proven resilient but access to skilled labour continues to be a major concern.

Ms Prodonovich, Regional Chambers of Commerce, agreed that labour shortages were an urgent issue, as well as the supply of goods to regional areas. She noted that many businesses fell into the gap between existing government support programs, and so were struggling.

Mr Warland, Property Council, also agreed that labour shortages and supply issues were a concern, as well as the activation of the CBD following the lockdowns where most office workers worked from home.

Mr Claridge, Energy and Water Ombudsman's Office, advised that the level of water complains has remained static over the course of the pandemic, while gas and electricity complaints have been low. He expects gas and electricity complaints to increase over coming months.

Ms Gill, Energy Policy WA, advised that hardship levels were beginning to increase again as support programs were wound down and the \$600 energy assistance payment used by many customers. The disconnections moratorium remains in place for those experiencing financial hardship until 1 July 2021, but those who have not identified as being in hardship can now be disconnected.

Ms Lipscombe, Consumer Protection, noted that residential tenancy issues were a current focus, including the provision of rental relief grants and administering the conciliation program. She advised that staff from Anglicare were now based in the Consumer Protection office, allowing those in immediate distress to be referred.

4 ACCESS REGULATION IN TIMES OF TRANSFORMATION

Robert Pullella, ERA, provided an overview of two issues the ERA was dealing with in the access space, related to technological and economic change.

The first issue was raised in the ERA's review of the access arrangement for the Dampier to Bunbury Natural Gas Pipeline, which was completed on 1 April 2021.

Due to increased competition from renewable energy sources, the owners of the pipeline DBP proposed to substantially reduce the economic life of the pipeline, capping it at 2059. This would allow the capital value of the pipeline to be fully recovered by DBP by that time. The ERA was one of the first regulators to consider such an issue, but is unlikely to be the last.

The ERA administers the National Gas Rules, and has limited discretion as to how it can view this issue. Ultimately, the ERA decided to allow the life of the pipeline to be capped at 2063, which DBP accepted. On its own, this decision would have pushed up transmission tariffs by 3.3 per cent, but due to other aspects of the ERA's decision, the net effect on tariffs was nil.

The ERA has asked the Federal rule-maker, the Australian Energy Market Commission to look at this issue further.

Unlike gas, the electricity market and access regime is set by State laws, and many of the emerging issues in the market are being addressed by the Energy Transformation Strategy.

The ERA is due to commence its review of Western Power's access arrangement in early 2022. Under recent changes to the Access Code, the code objective has been changed to include consideration of the environmental consequences of energy supply and consumption, including land use, biodiversity, energy efficiency and carbon emissions.

The ERA is currently considering how it will consider these issues, alongside the regulatory tests we already apply to the various aspects of Western Power's access arrangement review.

Members asked questions, including whether this environmental objective duplicated existing environmental regulation. The Chair advised that this did not duplicate environmental regulation, rather just adding a new lens to the how the ERA must consider issues.

5 OTHER MATTERS

Mr Dymond requested that the State Government's Distributed Energy Resources Roadmap, and how this crosses over with the ERA's functions, be added to the agenda for the next meeting.

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Meeting 3 of 2020 – ERACCC – 29 October 2020

The next meeting is scheduled for Thursday, 22 July 2021.

Meeting closed at 12:00pm

NICKY CUSWORTH
CHAIR, ERACCC