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Mr Bill Boehm
General Manager
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Dear Mr Boehm

OTTER CUSTOMER CONSULTATIVE COMMITTEE

The Flinders Council is currently a member of the OTTER Customer Consultative Committee (OCCC), which is an advisory committee established by the Tasmanian Economic Regulator under the State's electricity, water and sewerage and natural gas legislation.

The current member organisations were appointed for a period of three years from 1 May 2016 to 30 April 2019. I am seeking your advice as to whether the Flinders Council would like to continue to have representation on the OCCC for the next three years.

To ensure that the OCCC provides advice to the Economic Regulator in matters that relate to the electricity, water and sewerage and natural gas industries, member organisations are jointly appointed by the Minister for Energy and the Economic Regulator, who also set out the terms and conditions of the appointment.

The OCCC plays an important part in the regulatory frameworks for electricity, natural gas and the water and sewerage industries in Tasmania, as one of the Regulator's objectives in carrying out its functions is to protect the interests of consumers. The OCCC provides advice to the Regulator, on a regular basis, on issues that are important to customers from the perspective of the member organisations. It also enables the Regulator to advise OCCC members of regulatory developments in the relevant industries as they emerge and seek their views. A copy of the OCCC's scope is attached.

If you are aware of other organisations that might be interested in attending OCCC meetings, please let me know.

The Office of the Tasmanian Economic Regulator is seeking the views of OCCC members on matters such as the frequency of meetings, where an option is to meet six monthly rather than quarterly, and what additional matters these meetings might cover so that they are most useful to members. We are contacting representatives separately on these issues.

I look forward to your response and would appreciate your advice by **17 April 2019**.

Yours sincerely

Chris Lock
DIRECTOR

22 March 2019

Encl.



OTTER Customer Consultative Committee – Scope May 2016

The Electricity Customer Consultative Committee was first established by the Treasurer under the *Electricity Supply Industry Act 1995* (ESI Act) in 1998 to advise the Regulator on issues affecting electricity customers.

The Regulator, in his capacity as Director of Gas, subsequently established an advisory committee pursuant to section 15 of the *Gas Act 2000* (Gas Act) in February 2002 – the Gas Customer Consultative Committee. That body had the role of providing the Regulator with input on issues affecting gas customers. The Minister for Infrastructure, Energy and Resources appointed organisations to the Committee.

In 2004, The Treasurer and the Minister supported the Regulator's recommendation to the merger of the Electricity and Gas Consultative Committees to form a single committee, the Energy Customer Consultative Committee, to advise the Regulator on issues of importance to electricity customers and gas customers.

In 2009, the Treasurer and the Minister supported the Regulator's further recommendation to expand the role of the ECCC to advise the Regulator on customer issues relating to the water and sewerage sector. The name of the Committee has been changed to the OTTER Customer Consultative Committee (OCCC).

The *Economic Regulator Amendment Act 2015*, (ERA Act) also implemented changes to the ESI Act and *Water and Sewerage Industry Act 2008* (W&SI Act) to enable the Regulator to appoint members to any committees that he or she establishes and the terms and conditions of appointment (whilst still maintaining the Treasurer/ministerial approval process as an option).

As a rule, organisations rather than individuals have been appointed as members of the Committee. This is to ensure accountability of members to constituent customer groups and to facilitate consultation. Specific persons to represent the organisations at Committee meetings are nominated by the organisation. A proxy may be nominated by an organisation to attend meetings in lieu of the nominated representative, subject to approval by the Chair prior to the meeting.

The Chair of the OCCC will be the Tasmanian Economic Regulator or its nominated representative.

The Treasurer or the Regulator is responsible for appointing organisations to serve as members of the OTTER Customer Consultative Committee under section 12 of the ESI Act. The Treasurer has the same responsibility under section 24 of the W&SI Act while the Regulator has the same responsibility under section 8 of the W&SI Act. The Minister for Energy has the same responsibility under section 15 of the Gas Act.

Therefore, statutory requirements have necessitated two ministerial appointments.

4(f) of the Gas Act provide that one of the Regulator's objectives is to protect the interests of consumers of electricity and gas. An objective of the W&SI Act is to protect the long-term interests of customers.

Role of the Committee

The Committee is an important part of the regulatory framework for the electricity and natural gas supply industries and the water and sewerage sector. It ensures that groups representing customer interests are informed as to developments in these industry sectors and that the Regulator is informed of issues from the perspective of those groups.

Committee's Objectives

The key objectives of the Committee are:

- to provide the Regulator with input on issues affecting electricity, gas and water and sewerage customers.
- to provide a forum for dialogue between the Regulator's Office (and other regulatory bodies, such as the Ombudsman, ACCC, health and environmental regulators) and customer groups. Customer groups may:
 - voice concerns;
 - advise of customers' needs and views;
 - raise issues; and
 - provide feedback.
- to facilitate consideration of customer concerns in decision making by the Regulator and regulated industry bodies.
- to be an active body in the discussion of customer issues.
- to advise the Minister/Treasurer and/or the Regulator on specified aspects of the administration of the ESI Act the Gas Act and/or W&SI Act.

Committee's Outputs

The following are the desired outputs for the Committee:

- The Committee making a substantial contribution to the development of regulatory instruments and technical and customer service standards.
- The Regulator and relevant regulated industry bodies acting upon comments and suggestions made by the Committee.
- The Regulator and relevant regulated industry bodies receiving the views of organisations appointed to the Committee through their representatives attending meetings.
- The Committee providing a forum in which residential and business customers' interests are effectively represented.
- Members perceiving the Committee as being of value to their organisations.
- Complementing other contact between Committee member bodies, OTTER and industry bodies that occurs outside meetings.