

06 November 2017

Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Mr Pattas,

DRAFT DECISION: -

DNSP applications for waivers from the Electricity Distribution Ring-fencing Guideline.

Master Electricians Australia (MEA) is a modern trade association representing electrical contractors. As a driving force in the electrical industry and a major factor in the continued success and security of electrical contractors, MEA is recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. The organisation's website is: www.masterelectricians.com.au.

We appreciate the opportunity to provide feedback regarding the Draft Decision. We recognise and fully support the reports clarity regarding the waivers. Specifically, we support the statement

"We note that our draft decision is made on the basis of the information submitted to us by the DNSPs in their respective applications and submissions. We note that the proposed waivers apply only in the circumstances and under the conditions described to us by each of the DNSPs in those documents. The proposed waivers would not apply in any other circumstances. Aside from where waivers apply, we expect that all DNSPs will comply with the Guideline in all other circumstances, and in all other respects"

MEA supports the decision regarding the so named "Waiver Group 1 – Reclassification of Services"

MEA supports the decision regarding the so named "Waiver Group 2 – Legal/functional separation"

whereby the vast majority of the decision relates to a limited 6 month extension. It is MEA view that no further revision of this 6 Month timeframe should be considered. It is our view that the DNSP should submit a report to the AER on 1 April 2018, detailing the progress on separation. The report should be made publicly available through the AER and distributed to relevant parties and industry participants.

MEA DOES NOT supports the decision regarding the so named “Waiver Group 3 – Branding”.

MEA does not support a 2-year process for branding conversion in Ergon Energy. Ergon has raised issues about consultation regarding uniform material and construction. MEA does not agree a “brand” or “Corporate name” or “embroidery” on a set of clothes will take 2 years to change. The Queensland Government has recently introduced Energy Queensland and the related entity Energy Impact brands, in our view it is disingenuous for these organisations to fain such an impost.

The DNSP does not have to change the “clothing” just the name on the front pocket / overalls being used.

MEA can report, to the AER, that Energex and Ergon have reached an in principal agreement regarding a new enterprise bargaining agreement (EBA) with the workforce and relevant Unions. This in principal agreement has been achieved some 6 months prior to the current agreement concluding. We suggest that this indicates the relationship between Energex Ergon and the relevant Trade Unions and employees is at an all-time high. Given how easily this agreement has been put in place MEA suggests that the difficulties faced by the Ergon in relation to staff relations and choosing a new logo to put on clothing is at best overstated and at worst has been either ignored or forgotten about during negotiations.

Upon review of the Energex and Ergon EBA we cannot find a uniform clause / allowance or procedure detailed. This would indicate that uniforms and relevant replacement etc is undertaken by Company policy. Based on industry norms uniforms and relevant allowances and conditions employee are allowed 3 – 5 sets of clothing per year and are replaced on a fair wear and tear basis. Industry practice would indicate this would be once every 12 months, certainly not 2 years.

MEA does support, with concerns, the decision regarding the so named “Waiver Group 4 – Regional service delivery”.

MEA agrees with the waiver in full for the Essential Energy waiver in relation to Essential Water.

MEA does have concerns with the Draft Decision in relation to Ergon Energy – Ergon Energy Queensland. Our concern is primarily the definition of “behind the meter contestable services”. MEA is concerned that current branding within the energy sector in Queensland is currently in flux with brands such as Ergon, Ergon Energy, Energy Qld and Energex now effectively all Associated Entities with common directors, management structures and shareholders. It is imperative that Ergon and Energex and the major shareholder the Queensland Government is held to account to ensure that any new entity for “behind the meter services” in no way shares name, colour or emblems. It would be our suggestion that any DNSP contemplating a new entity submit for approval, all related entity plans and

marketing and branding for approval prior to being launched. This way the AER can assess or gather opinion from the market if the branding and the “perception of a reasonable person” test have been complied with. This would also ensure that the AER is not trying to stop, alter or manage something that has already been implemented into the market place. It is difficult to believe that the AER would be able to so call “put the Genie back in the bottle” once a new entity was already launched to the public.

MEA would also suggest that an indicative list of services classified as “behind the meter” accompanies the decision to allow for the industry and the public to fully understand what is meant by “behind the meter” services.

MEA supports the decision regarding the so named “Waiver Group 5 – ACTewAGL Gas Business”

MEA supports the decision, with concerns, regarding the so named “Waiver Group 6 – Regional Offices”

MEA is concerned by the possibility of boundaries for Mareeba and Charters Towers depots are redrawn or reconfigured in some way. As such MEA suggests that an additional condition be imposed that the boundaries covered by this waiver are set and that any change to the boundaries, depot locations or staffing anchor points results in a new waiver application being submitted prior to the change being implemented. This notice should be accompanied by enough notice to ensure the AER can adequately consult with industry as to the effect of any new boundaries.

MEA has no objection to the decisions made concerning Barcaldine, or Essential Energy – Regional Service Delivery or the Essential Energy – Technical Training Courses.

MEA appreciates the ability to further comment on the draft Ring-Fencing decision and we look forward to the full decision later in the year.

If there are any question regarding our view, please do not hesitate to contact us as soon as possible.



Malcolm Richards
Chief Executive Officer