

**Meeting record**

**Date**: 23 July 2020

**Time**: 2.00 to 3.00 pm

**Purpose**: Introductory meeting about the **Investor Reference Group** for the 2022 Rate of return instrument

**Present**: Australian Super – Paul Dawson, Daniel Walters  
ATCO Australia– John Ivulich, Hugh Smith  
Global Infrastructure Partners – Veeral Kanji  
IFM – Josh Crane  
Magellan – David Costello  
Morgan Stanley – Rob Koh  
OMERS – Simon Palagyi  
SP Group – Mike Williamson  
Spark Infrastructure – Sally McMahon  
AER – Warwick Anderson, Ben Stonehouse, Scott Johnson, Conor McSween

**Apologies**: None

**Meeting notes**

* AER staff welcomed investor representatives and outlined:
  + The AER considers it very important to hear stakeholder perspectives.
  + IRG meetings should not discuss confidential information, and there would be a public (high level) record kept.
  + The proposed role of the IRG in the development of the upcoming rate of return instrument would build on the 2018 IRG involvement. A draft terms of reference is being prepared and will be circulated for comment.
  + The IRG as a whole may make submissions to AER processes, but it is also appropriate for any investor (or group of investors) to make direct submissions in its own right.
* The meeting discussed membership of the IRG:
  + The AER proposed that (as in 2018) there would be one primary member per investor organisation, with an alternate nominated in case the primary could not attend.
  + The AER expected that each investor organisation who wanted to join the IRG would be able to (i.e. it would be unlikely to attract such a large group as to be unworkable)
  + Several attendees asked if contact emails could be shared by the AER. AER staff indicated that RRG members would need to give explicit authorisation before the AER could share any contact emails (as per the AER’s privacy policy).
* AER staff described the current status of the two major reviews relevant to the IRG:
  + Inflation review – review commenced in April 2020, currently a discussion paper out for comment, working towards a final position by the end of the year (followed by implementation of changes, if any).
    - The meeting discussed the potential range of changes arising from the inflation review (no change; changes to models; changes to legislation NER/NGR; changes that feed in to the 2022 instrument process).
    - The meeting also discussed obtaining both equity and debt investor perspectives on potential inflation-related changes.
  + Rate of return review – our ‘Pathway to 2022’ position paper sets out the overall timeline and key process steps. Main phase of the review commences in mid-2021, but we have already begun a series of working papers on several foundational areas.

**Meeting action items**

* AER staff to:
  + Send through a list of current processes and dates (for inflation and rate of return).
  + Follow up directly with those IRG members wanting more information on relevant legislation for the inflation review.
  + Prepare and distribute a draft terms of reference for the 2022 IRG.
  + Set up next meeting and distribute invite (tentatively scheduled for first week September)
* IRG members to:
  + Reply to the AER authorising disclosure of contact email to the other attendees, if you wish to do so.