


From: 
To: [Eado Varon](#)
Subject: Objection to the proposed Merger By Roger Fyfe - An Origin Shareholder and Origin Energy Customer and In Dispute With Ausnet Services - Gas [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3341614] - Lodged 4/7/23
Date: Tuesday, 4 July 2023 3:40:16 PM

SUMMARY

1. As an Origin Energy Shareholder, I consider the proposed takeover and breakup is opportunistic in that it does not provide an appropriate premium. Since the initial approaches were made, the prices received for gas are not reflected in the current offer. In addition, Origin's stake in UK's Octopus Energy and its Kraken technology platform are not valued appropriately.
2. Further, the proposed "ring-fencing" undertaking between Ausnet Services and Origin's retail assets is impossible to achieve following privatisation. I refer to the behaviour of the Ausnet Services - Gas Division since PS Ausnet was taken private by Australian Energy Holdings No 4 Pty Ltd - a company controlled by Brookfield Asset Management, in February 2022.
3. As a customer of Ausnet Services - Gas, I am in a dispute that is still current with Victoria's Energy and Water Ombudsman's Office (EWOV).

The conduct of Ausnet Services - Gas has been to refuse to provide information I am seeking. Further they have claimed that correspondence I sent to Mr James Radaj, the Manager Ausnet Services - Gas, including a letter sent to him by Registered Mail and a second letter sent by Person to Person Registered Mail, were not received by him.

EWOV have to date been acting more as an advocate for the company, than a mediator. That is, they can not be relied upon to safeguard the interests of customers.

4. My principal concern is that once Origin is taken private and split up, it will not be possible to determine whether charges and fees will be maintained at levels which reflect the cost of providing those services. Regarding pricing, Ausnet Services - Gas employs Downer EDI for gas line maintenance and repair in Victoria under a contract that was signed in 2019.

Ausnet does not verify the costing of accounts raised by the company. Downer EDI Victoria's contract is currently the subject of a Class Action in the NSW Federal Court. This is because restatement of accounting irregularities had a major effect on the parent company's share price.

Based on Brookfield Asset Management's current position in the East State Energy Industry, any further expansion will lead to distortion of the energy market.

5. Information provided to the public concerning Brookfield Asset Management's Strategy is constantly changing. ACCC is well aware of the company's position position in other jurisdictions. I will not repeat it here.

6. As a Boral/Origin shareholder since before the demerger of Origin Energy, I am still waiting for updates on the process to be followed by Origin Energy regarding the proposed acquisition by Brookfield Asset Management.

Request that this submission be considered as part of the ACCC Investigation

As I have been dealing with EWOV, I was not aware of the tight time lines for making a submission to your process.

Rather than provide a full, detailed submission and attachments, I am relying on your recognition that I bring a critical perspective on the performance of a privatised company in a Regulated Market in this late submission.

Victoria-specific Information

Role of EWOV in Victorian Disputes

Historically the State Electricity Commission Victoria handled energy bill disputes. Following Kennett-era dismantling of the SECV, Gas and Fuel Corporation and creation of regional Water Supply Authorities, it was recognised that a new entity was required to handle disputes - EWOV fills that role.

EWOV is funded by levies on water and energy agencies.

I am mentioning this, because of my experience with recently privatised Ausnet Services - Gas. I was forced to go to EWOV because of Ausnet's refusal to engage with me. This was further compounded by their refusal to provide the information I requested to EWOV.

If the Origin takeover is approved, their billing energy supply side will also disappear within a privatised monolith. One that will encompass every facet of electricity and gas supply in Victoria.

2022 Election Commitment - Revival of SECV by State Labor Government

Victorians re-elected the Labor government for a four year term in 2022. A key policy was to re-establish a SECV to increase the proportion of renewable energy supply in Victoria (AFR 23/6/23 page 1). "Former Chief Scientist Alan Finkel has quit his role advising Victoria's State Electricity commission as the organisation's chief executive warned energy bills would rise contrary to Premier Daniel Andrews election vow."

In a 10-11/6/23 AFR page 2 article, "Victoria flags foreign cash for SEC despite Andrew's election stance", a parliamentary hearing has heard the government will be open to foreign co-investment. What is to stop Brookfield Asset Management from providing that funding?

In other words, I see little prospect of a new SECV being given the task of replacing EWOV as well as implementing an increase in the renewable component of energy supply, free of potential conflicts of interest.

In addition, the government's policy regarding new gas projects increases the likelihood the current supply restrictions on new projects in Victoria will continue.

So the current ACCC investigation shapes as critically important for Victoria.

Regards

Roger Fyfe

