



22 July 2016

Level 9
99 Gawler Place
Adelaide SA 5000

Postal Address:
GPO Box 2010
Adelaide SA 5001
T 1300 858 724

The Honourable Catherine (Kate) Esther Doust MLC
Chair
Standing Committee on Uniform Legislation and Statutes Review Committee
Legislative Council
Parliament House
Perth WA 6000

Dear Ms Doust,

Inquiry into Energy Bills

Thank you for the invitation to provide a submission to the Committee's review of the Energy Bills currently before Parliament.

The Australian Energy Market Operator operates gas and electricity markets across Australia and provides a range of planning and information services to support those markets. Since November 2015, AEMO has operated the Western Australian Electricity Market and the gas bulletin board from our Perth office.

The Western Australian Parliament is currently considering adopting parts of the national legislative and regulatory arrangements. Other jurisdictions have taken this step, although the extent to which the provisions apply differ from State to State and each jurisdiction has some unique features. All States retain ultimate sovereignty and law making powers and could, ultimately, rescind or modify their legislation. This ability to exercise the powers of Parliament is not limited to the initial application of the legislative and regulatory arrangements, but there are also opportunities to consider, have input into, and adapt the application to WA of changes to the national legislative and regulatory arrangements over time.

Importantly, all states retain other legislative, regulatory and administrative instruments which ensure a range of specific jurisdictional requirements can be met. These will include emergency powers, safety and reliability standards.

While there is no loss of sovereignty, the national arrangements offer the opportunity to benefit from a regulatory regime which drives more efficient outcomes to the benefit of Western Australian customers. The regime applies equally to both private and publicly owned assets and provides confidence for parties to invest in the Western Australian Energy Market.

The energy industry is currently undergoing a transition and regulatory arrangements will need to respond to ensure customers benefit from new technologies and new business models. Adopting a national regulatory model will both encourage participation by national

suppliers and support the evolution of these arrangements at a lower cost than developing a unique Western Australian regime.

Yours sincerely

David Swift
Executive General Manager Corporate Development