



## Office of Energy

### 2001 - 2002 Annual Report



## STATEMENT OF COMPLIANCE

### HON MINISTER FOR ENERGY

In accordance with Section 62 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament the Report of the Office of Energy for the financial year ending 30 June 2002.

The Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.



LES FARRANT  
CHIEF EXECUTIVE OFFICER  
AND COORDINATOR OF ENERGY

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## COORDINATOR'S OVERVIEW



The pace of energy reform quickened in 2001-02 and this was reflected in the work done by the Office of Energy towards implementing the Government's broad energy policy agenda.

Of special note was the establishment in November 2001 of the Sustainable Energy Development Office (SEDO) within the Office of Energy. SEDO brings together all the sustainable energy policy and implementation functions of government, with the objective of addressing in particular the greenhouse gas aspects of energy production and use. SEDO works to promote the renewable energy industry and to improve energy efficiency outcomes across government, business and the community.

SEDO took as its core the previous Energy Innovation Division of this Office. SEDO was thus able to quickly set about implementing new policies, including the Government's subsidy scheme for accredited solar water heaters and the Energy Smart Government program, as well as administering a substantial grants program.

The inaugural Acting Executive Director of SEDO, Dr Mary Dale elected to retire shortly after the end of 2001-02, after a distinguished career in the energy policy sector of government. Dr Dale has been a major force in establishing the structure and strategic objectives of SEDO. Picking up this challenge as Executive Director from September 2002 will be Dr David Harries, responding directly to the Minister for Energy on policy matters in relation to sustainable energy solutions and initiatives.

The shift of the Office towards policy functions with placement of regulatory activities into other agencies, as required to implement relevant Machinery of Government recommendations, was substantially advanced at the end of 2001-02 with the transfer of the Director of Energy Safety and the Technical and Safety Division to the Department of Consumer and Employment Protection, as EnergySafety. Achieving that transition of almost one half of the staff of the Office in a seamless manner reflects the level of dedication of staff at all levels in the Office.

Principal areas of energy policy development were towards greater competition in the supply of both electricity and gas to consumers. The Office has been instrumental on behalf of the Government in the establishment and support of the Electricity Reform Task Force and the on-going work of the Gas Retail Deregulation Project Steering Group. As well as direct representation on behalf of the State into those activities, the Office has provided secretariat, research and broad ranging policy input. Outcomes of these major activities will be delivered in 2002-03.

In implementation, I note that the Regional Power Procurement Process achieved significant milestones in sourcing competitively priced power supplies for Western Power within the Mid West, Esperance and Exmouth regions. Following a similar process, the Office, in conjunction with the Aboriginal and Torres Strait Islander Commission, is managing a pilot project to upgrade electricity supply and deliver the uniform tariff to three remote Aboriginal communities in the Kimberley. Outcomes of this pilot work should form a basis for consideration of expansion to include a significant number of other large remote Aboriginal and other communities.

There was in 2001-02 a wide range of other energy projects and policy matters addressed by the Office, with advice to the Minister for Energy and direct assistance in administration of energy portfolio responsibilities. I wish to convey my gratitude to each of my staff, as well as to others from government, industry and the wider community, for the significant support and input received. The continued dedication of the staff and others to this task has progressed issues vital to the future well-being of this state. I commend to you this report on their work.

A handwritten signature in black ink, reading 'Les Farrant'.

LES FARRANT  
CHIEF EXECUTIVE OFFICER  
AND COORDINATOR OF ENERGY

## HIGHLIGHTS

- In August 2001 the Government established the Electricity Reform Task Force (ERTF) to develop detailed recommendations regarding the design of the electricity market to be established in Western Australia, the extent and phasing of the disaggregation of Western Power, a Western Australian Electricity Code and other regulatory issues and arrangements for full retail contestability in electricity supply.
- The Sustainable Energy Development Office (SEDO) was established on 24 November 2001 to help deliver the Government's sustainable energy policy.
- The Office of Energy, in partnership with the Aboriginal and Torres Strait Islander Commission (ATSIC), commenced in November 2001 the Aboriginal and Remote Communities Power Supply Project to deliver secure power supply arrangements at the uniform tariff in three large permanent remote Aboriginal communities in the Kimberley, as a pilot for potential applications in other large remote communities.
- The *Electricity (Supply Standards and System Safety) Regulations 2001* were introduced at the beginning of 2002, representing a milestone in the technical and safety regulatory framework for the electricity supply industry in this State. The regulations deal with electricity transmission and distribution safety, as well as with minimum standards of electricity supply quality, reliability and metering accuracy.
- The Energy Smart Government Policy was announced in June 2002. This policy will reduce the cost of Government activities and the environmental impact of energy consumption. The policy is being administered by SEDO and requires participating agencies to progress towards a 12 per cent reduction in non-transport related energy use by 2006-07.
- A power procurement process, to increase generation capacity on the South West Interconnected System (SWIS) and provide replacement capacity for some of Western Power's ageing plants was announced by the Minister for Energy on 2 June 2002.
- The Permanent Residents of Caravan Parks Supply Reference Group was formed to recommend means to resolve the inequities that currently exist between direct customers of Western Power and permanent caravan park residents.
- A solar water heater subsidy was established for homeowners installing an accredited gas boosted system into a Western Australian residence and for first homeowners installing an accredited electric-boosted system with a boosting timer into a newly constructed residence.

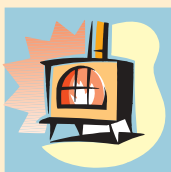


WACA, Perth

- The Ministerial Council on Energy was established by the Council of Australian Governments (COAG) in June 2001 to provide coordinated policy leadership nationally for the energy sector.
- The fourth Energy in Western Australia Conference was successfully held in September 2001.
- The access level for fossil fuel-based power fell to 2000 MWh per annum on 1 July 2001 and was announced to fall further to 300 MWh per annum on 1 January 2003.
- A Power Purchase Agreement was signed between Western Power and State West Power Pty Ltd to provide electricity for Western Power's distribution to consumers in the Mid West region.
- Two programs providing funding for renewable energy-based power and water-pumping systems used in off-grid areas of Western Australia were implemented as part of the Renewable Remote Power Generation Program administered by SEDO.
- Consistent with recommendations of the Machinery of Government (MOG) Review, the transfer to the Department of Consumer and Employment Protection (DOCEP) of the Technical & Safety Division supporting the Director of Energy Safety was completed on 1 July 2002. Pending the introduction of necessary legislative amendments, the Director of Energy Safety continues to be responsible to the Minister for Energy in respect of statutory functions performed.
- The Triennial Review of prices for access to Western Power's electricity networks was completed.
- Orders were put in place to provide increased access to Western Power's South West Integrated System and North West Integrated System.
- Seven Major Residential Projects and five Localised Enhancement Projects were completed in 2001-02 under the State Underground Power Program, bringing the total number of completed Major Residential Projects to 12 and Localised Enhancement Projects to 10.
- The Coordinator of Energy administered five existing gas distribution licenses and three existing gas trading licenses, granted two new gas trading licenses, amended four distribution licenses and three trading licenses and facilitated the grant of one licence exemption. There were also 22 electricity and nine gas authorisations granted during the year.
- Significant progress was made through the Regional Power Procurement Steering Committee in calling tenders for private companies to supply electricity to Western Power for its distribution in the Esperance and Exmouth regions.
- Significant progress was made towards achieving practical full retail contestability in the gas market in 2003 when 445 000 household gas customers will be able for the first time to choose their supplier of reticulated natural gas.
- Significant progress was made on gas distribution legislation that will provide improved powers for the enforcement of gas supply regulations and statutory requirements.
- The coverage of the Parmelia Pipeline under the *National Third Party Code for Access to Natural Gas Pipeline Systems* was revoked on 1 April 2002.
- The Power Purchase Agreement signed in 2000 between Western Power and Energy Equity Corporation/Woodside Energy Ltd to provide electricity to Western Power in the West Kimberley region was terminated in October 2001 by Western Power when the supplier failed to satisfy the Conditions Precedent provision of the contract.



## OVERVIEW OF THE WESTERN AUSTRALIAN ENERGY INDUSTRY



### Fossil Fuel Resources

Western Australia possesses an abundant supply of fossil fuel resources, particularly coal and gas, with black coal accounting for about 43 per cent of the total fossil fuel resources and gas accounting for 46 per cent.

There are 12 identified coalfields in Western Australia though only the Collie Basin deposits are being mined. The coal is principally used for electricity generation and supplies the domestic market.

Five sedimentary basins in Western Australia are known to contain petroleum resources, with four basins currently producing: the Northern Perth Basin, the Carnarvon Basin, the Northern Canning Basin and the Bonaparte Basin. The Carnarvon Basin is the major producing basin.

Western Australia has been Australia's leading oil and condensate producer since 1995-96. In the nine months to March 2002 this trend continued with Western Australia accounting for over 55 per cent of total oil and condensate production.

Western Australia has approximately 70 per cent of the identified natural gas resources within Australia. The State's abundant gas resources continue to underpin domestic use of natural gas and the future expansion of liquefied natural gas (LNG) production for export.



### Natural Gas

There are currently nine gas processing facilities in operation in Western Australia servicing the domestic market. Six are in the Carnarvon Basin and three in the Perth Basin. The North West Shelf Gas Project (operated by Woodside Energy) also includes three onshore LNG trains, each with a capacity of 2.5 Mt per annum, with a fourth of 4.2 Mt per annum under construction.

There are five major onshore pipelines in operation within Western Australia:

- the Dampier to Bunbury Natural Gas Pipeline (DBNGP) from the Carnarvon Basin to Geraldton, Perth, Mandurah and Bunbury;
- the Goldfields Gas Pipeline from the Carnarvon Basin to the Pilbara and Eastern Goldfields;
- the Parmelia Pipeline from the Perth Basin to the South West;
- the Pilbara Energy Pipeline from the Carnarvon Basin to Port Hedland; and
- the Mid-West Pipeline from the DBNGP near Geraldton to Windimurra.

Natural gas is used domestically as a fuel for power generation, in the production of LNG and as a consumer direct energy source. The majority of gas supplied to the local market comes from the offshore Carnarvon Basin.

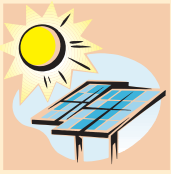


### Electricity

Western Power is the State's major generator of electricity, although with a number of private companies generating electricity primarily to supply their mining, mineral processing or other operations.

Western Power operates as a fully vertically integrated business, also being the principal transmitter and distributor of electricity. Its main network operations comprise the South West Interconnected System (SWIS), the North West Interconnected System and 29 regional (isolated) power systems. There are also a number of privately owned transmission and distribution lines in the State.

Western Power is the main supplier of electricity to residential and other small-use customers, holding a legislated franchise position across the State. A few private suppliers are authorised to supply electricity to small-use customers in remote towns.



## Renewable Energy

Western Australia is generously endowed with renewable energy resources. Sunshine hours are plentiful and there are a number of locations throughout the State where persistent wind is available or where hydro, tidal and biomass energy resources may be utilised.

The largest renewable energy installation in Western Australia is Pacific Hydro's 30 MW hydro power station at the Ord River dam on Lake Argyle, 80 km south of Kununurra. The next largest installation is Western Power's 22 MW wind farm at Albany, officially opened in October 2001.

Throughout Western Australia there are also a number of smaller renewable energy systems operating, including Western Power's 2MW wind farm at Esperance, 0.7MW wind farm at Denham and 2MW hydro power station at Wellington Dam near Collie. Sugar cane residue is also combusted at the Ord Sugar Mill in Kununurra and used to power a 6MW cogeneration plant.

In the Perth metropolitan area landfill gas (which is produced by anaerobic decomposition of waste) is used at four sites to generate approximately 10 MW of electricity for supply to the SWIS.



Albany Wind Farm



## RECENT DEVELOPMENTS IN THE ENERGY INDUSTRY

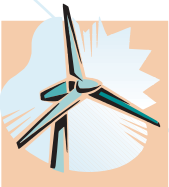
### Establishment of the Sustainable Energy Development Office

In November 2001, the Western Australian Government launched the Sustainable Energy Development Office (SEDO) to help deliver the State Government's sustainable energy policy, reduce greenhouse gas emissions and create employment opportunities in the sustainable energy industry.

Working in conjunction with the community, business and Government sectors, SEDO promotes ways to better manage energy, provide policy advice and administer a number of funding and other programs to make sustainable energy options more accessible. It also aims to increase the value of the sustainable energy industry within the State.

A consultation workshop was held to discuss a draft strategic plan and written submissions were considered.

SEDO has emerged as a separately identified office within the Office of Energy, centrally located in a new office fit out accommodating its 20 staff.



### Renewable Energy

The Minister for Energy officially opened Western Power's 22 MW Albany wind farm in October 2001. The \$45 million facility comprises twelve, 65 metre high wind turbines and is expected to produce around 77 000 MWh per annum of electricity for use locally and through the SWIS into the south west of the State. This will reduce the State's greenhouse gas emissions by approximately 77 000 tons per annum. At the time of commissioning, the twelve 1.8 MW turbines were the largest installed in the southern hemisphere.

Deregulation of the market for electricity from renewable sources continued over the year. Electricity consumers with an annual consumption above 50 MWh became eligible to select the renewable electricity supplier of their choice.

Further amendments to legislation were made to allow suppliers of renewable energy to access Western Power's South West interconnected electricity networks on more convenient terms, although more remains to be done in this regard.

The State Government also worked with the Commonwealth Government to provide funding to assist people in areas beyond the reach of the electricity grid to replace diesel generators with renewable energy alternatives. Under the Renewable Remote Power Generation Program, rebates were committed to small renewable energy systems with a total value of \$6.5 million, which represents a significant increase on previous years.

During the year a similar program was established to assist consumers install renewable energy water pumping systems such as solar pumps and windmills. A 50 per cent rebate is available for renewable energy-powered pumping systems that displace diesel-powered systems. In the first ten weeks of the program, funding was provided to assist in the installation of 110 new systems.



### Gas Market Reform

Gas market reform continued apace, with a number of initiatives being pursued to bring about a lower cost and reliable supply to consumers.

Significant progress was made towards achieving practical full retail contestability in the gas market by the third quarter 2003, when 445 000 household gas customers will be able to choose their supplier of reticulated natural gas.

Firstly, in July 2001, the Minister for Energy established the Gas Retail Deregulation Project Steering Group to develop the rules and market arrangements necessary to provide for a smooth transition from a monopoly franchise market.

Interim Market Rules were implemented on 1 January 2002, enabling commercial gas customers consuming more than 1TJ per annum to choose their gas supplier. These Rules will be effective until Retail Market Rules are developed and implemented in 2003 suitable for full retail contestability at the household level.



### Electricity Market Reform

Electricity reform took a major step forward in 2001-02 with the establishment, by the Minister for Energy, of the Electricity Reform Task Force (ERTF). The ERTF has delivered two substantial discussion papers and engaged in broad consultation during its investigation into reforming the electricity industry. Key reform initiatives explored included the disaggregation of Western Power and proposals for improved wholesale trading arrangements. The ERTF is due to release its final report later in 2002.

The work of the ERTF began with the consideration of the structural reform of Western Power, the future design of the Western Australian electricity market, a Western Australian Electricity Code, and other regulatory issues and arrangements for full retail contestability. These included consideration of the development of an Electricity Customer Service Code, an electricity-licensing regime and an Electricity Ombudsman.

The ERTF is also examining the role of renewable energy, distributed generation, demand management, energy efficiency, and issues related to the uniform tariff policy. In November 2001 and April 2002 the ERTF released discussion papers seeking stakeholder comment on its deliberations to date.

State Cabinet has endorsed a plan to progressively introduce three new power stations, with a combined capacity of 780 MW and costing approximately \$850 million, to the SWIS over the next five years. These three new power stations include the new 240 MW Cockburn 1 power station announced late last year and due for completion in 2003-04 and will allow Western Power some flexibility to retire old and inefficient plants while meeting increased demand for electricity.

The private sector will be involved in all of the three new power stations, and gas-on-coal competition is expected for the 300 MW base-load power station that is the final stage of this process and scheduled to be commissioned by 2007.

It is proposed that electricity access arrangements and access pricing will be determined by an independent economic regulator, the Economic Regulation Authority, overseeing the electricity, gas, water and rail industries.



### Regional and Consumer Initiatives

The Regional Power Procurement Steering Committee comprising the Office of Energy and Western Power and chaired by an independent person, Dr Des Kelly, is progressing towards concluding a regional power procurement process in 2003. The main aim of the process is to reduce Western Power's losses in regional areas by outsourcing generation to competitive independent power producers. Work was conducted for the Mid West, Esperance and Exmouth regions to procure bulk power for Western Power's distribution to consumers. The successful tenderers will also be able to compete with Western Power to supply directly to larger customers.

An Aboriginal and Remote Communities Power Supply Project commenced in January 2002 in partnership with the Aboriginal Torres Strait Islander Commission (ATSIC). The aim of this pilot project is to deliver new power supply arrangements including generation, distribution and retail into three large remote permanent Aboriginal communities: Bidadanga, Wangkatjungka and Warmun. When the new power supply arrangements are in place, the communities will be supplied at the uniform tariff. Proposals for supply in other remote communities may be developed subsequently based on the pilot outcomes.

The Minister for Energy established the Permanent Residents of Caravan Parks Electricity Supply Reference Group on 26 March 2002 to address the inequities that exist between direct customers of Western Power and permanent residents of caravan parks that are supplied electricity by Western Power. The Reference Group is considering options to extend Government funded energy rebates to permanent residents of caravan parks and ensure these residents pay no more than the domestic tariff for electricity on-sold by park operators.

## Reassignment of the Technical and Safety Division

The Machinery of Government (MOG) Taskforce made a recommendation in 2001 to transfer parts of the Technical & Safety Division to what are currently the Department of Consumer and Employment Protection (DOCEP) and the Department of Mineral and Petroleum Resources. Following further consideration by the Government, it was agreed to transfer that entire division to DOCEP, thus keeping all related regulatory functions together and in a compatible “all-regulatory” agency.

Preparation for this transfer has involved a considerable amount of effort, leading up to a seamless change on 30 June 2002. The division is now referred to as the Energy Safety directorate of DOCEP.

It is anticipated that future legislation changes (as part of public sector-wide MOG changes) will provide for the Director of Energy Safety’s statutory functions to be allocated from the Minister for Energy to the portfolio of the Minister for Consumer and Employment Protection.

## Ministerial Council on Energy

The Council of Australian Governments (COAG) established the Ministerial Council on Energy (MCE) in June 2001 to provide coordinated policy leadership nationally for the energy sector and to oversee the continued development of national energy policy. The MCE comprises Commonwealth, State and Territory Ministers with responsibility for energy policy.

One of the key initiatives to be overseen by the MCE in 2002 is the National Energy Market Review. The Review is central to charting the direction for further energy market reform and will identify strategic issues for Australian energy markets and policy options for Commonwealth, State and Territory Governments that will achieve the most significant benefits.

The MCE has also established five working groups to address priority tasks identified by COAG. These working groups are addressing issues relating to: strategic energy supply and security (chaired by the Coordinator of Energy, Western Australia); energy market development; energy efficiency and greenhouse gas; downstream petroleum; and national oil supply emergencies. The Office of Energy provides official representation and input for Western Australia into each of these working groups.



Rockingham Environment Centre, Solar Supply Meters



## OFFICE OF ENERGY PROFILE

### Establishment

The Office of Energy was established as a department on 1 January 1995 under Section 35 of the *Public Sector Management Act 1994*. The Office is the Government agency providing policy advice to the Government on energy supply and use generally and on the activities of the State-owned electricity business, Western Power, in particular. Up to 30 June 2002, the Office's Technical and Safety Division administered regulations addressing supply, use, technical standards and safety for the energy sector and was involved in the State's emergency management framework.

### The Accountable Officer

The Accountable Officer of the Office of Energy is the Coordinator of Energy, Dr Les Farrant. Dr Farrant was appointed under the provisions of Section 45 (1) of the *Public Sector Management Act 1994* on 24 October 1995.

### Outcomes of the Machinery of Government Taskforce

The Premier released a report to Government from the Machinery of Government Taskforce on 21 June 2001. The Taskforce recommended that until the Government's agenda for reform of the electricity industry is substantially complete, policy functions of the Office of Energy and the responsibility for Western Power will remain within the portfolio responsibility of the Minister for Energy. The policy functions include those of the proposed sustainable energy development agency that has now been implemented as SEDO, an entity within the Office of Energy.

The Government has proposed the creation of an economic regulatory authority, which will assume responsibility for such things as the independent regulation of gas pipelines access. It is proposed that economic licensing for gas retailers, presently conducted by the Coordinator of Energy, be transferred to the economic regulator. The economic regulator is also expected to provide advice to the Government and to conduct inquiries into economic issues as required.

Although the report recommended splitting the functions of the Office's Technical and Safety Division between two other agencies, the Government agreed to transfer the entire Division to the Department of Consumer and Employment Protection. As discussed above, that change was implemented on 30 June 2002. The continuing need of the Office of Energy for technical support on energy policy matters is recognised in the report's associated implementation recommendations.

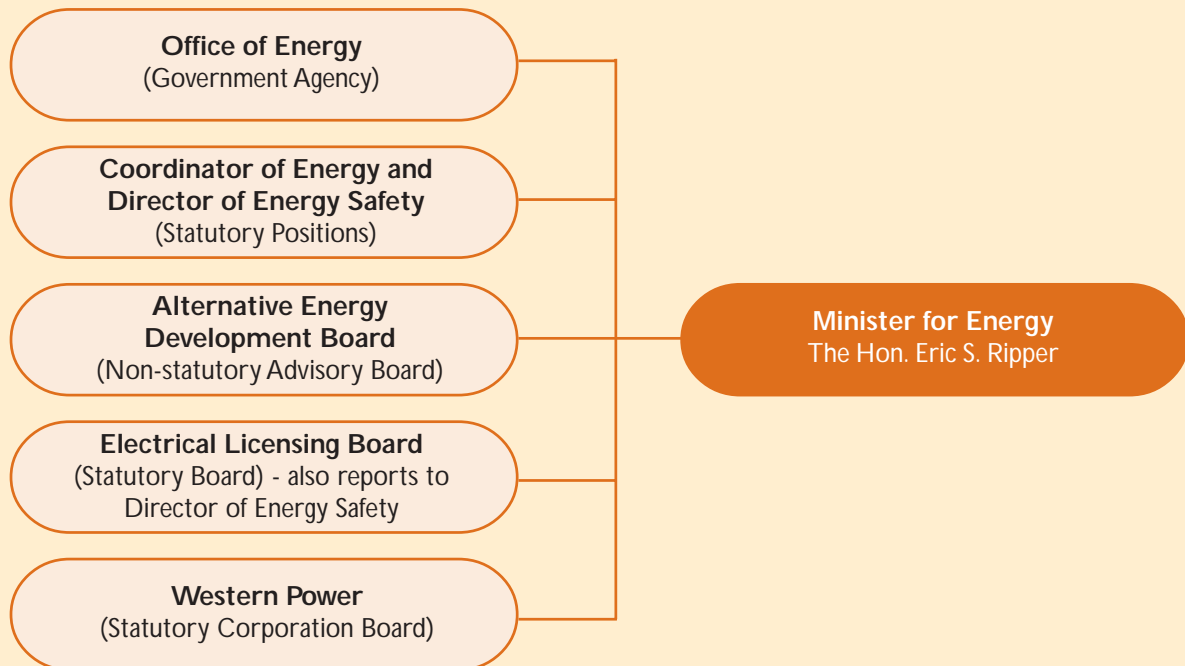
The preliminary timetable advanced by the Electricity Reform Taskforce for implementation of reform in the electricity supply industry would indicate that the Office of Energy will remain a separate small agency responding to the Minister for Energy until at least 2005.



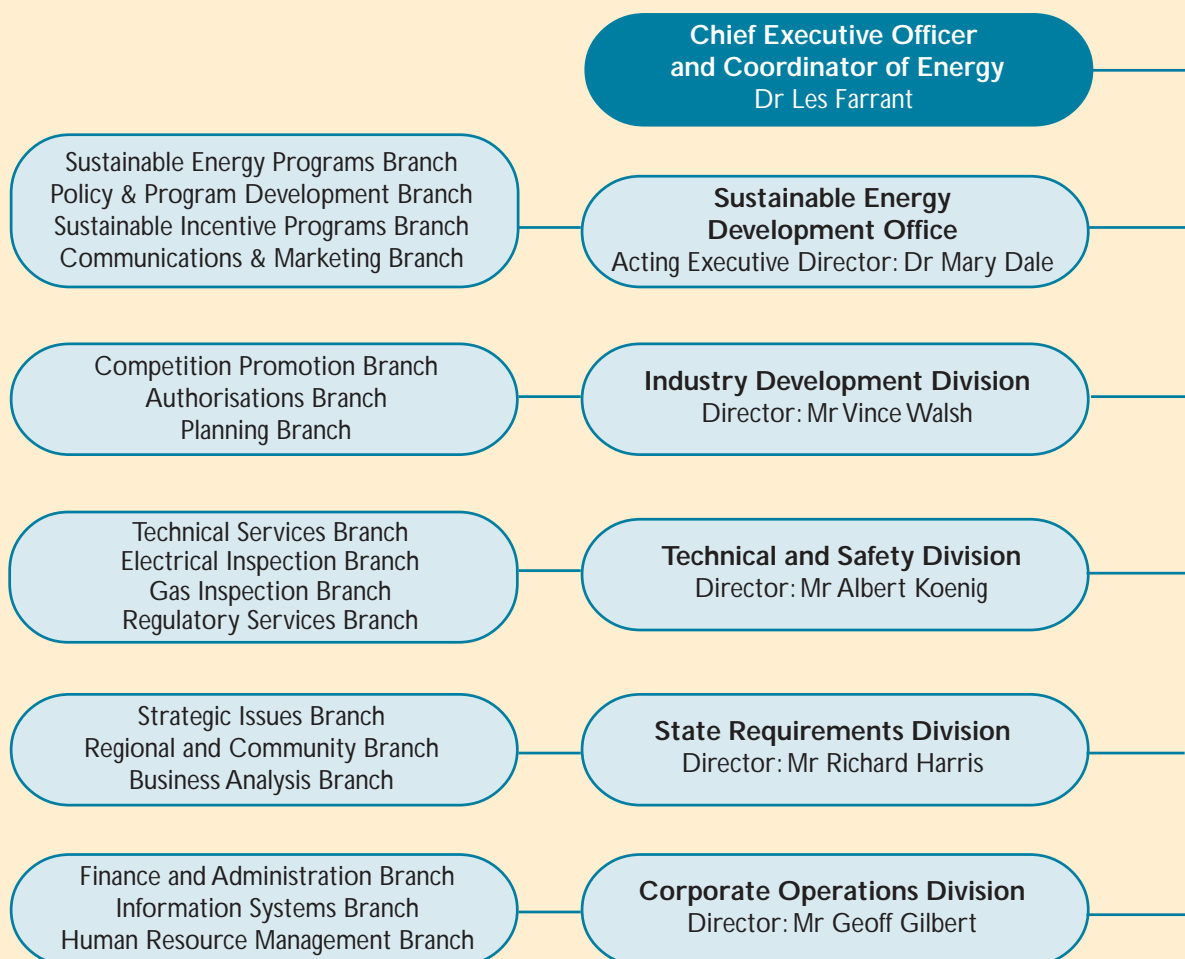
**Front row from left:**  
Albert Koenig, Dr Les Farrant,  
Geoff Gilbert.

**Back row from left:**  
Vince Walsh, Dr Mary Dale,  
Richard Harris.

## ENERGY PORTFOLIO (2001-2002)



## ORGANISATIONAL STRUCTURE (2001-2002)



## LEGISLATION ADMINISTERED

### By the Minister for Energy with the Assistance of the Office of Energy

The principal legislation administered through the Office of Energy is the *Energy Coordination Act 1994* that provides for the appointment of a Coordinator of Energy and a Director of Energy Safety, and sets out the functions of those two positions.

The Coordinator of Energy assists the Minister for Energy in planning and coordinating energy supply in Western Australia and authorises and licenses the provision of electricity and gas to the public from suppliers other than Western Power.

The Coordinator advises the Minister on all aspects of energy policy including:

- the energy needs of the State;
- the introduction and encouragement of competition;
- promotion and achievement of open access to transmission and distribution systems, which is an important element in facilitating competition;
- gas trading and gas distribution licensing arrangements;
- energy policy as a means of helping to achieve other policy objectives of Government;
- ways of achieving greater efficiency in the use of energy; and
- energy sources and methods of use, including renewable energy.



Transperth electric train on Joondalup line



Other Acts administered include:

- *Dampier To Bunbury Pipeline Act 1997;*
- *Electricity Act 1945;*
- *Electricity Corporation Act 1994;*
- *Energy Operators (Powers) Act 1979 (Section 55);*
- *Energy Corporations (Transitional And Consequential Provisions) Act 1994;*
- *Fremantle Electricity Undertaking Agreement Act 1952;*
- *Fremantle Electricity Undertaking (Purchase Moneys) Agreements Act 1952;*
- *Fuel, Energy And Power Resources Act 1972;*
- *Gas Corporation (Business Disposal) Act 1999;*
- *Gas Pipelines Access (Western Australia) Act 1998;*
- *Gas Standards Act 1972;*
- *Kalgoorlie Electric Power And Lighting Corporation Limited Act 1902;*
- *Katanning Electricity Supply Undertaking Acquisition Act 1961;*
- *Liquefied Petroleum Gas Act 1956;*
- *Liquefied Petroleum Gas Subsidy Act 1980;*
- *Petroleum Products Subsidy Act 1965; and*
- *State Energy Commission (Validation) Act 1978.*

### Legislation Introduced/Implemented

The following legislative matters were developed and/or implemented on behalf of the Government during 2001-02:

- *Electricity Distribution Access Order 2001;*
- *Electricity Distribution Amendment Regulations (No. 2) 2001;*
- *Electricity (Energy Efficiency and Labelling) Notice 2001;*
- *Electricity (Licensing) Amendment Regulations 2001;*
- *Electricity (Supply Standards and System Safety) Regulations 2001;*
- *Electricity Transmission Amendment Regulations (No. 2) 2001; and*
- *Energy Coordination (Rottnest Island Authority) Exemption Order 2001.*

### Minister For Energy

The Honourable Eric S Ripper, MLA has been the Minister for Energy since February 2001. Under the provisions of the *Energy Coordination Act 1994*, the Minister for Energy may issue a direction to the Coordinator of Energy or to the Director of Energy Safety. No such direction was issued in 2001-02.

### Vision

The energy needs of the Western Australian community are met safely, efficiently and economically.

### Mission

To promote conditions that enable the energy needs of the Western Australian community to be met safely, efficiently and economically.

### Outcome

The Western Australian energy sector continues to develop and operate successfully for the benefit of the community.

The Office of Energy delivered Outputs in two major areas during the 2001-02 financial year.

Output 1: Energy Policy, Information and Regulatory Services.

Output 2: Grant and Community Programs Management. The details of these Outputs follow. Tables showing the actual results of Output measures against targets appear at the end of each section.

## OUTPUT DELIVERY

### Output 1: Energy Policy, Information and Regulatory Services

These include:

- provision of policy advice to the Government and to the Minister for Energy on energy-related issues;
- provision of unbiased information to industry and to the Western Australian community on energy-related matters;
- regulatory services to the energy sector in Western Australia; and
- energy policy implementation projects.

### Provision of Policy Advice to the Government and to the Minister for Energy on Energy-related Issues

During the year the Office of Energy provided advice in relation to:

#### Sustainable Energy Policy

SEDO made two submissions to the Electricity Reform Task Force (ERTF) outlining a range of mechanisms for improving the sustainability outcomes of the electricity reform process, including mechanisms for promoting renewable energy generation, reducing the greenhouse gas intensity of electricity generation and promoting increased end-use energy efficiency.

SEDO is a member of the Greenhouse Task Force and is an active contributor to this process. SEDO provided a briefing to the Task Force on the electricity reform process and SEDO's proposals for improving sustainability and greenhouse gas outcomes.

#### Electricity Reform Task Force

This body will develop recommendations for the future design of the electricity market in Western Australia, the disaggregation of Western Power, an Electricity Code and the implementation of full retail contestability consistent with Government's goal of lower sustainable electricity prices. The Office was instrumental in the establishment of the ERTF and continues to participate in and provide personnel and other support to the Task Force and its Working Groups as required.



#### Electricity Reform Task Force

ERTF Members: John Kelly, John Hyslop (Chairman) and Frank Harman, with Project Manager Bob Bosler

### Green Power

SEDO became a voting member on the National Green Power Accreditation Steering Group that guides the development of the National Green Power Program.

The program is primarily aimed at promoting the development of new renewable energy generation. Green Power is electricity generated from accredited renewable sources and sold at a premium to consumers who wish to demonstrate a commitment to the environment.

Western Power's *Natural Power* is currently the only Green Power product available to customers in Western Australia.

### Sustainable Energy Industry Survey

SEDO is participating in a national survey of the sustainable energy industry. The survey is being undertaken with the participation of the relevant state and territory agencies and is being coordinated nationally by the Sustainable Energy Development Authority in NSW. SEDO has established a list of almost 600 sustainable energy organisations in Western Australia that will be surveyed. A report is due to be published in September 2002.

The survey will provide data on the size and nature of the sustainable energy industry, its contribution to the economy and the employment it provides. This data will be used by SEDO to provide a baseline for ongoing monitoring of the growth of the industry in Western Australia and will be used to assist in developing relevant policies and programs for further assisting the industry.

### National Third Party Access Code for Natural Gas Pipeline Systems

The Office is involved in the administration of the Gas Pipelines Access Law (including the associated Code) through representation on the National Gas Pipelines Advisory Committee. Recommendations were made to the Minister for Energy on amendments to the Code and advice provided regarding decisions of the Gas Pipelines Access Regulator in relation to access arrangements submitted under the Code in Western Australia. The Office made public submissions to the Regulator addressing policy and other issues.

The Office provided advice on the recommendation of the National Competition Council to revoke Coverage of the Parmelia Pipeline. Coverage was revoked from 1 April 2002.

### Ministerial Council on Energy

The Ministerial Council on Energy (MCE) was established by the Council of Australian Governments (COAG) in June 2001 to provide coordinated policy leadership nationally to meet the opportunities and challenges facing the energy sector and to oversee the continued development of national energy policy. The MCE is overseeing the process of the National Energy Market Review and through its Standing Committee of Officials has established five working groups to address the priority tasks assigned by COAG.

The Office has provided advice to the Minister for Energy on issues relating to the MCE, coordinated a State Government submission to the National Energy Market Review and is participating in each of the MCE's Working Groups. The Coordinator of Energy is the Western Australian representative chairing the Strategic Energy Supply and Security Working Group.

### Remote Area Essential Services Program

The Office provides secretariat services to this program and is a member of the Aboriginal Communities Essential Services Steering Committee along with representatives from the Department of Housing and Works, the Department of Indigenous Affairs, the Aboriginal and Torres Strait Islander Commission and the Office of Water Regulation. The program has made major improvements in the delivery of essential services, including electricity, to 71 remote Aboriginal communities.

### Town Reserves Regularisation Program

Ten town reserve Aboriginal communities have been selected in the first stage of the Town Reserves Regularisation Program that will see electrical infrastructure upgraded and responsibility for ongoing repairs, maintenance, metering and billing handed over to Western Power. The Office of Energy participates in the Steering Committee overseeing this program. Under the program residents will receive individual accounts and be eligible for the uniform tariff and any benefits that are applicable to account holders of Western Power.

### **Connection of Regional and Remote Communities to Western Power's Regional Supply Systems**

The Office of Energy, in conjunction with other relevant agencies, is developing a Regional Electricity Supply Policy which will establish criteria and guidelines to assess applications for supply of power from Western Power's non-interconnected regional systems. This move follows the issue of a discussion paper and stakeholder feedback on the need for a connection policy.

### **Permanent Residents of Caravan Parks Supply Reference Group**

The Minister for Energy tasked the Office of Energy with the responsibility of investigating the price of on-sold electricity to permanent caravan park residents and the suitability of applying Government-funded energy rebates to this group. The Office of Energy undertook research in other jurisdictions and consulted with relevant Government agencies to develop options to resolve both issues. It submitted a report to the Minister for Energy in December 2001 outlining these options.

Following consideration of the Office of Energy's report, the Minister for Energy subsequently established the Permanent Residents of Caravan Parks Electricity Supply Reference Group to consider various options to address the inequities that currently exist between direct customers of Western Power and permanent caravan park residents. The group is supported by the Office of Energy, chaired by Mr Tony O'Gorman MLA, Member for Joondalup, and includes representation from the Park Home Owners' Association, Caravan Industry Australia WA, Western Power and the Office of Energy.

### **Review of Boards and Committees**

As part of the second stage of the MOG Review, the functions and powers of the Electrical Licensing Board are being reviewed. This review is complicated by the concurrent proposals for a Western Australian Civil & Administrative Review Tribunal (WACART) as these suggest that all disciplinary powers in respect of licence holders – for both electrical and gas industry operatives – should be transferred to the WACART, aside from the latter acting as the central appeals body. This policy issue will be finalised during 2002-03.

### **LPG Issues**

The Office has monitored and provided advice to the Minister for Energy in relation to ongoing community concern about the price and local availability of LPG in Western Australia.

### **Access to Western Power's Networks**

An Access Order was developed by the Office and published on 7 December 2001 to rationalise the previous Access Orders and to allow access from 1 January 2002 to Western Power's electricity networks by third parties wishing to supply customers using at least 50 MWh per year of electricity generated from renewable energy sources.

The Office of Energy and Western Power, under the direction of the Electricity Access Steering Committee chaired by the Coordinator of Energy, undertook a Triennial Review of the economic aspects of the regime for access to Western Power's electricity networks. A central part of the review was a commitment to a new access regime that provides incentives to the owner of the network to invest in the longer term while at the same time achieving efficiencies to deliver lower access charges in real terms over a period of time.

Prices were developed for all users of the networks, both franchise and contestable. The review was completed for the South West Interconnected System (SWIS) and the new pricing structure and prices applied from 1 September 2001. The review of prices for access to the North West Interconnected System and Regional Networks was completed in February 2002.

The Office of Energy chairs several working groups of the Electricity Access Consultation Committee which responds in turn to the Electricity Access Steering Committee. These working groups include the Generator Locational Signalling Working Group, the Energy Balancing Working Group and the Renewable Energy Access Working Group. The role of these groups is to assist in the development of and comment on the mechanisms used to address various issues associated with providing access by third party suppliers to progressively smaller loads connected to Western Power's electricity networks.



### Western Power Performance

The Office of Energy has monitored the performance of Western Power and advised the Minister for Energy concerning Western Power's financial and non-financial targets and performance. With assistance from the Office of Energy, the Minister for Energy was able to agree on Western Power's Statement of Corporate Intent, a key governance document, and for the first time since Western Power was established this document has been tabled in Parliament prior to the legislated target date.

### Pilbara Taskforce

The Office of Energy participated in the Government's North West Interconnected System Taskforce established to review the current system and make recommendations on its future development and management. The Taskforce produced a report to Government in February 2002.

### SWIS Power Procurement Process

A two-stage power procurement process to increase generation capacity on the SWIS, and provide replacement capacity for some of Western Power's ageing plants, was announced by the Minister for Energy on 2 June 2002.

The power procurement process for additional generation capacity to meet Western Power's demand on the SWIS will seek private proponents to construct:

- 240 MW of peaking plant, to be in service by December 2005; and
- 300 MW of base load plant, to be in service by the second half of 2007.

In addition, as part of its plant replacement strategy, Western Power has pursued options with the private sector for the construction and financing of a further 240 MW combined cycle gas turbine (known as Cockburn 2) to be in service by December 2005. Construction of Western Power's Cockburn 1 plant, also of 240 MW, announced by the Premier in August 2001, is already under way with the plant due to be commissioned by late 2003.

The development of Cockburn 1 and Cockburn 2, and the construction of the 300 MW base load unit, will ultimately allow Western Power the flexibility to retire 720 MW of ageing Western Power plant, including Kwinana A&B and Muja A&B power station units.

The power procurement process is being administered by Western Power with supervision from an independent person reporting directly to the Minister for Energy. The Office of Energy has been instrumental in progressing the procurement process by providing policy advice to the Minister for Energy and assisting in Government's relationship management with stakeholders.

The first stage of the power procurement process, the procurement of 240 MW of peaking plant, commenced in early June 2002. The second stage of the process involving the 300 MW of base load plant is proposed to commence by end 2002.

### Trans-Tasman Mutual Recognition of Gas Appliances

Very little progress has been made between Australia and New Zealand under the *Trans Tasman Mutual Recognition Agreement* with respect to gas appliances. There has been a stalemate on this policy issue and until the proposal for mutual recognition based on appliances meeting acceptable standards and certification processes is legislated in New Zealand, progress will be unlikely. A further rollover of the temporary exemption will be necessary early in 2003.

### Gas Retail Tariff Cap Escalation

Arising from the sale of AlintaGas, the *Energy Coordination (Gas Tariffs) Regulations 2000* were developed by the Office to regulate retail tariffs for the supply of reticulated gas by setting tariff caps. These Regulations specify the gas supply areas and the type of customers to which the tariff caps apply and limit the annual retail price increases for certain small-use customers and other non-contestable customers.

Tariff caps for 2002-03 are based on two elements: the Consumer Price Index (ex-GST) number (133.5) and the GST factor (9.8 per cent) which were published for public information in the Government Gazette by the Office of Energy on 14 June 2002.

## **Provision of Unbiased Information to Industry and the Western Australian Community on Energy-related Matters**

### **Energy Smart Community**

Information on ways to save energy and use renewable energy at home continued to be provided to Western Australians through SEDO's Energy Smart Line (formerly called the Home Energy Line). During 2001-02, 4 642 calls were received through the telephone service, an increase of 13 per cent over the previous financial year.

A range of information brochures exists to support the Energy Smart Line and these were updated in 2001-02. Work also commenced on a number of new brochures, with the first released in 2001-02. SEDO also continued to provide bulk copies of its household Energy Smart brochures to community groups and local government for their distribution.

Work continued on a house energy-rating scheme for Western Australia. The FirstRate and National House Energy Rating Scheme (NatHERS) software packages can be used in most Western Australian climates and a TAFE training course for use of the FirstRate software is now available in Western Australia. SEDO is responsible for accreditation of the FirstRate assessors upon successful completion of the course. Once accredited, assessors are able to provide house energy ratings to the public.

Following on from a study identifying the difficulties of gaining a good rating for small houses with FirstRate, a methodology for adjusting ratings to ensure that small houses are not disadvantaged has been developed. It is anticipated that this will be included in the updated version of the FirstRate software due for release in late 2003. SEDO also participated in the NatHERS Management Committee. This committee steers the development of the NatHERS scheme and NatHERS software so that both achieve their respective aims.

### **Energy Smart Public Communications**

SEDO now has in place a corporate marketing strategy to communicate consistent sustainable energy messages to the general community, the business community and government. Based on recent market research, a number of marketing concepts have also been developed and will be evaluated to determine how successful they are.

A marketing package containing switch-off stickers, posters recommending energy efficient practices and other promotional material was developed for the Energy Smart Government program. A print and radio advertising campaign was run to promote the concept of an Energy Smart Community. SEDO also encouraged interested parties to create displays and supplied display materials on a wide range of energy-related topics.

### **Energy Smart Business**

SEDO is supporting the Western Australian sustainable energy industry through initiating the establishment of a web-based database providing details of sustainable energy service providers and products suppliers. The database, which will supply business and the public with easy access to sustainable energy solutions, will be available early in 2002-03.

A greenhouse-rating tool that rates buildings on a one-to-five star basis depending on their greenhouse efficiency has been developed in conjunction with other jurisdictional offices for application to commercial buildings. SEDO will administer the ratings scheme in Western Australia.

Technical brochures on a range of energy efficient technologies for small business and industry have been developed and will be available in 2002-03. These brochures will provide a source of information for business and the SEDO Energy Smart Line as it expands its services to provide advice on sustainable energy to Western Australian businesses.

Strategic direction for the Western Australian renewables industry has been continued through SEDO's position on the steering committee of the Western Australian Sustainable Industry Group and input on the development of the Cleaner Production Statement prepared by the group. A wide range of business, industry associations and government agencies have committed to the statement and SEDO has undertaken to join the program in 2002-03.





Piney Lakes Reserve, Winthrop - solar bank

### **Beyond the Grid**

*Beyond the Grid* is a newsletter targeted at regional Western Australia. Its aim is to inform community agencies, local government, development commissions and businesses of energy issues that are relevant to individuals and organisations in regional areas. One issue of this newsletter was produced in 2001-02 and another issue was prepared for release early in 2002-03.

### **Energy News WA**

Two issues of the newsletter were produced in 2001-02. This newsletter follows the progress of energy reform in Western Australia, including features on companies participating in the Western Australia energy market.

### **Energy in Western Australia**

One edition of this major publication was issued. Information on energy resources, and the production and use of energy in Western Australia was also expanded and updated on the Office of Energy Web page.

### **Energy in Western Australia Conference**

The Office, in conjunction with the Australian Institute of Energy, hosted the fourth Energy in Western Australia Conference in which 230 delegates attended over a two-day period.

### **Gas Talk**

*Gas Talk*, a new web-based newsletter, was created in order to provide informative articles to stakeholders on the issues arising from the Gas Retail Deregulation Project (GRDP) in Western Australia. Two issues were published in 2001-02 and updated on the Office of Energy GRDP Web site.

### **Regional Power Procurement Project Newsletters**

These newsletters have been distributed to stakeholders of the Mid West, Esperance and Exmouth Regional Power Procurement Projects advising of achievement of key milestones in the projects.

### **Technical Seminars**

Electrical and gas seminars were held by the Technical & Safety Division at a wide range of metropolitan and country venues. The seminars covered electrical worker and gas fitter licensing issues, case studies of defective work and electrical or gas accidents, supervision requirements, changes to legislation and specific technical issues. There were 10 seminars attended by approximately 1 200 electrical industry personnel and 17 seminars attended by 1 100 gas industry personnel.

### Energy Bulletins

This publication is the major electrical and gas industry communication vehicle of the Technical & Safety Division. Three Energy Bulletins were produced and widely issued through direct mail and industry outlets. Energy Bulletins cover technical and safety regulatory issues, technical standards and energy industry news.

### Electrician's Newsletter

The *Electrician's Newsletter* was again published by the Technical & Safety Division during 2001-02. The Newsletter is emailed to electricians who register their email details with the Technical and Safety Division.

### Code of Practice for Inspectors (Electricity)

The *Code of Practice for Inspectors (Electricity) in Western Australia* was produced by the Technical & Safety Division. The Code assists people designated or intending to be designated as an Inspector (Electricity) by clarifying their roles and obligations. The code also provides an understanding of the inspection regime.

### Guidelines

Guidelines were developed for Employers and Supervisors of Apprentices and Trainees (Gasfitting).

### Web Site

The Office of Energy website is [www.energy.wa.gov.au](http://www.energy.wa.gov.au). It features information on energy policy and programs for industry and the general public. The website offers Office of Energy publications for download. Links are also provided to further information on the Electricity Reform Task Force, Sustainable Energy Development Office and the Gas Retail Deregulation Project.

### Sponsorship

During the year the Technical & Safety Division sponsored:

- two Electrical Safety Awards as part of the Electrical Contractors Association Annual Excellence Awards; and
- one Award to the plumbing trade apprentice with the best gas fitting results, as part of the Master Plumbers & Gas Fitters Association Annual Awards.

During the year SEDO sponsored:

- three seminars - the Building Designers Association of WA Ecological Sustainable Design Seminar, the Australian Greenhouse Office Sustainable Housing Seminar Perth tour and the Cities for Climate Protection seminar;
- the WA SIG Western Australian Cleaner Production and Eco-Efficiency Roundtable; and
- an Energy Smart segment on Channel Seven's Nuts and Bolts.



**SEDO Staff** Pat Smith, Brett Cummings and Andrew Fairs

## REGULATORY SERVICES TO THE ENERGY SECTOR IN WA

### Energy Amendments Bill

The Office of Energy has provided a Cabinet Submission to the Minister for Energy to amend energy-related Acts in order to: facilitate full retail contestability in gas and reticulation of regional communities; amalgamate the sustainable energy functions of government; clarify administrative powers and functions of the Coordinator of Energy; and make legislative amendments to the *Gas Pipelines Access (WA) Act* as agreed at the national level and clarify functions, powers, obligations and reporting requirements of Western Power.

### Electricity and Gas Authorisations, Gas Trading and Distribution Licenses

During the year, the Coordinator of Energy granted 22 electricity authorisations for new electricity generation. Nine gas authorisations, principally for wholesale gas transactions, were also granted.

The gas trading and gas distribution licensing regime currently consists of five gas distribution licenses and five gas trading licenses and one licence exemption. These licenses specify the standards of service applicable to the State's 450 000 small-use gas customers.

In September 2001, the Coordinator of Energy granted two new gas trading licenses to Wesfarmers Kleenheat Gas for their operations at Margaret River and Leinster. The Coordinator also amended four gas distribution licenses and three gas trading licenses to provide licensees with greater flexibility in the submission of financial reports. The Coordinator also facilitated the grant of a licence exemption Order for the Rottnest Island Authority.

In administering the licence regime, the Coordinator of Energy has administered compliance with respect to:

- AlintaGas Networks' Asset Management System with respect to the Coastal, Goldfields/Esperance and Great Southern licence areas;
- Wesfarmers Kleenheat Gas' Standard Customer Contract with respect to the Goldfields/Esperance and Coastal licence areas;
- Wesfarmers Kleenheat Gas' Customer Service Charter with respect to the Goldfields/Esperance and Coastal licence areas;
- Wesfarmers Kleenheat Gas' Gas Customer Safety Awareness Program with respect to the Goldfields/Esperance and Coastal licence areas;
- AlintaGas Sales, AlintaGas Networks information and financial returns with respect to the Coastal, Goldfields/Esperance and Great Southern licence areas;
- Wesfarmers Kleenheat Gas' information and financial returns with respect to the Goldfields/Esperance and Coastal licence areas; and
- Rottnest Island Authority's Gas Customer Safety Awareness Program.

A guideline for the appointment of a Performance Auditor was also produced.

### National Regulatory Coordination and Standards Development

The Office is represented on the following national bodies:

#### National Standards Councils, Boards and Committees

- Council of Standards Australia (representing the Government of Western Australia)
- Standards Accreditation Board
- Electrotechnology Sector Standards Policy Board
- Gas Technical Standards Council
- AG9 Natural Gas Vehicle Technical Standards
- CH-038 Liquefied Petroleum Gas
- EL1 Wiring Rules and Related Subcommittees
- EL43 High Voltage Electrical Installations
- EL42 Renewable Energy Power Supply Systems
- EL11 Electricity Metering

- EL1 Electrical Installation Standards and the relevant sub committees
- EL2 Electrical Appliance Safety
- EL4 Electrical Accessory Safety
- AG5 Industrial Gas Appliances
- AG6 Gas Installations
- AG10 Specification for Natural Gas Quality
- ME46 Gas Fuel Systems for Vehicle Engines

### National Regulatory Coordination Bodies

- Electrical Regulatory Authorities Council (ERAC)
- Gas Technical Regulators Committee (GTRC)
- National Uniform Electrical Licensing Authority Council (NUELAC)
- National Appliance and Equipment Energy Efficiency Committee (NAEEEC)
- National Oil Supply Emergency Committee (NOISEC)

During the year it became evident that Standards Australia was unable to introduce all the necessary companion documents for newly introduced standards that are referenced in legislation. Additionally, some new requirements in the documents could not be justified on the grounds of safety, causing a negative reaction from industry. The Director of Energy Safety is addressing these matters with Standards Australia.

Electrical Inspections and Investigations Summary	
Inspections of installations not supplied from utility supply systems	888
Investigations into breaches of the Electricity Act and Regulations resulted in: Prosecutions - 60 Warnings - 58	195
Investigations into various types of reported electrical safety incidents including fatalities	230
Audits of electrical appliance retailers, in respect of compliance with statutory safety and energy efficiency labelling requirements	19
Surveys/audits of electrical contractor/air conditioning installers' work systems and practices	90

### Electrical Installation Inspections by Supply Authorities

All electricity supply authorities inspect consumer installations supplied by their networks or supply systems, under statutory obligations that require them to develop and then comply with *Inspection Plans and Policy Statements* after they are approved by the Director of Energy Safety. The supply authorities may carry out sample inspections in accordance with their approved *plan*, rather than inspect all installations. The inspectors are employed by the supply authorities but designated (given their powers) by the Director. They are required to work in accordance with not only the *Inspections Plans* but also a Code of Practice issued by the Director.

During the year new plans were approved and compliance audits were conducted by Technical & Safety Division at Western Power Corporation (metro operations), Robe River Iron Associates (which services Wickham and Pannawonnica), BHP Iron Ore (which services Newman), WMC Resources (which services Leinster), Hamersley Iron (which services Dampier, Tom Price, Paraburdoo) and Rottneest Island. This resulted in some corrective action requests being issued to improve compliance.

### Electricity-related Accidents

The following electrical accidents were reported to Technical & Safety Division:

Electric shocks	597
Accidents (incidents where injury has been sustained requiring hospital treatment) including 2 electrocutions	21



The two electrocutions took place as follows:

- while attempting to install a telephone cable in the roof space of an old residence, a man inadvertently contacted an exposed part of a live conductor of a single insulated, open-wiring system; and
- a man made contact with live terminals in a distribution board at a mine site.

### Electricity Supply Investigations

During the year the Technical & Safety Division carried out many investigations into electricity supply-related safety incidents, tree-cutting complaints and supply quality/reliability concerns. Advice was also provided to the Minister in response to a number of specific requests.

Western Power was prosecuted by the Director of Energy Safety for failing to report an incident under regulation 63 of the *Electricity (Licensing) Regulations 1991*. The incident involved the collision of a barge-mounted derrick with a high voltage overhead power line in 1999. The prosecution was dismissed on a legal technicality and an appeal has been lodged in order to clarify the reporting obligations under the regulations.

In June 2002 a coronial inquest was conducted into the death of a Western Power employee (engineer Mr Daren Tan) who died following a severe high voltage electric shock at a Coolgardie Substation in January 2000. Officers of the Technical & Safety Division (including the Director) attended the inquest and gave testimony. The findings of the Coroner have not yet been released.

### Gas Inspections and Investigations Summary

Mine Sites	28
Authorisation Holders	3
Gas Suppliers	72
Inspections Carried Out During Regional Visits	332
Caravans/Campervans	44
Autogas Installations	72
Mobile Food Vending Vans	59
Marine	46
Appliance Retail Outlets	118
Hire/camping Company Audits	55
Second-hand Outlets	127
<b>Total Inspections</b>	<b>956</b>
Number of Notices of Defect issued on new gas installations inspected by the Gas Inspection Branch	37
Number of Inspector's Orders written where gas installations were inspected by Gas Inspection Branch and required maintenance or repair	133
<b>A total of 209 investigations into various incidents (including fires) resulted in 5 prosecutions and 9 warnings</b>	

### Gas Installation Inspections by Gas Suppliers

All Natural Gas and LP Gas suppliers inspect consumer installations supplied by their networks or supply systems, under statutory obligations that require them to develop and then comply with *Inspection Plans and Policy Statements* after they are approved by the Director of Energy Safety. Gas suppliers may carry out sample inspections in accordance with their approved plan, rather than inspect all installations. Gas suppliers' inspectors carry out many safety inspections across the State via this process. The inspectors are employed by the gas suppliers but designated (given their powers) by the Director. They are required to work in accordance with not only the *Inspections Plans* but also a Code of Practice issued by the Director.

During the year the Director approved new plans for AlintaGas and Wesfarmers Kleenheat Gas. Compliance audits were conducted by Technical & Safety Division at a number of suppliers at various locations. This resulted in corrective action requests being issued to improve compliance.

Gas Incident Reports	
Number of reported gas safety incidents with completed reports	114
Number of gas accident reports (where injury has been sustained requiring hospital treatment)	15
Gas related fatalities **	1

\*\* This incident related to the inappropriate use of an LP Gas cylinder that exploded when filled with compressed air and used for a heating process with a gas cutting-torch.

### Gas Appliance Approvals

Type A gas appliances are domestic or commercial appliances such as room heaters, cooking appliances and hot water systems. Type B appliances are any gas appliances larger than 10 MJ/hr and are mainly industrial appliances such as boilers, furnaces, kilns and power-generating gas equipment.

During the year, inspectors from the Technical & Safety Division inspected and approved 112 Type A gas appliances from 59 submissions. Some local manufacturers seek this approval for small numbers of gas appliances to test the market acceptance of these appliances, prior to large-scale production and obtaining full Australian Gas Association approval.

The total number of Type B industrial gas appliance approvals given was 366, a high number that reflects the importance and benefit of the availability of independent Type B gas appliance inspectors. These inspectors were established by the Technical & Safety Division some six years ago and are designated by the Director. They are privately employed and work to regulated standards. They offer their services on a fee-for-service basis to all areas of industry.

### Mine Site Gas Inspections

Compliance inspections conducted by Technical & Safety Division inspectors highlighted quite a number of non-compliances with regulations at mine sites throughout Western Australia. Some of the breaches identified were of a safety concern. In one instance a Type B gas appliance had to be prohibited from use until such time as the inspector was satisfied that the gas appliance was again safe for operation.

The Technical & Safety Division will continue with this safety inspection program throughout 2002-03 to ensure these installations are safe to operate. Efforts will be made at the same time to educate industry on the obligation to comply with all the relevant requirements of the regulations.

### Gas Sampling

Sampling of Natural Gas was witnessed and sampling of LP Gas (liquefied petroleum gas) was carried out throughout the State. Gas samples were tested for compliance with the quality standards contained in the Regulations. There were 53 natural gas and 59 LP gas samples tested for heating value, quality and odorant levels, as well as for compliance with legislative requirements.

### Gas Licensing of Industry Operatives

At 30 June 2002, there were 6 398 persons registered for gas fitting work. The Gas Licensing Committee, operating under the delegated authority of the Director of Energy Safety, interviewed 19 gas fitters regarding safety issues. This resulted in four formal inquiries that were conducted by the Deputy Director Energy Safety, also under the delegated authority of the Director. The outcomes of the interviews and inquiries were:

Permits cancelled	1
Permits suspended	1
Certificates of Competency suspended	1
Authorisations cancelled	1
Gas Fitters required to undertake further training	9
Gas Fitters censured for their actions	3



### Licensing of Electrical Industry Operatives

At 30 June 2002 there were 22 270 electrical workers, 3 029 electrical contractors and 227 in-house licence holders registered. The licensing of electrical operatives is carried out by the Electrical Licensing Board, although most licence-issuing functions have been delegated to staff of the Technical & Safety Division. The Board's principal focus and effort (in terms of time spent by Board members) is on licence holder discipline.

Members of the Electrical Licensing Board as at 30 June 2002 were:

- Mr R G Pritchard - Chairman, self employed Consulting Engineer;
- Mr R Butterworth - nominated by the Department of Training;
- Mr K Rosher - nominated by the Director of Energy Safety;
- Mr J Sweeting - nominated by the Electrical Contractors Association WA;
- Mr R Graham - appointed as a person with knowledge of restricted electrical work;
- Mr G Wrigley - nominated by the Chamber of Minerals & Energy and the Chamber of Commerce & Industry of WA (Inc); and
- Mr J Murie - nominated by the Communications, Electrical, Plumbing Union.

The Electrical Licensing Board met 25 times during 2001-02. The Board also conducted 74 investigations including seven formal disciplinary proceedings and eight summary proceedings. The outcomes were:

Electrical Contractor Licences Cancelled	4
Electrical Worker Licences Cancelled	4
Electrical Contractor Licences Suspended	2
Electrical Worker Licences Suspended	8
Operatives Required to Undertake a Competency Assessment	36
Operatives Censured	9
Operatives Required to Undertake Further Training	6

### Gas Distribution Legislation Amendment Bill 2001

This Bill has been drafted and awaits Government approval for introduction into Parliament. The Bill proposes to improve order-making powers for gas inspectors under the *Energy Coordination Act 1994*, and amend the *Gas Standards Act 1972* to clearly define the installation inspection regime and provide improved powers for the enforcement of gas regulations and statutory requirements. It is hoped the Bill will be passed during 2002-03.

### Acts Amendments (Power Lines and Vegetation) Bill and Related Regulations

This drafting work deals with amendments to the *Energy Corporations (Powers) Act 1979* and the *Electricity Act 1945*, to define in the latter a regulatory regime for tree control clearances and obligations of land occupiers, electricity network operators and others. This regime is expected to recognise and formalise the practices that have been developed during recent years following extensive community consultation, especially in the metropolitan hills areas. It is hoped the Bill and regulations can be finalised during 2002-03.

### Review of the *Electricity (Licensing) Regulations 1991*

This work has already seen extensive industry consultation and is progressing to a second stage of consultation following the completion of a draft of the proposed amendments. The amendments will be finalised during 2002-03.

### Review of Part IX of the *Electricity Regulations 1947*

This Part deals with the "General safety requirements for electrical work". Due to a number of serious electrical accidents involving work on energised low voltage electrical equipment, the Minister of Energy requested that the Director conduct a review of the safe work practices of the electrical contracting industry. This review is currently in progress and is expected to be completed by the end of 2002.

## Energy Policy Implementation Projects

### Energy Smart Government

The Minister for Energy announced a new Energy Smart Government policy in late June 2002. SEDO was involved in developing the policy and will be responsible for overseeing its implementation as well as assisting government agencies to meet their obligations under the policy.

The policy covers all energy used in buildings, plants and stationary equipment by State Government agencies, classified as general government sector agencies, with 25 or more full-time employees. Other agencies and government trading enterprises are encouraged to adopt the principles of the policy. Energy used in transport operations is not included in the policy.

Participating agencies are required to:

- report to SEDO (and in their annual reports for 2002-03 and subsequent years) their total stationary energy costs, stationary energy consumption, greenhouse gas emissions associated with the production and use of that energy and activity-based energy performance indicators; and
- achieve a five per cent reduction in stationary energy consumption by the end of 2002-03, rising to a 12 per cent reduction by 2006-07.

SEDO will administer a repayable advance program (up to \$16 million over four years) for energy saving projects with a five year or less payback period. SEDO will also work with the Department of Premier and Cabinet and other relevant agencies to enhance procurement policies to deliver cost-effective energy savings in the areas of stationary equipment, accommodation and other facility services.

The policy requires SEDO to produce by 31 October of each year a whole-of-government report on energy use and energy related greenhouse gas emissions in the previous financial year for tabling in Parliament.

SEDO also participated in meetings of the national Government Energy Managers Group which includes members from Federal, State and Territory Government energy management agencies.

### Energy Performance Contracting

SEDO continued to investigate the feasibility of using energy performance contracts to fund energy-saving capital equipment upgrades in Government agencies.

An energy performance contract is an arrangement where a contractor provides a service for identifying cost effective energy saving opportunities, implements those opportunities and guarantees the savings. The initial investment for the project can be provided by the contractor or by the owner of the facility and the investment is repaid by the guaranteed savings.

The option of incorporating performance-based facilities management within the process is also being considered and offers additional benefits to agencies.

A pilot performance-based energy and facilities management contract is being developed for the Department of Land Administration's Midland facility. The project is being assisted with funding from the Financing Efficient Energy Use Program, technical support from the Department of Industry and Technology and contractual support from the Department of Housing and Works.

### Electricity Reform Task Force

The ERTF was established as an independent body, with its main objective being to consider and make recommendations concerning the achievement, where practicable, of sustainable lower electricity prices for all consumers, while maintaining adequate reliability, security, quality and safety of electricity supply, and maintaining the uniform tariff for residential and small business customers.

The Office of Energy provides technical, executive officer and other essential support to the ERTF, including budgeting and human resource management.

The ERTF is to develop detailed recommendations regarding the design of the electricity market to be established in Western Australia; the extent and phasing of the disaggregation of Western Power; a Western Australian Electricity Code; and other regulatory issues and arrangements for full retail contestability.

The ERTF responds to the Minister for Energy through its independent Chairman, Mr John Hyslop. There are two other independent members on the task force; Dr Frank Harman and Mr John Kelly. The third member, as Co-ordinator of Energy, representing the Government, Dr Les Farrant, has as his alternate Mr Vince Walsh, Director Industry Development with the Office of Energy.

The ERTF released a detailed discussion paper on 17 April 2002 canvassing its current views on various aspects of electricity reform. This detailed paper refines and expands on the views introduced in the first ERTF paper published in November 2001. It takes into account points raised by stakeholders in their responses to that first paper and the work of the structural, market, code and regulatory working groups assisting the task force.

A significant number of submissions were received in response to the April discussion paper and the ERTF is currently assessing these and forming its final recommendations. The ERTF is expected to submit its recommendations to the Minister for Energy later in 2002.

### Gas Retail Deregulation Project

The Western Australian Government remains committed to establishing a competitive gas market in the State. Giving all consumers the opportunity to choose their preferred gas retailer is an outcome of the Government's energy industry reform process, and is in line with the Competition Principles Agreement by which all the States and Territories and the Federal Government is bound. The Gas Retail Deregulation Project (GRDP) Steering Group, chaired by the Coordinator of Energy, has met regularly to advise on and facilitate the establishment of:

- the appropriate arrangements that the gas industry could implement to enable all gas consumers to be contestable for supply and support the fully deregulated gas retail market; and
- the processes and mechanisms and relevant legislative actions that would be effective in causing the preferred arrangements to be implemented by all relevant parties in a timely and equitable manner.

The Steering Group has established various working groups to investigate and provide advice on matters related to the GRDP.



### Gas Retail Deregulation Project

Left to Right: Rolando Custodio, Richard Harris (Acting Chairman), Annette Watkins, Jodie Shore and Nerea Saez

Collectively the Steering Group and the working groups have:

- determined the need for a Gas Industry Ombudsman Scheme;
- identified customer transfer processes and procedures to facilitate transfers in the deregulated market; and
- developed a Marketing Code of Conduct for retailers.

The Office of Energy provides secretariat and research services to the GRDP.

### **Additional Gas Pipeline Capacity to the South West**

The Office of Energy is a member of the Gas Pipeline Sale Steering Committee, which is overseeing the availability of an expanded gas access corridor suitable for additional gas pipeline capacity to the South West of Western Australia and of gas lateral corridors from the DBNGP to Oakajee and the Eastern Goldfields.

### **Regional Power Procurement Process**

A competitive tendering process commenced in 1998 for private companies to supply electricity to Western Power for its larger regional systems. The process is being conducted by the Regional Power Procurement Steering Committee, which comprises Dr Des Kelly as an independent Chairperson, and the Chief Executive Officers of the Office of Energy and Western Power. The Office of Energy continued to provide research and secretariat services to the Steering Committee.

### **West Kimberley**

The Power Purchase Agreement (PPA) entered into between Western Power and the Energy Equity Corporation/Woodside Energy Ltd consortium was terminated by Western Power in October 2001 due to the consortium not satisfying the Conditions Precedent by the due date.

A new West Kimberley Power Project is being carried out by Western Power to obtain a competitive source of supply to Western Power in the West Kimberley, including the towns of Broome, Derby, Fitzroy Crossing, Halls Creek and Camballin/Looma.

### **Mid West**

A PPA was signed on 30 August 2001 between Western Power and StateWest Power Pty Ltd to supply electricity to Western Power in the Mid West region, including the towns of Meekatharra, Mt Magnet, Cue, Yalgoo, Wiluna and Sandstone.

### **Esperance**

A negotiating team of Western Power and Office of Energy officers entered into contract negotiations with Burns and Roe Worley Pty Ltd, as the Preferred Bidder in the Esperance Power Procurement Process. Negotiations have concluded and the Esperance PPA and Wind PPA are expected to be signed in July 2002. Following the execution of the PPAs, the Steering Committee will consider BRW's proposal for the supply of electricity to Hopetoun and/or Ravensthorpe.

### **Exmouth**

On 23 December 2001, the Minister for Energy announced that Burns and Roe Worley Pty Ltd (BRW) had been selected as the preferred bidder to supply electricity to Western Power in the town of Exmouth. Contract negotiations commenced in February 2002 and BRW may submit a proposal for the optional towns of Marble Bar and Nullagine for consideration by the Regional Power Procurement Steering Committee during negotiations. A PPA is expected to be signed by the end of 2002.

### **Aboriginal and Remote Communities Power Supply Project**

The Aboriginal and Remote Communities Power Supply Project (ARCPSP) commenced in January 2002 and is being conducted by the Office of Energy in partnership with ATSIC. The Reference Group's vision for the pilot project is to see the development and implementation of new power supply arrangements and energy policy providing for the delivery of safe and reliable energy in Aboriginal and Remote Communities.

Guiding principles for the ARCPSP include sustainability, recognition of cultural diversity and uniqueness, equity and community development. The pilot project will be completed by the end of 2003 and a recommendation will be made on expanding the process to 18 other large, remote, permanent Aboriginal and non-Aboriginal communities.





**Mid West Negotiating Team**

**From left to right:** Jennifer Sai (Western Power), Matt Duxbury (StateWest Power), Erica Lampard (Freehills), John Filippone (Office of Energy), Graham Quartermaine (Pye & Quartermaine) and Mark Gooding (Navigant Consulting)



**Aboriginal and Remote Communities Power Supply Project team**

**Clockwise from top:** Cornelia Major, Cera Slevin, Sherena Bin Hitam, Jill Rickard, John Filippone, Raelene Murray, Angela Kicic & Kate Woodhill

## PERFORMANCE MEASURES FOR OUTPUT 1

### Energy Policy, Information and Regulatory Services

The actual results of Output 1 measures against targets reported in the 2001-02 State budget papers are outlined in the following table.

Measure	Target	Actual	Reasons for significant variations
<b>Quantity</b>			
Incidences of policy and other advice to the Minister for Energy and Government	1 220	1 168	
Regulatory actions (approvals, authorisations, inspections, licences, court/disciplinary proceedings)	34 300	34 340	
Energy policy implementation projects	21	22	
Incidences of industry and community information provision	12 000	31 456	It was estimated that the Office would handle 12,000 communication incidences, however the promotional activities of SEDO resulted in a vastly higher number of visits to the website and calls to the Home Energy Line.
<b>Quality</b>			
Minister for Energy's satisfaction with policy implementation projects	75%	Not available at time of finalising report	
Industry and community satisfaction with information provided	75%	91%	
Minister for Energy's satisfaction with policy and other advice provided	75%	Not available at time of finalising report	
<b>Timeliness</b>			
Regulatory actions completed where required within statutory timeframes	95%	100%	
Minister for Energy's satisfaction with timeliness of specific issue projects	75%	Not available at time of finalising report	
Industry and community satisfaction with timeliness of information services and products	75%	89%	
Policy and other advice provided to the Minister for Energy within requested timeframes	90%	Not available at time of finalising report	
<b>Cost</b>			
Average cost per regulatory action	\$103	\$106	
Average cost of energy policy implementation projects	\$276 700	\$189 811	Several large projects/programs are ongoing and funds are being carried forward for their completion, eg. the Electricity Reform Task Force, Aboriginal Communities Power Procurement and Gas Retail Deregulation.
Average cost per policy and other advice provided to the Minister for Energy and Government	\$1 801	\$1 553	
Average cost per incidence of industry and community information	\$135	\$58	A significantly higher level of promotion available with SEDO increased the number of interactions and lowered the unit cost.



## OUTPUT 2: GRANT AND COMMUNITY PROGRAMS MANAGEMENT

This includes programs such as:

- the State Underground Power Program;
- the Photovoltaic Rebate Program;
- the Renewable Remote Power Generation Program;
- the Solar Water Heater Subsidy;
- the Financing Efficient Energy Use Program for State Government agencies; and
- the Alternative Energy Development Board grants to support renewable energy and energy efficiency.

### **The State Underground Power Program**

The Office manages the State Underground Power Program (the 'Program') jointly with Western Power and with involvement from the Western Australian Local Government Association. Local authorities are offered funding under two categories: Major Residential Projects and Localised Enhancement Projects.

The completion of the following projects in 2001-02 concluded Round One of the Program: Major Residential Projects:

- City of South Perth, Como
- Town of East Fremantle, East Fremantle - Preston

Localised Enhancement Projects:

- Shire of Irwin, Dongara

There were 12 Major Residential Projects in Round Two, which have the following status:

Completed in 2001-02:

- City of Belmont, Rivervale
- Town of East Fremantle, Plympton
- City of South Perth, Mill Point



Ridge Street, South Perth - converted to underground power as part of Round Two of the State Underground Power Program.

- City of Melville, Mount Pleasant/Booragoon and Bicton

Commenced in 2001-02:

- Town of Victoria Park, East Victoria Park/Carlisle
- City of Subiaco, Subiaco

Expected to be completed in 2002-03:

- Town of Claremont, South Claremont
- City of Stirling, Mount Lawley
- Town of Cambridge, North Wembley/West Leederville
- Town of Victoria Park, East Victoria Park/Carlisle
- City of Subiaco, Subiaco

Expected to commence in 2002-03:

- City of Nedlands, West Nedlands
- Town of Mosman Park, Mosman Park

There were 12 Localised Enhancement Projects in Round Two, which have the following status –

Completed in 2001-02:

- Shire of Serpentine – Jarrahdale, Jarrahdale Rd in Jarrahdale
- City of Gosnells, Albany Highway in Gosnells
- Shire of Shark Bay, Denham Rd in Denham
- Town of Vincent, Mary St in Highgate

Commenced in 2001-02:

- Shire of Harvey, Uduc Rd in Harvey
- Shire of Mundaring, Mundaring Township

Expected to commence in 2002-03:

- City of Rockingham, Rockingham Beach Precinct
- Shire of Esperance, Black St in Esperance
- Shire of Murray, George St in Pinjarra
- Shire of Bridgetown-Greenbushes, Hampton St in Bridgetown
- City of Stirling, Scarborough Beach Precinct
- City of Fremantle, South Terrace in Fremantle

Prior to the pilot program commencing in 1996, about 18 per cent of the metropolitan area was serviced by underground power. When Round Two is completed, about 30 per cent of the distribution system will be underground. The Government aims to have about 50 per cent of metropolitan homes serviced by underground power by 2010 with an equivalent percentage in regional areas.

Applications for Round Three projects will be invited in 2002-03. Major Residential Projects and Localised Enhancement Projects will be invited separately.

### **Photovoltaic Rebate Program**

SEDO administers and promotes this Commonwealth program in Western Australia. The Photovoltaic Rebate Program (PVRP) provides rebates of \$5 per Watt for new PV systems serving households and community buildings. The PV systems can be grid-connect or stand-alone. The maximum rebate is \$7 500 for a household application and \$10 000 for a community application.

In 2001-02, rebates with a total value of \$172 826 were paid for 15 grid-connect and seven stand-alone systems, involving the installation of 36 kW of PV modules. Rebates totaling \$103 665 were committed for fourteen proposed PV systems, with the planned installation of 23 kW of PV modules. With the introduction of the RAPS Program as part of the RPPGP, nearly all new PVRP applications were for grid-connect systems.

### **Renewable Remote Power Generation Program**

SEDO administers and promotes this Commonwealth-State program in Western Australia. The program provides rebates of 50 per cent of the capital cost of renewable energy systems that replace diesel generation in off-grid areas.

Available funding is equal to the excise paid on diesel used for public generation off-grid in Western Australia from 2000-01 to 2003-04. For 2000-01 a total of \$24.43 million in relevant excise was paid.

Renewable Remote Power Generation Program (RRPGP) funding is available for large individual projects (with a rebate value greater than \$550 000), programs providing rebates for multiple small projects of a similar nature, and for industry support projects. Two programs have been introduced in Western Australia as part of the RRPGP.

The Remote Area Power Supply (RAPS) Program effectively commenced on 1 July 2001. This program provides rebates of 55 per cent of the cost of renewable energy systems serving Aboriginal communities, businesses and households in off-grid areas of Western Australia. The RAPS Program is jointly funded by the Commonwealth, through the RRPGP, and by the State, using funding previously committed to the Renewable Energy RAPS Rebate program. The maximum rebate available is \$550 000.

Over 2001-02, 45 rebates, with a total value of \$1 289 524, were paid under the RAPS Program. A total of 69 kW of PV modules and 7 kW of wind turbines were installed, along with 2375 kWh of batteries and 217 kW of inverters. Rebates totaling \$3 239 611 were committed through the approval of 115 pre-purchase applications, involving the planned installation of 200 kW of PV modules, 30 kW of wind turbines, 5607 kWh of batteries and 534 kW of inverters.

The Renewable Energy Water Pumping (REWP) Program commenced on 17 February 2002. This program provides rebates of 50 per cent of the cost of the renewable energy components of solar pumps and windmills used instead of diesel pumps in off-grid areas. The maximum rebate available is \$10 000 per site. Over 2001-02, 10 rebates, with a total value of \$32 320, were paid under the REWP Program. This involved the installation of nine solar pumps and one windmill. Rebates totaling \$680 229 were committed through the approval of 169 pre-purchase applications, involving the planned installation of 166 solar pumps and 15 windmills.

Proposals requesting approval of RRPGP funding for two large projects were submitted to the Commonwealth. The Commonwealth approved funding for another large project, based on a proposal submitted in 2000-01. SEDO also submitted a proposal for an industry support project in conjunction with equivalent agencies in other states.

### **Solar Water Heater Subsidy**

SEDO administers and promotes this State-funded program. The subsidy provides rebates of up to \$500 for gas-boosted solar hot water systems serving households and electric-boosted systems with an approved boosting timer serving first new homebuyers.

Since inception of the program in November 2001, subsidies with a total value of \$29 400 were paid for 60 solar hot water systems. Of these 44 were gas-boosted, resulting in a 250 per cent increase in sales of the most environmentally friendly type of hot water system.

A review of the eligibility criteria has been initiated by SEDO to optimise the program outcomes within budget parameters.

### **Financing Efficient Energy Use Program**

The Financing Efficient Energy Use Program assists Western Australian State Government agencies to identify and implement cost effective energy saving projects. During 2001-02 \$372 033 was allocated to 16 energy saving capital investment projects and \$71 670 was allocated to 10 energy audits.

Major capital investment projects included:

- automatic lighting controls at the Department of Planning and Infrastructure, Dumas House and Royal Perth and Northam Hospitals;
- variable speed drives at South Hedland College of TAFE and Fremantle, King Edward Memorial and Princess Margaret Hospitals;

- steam system modifications at Kalgoorlie, Northam and Esperance Hospitals; and
- lighting upgrades at Dumas House, the Department of Planning and Infrastructure and Donnybrook Hospital.

The predicted savings in energy costs from these projects is \$250 570 per annum.

The Financing Efficient Energy Use Program will be incorporated into the new Energy Smart Government Program in 2003 and will focus on identifying energy saving opportunities (e.g. energy audits) and strategic energy management initiatives that do not meet the Energy Smart Government repayable requirements.

### **Alternative Energy Development Board**

SEDO provides administrative support to the Alternative Energy Development Board (AEDB) that recommends grants to individuals and organisations to develop and implement innovative ideas that contribute to the increased uptake of renewable energy and the greater use of energy efficient practices.

The six-member Board allocates grant funds to research and development projects and to education and demonstration projects.

AEDB members as at February 2002 comprised:

Mr Frank Daly - Chair, appointed by the Minister;  
Mr Michael Carr - appointed by the Minister;  
Dr Les Farrant - (alternate Dr Mary Dale), Ex-officio as Coordinator of Energy;  
Mr Geoff Hill - appointed by the Minister;  
Mr Noel Schubert - appointed by the Minister; and  
Mr Gordon Thompson - Ex-officio as Managing Director of CASE.

Project funding administered by the AEDB is made up of two components:

- energy education, demonstration and promotional activities, which are funded from the AEDB Trust Account; and
- energy research and development projects, which are funded from the Minerals and Energy Research Institute of Western Australia (MERIWA) Energy Account.

MERIWA is in the process of divesting its energy research funding to the AEDB, but until this process is complete, the AEDB will continue to recommend energy research projects to MERIWA for grants, which are then funded from MERIWA's Energy Account but administered by SEDO.

The AEDB invites formal applications to competitive funding rounds that close at the end of February and August each year. A total of 50 applications to a value of almost \$1.75 million were received over the two funding rounds held this financial year.

Contracts for grants were signed for 14 new projects to a value of approximately \$375 000 and a contract for a further project valued at approximately \$30 000 was near finalisation at the end of 2001-02.

The AEDB continues to support the Australian Cooperative Research Centre for Renewable Energy (ACRE) with \$100 000 per year for training courses and research into remote area power systems.



AEDB Projects			
Grantee	Project Description	Grant under contract (\$)	Project activity in 2001/2002
<b>Apace WA</b>	School based photovoltaic installations with Internet access	10 000	Completed
<b>Central Metropolitan College of TAFE</b>	Training facility for RAPS cabling	10 500	Completed
<b>City of Melville</b>	Installation of a wind and solar powered RAPS demonstration facility at Piney Lake	50 000	Completed
<b>Curtin University</b>	Evaluation of energy savings by running three phase motors from a single phase supply	20 000	Completed
<b>Curtin University</b>	Demonstration of energy efficiency in industry	20 000	Completed
<b>Hopetoun Progress Association</b>	Pilot energy efficiency program for a small regional town in Western Australia	17 356	Completed
<b>Murdoch University</b>	Assessment of computer programs for calculating daylighting in buildings	10 000	Completed
<b>Murdoch University</b>	Examination of opportunities for applying WA renewable energy technologies in the Republic of Maldives	15 032	Completed
<b>Norman Disney and Young</b>	Evaluation of heating options for indoor swimming pools	18 000	Completed
<b>Perth Zoo</b>	Installation of grid-connected photovoltaic installation at the Perth Zoo	30 000	Completed
<b>Rockingham Regional Environment Centre</b>	Installation of a wind powered RAPS demonstration facility	40 325	Completed
<b>Solahart</b>	Demonstration of a 20kW concentrating photovoltaic trough installation	20 000	Completed
<b>Western Power Corporation</b>	Documentation of the history of alternative energy in Western Australia since 1975	10 000	Completed
<b>Australian CRC for Renewable Energy Ltd</b>	Commitment to ACRE for 2001-02	50 000	Continuing
<b>Available Energy Consultants</b>	Field testing of selective surface roof paint used to keep buildings cool	30 500	Continuing
<b>City of Gosnells</b>	Solar cooker education program	8 000	Continuing
<b>Curtin University</b>	Project to improve the life of lead acid batteries - Stage 3	25 000	Continuing
<b>Earth House</b>	Demonstration of phase change material used to heat office space	20 000	Continuing
<b>Fairbridge WA</b>	Installation of a demonstration wind turbine	15 000	Continuing
<b>Murdoch University</b>	Upgrade of existing RAPS display and extension of WebRAPS interface with the Internet	29 611	Continuing
<b>Murdoch University</b>	Development of solar powered desalination for livestock watering	16 155	Continuing
<b>Science Teachers Association of Western Australia</b>	Support for an electric powered vehicle competition for schools	20 000	Continuing
<b>South West Development Commission</b>	Recommissioning of Pemberton hydro-electric scheme	25 000	Continuing
<b>Australian CRC for Renewable Energy Ltd</b>	Energy Action Learning Package Trial	11 150	New
<b>Central TAFE</b>	Solar Water Pumping Training Facility	15 000	New
<b>Conservation Council of WA</b>	Cool Community Solution to Global Warming	15 000	New
<b>Western Australian Museum</b>	The Power of the Wind	20 000	New

MERIWA Projects			
Grantee	Project Description	Grant under contract (\$)	Project activity in 2000/2001
Australian CRC for Renewable Energy Ltd	Ongoing ACRE Commitment for 2000-01	50 000	Continuing
Bellevue Group	Evaluation of a land-based oscillating water column generation devices	17 500	Continuing
Curtin University	Evaluation of a transformerless, multi-level, single-phase cascade inverter	34 000	Continuing
Hunt and Reid	Development of a low-cost solar water heater	17 000	Continuing
Murdoch University	Establishment of the Chair in Renewable Energy Engineering	100 000	Continuing
Murdoch University	Monitoring and analysis of the operation of residential RAPS systems	48 013	Continuing
Murdoch University	Development of sensor for lead-acid battery state-of-charge	50 000	Continuing
Murdoch University	Evaluation of fuel cells for RAPS applications in Western Australia	30 000	Continuing
Murdoch University	Evaluation of power quality problems and stability issues in weak grids	8 970	Continuing
PowerSearch	Improvement to power factor correction for utility connected renewable energy systems	30 000	Continuing
Shire of Roebourne	Development of an air conditioning system using groundwater as a source	6 000	Continuing
Stass Environmental	Evaluation of wind powered air compressor for environmental remediation purposes	10 000	Continuing
University of Western Australia	Evaluation of low-energy air conditioning system	30 000	Continuing
Western Power Corporation	Evaluation of co-firing biomass with coal at power stations	30 000	Continuing
Curtin University	Passive Downdraft Evaporative Cooler	13 983	New
Jarrah Computers	Development of Solar Reflector Technology	45 400	New and Completed
Orbital Engine Corporation	Injection System for Fuel Cells	35 000	New

## PERFORMANCE MEASURES FOR OUTPUT 2

### Grant and Community Program Management

Measure	Target	Actual	Reasons for significant variations
<b>Quantity</b>			
Transfer payments paid	3	2	In agreement with Western Power, fewer transfers of higher value were made in contribution to the Underground Power Project.
Grants approved	310	169	The processes to establish SEDO took longer than anticipated and delayed the promotion of some grants programs.
Grant applications administered	275	451	The promotional activities of SEDO resulted in a greater number of smaller-value funding requests under the Office's grants programs.
Community program implementations managed	12	8	
<b>Quality</b>			
Satisfaction of the relevant Board with the administration of grants	75%	73%	
Satisfaction of key stakeholders with management of community programs	75%	N/A	Survey not conducted as SUPP Round Three applications have not yet been invited from Local Government Authorities.
<b>Timeliness</b>			
Average time for processing grant applications	2 weeks	1.36 weeks	
<b>Cost</b>			
Average value of transfer payments paid	\$1 113 333	\$1 670 000	
Average cost of grants paid	\$26 753	\$16 668	This reflects a shift towards smaller funding of projects for which grants are provided.
Average cost of assessing/administering grant applications	\$845	\$890	
Average cost of managing recipients of funds under community programs	\$15 583	\$23 375	The average cost of managing recipients of funds under community programs has increased because of the reduced number required to be managed.

## CORPORATE ISSUES

### Internal Audit

A comprehensive review of all potential auditable areas within the Office of Energy was performed. Identified auditable areas were assessed to determine existing controls and the risks inherent in each area. This information formed the basis of a new strategic audit plan.

A program of internal audits was conducted focussing on auditable areas with higher levels of potential risk.

### Risk Management

A comprehensive review of the risks inherent in the work of the Office of Energy was conducted. The review was performed in accordance with *Australian/New Zealand Standard 4360*. The review included identification and analysis of the risks, and the development of treatment plans. A risk management database was developed.

### Support to the Office of Gas Access Regulation

Corporate services support was provided under a service level agreement to the Office of Gas Access Regulation.

### Client Service

Service standards are included in the Office of Energy Client Service Charter. Clients are encouraged through the Client Feedback System to provide feedback on whether service standards are met. This system includes a complaint handling mechanism.

Feedback from clients was generally very positive.

### Transfer of Technical & Safety Division to the Department of Consumer and Employment Protection

Substantial work was performed to facilitate the smooth transfer of the Technical and Safety Division to the Department of Consumer and Employment Protection in accordance with the MOG Taskforce outcomes. This work included the transfer of all staff, corporate information and IT systems.

### Office Accommodation

In order to accommodate the Sustainable Energy Development Office, Electricity Reform Taskforce and other project groups, the Office of Energy sub-leased and fitted out level eight of Governor Stirling Tower.

### Code of Conduct

Following a review involving all staff, a revised Code of Conduct was issued in August 2001. The review found that the previous Code substantially met the needs of staff by providing adequate guidance to them when confronted with ethical dilemmas. Some improvements were made to better link the Code to the ethical business risks of the Office of Energy and to improve clarity.

### Disability Services Plan Implementation

The Disability Service Plan was updated and reissued in March 2001 following consultation with a range of stakeholders. Achievements against the plan are outlined below.

*Outcome 1.* Existing services are adapted to meet the needs of people with disabilities.

*Achievements.* Client feedback on services provided is sought through various publications, including the Client Service Charter. A Client Feedback System, including complaint resolution, has been introduced. The resolution process includes an escalation mechanism to ensure that services are adapted where appropriate.

*Outcome 2.* Access to buildings and facilities is improved.

*Achievements.* While access at the Perth office continued to be satisfactory, access at the West Leederville office was recognised as inadequate. Staff are aware of this issue and arrange meetings at alternative venues, including the Perth office, when required.



**Outcome 3.** Information about facilities and services is provided in formats that enhance the communication needs of people with disabilities.

**Achievements.** Publications produced include advice that they can be made available on request in alternative formats to meet the needs of people with a disability.

**Outcome 4.** Advice and services are delivered by staff that are aware of and understand the needs of people with disabilities.

**Achievements.** Disability awareness brochures were distributed to staff that deal with the public. The new Disability Service Plan was promoted to staff and included on the Intranet for easy reference.

**Outcome 5.** Opportunities are provided for people with disabilities to participate in grievance mechanisms and decision-making processes.

**Achievements.** A Client Feedback System, including complaint resolution, has been introduced. The resolution process includes an escalation mechanism to ensure that services are adapted where appropriate.

## Finance and Administration

### Operating Expenses

The total cost of services of the Office in 2001-02 was \$18.197m, including transfer payments, expenditure on capital items, non-cash costs and grants payments. This compares to total cost of services of \$16.995 million in 2000-01.

Full details are disclosed in the 2001-02 Financial Statements included in this report.

### Asset Management

The Office has assets with a written down value of \$390 000 as at 30 June 2002, compared with a written down value of assets of \$254 000 as at 30 June 2001. Assets are replaced as required under an asset replacement plan.

### Financial Management Information Reporting

Financial management information reports were improved to better meet the needs of cost centre managers and external stakeholders.

### Gas Corporation Wind Up

The Office continues to administer the residual assets and liabilities of the Gas Corporation, including bank account maintenance and compliance with reporting requirements.

### Pricing Policy

The licensing fees for gas distributors and traders are set in accordance with the provisions of the *Energy Coordination (Licensing Fees) Regulations 1999*.

Other goods and services are generally charged out on a full cost of service basis.

## Information Systems

### Records Management

A new records management contract was tendered and awarded. The contract ensures that the Office of Energy receives high quality strategic records management services resulting in an effective and efficient records management function meeting the compliance requirements of the *State Records Act 2000*.

### Information Systems Infrastructure

IT infrastructure improvements were implemented to ensure continued secure, timely and efficient information management.

## Human Resource Management

### Staffing Levels

The Office had an average staffing level of 92.8 full time equivalents (FTE's) in the 2001-02 financial year compared with 84.4 FTE's for 2000-01. Total salary costs were \$5.881m.

### Staffing Policies

The Office's staffing policies meet relevant legislation requirements including the *Public Sector Management Act 1994*, *Equal Opportunity Act 1984* and *Occupational Safety and Health Act 1984*.

With the implementation of the Public Service General Agreement 2002, a policy allowing staff to purchase up to an additional four weeks leave per year was developed. Policies on staff working from home, study assistance and classification were also developed.

### Staff Recruitment

All staff recruitment is performed in accordance with the Public Sector Standards in Human Resource Management and the Approved Procedures under the *Public Sector Management Act 1994*. Following the change of Government in early 2001 and the decision to set up the Sustainable Energy Development Office, there was considerable recruitment activity into the Office of Energy. The number of recruitment exercises for the year numbered 39, compared with 26 for the preceding year.

### Staff Development

Staff training and development needs were principally identified through the Office of Energy's Employee Performance Agreement system. A number of in-house training courses, available to all staff, were run on a quarterly basis. These included courses on report writing and verbal communication skills.

### Industrial Relations

All staff are employed under the provisions of the *Public Sector Management Act 1994*. The Individual Workplace Agreement 2000 and the Enterprise Bargaining Agreement 2000 up to March 2002 and Public Service General Agreement 2002 from March 2002, prescribe the conditions of employment for all staff, except the Coordinator of Energy. There were no major industrial relations issues during the year.

### Workers' Compensation and Rehabilitation

There were two new claims for workers' compensation involving a motor vehicle accident in which the other party was at fault. Injuries sustained were minor.



### Human Resources

John O'Brien (Manager)

### Staff Leave Management

Staff leave liability was monitored to ensure that the Office of Energy liability continued at a reasonable level.

### Shares in Subsidiary Bodies and Interests in Existing or Proposed Contracts

Treasurer's Instruction 903 requires disclosure of any shares in subsidiary bodies or any interests by senior officers in existing or proposed contracts. There were no such shares or interests in 2001-02.

### Electoral Act 1907 Disclosure Requirements

In accordance with the disclosure requirements of Section 175ze of the *Electoral Act 1907*, the Office of Energy incurred expenditure during the period 1 July 2001 to 30 June 2002 on the following:

Advertising Agencies	Amount
Adcall Promotions	\$7 689
Vivid Interactive and Design	\$20 999
MJB&B	\$24 204
Traffic Advertising and Design	\$242
Larrikan Public Relations	\$1 620

<b>TOTAL</b>	<b>\$55 754</b>
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Market Research Organisations	Amount
Colmar Brunton	\$8 948

<b>TOTAL</b>	<b>\$8,948</b>
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Polling Organisations	Amount
Nil	

Direct Mail Organisations	Amount
Supermail	\$9 903
Lasermail	\$4 105
Northside Distributors	\$2 844

<b>TOTAL</b>	<b>\$16 852</b>
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Media Advertising Organisations	Amount
Marketforce Productions	\$44 032
Media Decisions	\$124 385

<b>TOTAL</b>	<b>\$168 417</b>
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## PUBLIC SECTOR STANDARDS COMPLIANCE REPORT

In the administration of the Office of Energy, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the Office of Energy Code of Conduct.

There were no identified breaches of the Public Sector Standards in Human Resource Management and no investigations undertaken by the Office of the Public Sector Standards Commissioner in relation to the Office of Energy.

A report of the outcomes of a comprehensive compliance review by the Office of the Public Sector Standards Commissioner was received in November 2001. The recommendations contained in the report were:


- An emphasis on the documentation requirements and decision-making process be included in the Recruitment, Selection and Appointment policy and guidelines.
- The current revision of the Code of Conduct to include an emphasis on ethical business risks and the development of strategies to monitor and report compliance.
- The revised Performance and Productivity Management System be monitored closely for effectiveness and compliance with Standards.

Actions taken by the Office of Energy in response to the recommendations include:

- The Office of Energy Recruitment, Selection and Appointment Policy and Manual have been updated and re-issued. Increased emphasis on documentation requirements and decision-making process has been included.
- The review of the Office of Energy Code of Conduct found that it substantially met the needs of staff faced with ethical dilemmas. Some improvements were made to better link the Code to the ethical business risks of the Office of Energy and to improve clarity. A more regular review of the effectiveness of the Code of Conduct is being implemented.
- A revised and simplified performance management system has been implemented. Close review of the participation of all staff and the effectiveness of the new system is being performed. An internal audit review was performed during the year specifically dealing with performance management. The recommendations of that review are being implemented.

In addition to the above, the tools used to assess the extent of compliance included:

- In addition to the internal audit review of performance management, an internal audit review of compliance with the Public Sector Standards in Human Resource Management was undertaken.
- The Manager Human Resources reviews actions for compliance with the Public Sector Standards in Human Resource Management prior to them being approved by myself.



LES FARRANT  
COORDINATOR OF ENERGY



2001 - 2002  
Financial  
Statements



## AUDITOR GENERAL'S OPINION



### AUDITOR GENERAL

**To the Parliament of Western Australia**

**OFFICE OF ENERGY**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002**

**Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This audit opinion relates to the financial statements of the Office of Energy for the year ended June 30, 2002 included on the Office of Energy's web site. The Coordinator of Energy is responsible for the integrity of the Office of Energy's web site. I have not been engaged to report on the integrity of this web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

**Scope**

I have audited the accounts and financial statements of the Office of Energy for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Coordinator of Energy is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Coordinator of Energy.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Office to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Office's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.

**Office of Energy**  
**Financial statements for the year ended June 30, 2002**

**Audit Opinion**

In my opinion,

- (i) the controls exercised by the Office of Energy provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Office at June 30, 2002 and its financial performance and its cash flows for the year then ended.



D D R PEARSON  
AUDITOR GENERAL  
October 11, 2002

## CERTIFICATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2002

The accompanying financial statements of the Office of Energy have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2002 and the financial position as at 30 June 2002.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



LES FARRANT  
ACCOUNTABLE OFFICER

14th August 2002



GEOFF GILBERT  
PRINCIPAL ACCOUNTING OFFICER

14th August 2002



## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

*The Statement of Financial Performance should be read in conjunction with the accompanying notes.*

	Note	2001/02 \$'000	2000/01 \$'000
<b>Cost of services</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	4	6 801	5 454
Supplies and services	5	3 657	2 921
Depreciation and amortisation expense	6	181	154
Administration expenses	7	541	595
Accommodation expenses	8	647	508
Grants and subsidies	9	6 239	7 358
Capital user charge	10	131	0
Net loss on disposal of non-current assets	14	0	5
<b>Total cost of services</b>		<b>18 197</b>	<b>16 995</b>
<b>Revenues from ordinary activities</b>			
User charges and fees	11	1 982	1 778
Commonwealth grants and contributions	12	2 926	915
Other revenues from ordinary activities	13	189	784
<b>Total revenues from ordinary activities</b>		<b>5 097</b>	<b>3 477</b>
<b>Net cost of services</b>	26 (b)	<b>13 100</b>	<b>13 518</b>
<b>Revenues from Government</b>	15		
Ouput appropriations		15 500	14 322
Liabilities assumed by the Treasurer		150	397
Resources received free of charge		257	218
<b>Total revenues from Government</b>		<b>15 907</b>	<b>14 937</b>
<b>Change in net assets</b>		<b>2 807</b>	<b>1 419</b>

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2002

*The Statement of Financial Position should be read in conjunction with the accompanying notes.*

	Note	2001/02 \$'000	2000/01 \$'000
<b>Current assets</b>			
Cash assets	16	3 240	1 525
Restricted cash assets	17	1 843	931
Receivables	18	207	210
Other assets	19	13	11
<b>Total current assets</b>		<b>5 303</b>	<b>2 677</b>
<b>Non-current assets</b>			
Restricted cash assets	17	139	114
Amounts receivable for outputs	20	225	0
Plant, equipment and leasehold improvements	21	764	254
<b>Total non-current assets</b>		<b>1 128</b>	<b>368</b>
<b>Total assets</b>		<b>6 431</b>	<b>3 045</b>
<b>Current liabilities</b>			
Payables	22	341	87
Provisions	23	749	698
Other liabilities	24	146	128
<b>Total current liabilities</b>		<b>1 236</b>	<b>913</b>
<b>Non-current liabilities</b>			
Provisions	23	399	390
<b>Total non-current liabilities</b>		<b>399</b>	<b>390</b>
<b>Total liabilities</b>		<b>1 635</b>	<b>1 303</b>
<b>Equity</b>			
Contributed equity	25	247	0
Accumulated surplus		4 549	1 742
<b>Total equity</b>		<b>4 796</b>	<b>1 742</b>
<b>Total liabilities and equity</b>		<b>6 431</b>	<b>3 045</b>

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

*The Statement of Cash Flows should be read in conjunction with the accompanying notes.*

	Note	2001/02 \$'000	2000/01 \$'000
<b>Cash flows from Government</b>			
Output appropriations		15 500	14 114
Capital contributions (2001 appropriation)		247	208
<b><i>Net cash provided by Government</i></b>		<b>15 747</b>	<b>14 322</b>
Utilised as follows:			
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Employee costs		(6 059)	(4 405)
Superannuation		(514)	(397)
Supplies and services		(3 146)	(2 824)
Capital user charge		(131)	0
GST payments on purchases		(572)	0
Other payments		(6 945)	(8 786)
<b>Receipts</b>			
User charges and fees		1 947	2 538
Commonwealth grants and contributions		2 926	915
GST receipts on sales		90	0
<b><i>Net cash provided by/(used in) operating activities</i></b>	26 (b)	<b>(12 404)</b>	<b>(12 964)</b>
<b>Cash flows from investing activities</b>			
Purchase of non-current physical assets		(691)	(149)
<b><i>Net cash provided by/(used in) investing activities</i></b>		<b>(691)</b>	<b>(149)</b>
<b>Net increase/(decrease) in cash held</b>		<b>2 652</b>	<b>1 559</b>
Cash Assets at the beginning of the financial year		2 570	1 350
Adjustment for resources received free of charge		0	11
<b><i>Cash assets at the end of the financial year</i></b>	26	<b>5 222</b>	<b>2 570</b>

## OUTPUT SCHEDULE OF EXPENSES AND REVENUES

for the year ended 30 June 2002

The Output Schedule of Expenses and Revenues should be read in conjunction with the accompanying notes.

	Output 1: Energy policy, information and regulatory services		Output 2: Grants and community programs		Total	
	2001/02 \$'000	2000/01 \$'000	2001/02 \$'000	2000/01 \$'000	2001/02 \$'000	2000/01 \$'000
<b>Cost of services</b>						
<b>Expenses from ordinary activities</b>						
Employee expenses	6 534	5 088	267	366	6 801	5 454
Supplies and services	3 514	2 778	143	143	3 657	2 921
Depreciation and amortisation expense	174	144	7	10	181	154
Administration expenses	520	566	21	29	541	595
Accommodation expenses	622	474	25	34	647	508
Grants and subsidies	0	28	6 239	7 330	6 239	7 358
Capital user charge	89	0	42	0	131	0
Net loss on disposal of non-current assets	0	5	0	0	0	5
<b>Total cost of services</b>	<b>11 452</b>	<b>9 083</b>	<b>6 744</b>	<b>7 912</b>	<b>18 197</b>	<b>16 995</b>
<b>Revenues from ordinary activities</b>						
User charges and fees	1 982	1 778	0	0	1 982	1 778
Commonwealth grants and contributions	0	0	2 926	915	2 926	915
Other revenues from ordinary activities	189	497	0	287	189	784
<b>Total revenues from ordinary activities</b>	<b>2 171</b>	<b>2 275</b>	<b>2 926</b>	<b>1 202</b>	<b>5 097</b>	<b>3 477</b>
<b>Net cost of services</b>	<b>9 281</b>	<b>6 808</b>	<b>3 819</b>	<b>6 710</b>	<b>13 100</b>	<b>13 518</b>
<b>Revenues from Government</b>						
Output appropriations	10 509	6 422	4 991	7 900	15 500	14 322
Liabilities assumed by the Treasurer	150	370	0	27	150	397
Resources received free of charge	244	203	13	15	257	218
<b>Total revenues from Government</b>	<b>10 903</b>	<b>6 995</b>	<b>5 004</b>	<b>7 942</b>	<b>15 907</b>	<b>14 937</b>
<b>Change in net assets</b>	<b>1 622</b>	<b>187</b>	<b>1 186</b>	<b>1 232</b>	<b>2 807</b>	<b>1 419</b>

## SUMMARY OF CONSOLIDATED FUND - Appropriations & Revenue Estimates

for the year ended 30 June 2002

*This Summary provides the basis for the Explanatory Statement information requirements of TI 945, which are detailed at note 34. The Summary of Consolidated Fund Appropriations and Revenue Estimates should be read in conjunction with the accompanying notes.*

	2001/02			2000/01		
	Estimate \$'000	Actual \$'000	Variation \$'000	Estimate \$'000	Actual \$'000	Variation \$'000
<b>Purchase of outputs</b>						
Net amount appropriated to purchase outputs	15 515	15 341	(174)	13 607	12 814	(793)
Amount authorised by other statutes: - <i>Salaries and Allowances Act 1975</i>	159	159	0	145	152	7
<b>Total appropriations provided to purchase outputs</b>	<b>15 674</b>	<b>15 500</b>	<b>(174)</b>	<b>13 752</b>	<b>12 966</b>	<b>(786)</b>
<b>Details of expenditure by outputs</b>						
Energy policy, information and regulatory services	13 161	11 452	(1 709)	7 242	8 374	1 132
Grant and community programs management	12 053	6 745	(5 308)	7 900	7 929	29
<b>Total cost of outputs</b>	<b>25 214</b>	<b>18 197</b>	<b>(7 017)</b>	<b>15 142</b>	<b>16 303</b>	<b>1 161</b>
Less retained revenue	(7 622)	(5 097)	2 525	(1 390)	(3 340)	(1 950)
Net cost of outputs	17 592	13 100	(4 492)	13 752	12 963	(789)
Change in equity resulting from operations	(1 918)	(2 807)	(889)	0	0	0
<b>Total appropriations provided to purchase outputs</b>	<b>15 674</b>	<b>10 293</b>	<b>(5 381)</b>	<b>13 752</b>	<b>12 963</b>	<b>(789)</b>
<b>Capital expenditure</b>						
Capital contributions	247	257	10	208	314	106
(2001 amount provided for capital services)						
Adjustment for movement in cash balances and other funding sources	0	(10)	(10)	0	(114)	(114)
<b>Total capital expenditure</b>	<b>247</b>	<b>247</b>	<b>0</b>	<b>208</b>	<b>200</b>	<b>(8)</b>
<b>Administered</b>						
Administered grants and transfer payments	0	0	0	0	1 555	1 555
<b>Total administered appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 555</b>	<b>1 555</b>
<b>Grand total of appropriations</b>	<b>15 921</b>	<b>10 540</b>	<b>(5 381)</b>	<b>13 960</b>	<b>14 718</b>	<b>(758)</b>



## NOTES TO THE FINANCIAL STATEMENTS - 30 June 2002

### 1. Office mission and funding

The Office of Energy's mission is to promote conditions that enable the energy needs of the Western Australian community to be met safely, efficiently and economically.

The agreed government desired Outcome for the Office of Energy is that the WA energy sector continues to develop and operate successfully for the benefit of the community.

The Office of Energy is predominantly funded by Parliamentary appropriations. The Office has a net appropriation determination, as determined by the Treasurer, pursuant to section 23A of the *Financial Administration and Audit Act 1985*, which provides for retention of moneys for licensing fees, services provided on a fee for service basis and various other revenues. In 2001/2002, these include electrical and gas operative licensing functions, sale of technical and safety publications, gas distribution and trading licenses and service level agreement payments from client agencies. Fees are reviewed each year and the Office determines charges with a view to working towards full cost recovery. The financial statements encompass all funds through which the Office controls resources to carry on its functions.

In the process of reporting on the Office as a single entity, all intra-entity transactions and balances have been eliminated.

### 2. Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

#### General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act 1985* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to these financial statements.

#### Basis of accounting

The financial statements have been prepared in accordance with Australian Accounting Standard *AAS 29*.

The statements have been prepared on the accrual basis of reporting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

Administered assets, liabilities, expenses and revenues are not integral to the Office in carrying out its functions and are disclosed in schedules to the financial statements, forming part of the general purpose financial report of the Office. The administered items are disclosed on the same basis as is described above for the financial statements of the Office. The administered assets, liabilities, expenses and revenues are those which the Government requires the Office to administer on its behalf. The assets do not render any service potential or future economic benefits to the Office, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Office, and the expenses and revenues are not attributable to the Office.

**a) Output appropriations**

Output Appropriations are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account or credited to the holding account held at the Department of Treasury and Finance.

**b) Contributed equity**

Under UIG 38 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to contributed equity in the Statement of Financial Position. All other transfers have been recognised in the Statement of Financial Performance. Prior to the current reporting period, capital appropriations were recognised as revenue in the Statement of Financial Performance. Capital appropriations which are repayable to the Treasurer are recognised as liabilities.

**c) Net appropriation determination**

Pursuant to section 23A of the *Financial Administration and Audit Act 1985*, the Treasurer may make a determination providing for prescribed revenue to be retained by the Office. Receipts in respect of all revenues recognised in the Statement of Financial Performance are the subject of a net appropriation determination by the Treasurer.

The net appropriation determination allows all prescribed revenues to be retained except for:

- revenues derived from the sale of real property; and
- one-off revenues with a value of \$10 000 or more derived from the sale of property other than real property.

Prescribed revenues include moneys received other than from taxes, royalties and Commonwealth general purpose grants.

Retained revenues may only be applied to the outputs specified in the 2001-2002 Budget Statements.

**d) Grants and other contributions**

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Office obtains control over the assets comprising the contributions. Control is normally obtained on their receipt.

Contributions are recognised at their fair value. Contributions of service are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

**e) Revenue recognition**

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Office has passed control of the goods or other assets or delivery of the service to the customer.

**f) Acquisition of assets**

The cost method of accounting is used for all acquisitions of assets. Cost is measured at the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

**g) Depreciation of non-current assets**

All non-current assets of a material value having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

Plant and Equipment:	5 years to 7 years
Office Equipment:	3 years to 5 years
Leasehold Improvements:	5 years

#### **h) Leases**

The Office has no finance lease commitments. The Office has entered into a number of operating lease arrangements for the rent of office accommodation and for leased motor vehicles, where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

#### **i) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

#### **j) Accrued salaries**

The accrued salaries suspense account (refer note 17) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 24) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Office considers the carrying amount to be the net fair value.

#### **k) Receivables**

Accounts receivable are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

#### **l) Payables**

Payables, including accruals not yet billed, are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

#### **m) Amounts due to the Treasurer**

The Office holds no Treasurer's Advance and therefore has no amount due or repayable to the Treasurer.

#### **n) Employee entitlements**

##### ***Annual leave***

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service up to that date.

##### ***Long service leave***

This entitlement is calculated at current remuneration rates. A liability for long service leave is recognised after an employee has completed four years of service.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 *Accounting for Employee Entitlements*.

An actuarial assessment of long service leave undertaken in 2001 determined the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

### **Superannuation**

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or the Gold State Superannuation Scheme, a defined benefit and lump sum benefit scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. All of these schemes are administered by the Government Employees Superannuation Board (GESB). Staff may make top up contributions to the West State Superannuation Scheme.

The superannuation expense comprises the following elements:

- 1) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- 2) employer contributions paid to the Gold State Superannuation Scheme and West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Office in the current year.

A revenue, "Liabilities assumed by the Treasurer" equivalent to 1) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

From 1 July 2001 employer contributions were paid to the GESB in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. Prior to 1 July 2001, the unfunded liability in respect to these schemes was assumed by the Treasurer. An amount equivalent to the employer contributions which would have been paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme if the Office had made concurrent employer contributions to those schemes, was included in superannuation expense.

This amount was also included in the revenue item "Liabilities assumed by the Treasurer."

### **o) Resources received free of charge or for nominal value**

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

### **p) Comparative figures**

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

### **q) Rounding**

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

### 3. Outputs of the Office

Information about the Office's outputs and the expenses and revenues which are reliably attributable to those outputs is set out in the Output Schedule. Information about expenses, revenues, assets and liabilities administered by the Office is provided in the Administered Statement of Cash Flows and Administered Statement of Financial Position.

The two Outputs delivered by the Office are:

#### Output 1: Energy policy, information and regulatory services

This includes:

- provision of policy advice to the Government and to the Minister for Energy on energy-related issues;
- provision of information to industry and to the Western Australian community on energy related matters;
- regulatory services to the energy sector in Western Australia; and
- energy policy implementation projects.

#### Output 2: Grants and community programs

This includes programs such as:

- the State Underground Power Program;
- the renewable energy Remote Area Power Systems rebate program;
- the Photovoltaic Rebate Program;
- Alternative Energy Development Board grants to support renewable energy and energy efficiency;
- the Renewable Remote Power Generation Program;
- the Financing Efficient Energy Use program for government agencies; and



## NOTES TO THE FINANCIAL STATEMENTS - 30 June 2002

	2001/02 \$'000	2000/01 \$'000
<b>4. Employee expenses</b>		
Wages and salaries	6 107	5 049
Superannuation	664	397
Other related expenses	30	8
	<b>6 801</b>	<b>5 454</b>
<b>5. Supplies and services</b>		
Consultants and contractors	1 167	1 152
Printing	324	251
Travel	247	143
Legal fees	354	72
Motor vehicle operations	288	287
Advertising	254	66
Insurance	95	101
Other	928	849
	<b>3 657</b>	<b>2 921</b>
<b>6. Depreciation and amortisation expense</b>		
Plant and equipment	28	131
Office equipment	133	23
Leasehold improvements	20	0
	<b>181</b>	<b>154</b>
<b>7. Administration expenses</b>		
Communications	207	169
Consumables	174	276
Maintenance	109	118
Other staff costs	42	25
Refund of revenues	9	7
	<b>541</b>	<b>595</b>

	2001/02 \$'000	2000/01 \$'000
<b>8. Accommodation expenses</b>		
Lease rentals	647	508
	<b>647</b>	<b>508</b>
<b>9. Grants and subsidies</b>		
<b>Recurrent</b>		
Financing Efficient Energy Use (FEEU) contributions	384	206
Remote Area Power Supply (RAPS) rebates	123	586
Alternative Energy Development Board (AEDB) grants	325	153
Contribution to National Gas Pipelines Advisory Committee (NGPAC)	227	43
Contributions to the Energy Management Task Force (EMTF)	88	0
Photovoltaic Rebate Program (PVRP) grants	165	519
Remote Renewable Power Generation Program (RRPGP) grants	1 371	0
Solar Hot Water Incentive Scheme	29	0
Other grants/sponsorship/contributions	187	28
Western Power - Underground Power Project	3 340	5 823
	<b>6 239</b>	<b>7 358</b>
<b>10. Capital user charge</b>		
Capital user charge	131	0
	<b>131</b>	<b>0</b>
A capital user charge rate of 8% has been set by the Government for 2001/02 and represents the opportunity cost of capital invested in the net assets of the Office used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.		
<b>11. User charges and fees</b>		
User charges	23	32
Fees	1 959	1 746
	<b>1 982</b>	<b>1 778</b>
<b>12. Commonwealth grants and contributions</b>		
Recurrent contributions	2 926	915
	<b>2 926</b>	<b>915</b>

	2001/02 \$'000	2000/01 \$'000
<b>13. Other revenues from ordinary activities</b>		
These consist of:		
Information for industry - net sales	3	8
Contributions to WA Energy Efficiency Awards	0	44
Recoup of services provided to OffGAR	65	76
Contributions by senior officers to the Government Motor Vehicle Scheme	20	16
Recoup of administration costs	98	491
Other revenue	3	149
	<b>189</b>	<b>784</b>
<b>14. Net profit/ (loss) on disposal of non-current assets</b>		
Proceeds from disposal of non-current assets	0	0
Less written down value of assets	0	5
	<b>0</b>	<b>(5)</b>
<b>15. Revenues from Government</b>		
Appropriation revenue received during the year:		
Output Appropriations	15 500	14 114
Capital Appropriations	0	208
	<b>15 500</b>	<b>14 322</b>
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation	150	397
Resources received free of charge:		
Determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General	15	12
Crown Solicitor's Office	242	206
	<b>257</b>	<b>218</b>
	<b>15 907</b>	<b>14 937</b>
<b>16. Cash assets</b>		
Operating Trust Account	3 235	1 520
Cash on hand	5	5
	<b>3 240</b>	<b>1 525</b>

	2001/02 \$'000	2000/01 \$'000
<b>17. Restricted cash assets</b>		
<b>Current</b>		
Trust Fund Balance - AEDB Trust Account (see note 32)	242	349
Trust Fund Balance - Commonwealth Programs Trust Account (see note 32)	1 601	582
	<b>1 843</b>	<b>931</b>
<b>Non-current</b>		
Accrued Salaries Suspense Account	139	114
	<b>139</b>	<b>114</b>
	<b>1 982</b>	<b>1 045</b>
<b>18. Receivables</b>		
GST receivable	192	130
Other debtors	15	80
	<b>207</b>	<b>210</b>
(The Office does not have any significant exposure to any individual customer or counterparty. The carrying amount of Accounts Receivable approximates their net fair values.)		
<b>19. Other assets</b>		
Prepayments	13	11
	<b>13</b>	<b>11</b>
<b>20. Amounts receivable for outputs</b>		
Amount receivable for outputs	225	0
	<b>225</b>	<b>0</b>
(This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.)		

	2001/02 \$'000	2000/01 \$'000
<b>21. Plant, equipment and leasehold improvements</b>		
Plant and equipment		
At cost	920	727
Accumulated depreciation	636	524
	<b>284</b>	<b>203</b>
Office equipment		
At cost	245	166
Accumulated depreciation	139	115
	<b>106</b>	<b>51</b>
Leasehold improvements		
At cost	394	0
Accumulated depreciation	20	0
	<b>374</b>	<b>0</b>
	<b>764</b>	<b>254</b>
Reconciliations of the carrying amounts of plant, equipment and leasehold improvements at the beginning and end of the current and previous financial year are set out below		

	Plant and equipment	Office equipment	Leasehold improvements	Total
<b>2002</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Carrying amount at start of year	203	51	0	254
Additions	68	229	394	691
Reclass to be inline with asset category	41	(41)	0	0
Depreciation and amortisation	(28)	(133)	(20)	(181)
<b><i>Carrying amount at end of year</i></b>	<b>284</b>	<b>106</b>	<b>374</b>	<b>764</b>
<b>2001</b>				
Carrying amount at start of year	187	76	0	263
Additions	147	0	0	147
Disposals	0	(2)	0	(2)
Depreciation	(131)	(23)	0	(154)
<b><i>Carrying amount at end of year</i></b>	<b>203</b>	<b>51</b>	<b>0</b>	<b>254</b>



	2001/02 \$'000	2000/01 \$'000
<b>22. Payables</b>		
Trade payables	341	87
	<b>341</b>	<b>87</b>
<b>23. Provisions</b>		
Current:		
Annual leave	469	438
Long service leave	280	260
	<b>749</b>	<b>698</b>
Non-current:		
Long service leave	399	390
	<b>399</b>	<b>390</b>
<b>Employee entitlements</b>		
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:		
Provision for employee entitlements:		
Current	749	698
Non-current	399	390
	<b>1 148</b>	<b>1 088</b>
<b>24. Other liabilities</b>		
Accrued salaries owing for the 6 working days from 21 June to 30 June 2002	146	128
	<b>146</b>	<b>128</b>

	2001/02 \$'000	2000/01 \$'000
<b>25. Equity</b>		
Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community		
<b>Contributed equity</b>		
Opening balance	0	0
Capital contributions	247	0
Closing balance	<b>247</b>	<b>0</b>
<b>Accumulated Surplus</b>		
Opening balance	1 742	312
Adjustment for resources received free of charge*	0	11
Result from ordinary activities	2 807	1 419
Closing balance	<b>4 549</b>	<b>1 742</b>
	<b>4 796</b>	<b>1 742</b>

(\*The adjustment in 2000/01 recognised resources received free of charge during the 1995/96 financial year to assist the Office meet obligations for the 27th pay. These resources had not been recognised prior to 2001/02)

## 26. Notes to the Statement of Cash Flows

### (a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets	3 240	1 525
Restricted cash assets	1 982	1 045
	<b>5 222</b>	<b>2 570</b>

### (b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

<i>Net cost of services</i>	<b>(13 100)</b>	<b>(13 518)</b>
<b>Non-cash items</b>		
Depreciation and amortisation expense	181	154
Superannuation expense	150	397
Resources received free of charge	257	218
(Profit)/loss on disposal of non-current assets	0	5

	2001/02 \$'000	2000/01 \$'000
<b>(Increase)/ decrease in assets</b>		
Accounts receivable	3	(137)
Amounts receivable for outputs	(225)	0
Other current assets	(2)	16
<b>Increase /(decrease) in liabilities</b>		
Employee entitlement	60	57
Accounts payable	254	(167)
Accrued salaries	18	11
<b>Net cash used in operating activities</b>	<b>(12 404)</b>	<b>(12 964)</b>
<b>27. Commitments for expenditure</b>		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable:		
Within one year	474	493
Later than one year and not later than two years	463	167
Later than two years and not later than five years	1 376	319
Later than five years	0	107
	<b>2 313</b>	<b>1 086</b>

These commitments are all inclusive of GST.

## 28. Contingent liabilities

The Office has no contingent liabilities as at 30 June 2002.

## 29. Events occurring after reporting date

As a result of the Machinery of Government review, the Office's Technical and Safety Division and all associated functions will be reassigned to the Department of Consumer and Employment Protection (DoCEP) from 1 July 2002. The net liabilities of **\$368 564** attributable to the Office's Technical and Safety Division will be transferred to DoCEP in 2002/2003.

### 30. Financial Instruments

#### (a) Interest rate risk exposure

The Office's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:

	2002			2001		
	Weighted average effective interest rate %	Non interest bearing \$'000	Total \$'000	Weighted average effective interest rate %	Non interest bearing \$'000	Total \$'000
<b>Assets</b>						
Cash resources	N/A	3 240	3 240	N/A	1 639	1 639
Restricted cash resources	N/A	1 981	1 981	N/A	931	931
Accounts receivable	N/A	206	206	N/A	210	210
<b><i>Total financial assets</i></b>	<b>N/A</b>	<b>5 427</b>	<b>5 427</b>	<b>N/A</b>	<b>2 780</b>	<b>2 780</b>
<b>Liabilities</b>						
Accounts payable	N/A	341	341	N/A	87	87
Accrued salaries	N/A	146	146	N/A	128	128
Employee entitlements	N/A	1 148	1 148	N/A	1 088	1 088
<b><i>Total financial liabilities</i></b>	<b>N/A</b>	<b>1 635</b>	<b>1 635</b>	<b>N/A</b>	<b>1 303</b>	<b>1 303</b>
<b><i>Net financial assets (liabilities)</i></b>		<b>3 792</b>	<b>3 792</b>		<b>1 477</b>	<b>1 477</b>

#### (b) Credit risk

All financial assets are unsecured. Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the Office's maximum exposure to credit risk in relation to those assets.

#### (c) Net fair value of financial instruments

The carrying amounts of cash at bank, accounts receivable, accrued salaries and employee entitlements are considered to reflect their net fair value.

### 31. Remuneration of Senior Officers

The number of Senior Officers whose total of fees, salaries, superannuation and other benefits received, or due and receivable, for the financial year, who fall within the following bands is:

	Number of Senior Officers	
	2001/02	2000/01
80,001 - 90,000	0	1
90,001 - 100,000	1	0
100,001 - 110,000	0	2
110,001 - 120,000	1	2
120,001 - 130,000	3	0
170,001 - 180,000	0	1
190,001 - 200,000	1	0
<b><i>Total remuneration of senior officers is:</i></b>	<b>778</b>	<b>690</b>

The superannuation included here represents the superannuation expense incurred by the Office in respect of senior officers.

No senior officers are members of the Pension Scheme.



	2001/02 \$'000	2000/01 \$'000
<b>32. Trust accounts</b>		
<b>ALTERNATIVE ENERGY DEVELOPMENT BOARD GOVERNMENTAL TRUST ACCOUNT</b>		
<b>Purpose:</b> To hold funds for the purpose of allowing the Alternative Energy Development Board to carry out its functions.		
<i>Opening balance</i>	<b>349</b>	<b>315</b>
<b>Receipts:</b>		
Consolidated fund contribution	250	250
	<b>250</b>	<b>250</b>
<b>Payments:</b>		
Board member fees	0	9
Salaries	29	51
Services & contracts	0	1
Project grants	325	153
Other expenses	3	2
	<b>357</b>	<b>216</b>
<i>Closing balance</i>	<b>242</b>	<b>349</b>

	2001/02 \$'000	2000/01 \$'000
<b>COMMONWEALTH FUNDED INITIATIVES AND PROGRAMS TRUST ACCOUNT</b>		
<b>Purpose:</b> To hold funds provided by the Commonwealth Government for the conduct of energy related initiatives by the Office of Energy. The Trust Statement for the Trust Account was amended during the 2001/02 financial year. The amended Trust Statement is included in the Office's Annual Report.		
<i>Opening balance</i>	<b>582</b>	<b>0</b>
<b>Receipts:</b>		
Amounts transferred from previous year's receipts	0	255
For Christmas & Cocos Islands Power Project	142	0
For Photovoltaic Rebate Program (PVRP)	88	498
For Renewable Remote Power Generation Program (RRPGP)	2 696	535
	<b>2 926</b>	<b>1 288</b>
<b>Payments:</b>		
PVRP Grants	165	519
Other PVRP Payments	8	38
RRPGP Grants	1 371	0
Other RRPGP Payments	363	149
	<b>1 907</b>	<b>706</b>
<i>Closing balance</i>	<b>1 601</b>	<b>582</b>
<b>33. Supplementary information</b>		
<b>Write-offs:</b>		
During the financial year nil was written off under the authority of: The Accountable Officer	0	4
	<b>0</b>	<b>4</b>
<b>Losses through theft, defaults and other causes:</b>		
Amounts written out of the Department's asset register	0	3
	<b>0</b>	<b>3</b>

	2001/02 Estimate \$'000	Actual \$'000	Variance \$'000
<b>34. Explanatory statements</b>			
<b>a) Significant variances between estimates and actual results for the financial year</b>			
<b>Ouput 1</b>			
<i>Energy policy, information and regulatory services</i>	13 161	11 452	(1 709)
Expenditure below budget occurred during the year as a result of a number of factors including:			
<ul style="list-style-type: none"> <li>the establishment of the Sustainable Energy Development Office (SEDO) commenced in November 2001 but was funded for the full financial year (-\$500 000). The later establishment of SEDO resulted in delayed recruitment processes and program commencement;</li> <li>a number of expenses committed during the year relating to the Electricity Reform Task Force (ERTF) will not be realised until 2002/03 (-\$479 000);</li> <li>there was a delay in the commencement of the Aboriginal Power Procurement (-\$338 000);</li> <li>gas retail deregulation (-\$108 000); and</li> <li>costs in relating to the management of Gas Corporation Residual Assets and Liabilities were not as high as budgeted due to contingent liabilities not materialising during the year (-\$110 000).</li> </ul>			
<b>Ouput 2</b>			
<i>Grant and community programs management</i>	12 053	6 745	(5 308)
Expenditure below budget occurred in several of the Office's grants programs, which was partially due to the later than expected establishment of SEDO. This affected programs such as the Remote Area Power Scheme (RAPS) (-\$370 000), Financing Efficient Energy Use (FEEU) (-\$344 000) and Solar Hot Water Incentive Rebate Scheme (-\$462 000).			
Expenditure below budget is also attributed in part to an over estimate of funds that would be provided through Commonwealth Grants programs in 2001/02. These included the Photovoltaic Rebate Program (PVRP) (-\$700 000) and the Remote Renewable Power Generation Program (RRPGP) (-\$3 766 000).			
It should be noted that the under expenditure from the Commonwealth programs is offset by a commensurate under receipt of funds for the programs.			

	2001/02 Estimate \$'000	Actual \$'000	Variance \$'000
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<b>Revenue</b>	<b>(7 622)</b>	<b>(5 097)</b>	<b>2 525</b>
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Revenue below budget occurred predominantly due to an over estimate of funds required for Commonwealth programs PVRP (-\$612 000) and RRP GP (-\$2 303 000). This was partially offset by unbudgeted revenue from the Commonwealth to fund the Christmas and Cocos Islands Power Supply Project (+\$142 000). In addition, higher than budgeted gas and electrical operative licensing activity resulted in additional funds (+\$445 000).

#### b) Significant variances between actual and prior year actual results.

##### Output 1

<b>Energy policy, information and regulatory services</b>	<b>11 452</b>	<b>8 374</b>	<b>3 078</b>
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The Office's Budget for 2001/02 included funding for several projects that had not previously been undertaken. Expenditure on these and other projects include the Electricity Reform Task Force (ERTF) (\$471 000), establishment of the Sustainable Energy Development Office (SEDO) (\$750 000), the Gas Retail Deregulation Project (\$312,000) and Aboriginal Power Procurement (\$117 000). In addition, as a result of financial reforms, several expenditures were made that had not been budgeted in previous years, such as payments to Treasury for the Capital User Charge (\$131 000) and concurrent employer contributions to the State Superannuation Schemes administered and managed by GESB (\$664 000).

##### Output 2

<b>Grant and community programs management</b>	<b>6 745</b>	<b>7 929</b>	<b>(1 184)</b>
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Significant factors in the reduction of expenditure from 2000/01 under Output 2 include the State's contribution to the Underground Power program reducing from \$5 823 000 in 2000/01 to \$3 340 000 in 2001/02, offset by an increase in grants under the Commonwealth programs from \$519 000 in 2000/01 to \$1 536 000 in 2001/02.

<b>Revenue</b>	<b>5 097</b>	<b>3 340</b>	<b>1 757</b>
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Revenue during 2000/01 included funds from the Commonwealth of \$1 033 000 for the PVRP and RRP GP grants programs. In 2001/02 the total received from the Commonwealth for these programs, as well as the Christmas and Cocos Islands Power Supply Project, was \$2 926 000.

## ADMINISTERED STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

	Note	2001/02 \$'000	2000/01 \$'000
<b>Expenses</b>			
Transfer payments to Treasury on behalf of the Office of Gas Access Regulation (OffGAR)		0	(1 555)
Payments made on behalf of the Gas Corporation		(6)	(430)
Amount Transferred to Treasury on behalf of the Gas Corporation		0	(3 545)
Land asset transferred to the Minister for Land		(3 917)	0
<b><i>Total administered expenses</i></b>		<b>(3 923)</b>	<b>(5 530)</b>
<b>Revenues</b>			
Administered Appropriation to repay Treasurer's Advances on behalf of the Office of Gas Access Regulation (OffGAR)		0	1 555
Revenues received on behalf of the Gas Corporation		30	240
<b><i>Total administered revenue</i></b>		<b>30</b>	<b>1 795</b>



## ADMINISTERED STATEMENT OF FINANCIAL POSITION

as at 30 June 2002


	Note	2001/02 \$'000	2000/01 \$'000
<b>Administered assets and liabilities</b>			
The assets and liabilities detailed below are administered by the Office of Energy on behalf of the Minister for Energy. They represent the residual assets and liabilities resulting from the sale of AlintaGas in December 2000.			
<b>Current assets</b>			
Cash		756	709
Accounts receivable		0	22
<b>Total current assets</b>		<b>756</b>	<b>731</b>
<b>Non-current assets</b>			
Property, plant and equipment		0	3,917
<b>Total assets</b>		<b>756</b>	<b>4 648</b>
<b>Current liabilities</b>			
Accounts payable		0	0
Provisions		94	94
<b>Total current liabilities</b>		<b>94</b>	<b>94</b>
<b>Non-current liabilities</b>			
Provisions		0	0
<b>Total non-current liabilities</b>		<b>0</b>	<b>0</b>
<b>Total liabilities</b>		<b>94</b>	<b>94</b>

## TRUST STATEMENT

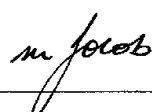
### OFFICE OF ENERGY TRUST STATEMENT

NAME	An account called the Office of Energy Commonwealth Funded Initiatives and Programs Trust Account shall be maintained as an Account of the Trust Fund under section 9 of the Financial Administration and Audit Act.
PURPOSE	The Account shall hold funds provided by the Commonwealth Government for the conduct of energy related initiatives by the Office of Energy.
RECEIPTS	Such monies as are received from the Commonwealth Government for the purposes of the Account and in accordance with relevant agreements entered into between the Commonwealth Government and the Office of Energy, shall be paid into and placed to the credit of the Account.
PAYMENTS	The funds in the Account shall be applied for the purpose of the account and in accordance with relevant agreements entered into between the Commonwealth Government and the Office of Energy. Funds standing to the credit of the Account shall also be applied against the costs incurred by the Office of Energy in administering any programs in relation to the Account.
ADMINISTRATION OF ACCOUNT	The Account shall be administered by the Coordinator of Energy in accordance with the Financial Administration and Audit Act 1985, Financial Administration Regulations 1986 and the Treasurer's Instructions.
ACCOUNTING RECORDS	There shall be maintained by the Coordinator of Energy a detailed record of transactions processed through the Account in respect of each program, together with such other accounting records and procedures as are prescribed in the Accounting Manual.
FINANCIAL STATEMENTS	The Coordinator of Energy shall cause to be prepared financial statements and such other supplementary information in accordance with the requirements of the Financial Administration and Audit Act and the Treasurer's Instructions and in accordance with relevant agreements entered into between the Commonwealth Government and the Office of Energy.
INVESTMENT OF FUNDS	Moneys standing to the credit of the Account may be invested in accordance with Section 38 of the Financial Administration and Audit Act 1985. Monies standing to the credit of the Account shall upon the cessation of a program be dealt with in accordance with relevant agreements entered into between the Commonwealth Government and the Office of Energy.

I have examined and agree to the provisions of this Trust Statement

  
 Coordinator of Energy  
 DATE: 28 / 6 / 2002

Approved

  
 DATE: 27 / 6 / 2002

ASSISTANT DIRECTOR  
ACCOUNTING POLICY & LEGISLATION



2001 - 2002  
Performance  
Indicators



## AUDITOR GENERAL'S OPINION ON PERFORMANCE INDICATORS



### AUDITOR GENERAL

To the Parliament of Western Australia

#### OFFICE OF ENERGY

#### PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2002

##### **Matters Relating to the Electronic Presentation of the Audited Performance Indicators**

This audit opinion relates to the performance indicators of the Office of Energy for the year ended June 30, 2002 included on the Office of Energy's web site. The Coordinator of Energy is responsible for the integrity of the Office of Energy's web site. I have not been engaged to report on the integrity of this web site. The audit opinion refers only to the performance indicators named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these performance indicators. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance indicators to confirm the information included in the audited performance indicators presented on this web site.

##### **Scope**

I have audited the key effectiveness and efficiency performance indicators of the Office of Energy for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Coordinator of Energy is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Office's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

##### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Office of Energy are relevant and appropriate for assisting users to assess the Office's performance and fairly represent the indicated performance for the year ended June 30, 2002.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON  
AUDITOR GENERAL  
October 11, 2002



## CERTIFICATION OF PERFORMANCE INDICATORS 2001/02

### CERTIFICATION

I certify that these performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of Energy's performance, and fairly represent the performance of the Office of Energy for the financial year ended 30 June 2002.



LES FARRANT  
COORDINATOR OF ENERGY

14th August 2002

## PERFORMANCE INDICATORS

### Outcome

The WA energy sector continues to develop and operate successfully for the benefit of the community.

### Outputs

The Office of Energy delivers two Outputs:

1. energy policy, information and regulatory services; and
2. grant and community programs management.

### Preamble

The Office of Energy's role is to support the Coordinator of Energy and Director of Energy Safety in performing their statutory functions as described in the *Energy Coordination Act 1994* and other related legislation. The outputs of the Office of Energy therefore align with the statutory functions of these two positions. In supporting the Coordinator of Energy and Director of Energy Safety, the outputs contribute to the continuing successful development and operation of the WA energy sector for the benefit of the community.

To assist in understanding how the delivery of outputs to support the Coordinator of Energy and Director of Energy Safety contribute to the outcome, the principal statutory functions of each position are outlined below.

### Statutory Functions of the Coordinator of Energy

The functions of the Coordinator of Energy include:

- assisting the Minister for Energy in planning and coordinating the provision of energy in the State;
- administering a licensing scheme for gas supply;
- issuing authorisations for electricity undertakings;
- providing advice to the Minister for Energy on all aspects of energy policy including -
  - the energy needs of the State;
  - ways of using energy and sources of energy, including renewable energy;
  - the introduction and encouragement of competition in the energy industry;
  - ways of promoting and achieving open access to transmission and distribution systems;
  - ways of achieving greater efficiency in energy use;
  - the use of energy policy to assist in achieving other policy objectives of government; and
  - matters relating to the operation of legislation;
- monitoring the operation of the State's energy industry and its participants;
- consulting with interested groups and persons;
- undertaking, sponsoring and coordinating research, development and demonstration relating to energy;
- promoting the development of commercial applications of renewable energy;
- producing and publishing information and reports on energy-related matters; and
- providing support in the resolution of disputes about energy-related matters.

### Statutory Functions of the Director of Energy Safety

The functions of the Director of Energy Safety are defined under the *Energy Coordination Act 1994*, the *Electricity Act 1945*, the *Gas Standards Act 1972* and the *Liquid Petroleum Gas Act 1956*. These Acts provide for the technical and safety regulation of:

- electricity production;
- electricity transmission and distribution;
- electricity utilisation (consumers' installations and appliances);
- gas distribution; and
- gas utilisation (consumers' installations and appliances).

In particular, the Director of Energy Safety:

- licenses gas fitters;
- oversees and supports the Electrical Licensing Board, which licenses electrical workers and electrical contractors;
- regulates for electrical/gas appliance and installation safety;
- regulates appliance energy efficiency;
- audits gas/electrical appliances and installations for compliance;
- audits gas/electricity network operators' supply systems and their consumer installation inspection practices for compliance;
- provides input to the development of national technical standards and codes of practice;
- promotes the safe use of electricity and gas;
- investigates electrical/gas incidents; and
- responds to consumer concerns regarding electrical/gas technical and safety matters.

The influence of the Office of Energy and the benefits to the community of the delivery of its outputs towards the achievement of the outcome are outlined in the reported effectiveness performance indicators.

## EFFECTIVENESS INDICATORS

### 1. Energy Prices

The Office of Energy influences energy prices through:

- assisting the Minister for Energy in planning and coordinating the provision of energy in the State; and
- advice to the Minister for Energy on energy policy relating to -
  - the introduction and encouragement of competition in the energy industry;
  - ways of promoting and achieving open access to transmission and distribution systems;
  - the use of energy policy to assist in achieving other policy objectives of government (eg. uniform tariff policy and the performance of Western Power Corporation); and
- implementation of Government energy policy initiatives.

The Office of Energy contributes to greater competition in the energy sector which, over time, triggers market forces to improve the conversion and delivery of energy, improve operational management, and source cheaper fuels, all resulting in energy being produced and delivered to users at lower real costs. Lower energy prices benefit the community directly through lower residential energy costs, and indirectly by stimulating business and industry activity.

#### 1.1 Electricity Tariffs

Financial year	97/98	98/99	99/00	00/01	01/02
Cents per unit	14.90	14.64	14.30	14.83	14.44

Real domestic electricity price per unit (including GST) in 1999/2000 dollars for average consumption (relates to approximately 95% of consumers). Average consumption is based on the profile for residential customers in Western Australia in 1999/2000 sourced from the *Electricity Supply Association of Australia's Electricity Prices in Australia 2001/02* publication.

Electricity tariff is based on the Western Power Corporation domestic A1 or A2 tariff.

#### 1.2 Gas Tariffs

Financial year	97/98	98/99	99/00	00/01	01/02
Cents per unit	6.22	6.24	6.13	6.55	6.42

Real domestic gas price per unit (including GST) in 1999/2000 dollars for average consumption (relates to approximately 95% of consumers). Average consumption is based on 20 terajoules per annum.

Gas tariff is based on AlintaGas' residential tariff for coastal licence area.

Increases in electricity and gas tariffs in 2000/01 were due to the introduction of the GST.

Note that these tariff prices apply to residential users and are published tariffs. The price of energy supply to business and industry users, generally under contract, is commercially sensitive and not available to the Office of Energy.

## 2. Quality of Gas Supply

The Office of Energy influences the quality of gas supply through the administration of the *Gas Standards (Gas Supply and System Safety) Regulations 2000*.

The Regulations mandate the quality of natural gas and LPG. The Office of Energy ensures compliance by auditing the results of sampling and testing of gas for compliance with the Regulations.

The benefit to the community of this initiative is improved safety outcomes and prevention of damage to gas appliances. Gas appliances operate safely in a range of gas specifications and excursions from this specification can lead to unsafe operation of some appliances.

<b>Natural Gas</b> Level of compliance with specification of gas composition audits. <i>Note: Specification requires a higher heating value produced by combustion of the gas of not less than 37 mega joules per cubic metre and not more than 42.3 megaloblast per cubic metre (Regulation 5(2)(d))</i>	<b>2001/02</b> 100%
<b>LPG</b> Level of compliance with specification of gas composition audits. <i>Note: Specification requires &gt; 90% Propane/Propene (Regulation 10(a))</i>	100%

**Note:** the *Gas Standards (Gas Supply and System Safety) Regulations 2000* came into operation on 2 August 2000 and therefore this is the first year that this indicator has been reported.

## 3. Reliability of Electricity Supply

The Office of Energy significantly contributes to improving the performance of Western Power Corporation by:

- Providing advice to the Minister for Energy on Western Power's performance and significant investments, including comparisons with performance of other Australian and overseas energy companies.
- Negotiating on behalf of the Minister for Energy the agreed performance targets in the Strategic Result Areas of the Strategic Development Plan (SDP) and the Statement of Corporate Intent (SCI) of Western Power, including strategies for achieving those targets.

This performance indicator provides information on the reliability of electricity supply by Western Power Corporation.

Financial year	97/98	98/99	99/00	00/01	01/02
Average Customer Outage Duration (mins/annum)	157	134	228	133	110

**Note:** major causes of increase in outage duration in 1999/2000 were industrial action in July 1999 and severe storms in October 1999.



#### 4. Availability of Residential Reticulated Gas Supply from Licensed Providers in WA

The Coordinator of Energy influences the availability of reticulated gas supply by licensing gas traders and gas distributors in accordance with the provisions of the *Energy Coordination Act 1994*. The Office of Energy also facilitates expression of interest processes resulting in the provision of reticulated gas supply to areas not currently serviced.

The community benefits from these licences as they provide for guaranteed service standards in the supply of gas, approved contractual terms and conditions and dispute resolution processes. In areas where there are no licensed gas traders and distributors, residents wanting gas for appliances are required to rely on bottled gas. The benefits to the community of reticulated gas supply over bottled gas includes cheaper supply, increased reliability of supply and increased safety as there is no need to change over gas bottles when exhausted.

No equivalent licensing regime for electricity supply presently exists, however this is likely to be an outcome of the current Electricity Reform Taskforce process.

This performance indicator is the percentage of residential dwellings receiving reticulated gas supply from licensed providers.

Total number of potential residential gas customers (expressed as the total number of residential dwellings) Source: ABS 1999 Australian Housing Survey - Housing Characteristics and Costs catalogue no. 4182.0	722 200
Total number of residential customers receiving gas supply from licensed suppliers - 2000/01 Source: Office of Energy	436 571
Percentage of WA residential dwellings receiving gas supply from licensed suppliers - 2000/01	60%

**Note:** data for 2001/02 was not available at the time of presentation of these performance indicators. This is the first year that this indicator has been reported and there is no comparative data available. This indicator will be reported in future years and a trend will be available.

#### 5. Safety of Energy Supply and Use

Regulation 63 of the *Electricity (Licensing) Regulations 1991* mandates the reporting of electrical accidents to the relevant electricity supply authority and the Director of Energy Safety. Regulation 42 of the *Gas Standards (Gasfitting and Consumers' Gas Installations) Regulations 1999* mandates the reporting of gas accidents to the relevant gas supply authority and the Director of Energy Safety.

The reporting of gas and electrical accidents allows the Director of Energy Safety and his staff to analyse the cause of accidents and develop strategies to reduce reoccurrence. This benefits the community through minimising death and injury and damage to property resulting from electrical and gas accidents, and the costs associated with such accidents.

The Director of Energy Safety and his staff influence the safe supply and use of energy through auditing industry work, licensing operatives, improving technical standards and promoting energy safety.

## 5.1 Electrical Safety

Electricity related accidents notified per 100 000 population (not including wilful incidents)		
Year	Number	Five year average
1993/94	2.8	2.4
1994/95	2.7	2.4
1995/96	2.1	2.4
1996/97	1.5	2.3
1997/98	1.1	2.0
1998/99	2.2	1.9
1999/00	1.5	1.7
2000/01	1.2	1.5
2001/02	1.1	1.4

These statistics include data published by SECWA, which had responsibility for electrical safety regulation up to 31 December 1994. An electricity-related accident is defined as an incident which resulted from a sudden discharge of electricity and where one or more persons required medical treatment from a First Aid Officer or from a Medical Practitioner.

## 5.2 Gas Safety

Gas related accidents notified per 100 000 population		
Year	Number	Five year average
1993/94	0.9	1.2
1994/95	0.5	1.0
1995/96	1.0	0.8
1996/97	0.4	0.8
1997/98	0.6	0.7
1998/99	0.5	0.6
1999/00	0.3	0.6
2000/01	0.7	0.5
2001/02	0.8	0.6

These statistics include data published by SECWA, which had responsibility for gas safety regulation up to 31 December 1994. Gas related accidents are defined as accidents causing injury and assessed as having gas as their primary cause.

## EFFICIENCY INDICATORS

### Output 1: Energy Policy, Information and Regulatory Services

#### Output Description

The Office of Energy provides services including:

- policy and other advice to the Minister for Energy and Government;
- information to industry and the Western Australian community on energy-related matters;
- regulatory services to the energy sector in Western Australia; and
- implementation of Government policy.

#### Performance Indicator No. 1

##### Background Information

Policy advice is provided to the Minister for Energy and Government in support of initiatives and issues related to energy supply and use.

Financial year	2000/01	2001/02
Average cost per policy advice	\$1 783	\$1 553

##### Notes to this performance indicator

There are various types of policy advice activity and they vary in time and resources required. This indicator therefore gives an average cost per policy advice.

#### Performance Indicator No. 2

##### Background Information

The Office of Energy provides information on energy-related matters to Government agencies, the public and industry.

Financial year	2000/01	2001/02
Weighted average cost of energy related information provided	\$210	\$58

##### Notes to this performance indicator

There are various types and volumes of information provided and the time and resources required vary. This performance indicator therefore gives an average cost of information provided. A weighting has been applied to this performance indicator due to the variation in the type, volume and cost of information provided. In the 2000/01 financial year the cost of information products and services were reported as separate indicators. These indicators have been aggregated in 2001/02 and a comparative figure provided for 2000/01.

### Performance Indicator No. 3

#### Background Information

The Office of Energy provides regulatory systems for a safe and competitive energy industry. This performance indicator provides the average cost per regulatory action by the Office of Energy including licensing of electrical and gas operatives, electrical and gas audits, inspections and investigations, and electrical and gas authorisations.

Financial year	2000/01	2001/02
Weighted average cost per regulatory action	\$96	\$106

#### Notes to this performance indicator

There are various types and volumes of regulatory actions and the time and resources required varies. This indicator therefore gives an average cost per regulatory action. A weighting has been applied to this performance indicator due to the variation in the type, volume and cost of regulatory actions performed.

### Performance Indicator No. 4

#### Background Information

The Office of Energy implements Government policy to facilitate:

- increased competition in the energy market;
- renewable and energy efficiency initiatives;
- a technical and safety regulatory regime; and
- Government's social and community obligations in relation to the energy sector.

Financial year	2000/01	2001/02
Average cost per Government policy implementation project	\$217 630	\$189 811

#### Notes to this performance indicator

There are various types of Government policy implementation projects and the time and resources required vary. This indicator therefore gives an average cost per Government policy implementation project. This indicator was titled specific issues projects in 2000/01.



## Output 2: Grant and Community Programs Management

### Output Description

Manage grant programs, and community programs involving transfer payments, relating to the energy sector.

### Performance Indicator No. 1

#### Background Information

The Office of Energy administers a number of grants programs relating to energy efficiency and renewable energy.

Financial year	2000/01	2001/02
Weighted average cost per grant administered	\$2 442	\$890

#### Notes to this performance indicator

There are various types and volumes of energy-related grants programs administered and the time and resources required vary. This indicator therefore gives an average cost per energy-related grant managed. A weighting has been applied to this performance indicator due to the variation in the type, volume and cost per grant administered.

### Performance Indicator No. 2

#### Background Information

The Office of Energy manages the State Underground Power Program.

Financial year	2000/01	2001/02
Average cost per state underground power project managed	\$27 243	\$23 375

#### Notes to this performance indicator

There are various sizes of underground power projects managed and the time and resources required vary. This indicator therefore gives an average cost per underground power project managed.

## PUBLICATIONS

The following publications are available from SEDO's Energy Smart Line on 1300 658 158. Requests for bulk copies should be directed to SEDO's main office on 9420 5619.

### Ways to Live Energy Smart

Energy Efficiency Housing for the South West  
Energy Smart Compass Card  
Home Insulation  
The First Steps to Summer Cooling  
Ways to Winter Warmth  
Renewable Energy Remote Area Power Systems  
Remote Area Power Systems - User Guide and Maintenance Advice

### Ways to Choose Energy Smart

Choosing a Heater  
Choosing an Air Conditioner  
Choosing a Hot Water System  
Solar Hot Water Systems  
Lighting  
Reach for the Stars (separate brochures on energy smart clothes washers, clothes dryers, dishwashers, refrigerators, freezers, refrigerative air conditioners, gas hot water systems and gas heaters)

The following publications are available from SEDO's main office.

### Ways to Work Energy Smart

Green Office Guide  
Energy Star Office Equipment  
Save Money on Air Conditioning with Variable Speed Drives  
Solar Power for Schools

### SEDO Funding Programs

A range of information (including guidelines, application forms and reports) is available on the following programs:

### Photovoltaic Rebate Program

Renewable Remote Power Generation Program  
Solar Hot Water Subsidy  
Financing Efficient Energy Use Program  
Alternative Energy Development Board Grants

The following publications are available from Office of Energy, Perth Office.

Aboriginal and Remote Communities Power Supply Project:

*Power On* (newsletter on achievements of key project milestones)

Understanding Gas Trading and Gas Distribution Licenses in Western Australia  
Guideline for the appointment of a Performance Auditor

Beyond the Grid

Gas Competition in WA – Information Newsletter

Gas Talk

Energy in Western Australia Conference 2001: Program and Papers

Energy News WA, Issues 10 and 11

Energy Western Australia 2000

Regional Power Procurement Process:

Newsletters on Achievement of Key Milestones – Mid West, Esperance & Exmouth Regions

State Underground Power Program – Guidelines for Applications for Funding

The following publications are available from the Office of Energy, Technical and Safety Division (now Energy Safety). The publications are available free of charge unless shown otherwise.

Auto LP Gas Safety

Care and Safety of Cords and Plugs

Care and Safety of Electrical Appliances

Client Feedback System – Policy & Procedure

Code of Practice for Inspectors (Electricity) in Western Australia

Code of Practice for Inspectors (Gas) in Western Australia

DIY Electricity Dangers

Electric Arc Welders

Electric Shock - Poster

Electric Shock Survival

Guidelines for Apprentices and Trainees (Gasfitting)

Guidelines for the Approval of Industrial Gas Appliances (Type B Appliances) in Western Australia

Guidelines for Design and Planning of Interconnected Gas Distribution Networks in Western Australia

Guidelines for Registration Under Mutual Recognition (Gas Licensing)

Guidelines for the Approval of Industrial Gas Appliances (Type B Appliances) in Western Australia

Gas Service Logbook

Gasfitting Record Book

How to Obtain a Restricted Gasfitting Permit in Western Australia

How to Obtain a Gasfitting Permit for Class I Work in Western Australia

How to Obtain a Gasfitting Permit for Class P Work in Western Australia

How to Obtain a Gasfitting Authorisation

How to Obtain a Restricted Electrical Worker's Licence in Western Australia



Licensing for In-house Electrical Installing Work (Updated July 2000)  
Licensing of Electrical Workers  
Licensing of Gas Fitters  
Licensing of Electrical Contractors (Updated October 2000)  
National Restricted Electrical Licence System  
Safety Switches  
Using Electricity Safely Near Water  
Using Electricity Safely in Caravans and Tents  
Using Gas Safely in Caravans and Tents  
Using Gas Safely in Marine Craft  
Using LP Gas Safely  
Watch Out for Power Lines Above When You're Working Below  
Worker Safety When Cutting Trees Near Power Lines  
Licensing for In-House Electrical Installing Work  
Licensing of Electrical Contractors  
Licensing of Electrical Workers  
The National Restricted Electrical Licensing System  
How to Obtain a Restricted Electrical Worker's Licence in WA  
Licensing of Gas Fitters  
How to Obtain a Restricted Gasfitting Permit in Western Australia

Industry Information:  
Apprentice Safety Assessment Guidelines  
Checking and Testing Electrical Installing Work  
Code of Practice – For the Sale of Electrical Installation Products to the Public  
Code of Practice – For Personnel Electrical Safety for Vegetation

Code of Practice – Safe Electrical Work on Low Voltage Electrical Installations  
Control Work Near Live Powerlines (Cost: \$30.00)  
Energy Bulletins 1 to 17  
Energy Bulletin Special Edition – New Gas Standards Regulations  
Guidelines – Construction Electricity Supplies to Residential Sites  
Guidelines – Electricity Transmission and Distribution Work in WA  
Guidelines – Safe Working with Gas in Consumer's Installations  
Guidelines – The Application of Safety Instrumented Systems for Industrial Gas Appliances  
Guidelines – Design and Planning of Interconnected Gas Distribution Networks in WA  
Safety Guidelines for Electrical Workers  
WA Electrical Requirements (Cost: \$110.00)

As a service to industry, the Licensing Office also has some of the more commonly used electrical and gas legislation and Australia Standards available for sale.

The following publications are available from either office:

Client Service Charter  
Code of Conduct  
Corporate Plan  
Client Feedback Brochure, Incorporating Complaint Resolution

Some of the publications listed are available on the Office of Energy Web site at [www.energy.wa.gov.au](http://www.energy.wa.gov.au).

## BOARDS AND COMMITTEES

Representatives of the Office of Energy participated in the following Boards and Committees:

Aboriginal and Remote Communities Power Supply Project Reference Group  
 Aboriginal Communities Essential Services Steering Committee  
 Ngarda Ngarli Yarndu Improvement to Social and Physical Wellbeing Sub Committee  
 Wunan Regional Housing and Essential Services Sub-Committee  
 Kullari Housing and Essential Services Sub Committee  
 Air Quality Coordinating Committee  
 Alternative Energy Development Board  
 Australia and New Zealand Reciprocity Association  
 Australian CRC for Renewable Energy – Energy Policy Group  
 Australian CRC for Renewable Energy, Information & Training Services Project Management Group  
 Australian Design Awards  
 Australian Gas Association Installation Committee  
 Australian Gas Association Industrial Equipment Committee  
 Australian Gas Association Appliance Committee  
 Building Construction Industry Training Council Services  
 Industry Skill Stream Committee  
 CADDET Australian National Team  
 Cool Communities Reference Group  
 Coral Bay Infrastructure Implementation Group  
 CSIRO Energy Sector Advisory Committee  
 Distribution Technical Issues Working Group  
 Economic Statistics Consultative Group  
 Electricity Access Consultation Committee  
 Electricity Access Steering Committee  
 Electrical Contractors Association Excellence Awards Selection Committee  
 Energy Industry Association WA  
 Electrical Licensing Board  
 Electrical Regulatory Authorities Council  
 Electricity Access Steering Committee  
 Electricity Access Consultation Committee  
 Electricity Reform Task Force:

- Regulatory Arrangements Working Group
- Electricity Code Working Group
- Electricity Market Design Working Group
- Western Power Structural Reform Working Group

Energy Balancing Working Group  
 Energy Market Development Working Group  
 Financing Efficient Energy Use Committee  
 Gascoyne Regional Development Infrastructure Forecasting Working Group  
 Gas Pipeline Sale Steering Committee  
 Gas Retail Deregulation Steering Group:

- Customer Transfer Management Working Group
- Gas Retail Market Services Working Group
- Gas Metering Estimation Allocation and Settlement Working Group
- Consumer Protection and Education Working Group

- Full Retail Contestability Network Access Working Group
- Interim Market Rules Working Group

Gas Technical Regulators' Committee  
 Generator Locational Signalling Working Group  
 Greenhouse Senior Officers Group  
 Greenhouse Task Force  
 Indigenous Action Plan Steering Committee  
 Interdepartmental Committee on Sustainability  
 Procurement in Government  
 International Centre for Application of Solar Energy (CASE)  
 Keep Australia Beautiful Council (WA) Perth Action Awards Committee  
 Ministerial Council on Energy Standing Committee of Officials:

- Downstream Petroleum Working Group
- Energy Market Development Working Group
- National Oil Supplies Emergency Committee
- Energy Efficiency Greenhouse Group
- Strategic Energy and Security of Supply Working Group
- National Appliance and Equipment Energy Efficiency Committee

Murdoch University Energy Research Institute Board  
 NatHERS Management Committee  
 National Government Energy Managers Group  
 National Reference Group Electrical Licensing  
 National Steering Committee for the Australian Building Greenhouse Rating Scheme  
 Natural Gas Pipelines Advisory Committee  
 North West Interconnected System Taskforce  
 North West Shelf Consultative Group  
 Permanent Residents of Caravan Parks Supply Reference Group  
 Regional Indicators Reference Group  
 Regional Power Procurement Steering Committee  
 Renewable Energy Access Working Group  
 Standards Australia

- Council (representing WA Government)
- Electrical Accessories Committee
- Electrical Approvals Standards Committee
- Gas Fuel Systems for Vehicle Engines Committee
- HV Installations Committee
- Joint Australian and New Zealand Electrotechnology Standards Sector Board
- Metering Committee
- Standards Accreditation Board
- Wiring Rules Committee & Sub-Committees
- State Emergency Management Advisory Committee
- Lifelines Emergency Management Committee
- State Fuel Emergency Management Committee

State Underground Power Steering Committee  
 Subiaco Sustainable Display House Steering Committee  
 Sustainable Industry Group Steering Committee  
 Telecommunications Facilities Approvals Coordinating Group  
 Town Reserves Regularisation Steering Committee  
 WA VoiceNet Business Needs Working Group  
 Internet and System Security Working Group  
 Western Australian Department of Training Plumbing and Gasfitting Overseas Qualifications Committee

## CONTACT DETAILS

### Perth Office

(including Coordinator of Energy, Industry Development Division, State Requirements Division, Corporate Operations Division, Sustainable Energy Development Office)

9th Floor, Governor Stirling Tower

197 St Georges Terrace

PERTH WA 6000

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Email: [enquiries@energy.wa.gov.au](mailto:enquiries@energy.wa.gov.au) Web: [www.energy.wa.gov.au](http://www.energy.wa.gov.au)

SEDO Email: [sedo@energy.wa.gov.au](mailto:sedo@energy.wa.gov.au) SEDO Web: [www.sedo.energy.wa.gov.au](http://www.sedo.energy.wa.gov.au)

### West Leederville Office (now Energy Safety)

(including Director of Energy Safety, Technical & Safety Division)

20 Southport Street

WEST LEEDERVILLE WA 6007

Phone: 08 9422 5200

Fax: 08 9422 5244

Email: [energysafety@docep.wa.gov.au](mailto:energysafety@docep.wa.gov.au)

The Technical & Safety Division (now Energy Safety) also has Senior Electrical Inspectors in four regional areas as follows:

### Karratha

Unit 9, Karratha Village Shopping Centre

Sharpe Avenue

KARRATHA WA 6714

Phone: 08 9144 2800

Fax: 08 9144 1299

### Geraldton

Suite 2, 8 Chapman Road

GERALDTON WA 6530

Phone: 08 9964 5133

Fax: 08 9964 5149

### Kalgoorlie

Viskovich House

377 Hannan Street

KALGOORLIE WA 6430

Phone: 08 9021 0811

Fax: 08 9021 0812

### Bunbury

C/- WorkSafe

Bunbury Tower

8<sup>th</sup> Floor, 61 Victoria Street

BUNBURY WA 6230

Phone: 08 9791 7211

Fax: 08 9791 8047

