



15 May 2014

Mr Lyndon Rowe
Chairman
Economic Regulation Authority
Level 4
Albert Facey House
469 Wellington Street
PERTH WA 6000
Email: publicsubmissions@erawa.com.au

Dear Mr Rowe,

DRAFT REPORT: INQUIRY INTO MICROECONOMIC REFORM IN WESTERN AUSTRALIA

The Bunbury Wellington Economic Alliance (BWEA) welcomes the opportunity to comment on the draft report on the Economic Regulation Authority Inquiry into Microeconomic Reform in Western Australia.

BWEA is strategic partnership between the six local governments of the City of Bunbury, Shires of Capel, Collie, Donnybrook-Balingup, Dardanup and Harvey, the South West Development Commission and significant local companies operating in the resources sector, timber processing, construction, engineering, water supply, telecommunications, consulting, education and training, accounting and finance sectors.

BWEA comprises community and business leadership, and has been advocating for sustainable economic development in our region for over a decade.

We note with interest the range of recommendations contained within the draft report, and while welcoming some of the recommendations, we question the merits of others.

- Recommendations 1-3 relating to the evaluation and transparency surrounding major infrastructure investment, are regarded favourably.
- Recommendation 4 – relating to Royalties for Regions. We strongly oppose repealing the Royalties for Regions (R4R) legislation. R4R has delivered very positive outcomes for regional WA. With any government program, there is

always scope to improve delivery and accountability, but we believe it is unreasonable for R4R to be singled out as it has been in this report.

- Recommendations 8, 10 – the proposed expanded use of PPP's to procure public infrastructure, and investigating divestment of assets are supported.
- Recommendations 11-25 in the category of “reducing the cost of complying with regulation” are supported.
- Recommendation 30 – calls for the domestic gas reservation (DGR) policy to be rescinded. Some companies in our region which depend on gas for industrial processes support the DGR policy. Other local companies which supply energy have regarded the DGR policy as unfairly affecting the market for competing fuel sources

We appreciate this opportunity to comment on the draft report on the ERA Inquiry into Microeconomic Reform in WA.

Yours sincerely

Matt Granger
Chief Executive Officer
Bunbury Wellington Economic Alliance