

Mr. Tyson Self  
Assistant Director, Gas Access  
Economic Regulatory Authority  
Level 4, Albert Facey House  
469 Wellington Street  
Perth WA  
6000

9 January 2015

Dear Tyson Self

**Draft Decision on the Mid- West and South-West Gas Distribution Systems Access Arrangement for the Period 1 July 2014 to 31 December 2019**

We offer our comments on the draft decision regarding revised access arrangement.

The Highbury Group is a residential home builder in Perth Western Australia, building under the trading names of Highbury Homes, MyGen Homes & Metrostrata Developments.

Our understanding from ATCO Gas Australia (AGA) is that the ERA draft ruling of 14 October 2014 will impact AGA's ability to finance gas reticulation of new housing estates for the period of the arrangement. As large volume residential builder in the Western Australian new-homes market, we are concerned that this will reduce the uptake of gas home appliances for home cooking, home heating and hot water.

A consequence of this is a reduction in choice for new homeowners, who may have otherwise preferred the benefits of reticulated gas appliances over other alternatives, either for cost or environmental reasons.

In addition to this decision, we feel it is lacking in offering the consumer a cleaner and more carbon friendly energy solution for the future. The Building Industry as a collective is actively working towards more fuel effective alternatives to cleaning up the environment.

This decision appears to err on this point, the alternatives on offer for appliance solutions for the new build client's do not meet this criteria.

Reading through the AGA listed Executive Summary on the website, highlights that their infrastructure investment would not be recovered through AGA's current pricing structures if this decision is to become legislation.

We can only assume that from ATCO Gas Australia's position, that it would not be commercially feasible to invest in future projects.

Our assumption from this, leads us to believe that future new household connections from reticulated gas to individual homes will need to be new build client funded or developer included in the final block price, this is fundamentally opposed to the current AGA funded arrangement.

This decision appears to add to the current concern shared across the Industry by all, to only add to increased housing affordability.

Potential greenfield developments in the future will disadvantage new build home owners, in turn developers will need to fund the price differences between capital expenditure and infrastructure demand.

In conclusion, the developers will ultimately pass costs onto the end user, or alternatively the only energy source on offer will be electric-only green field developments, these are will be less desirable to new build land purchasers.

We are not in support of the ERA decision as it currently stands and we urge them to revisit the draft decision, we believe firmly that that new home owners need an equal choice for energy sources on offer in their homes.

~~Yours sincerely~~

~~Jim DeBaughn  
Director  
Highbury Homes (WA) Pty Ltd  
MetroStrata Developments Pty Ltd.~~