

# CITY OF GERALDTON

## MAYOR'S OFFICE

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Dr K Michael  
Western Australian Independent Gas Pipelines Access Regulator  
Office of Gas Access Regulation  
6<sup>th</sup> Floor  
197 St Georges Terrace  
PERTH WA 6000  
**Attention: Mr Robert Pulella**

### RESPONSE TO DRAFT DECISION ON ACCESS ARRANGEMENT FOR DBNGP

This submission is being made by Geraldton Council in response to the draft decision issued by the Western Australian Independent Gas Pipelines Regulator ("Regulator") on the proposed access arrangement for the Dampier to Bunbury Natural Gas Pipeline ("DBNGP").

The DBNGP traverses the [Mid West region, of which the Council is the centre] and a significant proportion of industry here relies on gas as its prime fuel source. Furthermore, a number of projects have been considered for the region which are fuel intensive. Proponents of these projects have indicated that there is a need for competitive supplies of gas to ensure that these projects have an opportunity to be realised. Competitive gas supplies into the region are critical to the economic wellbeing of the shire.

In submissions to you during the public consultation stage and also since your draft decision, Epic Energy has observed that the draft decision, if implemented, will;

- mean that further expansion of the capacity of the pipeline will only occur if users are prepared to pay tariffs substantially higher than those proposed under the draft decision; and
- cast a significant shadow over the financial viability of Epic Energy.
- act as an impediment to further development in our Region.

It is critical to the future development of regions such as this one that not only must there be a financially stable and viable pipeline owner and operator, but also that the pipeline owner is afforded an environment which makes it commercially and technically viable to expand the pipeline. We would also hope to see an environment encouraged by regulatory decisions which fosters competition.

The introduction of competition reform legislation such as the National Gas Code was seen as one of the key instruments for contributing to regional and economic development. This draft decision, if implemented, would not achieve this objective.

It must also be borne in mind that the establishment of the Western Australian Independent Gas Access Regulator was critical to the Western Australian government

agreeing to implement the National Gas Code. It was the government's view that the state's gas pipeline system and resource sector was unique and therefore having a regulator independent of other Australian states was considered critical to ensure that these factors could be properly taken into account when establishing the rights of access (especially tariffs) for gas pipelines.

As mayor of a council in a region which stands to lose significantly from the stated consequences to which the draft decision may give rise, I urge you to reconsider your decision and issue a final decision which sends the correct signals to infrastructure investors and developers, so that the objectives of competition reform can be realised.

Yours sincerely

**VICKIE PETERSEN**

Mayor  
City of Geraldton