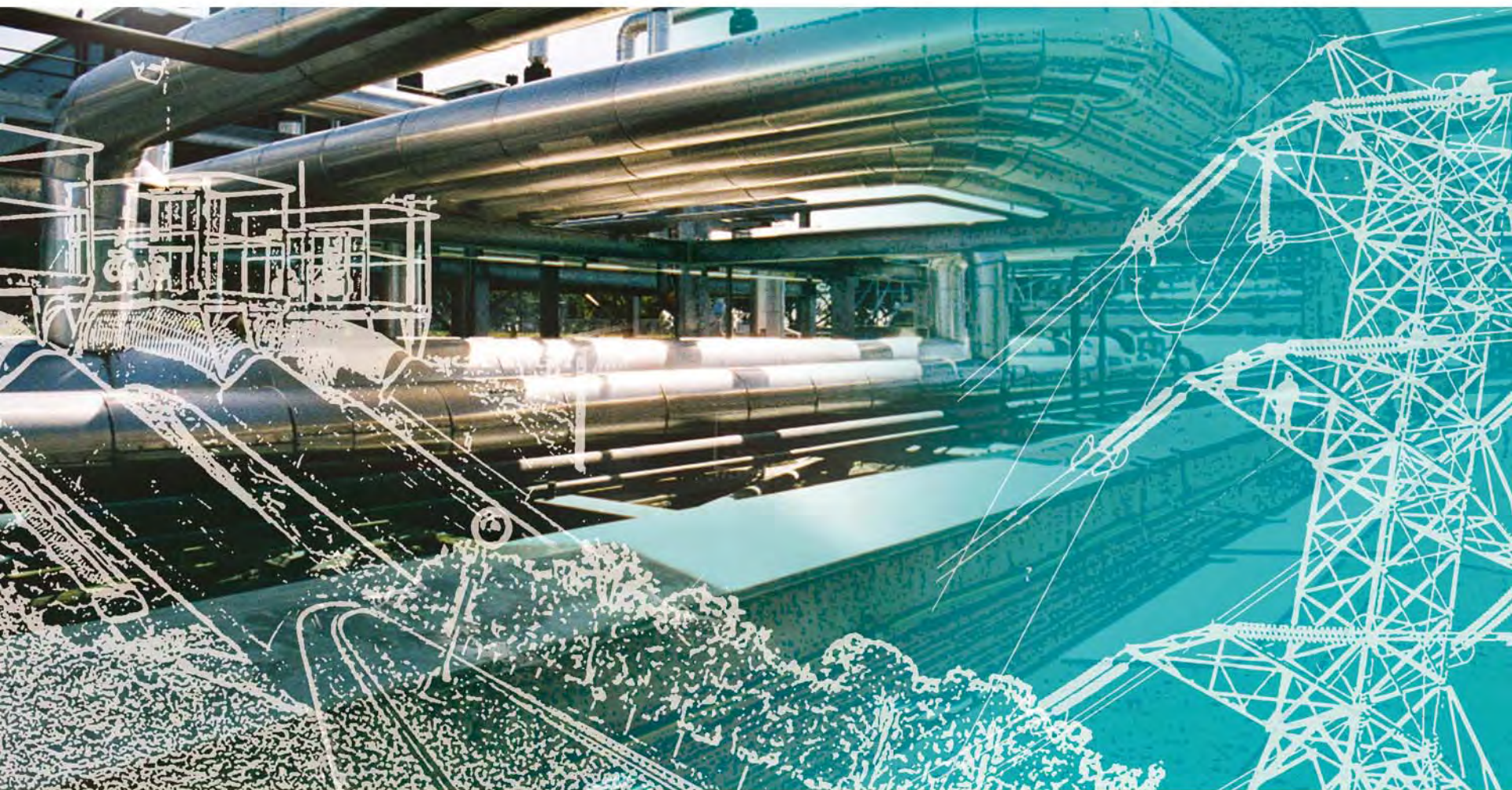


Economic Regulation Authority

 WESTERN AUSTRALIA

Promoting fair prices, quality services and choice.



Economic Regulation in Western Australia

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Economic Regulation in Western Australia

K Peter Kolf
General Manager
Economic Regulation Authority

IPAA Meet the Regulators Forum
28 February 2008

Overview

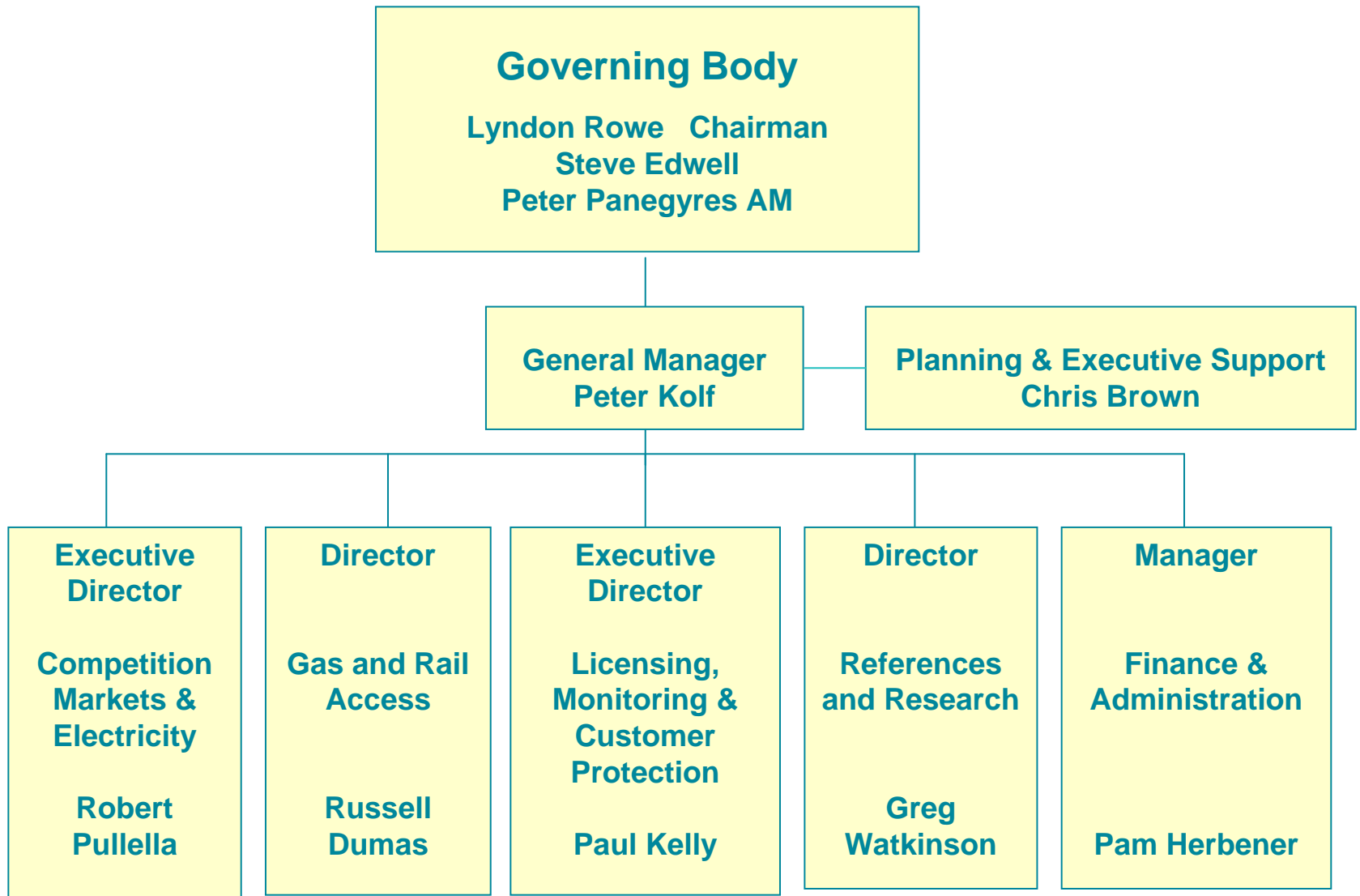
- Role of the Economic Regulation Authority
- Benefits of Independent Regulation
- Achievements

The Economic Regulation Authority

Key Features

- Independence
- Transparency
- Consultation

Economic Regulation Authority



Regulated Utility	Relevant Legislation
Gas	<ul style="list-style-type: none"> • <i>Energy Coordination Act 1994</i> • <i>Gas Pipelines Access (Western Australia) Act 1998</i> • <i>Energy Coordination Regulations 2004</i> • <i>Energy Coordination (Customer Contracts) Regulations 2004</i> • <i>Energy Coordination (Last Resort Supply) Regulations 2005</i> • <i>Energy Coordination (Licensing Fees) Regulations 2005</i> • <i>Energy Coordination (Retail Market Schemes) Regulations 2004</i> • <i>Gas Pipelines Access (Western Australia) Regulations 2000</i> • <i>Gas Pipelines Access (Western Australia) (Funding) Regulations 1999</i> • <i>Gas Marketing Code of Conduct 2004</i> (to be repealed and replaced in accordance with the Authority's Final Decision of March 2007, refer to the Agency Performance section for further information).
Electricity	<ul style="list-style-type: none"> • <i>Electricity Industry Act 2004</i> • <i>Electricity Industry (Code of Conduct) Regulations 2005</i> • <i>Electricity Industry (Customer Contracts) Regulations 2005</i> • <i>Electricity Industry (Licence Conditions) Regulations 2005</i> • <i>Electricity Industry (Access Code Enforcement) Regulations 2005</i> • <i>Electricity Industry (Licensing Fees) Regulations 2005</i> • <i>Electricity Industry (Obligation To Connect) Regulations 2005</i> • <i>Electricity Industry (Wholesale Electricity Market) Regulations 2004</i> • <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> • <i>Code of Conduct (For the Supply of Electricity to Small Use Customers)</i> • <i>Electricity Industry Customer Transfer Code 2004</i> • <i>Electricity Networks Access Code 2004</i> • <i>Electricity Industry Metering Code 2005</i>
Water	<ul style="list-style-type: none"> • <i>Water Services Licensing Act 1995</i> • <i>Water Services Coordination Regulations 1996</i>
Rail	<ul style="list-style-type: none"> • <i>Railways (Access) Act 1998</i> • <i>Railways (Access) Code 2000</i>

Key responsibilities

	Electricity	Gas	Water	Rail
Access	✓	✓		✓
Licensing	✓	✓	✓	
Monitoring	✓	✓	✓	✓
Market arrangements	✓	✓		
Inquiries	✓	✓	✓	✓

Key matters which the Authority must have regard to

- Promote outcomes that are in the public interest
- Have regard to the interests of consumers, investors & service providers
- Promote competition & fair market conduct
- Prevent abuse of monopoly power
- Be transparent

Benefits of Independent Economic Regulation

- Facilitate private sector provision of services
- Make best use of monopoly infrastructure
- Enhanced competition upstream/downstream
- Consumer protection and fair trading
 - interface with Energy Ombudsman

Achievements

- Effective access arrangements: Gas/Electricity/Rail
- 80 Licensed Service Providers: Gas/Electricity/Water
- Active monitoring of asset management, operations & performance
- High degree of national consistency
- Independent advice:
 - Water pricing; Esperance desalination; School buses; Grain marketing; Competition in the water industry; developer charges
- Confidence in independent regulation & advice

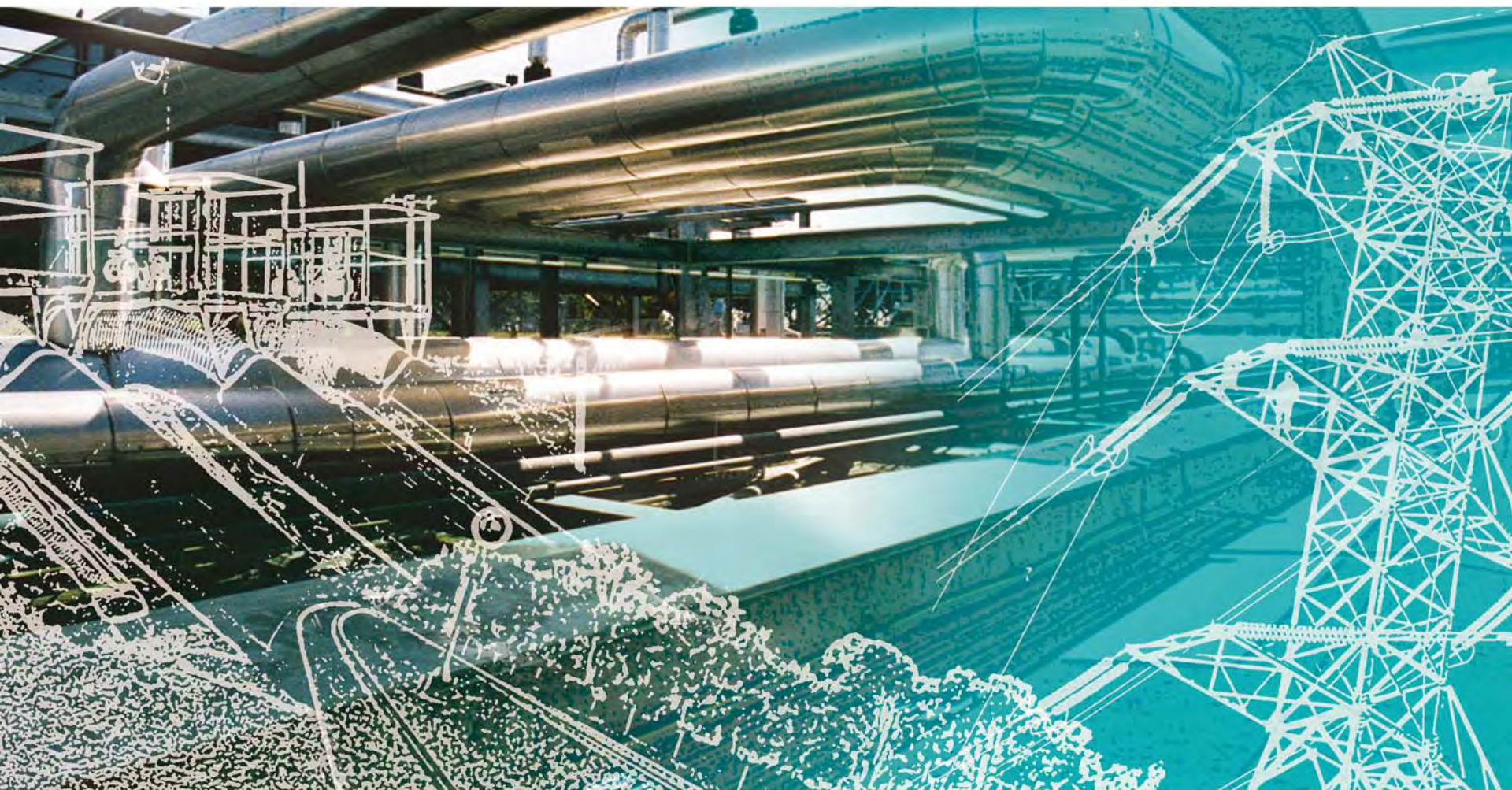
Conclusions \ Lessons

- Pursue best practice regulation and licensing
- Maintain flexibility and reduce opportunities for dispute
- Seek continuous improvement
- Seek national consistency
- Consult widely
- Remain independent of stakeholders
- Be firm but fair

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