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Our Ref No: 10-500-PO-LET-0003

Mr Peter Kolf
General Manager
Economic Regulator Authority
Western Australia
GPO Box 8469
Perth Business Centre
Western Australia 6849

Dear Peter

RE: ELECTRICITY MARKET EFFECTIVENESS DISCUSSIONS

Below is Extension Hill Pty Ltd's (EHPL) response to the above issue as set out in your letter to the Chamber of Minerals and Energy WA Inc dated 23 April 2009. I apologise for not responding earlier.

We have had experience in a number of the aspects set out in the issues document and wish to contribute to the discussion.

We have strong views regarding the performance and development of the electricity generation and energy market, in particular the following issues,

- the parlous state of Verve's business structure and performance,
- the stated belief by the Premier that Verve should be re-amalgamated with Synergy,
- the apparent ignoring of the roles of the IMO and ERA, with respect to Verve's investment in Kwinana and Muja A&B,
- The apparent wavering of the 3,000MW cap on Verve, and
- The messages that these precipitous decision have on the investment standing of WA.

Additionally our experience with Western Power Corporation (WPC) for network access is relevant such as WPC,

- does not appreciate the development process of major projects and provide advice services appropriate to the respective stage of a project's development,
- As a consequence of the above, WPC does not have contractual instruments in place for anything other than for the final project commitment,
- WPC fails to provide sufficient information on scope, cost and schedule to allow prudent assessment of the proposed expenditure and deliverables,
- As a consequence of the above, WPC fails to provide adequate scope, cost and schedule information to enable the parties to that are monitoring progress to make sound commercial decisions, and
- WPC takes no cost or time risk and has an over arching attitude of "all care and no responsibility".

We can provide you with examples of communications with WPC for a Network Connections that amply demonstrates the points above.

We would be happy to meet and discuss this in more detail if you wish.

Yours sincerely,
EXTENSION HILL Pty Ltd

Matt Duxbury
Manager Infrastructure Services

Discussion Point 1

The Authority invites comment on the impact of fuel supply and fuel prices on the market. In particular:

- to what extent, and in what way, do current issues in regard to fuel supply or fuel prices impact on long-term investment decisions in the market; and
- to what extent, and in what way, do current issues in regard to fuel supply or fuel prices impact on the day-to-day operation of the market, and outcomes in the market.

EHPL Comments

Extension Hill Pty Ltd (EHPL) is not currently operating in the WEM, but is proposing to develop a new magnetite iron ore project in Western Power's "North Country" area that will require approximately 140MW demand and 850GWH per annum energy from about the 3rd quarter 2012. It is expected that the project development will continue in stepwise increments of approximately 130MW at intervals of 2 to 5 years thereafter, with ultimate demand in excess of 500 MW by 2025.

EHPL has EP Act approval to install a gas lateral and operate a gas fired power station at its mine site, but EHPL is also looking for access to competitive, base load power supply from the SWIS.

<u>Gas Supply</u>

Our recent experience is that the gas supply side has too few independent gas suppliers and effective competitive market development and pricing has not occurred. In our view, it appears that the supply side predominantly focused on LNG export development for growth opportunities, with the relatively small and complex domestic market considered as a secondary market.

North West Shelf Gas (NWSG) has always been and still remains the dominant supplier into the domestic market and so set the benchmark price. Having not reset its prices for a number of years due to its LNG focus, the domestic market price languished below the $2.50/GJ mark for far too long. No new developments to supply the domestic market have come on stream since Apache's John Brookes development in 2008.

When demand for domestic gas accelerated sharply, the joint marketing arrangements typically employed by gas producers came under pressure, and pricing surged to $4.00/GJ in 2006. As new demand continued to grow and long-standing existing off-take arrangements came to an end, the supply side became constrained and the price jumped significantly, at the peak rising to between $13/GJ and $18/GJ.

Although pricing has since dropped from these peaks, supply into the domestic gas market remains problematical. The recent announcement of a supply contract from the Reindeer gas field to the SinoIron project discloses a term of only 7 years with prices agreed only for 3 years and linked to world oil prices thereafter.

Such short term contracts with significant price uncertainty are not ideally suited to large projects such as ours with significant energy needs.

Whilst undeveloped gas fields abound, long development lead times - typically in excess of 5 years - and the apparent desire of developers to link domestic gas pricing to world oil parity, rather than negotiate long term off-take agreements for specific projects, make gas a relatively unattractive primary fuel source in the long run.

Coal Supply

Coal fired power generation in WA is concentrated at Collie, where each coal miner produces a similar quality coal. This makes the input cost of fuel for coal fired power generation in the Collie region relatively consistent across power suppliers. The biggest cost difference for power generated from coal in the Collie region appears to relate to the age, size and efficiency of generating plant and the nature of the ownership of the asset.

Security and Diversity of Supply

A secondary issue for gas is its reliance on the Dampier Bunbury Natural Gas Pipeline (DBNGP). Although DBNGP has proven to be extremely reliable, it is nevertheless a single umbilical connection between the south west demand and the gas sources. The Varanus Island incident last year serves a powerful illustration of this exposure.

Alternate gas and or coal from geographically diverse sources should be a high priority to WA south west industry and community. The development of geographical diversity of both generation assets and fuel types will inherently improve power system supply security.

At present, gas from one geographical region is effectively competing with one geographical coal region. A major strategic outcome of government policy should be to facilitate the development of alternative regional fuel suppliers, with a second order matter being fuel diversity.

Summary

1. *EHPL urges a greater focus on geographic diversity of fuel supply*
2. *A second order issue is the development of a greater diversity of fuel types*

Discussion Point 3

The Authority invites comment on the application process for network access offers. In particular:

- at what stage during the process of planning a new facility do applicants approach Western Power, and to what extent do applicants make applications for network access in advance of the timing of the reserve capacity cycle due to the perception that the application process may take some time;
- to what extent has the timing of the application process affected participation in the reserve capacity mechanism for particular facilities;
- to what extent is the application process, including the timing of the application process, transparent; and
- if there is an issue with the application process, does the issue relate to the timing of the process, the transparency of the process, or both.

EHPL Comments

Network Connection Processes

EHPL is dissatisfied with the processes within WPC to manage access to the network of significant projects. WPC's processes for engaging collaboratively with potential customers to assess and develop new projects are flawed and do not allow for the progressive screening and development of new projects.

Ideally, such screening and development studies should progress through various stages to test concepts and screen for fatal flaws, identify and rank alternatives, then to select and cost the optimum solution. Each study phase demands increasing certainty of project scope and delivers increasing accuracy in estimates of project cost and schedule.

In line with normal project development, it is often critical to advance preliminary work on items such as corridor definition, to ensure a schedule to meet the customer's project time line, for instance for a transmission line the following items are likely to be needed,

- *Selecting transmission line route options and honing them down to a preferred route,*
- *Talking to land owners,*
- *Commence Native Title discussions with indigenous owners,*
- *Carrying out flora and fauna surveys,*
- *Carry out heritage surveys, and*
- *Talk to EPA and obtain a ruling on the level of assessment*

These points lead to the definition of a preferred transmission line route, which enables,

- *Conceptual engineering and*
- *Preparation of cost estimates.*

WPC's formulaic approach to initiating new project developments is to request that new customers enter into a standard Early Undertakings Contract or EUC with WPC. The standard WPC EUC terms effectively provide a funding mechanism for WPC to undertake preliminary investigation, design and costing work, but in doing so, WPC takes no responsibility for the cost, quality or timeliness of the work performed. Furthermore, the standard EUC does not define the deliverables to be provided by WPC and all Intellectual Property developed resides with WPC.

WPC advises that the only formal arrangement for the development of connection assets is to enter into a full contract, known as the Interconnection Works Agreement. This inflexible approach does not reflect best practice nor accommodate a phased study approach.

In our experience, the approach taken by WPC over connection assets is unacceptable. Processes need to be developed in consultation with industry. The ad hoc EUC system is not an effective mechanism to develop connection assets.

For EHPL's Extension Hill Magnetite Project, we will require WPC to construct a 330kV connection from Eneabba to Three Springs, which will be funded by the two mining customers, at an estimated value of approximately $70m. Scheduel and progress *information is also needed on the main Neerabup to Moonyoonooka 330kV extension. The cost to cuastomers is a substantial cost and is in addition to the approximate $150m EHPL has to spend to extend the connection to the mine site from Three Springs.*

WPC has advised that they will recover the cost of the asset through the levying of annual charges and will require security against the value of the asset, however WPC will not accept cost or schedule risk for the project which it will manage.

WPC has also been unwilling to provide enough information to allow independent verification that the separate transmission project that will supply power to Eneabba, the 330kV line from Pinjar to Moonyoonooka, is on schedule.

EHPL expects to spend approximately $1.8b on the magnetite project and it is unreasonable for WPC not to provide sufficient information to enable us to be assured of WPC progress against schedule. It is a serious undertaking to deliver a project of this value. WPC's contribution to planning and execution has to be of the highest standard.

In our experience, the approach adopted by WPC is that the network is theirs and accordingly, they are reluctant to provide information or to be accountable for expenditure, especially in the early stages of project development. Furthermore, WPC appears reluctant and/or unable to provide scope, schedule and cost breakdowns by which the customer can manage the project component. These are simply good project management practices and should already be available internally.

Capital Cost Contributions

EHPL offered to own some or all of the Three Springs to Enabba 330kV line. We believe that our cost of capital is less than WPC's and that the risk of ownership of a well built 330kV steel lattice transmission line is very low. .

If WPC had a more open approach to alternatives, EHPL would discuss the issue with Gindalbie and it is quite possible that together we could create and own the assets and contract with WPC for their operation and maintenance.

This proposition and the approach set out above is no different from the initial development of the DBNGP, with the then SECWA and Alcoa.

No reason was given by WPC for this decision and EHPL contends that ownership by the customer is a legitimate means of contribution to financing and should be included in the ERA's rate base assessment and options. Open access is a proven concept and private ownership of parts of monopoly network should be part of the mix. Given the state government's current reluctance to assume more debt, direct funding and ownership by private industry will allow assets to continue to be created.

Discussion Point 4

The Authority invites comment on whether the risk that a network connection will not be delivered on time impacts on investment incentives, including incentives to invest in new facilities on particular parts of the network.

EHPL Comments

WPC current processes

If the issues in Point 3 are accepted then, the current approach by WPC at best will frustrate industry through lack of timely provision of information and at worst cover up WPC's high capital costs and lack of ability to deliver on time, possibly creating significant project start up delay costs.

Regional development, power users and generators

The discussion in Point 1 revolves about geographical distribution of fuel and power generation and are fundamental to this issue.

If the points in Point 1 are accepted, then it implies that planning must take this into account, either the fuel has to be transported to the generators or, after the generators have produced the electricity, electricity has to be transported to the markets by transmission lines.

The power supply economics in the mid west are heading towards using coal and off setting carbon dioxide as much as possible with wind or other renewables. Traditional North West gas suppliers are being priced out of the electricity generation market. Clean coal as proposed by Aviva, using carbon sequestration in adjacent old gas fields, is very prospective.

The mid west is Western Australia's prime wind resource area, it combines favorable topography, land use and wind resources. No more wind can be connected without reinforcement of the regional transmission system between Perth and the mid west.

Energy geographic and source diversity is enhance by making available a strong network in the region. This region is rich in energy alternatives,

- *Geothermal*
- *Solar thermal*
- *Photo voltaic*
- *Coal and*
- *Gas, such as tight gas*

Some are well advanced, such as Aviva's Coolimba coal and gas station. EHPL is investigating solar thermal power.

More effort has to be given to planning and developing the power transmission network to encourage this diverse generation portfolio to facilitate generation competition and supply security. There does not seem to be any authority with a fundamental understanding of the need to plan and develop the transmission system back bone before it is needed.

The 330kV transmission is a project enabler, as it provides developers access to the competitive generation market. The 330kV transmission line has been accepted by the ERA as the most appropriate means of reinforcing the network to Geraldton and all areas in between Perth and Geraldton. The ERA has also accepted that it is technically necessary to undertake the extension or face rapid decline in reliability and the inability to meet normal projected demand growth in the region.

Simply put, no project can proceed without the 330kV connection. The stand alone alternative costs for power are total uneconomic.

Consequently, the case to proceed with the 330kV connection as planned is of the highest priority to Western Australia and the mid west.

<u>*Summary*</u>

1. *Failure to deliver connections on time and budget are significant risks to large resource projects.*
2. *The consequences to WPC of failure to commit to scope, schedule and cost to deliver connections to projects is very low, but which is a source of significant risk to any project. This needs to be addressed.*
3. *Major backbone infrastructure, such as the 330kV transmission, requires long term planning and construction well before the need is arises. Some mechanism is needed to get such planning in place and investments committed before the demand comes to reality.*

Discussion Point 6

The Authority invites comment on whether network planning processes are sufficiently responsive to developments in the WEM and whether network planning decisions are sufficiently transparent to participants.

EHPL Comments

EHPL has a real concern that the ERA's criteria for development of the backbone of the network is too short termed and commercially based, rather than strategic. By commercially based, we contend that the pure economics of a transmission line should not be the sole determinant of the need or decision to proceed.

Take for example the following strategic scenario,

- *SWIS needs more differentiation of fuel supplies*
- *SWIS need more geographically dispersed fuel sources*
- *SWIS needs more geographically dispersed generating plant*
- *SWIS needs to see the continuation of new entrants to the generation market*

The current arrangement of responsibilities for looking at issues like this and then setting out a strategic framework for development of the network, fuels supplies and associated infrastructure, and generators is unallocated.

For example, one region that can address a number of these issues is the Mid West. The Mid West,

- *Is electrically and geographically diverse from Collie and Perth*
- *It has geographically diverse fuel sources to Collie coal and the Pilbara gas supply in the DBNGP and represents a new fuel region,*
- *The fuel options in the mid west are diverse, tight gas fields, solar thermal, geo thermal, wind and photo voltaic.*
- *New entrants to fuel and generation are presenting in the region, a new coal company Aviva, new coal seam gas, Eneabba Gas, etc...*

Not only is there abundant supply side development potential, but it is matched with equivalent demand side projects, presenting a unique opportunity to the State that should not be put at risk because the network is not available to support the potential.

Where is the strategic planning done to make sure the network is in a position to facilitate the development of supply and demand in such a prospective region?

Where are the criteria developed to enable such strategic network developments to fit into the approvals process? There is no evidence of it in WPC's Transmission and Distribution Annual Planning Report.

Summary

1. *Develop transmission planning objectives that are aligned with high level State development objectives and not solely the short term and micro situations of individual project economics.*

Discussion Point 11

The Authority invites comment on the extent to which Verve Energy's exposure to forecasting errors in the balancing market impacts on the effectiveness of the market.
The Authority invites comment on barriers to the introduction of competitive balancing, and what these barriers suggest for the shift to more competitive balancing arrangements.

Discussion Point 12

The Authority invites comment on the delivery of ancillary services, particularly in regard to the competitive delivery of ancillary services.

Discussion Point 13

The Authority invites comment on the impact that wind energy will have on the effectiveness of the WEM. In particular:
• to what extent, if any, will additional wind energy impose costs on the market, and will these costs be borne by the wind energy facilities or by other participants; and
• do the existing arrangements for network connection charges provide signals to wind energy facilities that reflect the impact of these facilities on the market.

Discussion Point 16

The Authority invites comment on whether System Management remaining within Western Power impacts on the effectiveness of the market and, if so, in what way.

Discussion Point 19

The Authority invites comment on the effect that the Ministerial Directions to Verve Energy and Synergy and the Vesting Contract have on outcomes in the market.

EHPL Comments

These comments relate to discussion points 11, 12, 13, 16 and 19.

Vesting Contracts

The position in which Verve has been placed is untenable. It has been the repository of the historical accumulation of the uneconomic elements within the SWIS, both technical and commercial. It is difficult to believe that its amalgamation with Synergy will contribute in any significant way to addressing the underlying economics of its plant, fuel and operating legacy. The savings associated with amalgamating management and corporate systems such as, boards, computer systems, and head office, are second order costs compared to the inherent costs associate with the legacy of old plant, fuel supply contracts and operating systems.

There is no synergy between the business models of generation and retail. Retail is a bulk customer retail business, operating as an aggregator of inputs to develop products to service a range of market segments and has low capital requirements. While generation on the other hand is a large industrial operation needing, large capital investments, significant engineering, technical operations and specialised fuel purchasing.

<u>Government's view of capital investments in corporations</u>

The political and treasury treatment of capital investment in its utilities is difficult to reconcile with the Corporatised model and is a source of diminution of the commercial authority of the Board. WPC states that,

> "The Corporation, in performing its functions, must act in accordance with prudent commercial principles and endeavour to make a profit consistent with maximising its long-term value."

When a corporation plans a capital investment it has to go to the presiding government for approval, on the way passing the ERA. However, the government aggregates the total government loans to determine its budget position and consequences to the States credit rating. So the corporatisation's capital requirements are conditioned by the State's position rather than the business needs. This is in the face of the corporation generating sufficient revenue to pay for the capital over time. The matter is further complicated for the Boards because revenue is also subject to the government's political assessment of tariff impact on voters.

The evidence to date is that the government of the day is more heavily swayed to the revenue side in terms of electoral impact, than on the long term health of the business.

A way to help counter this conflict is to allocate Synergy to a different Ministerial portfolio. In this way the owner and customers have separate advocacy in the government off the day.

Corporatised business loans are 100% debt, underwritten by the government and are reportedly at better interest rates that say Verve or WPC could manage on their own. So the price to pay for better interest rates is government control of debt. Typical private equity levels are not allowed to build up in the corporatised entity to establish sound debt to equity ratio or be held over for capital investments in the Corporatisation. This approach is a legacy of government's everywhere, where all revenue goes into consolidated revenue. However, this is not the nature of the business and this mismatch causes significant dysfunctional behaviour and outcomes.

Further, the rate base is generated by reference to an optimum replacement value of the assets, which implies a component of the rate base is for continued reinvestment in assets *to maintain their value. However, the government of the day controls capital expenditure and dividend. The evidence is that neither Verve nor WPC has invested sufficient asset refurbishment and replacement capital to maintain their asset value and performance over the last 10 to 15 years. The users, through the approved rate base, has been paying too little for too long, while government's have continued to take profits, while it has restricted capital maintenance investment. The model is wrong some where.*

How can one reconcile Verve's agreement to supply any customer outside of Synergy from its loss making position? Verve is supplying or has contracted to supply large customers through the "competitive market", as Verve states below,

> "We have moved on from being just a generator of electricity. We have embraced the competitive electricity market and we are actively seeking new customers in that market."

Two points,

- *Any new retailer contracted to Verve will be severely disadvantaged if Verve is amalgamated with Synergy, and*
- *Given the discussion above there has to be great reservation about whether the sales arrangement is commercially attractive on its own merits.*

Given the development of the market Verve has to move towards a market set up and behaviour, and that cannot be done if it is re-amalgamated with Synergy.

Further to the above, the other elements of history bequeathed to Verve, such as the ancillary services and being provider of last resort all contribute to the legacy position. However, Verve can only be relieved of these functions when the independent generator market grows some more and can be called on to bid to provide these services. In the process Verve needs to moves to be more like a private enterprise.

Ministerial Directions

The Governments recently announced electricity price rises are a testament to the last series of governments, of both persuasions, placing an artificial cap on electricity tariffs, mandating a set level of dividend, regardless of performance, and neglecting the need to retain earnings to renew the aging infrastructure. This has been the case since Western Power was Corporatised in the mid 1990s. The Corporatised structure places WPC's executive and the Board in the position where they have to act as a private company and maximise shareholder value. However, the share holder is the owner and represents the customers; it controls revenue, dividends, borrowings and capital. It is easy to see how this can go awry.

It appears that the primary objective of the former Western Power, and continued in its three SWIS progeny, has been to maximize profit In the face of declining revenue in real terms. WPC's and Verve's only recourse was to cut costs. It is a sad fact that maintenance and capital refurbishment is the easiest area to cut and which can take years to fully reveal its consequences. This is the situation for both WPC and Verve, which are the two capital intensive parts of the SWIS power system.

Synergy on the other hand is a relatively easy business to run in this sense, it has no large capital assets to keep in shape, no large capital projects to plan, finance and manage and it has steady, reliable income, and a large customer base. It is more akin to a grocery *chain. It would be relatively easy to see how Synergy would have no problems getting a few million dollars for customer services systems and the like as it would provide little political angst. Such an investment is infrequent and the biggest Synergy will make.*

Meanwhile, with vested contracts, Synergy has not squeezed on the cost side and so can continue to make predictable profits. However this will not continue, as Synergy's procurement activities will increasingly require careful management of financial risks and it will have to work with the classic mismatch of buying long and selling short as the percentage of new supply contracts increase and the old vested contract with Verve reduces or is amended. . Synergy's 2007/08 annual report states,

> "It has been a very satisfying year in which Synergy achieved both a strong financial result and a number of significant milestones.
>
> And
>
> The healthy profit builds on the solid platform Synergy has established since its inception a little over two years ago. It contributes to our growing balance sheet, which is an essential foundation to enter into large procurement transactions. It therefore directly influences Synergy's ability to meet one of its core goals: to lead in the creation of an efficient, effective market."

Isn't this a contrast to Verve's position, given both businesses were operating in the same business environment. Synergy produced a $39.6 million profit, not much less than WPC's $69m and much more than Verve $132m loss. The returns, compared to the asset base of these entities, speaks for itself and is reflective of the traditional government approach to capital and revenue as discussed previously.

The observation from the relative performance of the three SWIS Corporations is that there has to be some readjustment to the model, not whole sale change.

Further, while Ministerial directions are intended to provide transparency of the Ministers' direct involvement in a corporation, it fails to account for the working relationships and the conflict the Board is under to placate both the owner and customer representative, being the one person, at the same time.

<u>Re-amalgamation of Synergy and Verve</u>

The real cost of power generation from Verve has to be exposed to market pressure and the public. If Verve is re-amalgamated with Synergy, the injection of hundreds of millions of dollars into Verve will not be screened through the competitive screen and there will be no way to determine if it is efficient or effective use of money.

The cap on Verve has been critical to the development of the generation market in WA; with its 2007/08 annual report stating it had 3,240MW. In Verve's annual report it states,

> "Verve Energy's installed generating capacity has been capped at 3,000MW, a limit we will achieve by retiring old plant."

The IMO's Wholesale Electricity Market: Request for Expressions of Interest for Reserve Capacity Cycle Jan 2009, page 12, states, "Figure 6 shows that approximately 5,105 MW of generating capacity is expected to be in service for 2011/12. In addition, Demand Side Management is expected to provide approximately 153 MW. Thus, based on the number of Capacity Credits assigned for 2011/12, there is likely to be a requirement for an addition al 55 MW of capacity to cover the requirement for 2011/2012."

The Premier and Minister for Energy stated on Mon 11 May, 2009, regarding the Verve Kwinana plant,

"Construction is to begin immediately, with the turbines expected to be operational by late 2011, ready for the 2012 summer.

And

While substantial investment is being made to provide more reliable electricity supplies for the long-term, Verve Energy is investigating the future use of Muja AB to help address energy security concerns.

And

A refurbished Muja AB, with a total capacity of 240 megawatts, fitted out to improve its environmental performance, will help address potential energy security concerns flowing from the slowdown of investment in new generation caused by the current economic downturn."

How does the 200MW replacement of Kwinana stage A and the Muja A&B refurbishment reconcile with either Verve's cap of 3,000MW or the IMO statements of the shortfall of 55MW in 2011/2012? What role has ERA and IMO had in this? This appears to be government overriding the established policy to suit it purposes. There is no evidence in the IMO statement of opportunity that there is an issue for 2011/12 that needs Verve's precipitous action.

Has there been a failure of Verve to adequately inform the IMO of the status of its plant, or does the IMO call include the retirement of this plant and replacement and refurbishment is not needed? There is no mention in the 2007/08 Verve annual report of plans to invest in new plant, but it mentions that it will be retiring old plant.

Rather than re-amalgamation, if the current set up is unacceptable, it would be better to privatise Verve's assets, to 2 or three private concerns. However, if this is politically unacceptable, reviewing and enhancing the existing arrangements is preferable.

Other than for ideological reasons, it is difficult to find sound commercial or supply security reasons why Verve should remain in government ownership. The private sector has proven it is willing and capable of developing the SWIS's generation needs and the ERA and IMO mechanisms have proven effective in facilitating the development of the market. To bury Verve within Synergy is a backward step and should not be supported.

Verve is going to need substantial capital investment similar to the recent announced Kwinana Stage A replacement. The same issues at Stage A requiring this investment at Kwinana is also present for Stages B and C. The State government has to continue to make appropriate capital investments if it to remain in ownership of these assets.

EHPL Summary

1. *Split up and privatise Verve as soon as possible.*
2. *If this is politically unpalatable, continue capital investment in Verve, but the 3,000MW cap on capacity should remain in place.*
3. *Do not re-amalgamate Verve and Synergy*
4. *There appears to be evidence that the market and its governing organisations are being by passed and this should stop as it undermines confidence in the investment setting for WA*