



Notice

15 November 2018

Rate of Return Guidelines (2018) for Gas Transmission and Distribution Networks

RELEASE OF INDEPENDENT PANEL REVIEW OF THE ECONOMIC REGULATION AUTHORITY DRAFT RATE OF RETURN GUIDELINES

The Independent Panel appointed to review the Economic Regulation Authority's Draft Rate of Return Guidelines (2018) for Gas Transmission and Distribution Networks has provided its report to the ERA. The Panel's report is available on the [ERA website](#).

The ERA asked the Panel to review the draft guidelines and report on whether they are supported by sound reasoning and are capable of achieving the National Gas Objective.

The Independent Panel's review reports that, in the Panel's opinion, the draft guidelines are supported by sound reasoning based on the available information and are capable of promoting achievement of the National Gas Objective. The Panel recommended including further information and other improvements to the draft guidelines.

The Independent Panel report recorded its members' unanimous agreement with the content and all the recommendations of the report.

The ERA thanks all panel members for their contributions to the report.

Background

On 21 June 2018, the ERA released its Independent Panel engagement process. This set out how the panel was to be engaged and its role. The Independent Panel was established to give the ERA the benefit of an independent review, and provide stakeholders with further confidence that our findings are robust. The ERA asked interested parties to nominate potential panel members.

On 29 June 2018, the ERA published its Draft Rate of Return Guidelines (2018) for Gas Transmission and Distribution Networks. The guidelines detail the method the ERA uses to estimate the allowed rate of return for gas transmission and distribution service providers.

On 17 August 2018, the ERA established the Independent Panel to review its draft guidelines.

The three-member panel brought a diverse set of skills to the role.

- Dr John Fallon – Chair - Dr Fallon is a senior economic advisor and founder of Economic Insights Pty Ltd. Economic Insights provides economic analysis and advice on regulation, competition policy, infrastructure and economic development issues. He has substantial experience with economic regulation, economic development and public policy matters.

- Dr Raymond da Silva Rosa - Dr da Silva Rosa is Professor of Finance at the University of Western Australia. He has expertise in teaching and researching finance and investment at universities around Australia. Dr da Silva Rosa currently heads the discipline of accounting and finance at the University of Western Australia. Dr da Silva Rosa has previously been the President and board member of the Accounting and Finance Association of Australian and New Zealand.
- Ms Julie Barrow - Ms Barrow is a consumer and financial hardship consultant. Ms Barrow holds a number of positions on consumer bodies including the Financial and Consumer Rights Council (she is currently the Chair) and Financial Counselling Australia (FCA). She was elected as FCA's representative on the Australian Securities and Investment Commission's Consumer Advisory Panel. Ms Barrow is also currently a practicing financial counsellor specialising in family violence and economic abuse.

Further information

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