



27 January 2016

Honourable Simon O'Brien MLC  
Chairman  
Standing Committee on Environment & Public Affairs  
Parliament House  
Perth 6000

Dear Sir,

**Petition No. 126 - Synergy competing with private enterprise**

I acknowledge receipt of your mailed correspondence dated 24 August 2016 regarding my petition from industry and concerned former clients and individuals regarding the state government's allowance of Synergy to directly compete with the local renewable energy industry.

In responding to my several letters to Minister of Energy, Mike Nahan he is quoted at one point in responding as saying "*The role of State Government in the regulation of the energy sector is focused on the provision of a legislative framework to promote competition and the interests of electricity customers, including any necessary customer protection measures*".

What "competition" and "protection measures" specifically does he refer to?

According to the Liberal Party Beliefs, posted on his own web site, it clearly and unambiguously states:

- ***In Government keeping to its core business and not competing with the private sector.***
- ***In Liberalism, with its emphasis on the individual and enterprise, as the political philosophy best able to meet the demands and challenges of the 21st century.***

Further, the Policy Statement on Competitive Neutrality, that the government was a signatory to at the Council of Australian Governments in April 1995, also clearly states (amongst many other relevant things) that the Agreement states that:

***"The objective of competitive neutrality policy is the elimination of resource allocation distortions arising out of the public ownership of entities engaged in significant business activities: Government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership"***

Synergy is a 100% owned WA government business unit, and certainly will fall under this agreement if it ever competed against companies like mine and many, many others.

I again, feel strange in having to raise these issues with a Liberal Party minister, where under section 4 (h) of their own constitution clearly states as an objective :

***"To promote genuine free enterprise as an alternative to socialism and state corporatism"***.

In the execution of the mandatory applications to connect customer's solar power systems to the grid, private enterprise needs to apply in full to both Synergy and also Western Power.

Many in the industry feel that having to send all our client's details to Synergy in this way, when they are also taking the role as a competitor is wrong and open to possible abuse by Synergy, an organisation that is clearly operating on the public purse and with all the financial backing of the tax payers of Western Australia.

Synergy has been far from a happy supporter of renewable energy in Western Australia over the 35 years that I have been involved in this industry, and certainly the Minister was well known for his anti-renewables policy in his previous role at the Institute of Public Affairs.

As a reporter noted in an article written in August 2015 at an energy conference that Minister Nahan attended and addressed at that time commented on in regards to his commentary at the conference: *"The comments illustrate just how much solar PV's economics have advanced given Nahan intriguingly used to head up the right-wing Institute of Public Affairs, an organisation that has been a long-time and vociferous renewable energy naysayer"*

Now the Minister wishes to take over the industry that has been built up by industry and predominately federal government rebates.

In summary the welfare of many small renewable energy companies are at risk due to Synergy promoting the sale and installation of solar power systems for residential and commercial applications. Interestingly also now that this is happening, the Minister has announced that companies selling systems can do so under Power Purchase Agreements where the supplier can install a system on a client's property and then enter into an agreement with the client for the system to be paid off by paying the supplier an agreed price per kWh (Unit) of power produced by the solar system.

Who do you think this would benefit?  
Suppliers with deep, deep pockets: that's who.

This is right for the picking by Synergy using public funds!

Regards,

John Hall  
Managing Director