

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

2012–13 BUDGET ESTIMATES HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
FRIDAY, 3 AUGUST 2012**

**SESSION TWO
PUBLIC UTILITIES OFFICE**

Members

**Hon Giz Watson (Chair)
Hon Philip Gardiner (Deputy Chair)
Hon Liz Behjat
Hon Ken Travers
Hon Ljiljanna Ravlich**

Hearing commenced at 11.57 am**Hon PETER COLLIER****Minister for Energy, examined:****Ms ANNE NOLAN****Director General, Department of Finance, sworn and examined:**

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to the hearing this morning. Before we begin, I am required to ask you, Ms Nolan, to take an oath or an affirmation.

[Witness took the affirmation.]

The CHAIR: You will have signed a document entitled “Information for Witnesses”. Have you read and understood this document?

Ms Nolan: Yes.

The CHAIR: The hearing today is being held in public although there is discretion available to the committee to hear evidence in private, either of its own motion or at a witness’s request. If for some reason you wish to make a confidential statement during the proceedings, you should request the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia, and we appreciate your assistance in this task. The proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. It will greatly assist Hansard, members, if when referring to the *Budget Statements* or the consolidated account estimates, members please give the page number, item, program and amount et cetera in preface to a question. If supplementary information is to be provided, I ask your cooperation in ensuring it is delivered to the committee clerk within 10 working days of receipt of the questions. Should you be unable to meet this deadline, please advise the committee clerk immediately. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations.

Minister, could you please introduce your witness?

Hon PETER COLLIER: Absolutely. Anne Nolan of the Department of Finance, and the Public Utilities Office comes under the jurisdiction of the Department of Finance.

The CHAIR: I might indicate that we will still attempt to finish a little bit before one o’clock, just so you understand how long we have got.

Hon KEN TRAVERS: I wonder whether you could give us an update of where we are up to with the Solar Cities trial of smart meters?

Hon PETER COLLIER: The smart meters are being rolled out in those eastern suburbs. It is jointly funded with the federal government. I think it was 9 000 homes. I am not entirely sure, but it is being rolled out on a piece-by-piece basis. That is on these eastern suburbs—not the east metropolitan area—around Midland et cetera. I went out there and actually launched part of it with Peter Garrett at the time. Aside from that, I could probably provide more detail.

Hon KEN TRAVERS: Do we have an idea of what they are costing to roll them out; I mean what the savings are for the people that then have them?

Hon PETER COLLIER: No, I am not sure of the cost savings for each household. Ultimately, of course, what we are talking about is time-of-use meters and in-house meters et cetera to assist them in terms of trying to access an understanding or improve their understanding of electricity use et cetera.

Hon KEN TRAVERS: Yes, but is the ultimate aim not to try to get people to use less electricity to create a saving?

Hon PETER COLLIER: Absolutely, yes.

Hon KEN TRAVERS: So in terms of the trial, are you monitoring those sorts of issues about what savings people are achieving as a result of having smart meters?

Hon PETER COLLIER: Yes, and that will come through Synergy. Synergy will have that information.

Hon KEN TRAVERS: And what about the costs of implementing the program?

Hon PETER COLLIER: Again, the Solar Cities program is being instituted by the federal government. Ultimately Western Power will have much more information with regard to the actual cost of the rollout of the smart meters et cetera; that is Western Power's jurisdiction. And in terms of cost savings et cetera, I would imagine Synergy would have something with regard to that this afternoon.

Hon KEN TRAVERS: So, the Public Utilities Office is not monitoring that as part of its policy projects then?

Hon PETER COLLIER: No.

Ms Nolan: Not to a great extent. There is some obvious interest and oversight in terms of analysis, but up-to-date I am unable to provide you with anything further than that.

Hon KEN TRAVERS: So, who is looking at it from above in the big-picture sense then?

Hon PETER COLLIER: Western Power are the ones. They are the ones that have jurisdiction over the meters et cetera and they are the ones that are responsible for that component of the implementation.

Hon KEN TRAVERS: So they would be looking at those other factors as well?

Hon PETER COLLIER: Yes.

Hon KEN TRAVERS: About what the savings are and what the benefits are?

Hon PETER COLLIER: I would assume so, yes.

Hon KEN TRAVERS: Seeing as they have now been and gone, I assumed it would be under the Public Utilities Office that would be looking at that.

Ms Nolan: We can coordinate a response, which would encompass both Western Power and Synergy issues.

Hon KEN TRAVERS: I am interested in what are the costs of the implementation of the meters. I assume that there is probably an overarching sort of—I cannot think of the word—establishment cost to get the program up and running.

Hon PETER COLLIER: Yes.

Hon KEN TRAVERS: And then there is a marginal cost for each additional meter that is put out there. So if it is possible to get a breakdown of what the cost is on a total basis and then also a marginal-cost basis of implementing them, and whatever you have got in terms of identifying the savings that are being achieved as a result of the implementation of those meters.

Hon PETER COLLIER: All right. The Public Utilities Office will need to coordinate that through Western Power and Synergy. We will make every attempt to get that in the first 10 days or within 10 days, but if we do not, I assure you we will get it as soon as we can.

Hon KEN TRAVERS: “Overheads” was the term I was thinking of.

[*Supplementary Information No B1.*]

The CHAIR: Could I just add to that? Is the eastern suburbs the only place where that is being trialled?

Hon PETER COLLIER: Yes, for the Solar Cities component.

The CHAIR: I thought there was a country area.

Hon PETER COLLIER: No, not that we are aware of.

Ms Nolan: No, I am sorry that is not within us.

[12.05 pm]

Hon KEN TRAVERS: I am happy to keep going. The tariff review: where is that at?

Hon PHILIP GARDINER: What was your question again?

Hon KEN TRAVERS: The tariff review; my understanding is that there is a tariff review going on in terms of looking at —

Hon PETER COLLIER: Can I just say that the tariff review is completed; it has not gone to cabinet at this stage. What I will say with regard to the tariff review is that one of the recommendations was a proposal for a block tariff. That is what we looked at, a base tariff for certain usage and increases in consumption. The evidence that was provided was that it was not going to provide necessarily a tangible benefit for those who are least able to pay; in fact, in some instances quite the contrary. The government certainly will not be going down that path. But the review itself is complete and it will go through cabinet.

Hon KEN TRAVERS: Once it has gone through cabinet, is it the intention to make the review public?

Hon PETER COLLIER: Yes. I have no problems with that; I have no problems with that at all. I think the more debate that takes place with regard to tariffs, the structure of tariffs, and tariff increases and the necessity for them, the better.

Hon KEN TRAVERS: So when do you expect that process to be completed?

Hon PETER COLLIER: It is hard to say; I have a few other things on my plate at the moment—I do not mean to be flippant. It is in the process at the moment. I would like to think in the short to medium-term—ultimately, we do not have much longer. As I said, the report is completed, I am comfortable with it, I am comfortable with the process we have taken, and I would like to think in the short term, but I cannot give a date on that.

Hon KEN TRAVERS: What does “short term” mean?

Hon PETER COLLIER: Certainly by the end of the year I would like to think.

Hon ROBIN CHAPPLE: Just quickly touching on that: in terms of that review and it coming forward, how broadly are you looking at those issues? The reason is, I had a meeting the other day with ACIL Tasman about some of the projected shortfalls in energy supply. I will ask some further questions on it in a moment, but are you talking to a broad suite of people in terms of their perceptions?

Hon PETER COLLIER: Are you talking about the strategic energy initiative as opposed —

Hon ROBIN CHAPPLE: Yes.

Hon PETER COLLIER: I think we were just talking about the tariff review, which is a separate document.

Hon ROBIN CHAPPLE: Sorry.

Hon PETER COLLIER: No, I do not mind talking about that, but if you want to come back to that—or do you want to talk about that now?

Hon ROBIN CHAPPLE: No; let us deal with the tariff then.

Hon PETER COLLIER: Okay.

Hon ROBIN CHAPPLE: In terms of that, have you looked at the Canadian model, which is a two-tier system, where industry pays double what the public pay?

Hon PETER COLLIER: No.

Hon ROBIN CHAPPLE: Because obviously there is a huge impost on the community at the moment and the community is feeling the pressures—I am well aware of the reasons behind that. I have looked at the WACOSS model as well, and it does have a number of problems. If you were actually to try to reduce the impact on the community, then you are going to have to offset it somewhere, and the Canadian model seems to be a relatively good one. I am surprised you have not looked at it.

Hon PETER COLLIER: We are not considering it; I can say that. As I said, the one that was fundamental to the whole shift—that is because there was a community expectation, I think, and it had been used in other jurisdictions—was the notion of the tiered tariff. But there was just nothing there that provided evidence to me that it was actually going to benefit those it was meant to benefit.

Hon ROBIN CHAPPLE: I think everybody agreed with your analysis on that. Because of the amount of people you have living in housing, how could you actually means test it, and all the rest of it became extremely complex.

Hon KEN TRAVERS: It raises an interesting question about the water tariffs then.

Hon PETER COLLIER: True.

Hon ROBIN CHAPPLE: But having looked at that and said it is a no-go area, what areas are you looking at that might be able to minimise the impact on the lower socioeconomic or indeed —

Hon PETER COLLIER: Look, essentially what we have done as a government is to ensure that we can broaden the expanse of rebates or assistance as best we can, and that is why we introduced the COLA this year—the cost-of-living allowance. Now, about one-third of customers of Synergy are now eligible for the COLA payment, which is \$200, to try to assist those people, and that will go directly to their electricity bill.

Hon ROBIN CHAPPLE: I want to come on to COLA again in a minute in another aspect. Have you looked at any other aspects?

Hon PETER COLLIER: Yes, a number of different methodologies that have been suggested et cetera, but at this stage we are not considering changing the current structure or the current tariff structure. As I said, we feel that probably the most appropriate and most effective way to assist those least able to pay is to provide direct financial assistance through such means as the COLA or the HUGS program.

Hon ROBIN CHAPPLE: How is that COLA system actually funded? Does it come out of the revenue that is provided to you through Western Power?

Hon PETER COLLIER: No. That has come through consolidated, but also through programs like the energy efficiency program, for example. We felt it would be better spent, with regard to COLA, for more people. The energy efficiency program, I think, impacted about 3 000 people. We thought

that money would be better allocated to a COLA that provided, as I said, \$200 directly to householders for their electricity bills and impacted on around 330 000 or 340 000 householders, which is around one-third of Synergy customers.

Hon LIZ BEHJAT: I actually am not quite sure about the Public Utilities Office. If you look at page 442, it was set up in April 2012 and established to provide the state government with advice on energy policy. But can you just outline exactly what that role is that they play in all of that? I do not quite understand the role, and I am sure there are a couple of us who are not quite sure what your parameters are.

Hon PETER COLLIER: There was a lot of discussion on this because there was a lot of disquiet from some members of the energy fraternity. I think it is a positive step forward. I suggested it—I did not suggest it, but I was very much a part of the process. A lot of people had said that the Office of Energy was not necessarily fulfilling the roles upon which it was established. Interestingly, the current Premier established the Office of Energy and that was seen as a policy-making unit to develop energy policy for Western Australia. It became evident that it was not fulfilling that role, certainly after a decade or so; in essence, what it was doing was, fundamentally, looking after the processing of grants et cetera. SEDA was contained within the Office of Energy, and we morphed that into the Office of Energy so that it became the one unit of Office of Energy. Having said all that, we wanted to make sure that the utilities office was a policy-making unit, and we thought the best way to do that was to take it into a larger department; that is why we have it in Finance. There is potential to bring water into the Public Utilities Office to provide a forum for policy development with the oversight of a much larger department. With an office like the Office of Energy, one of the issues was that—because it was an office, it was not a department—the promotional opportunities within the office were negligible. It was really, really difficult to attract people to the Office of Energy or, if they did rock up, they would leave very quickly to go into the private sector because in the energy sector the remuneration is very attractive. So, in terms of policy development, because of the fact that the energy sector is so diverse and dynamic at the same time you have to make sure you get an overall policy unit that looks at the bigger picture. I genuinely felt that the Office of Energy—although it was doing a very good job in the roles it was performing—did not have the vision for the long-term energy requirements of Western Australia. The Premier was very receptive to it, he was supportive of it, and that is why we made the decision to morph it into the Department of Finance earlier this year, and it is working very well. I am serious; Anne is just terrific in terms of the role and the oversight she has, and I am very, very confident that the role of the Public Utilities Office in terms of energy will become much more visionary in terms of policy development. Have you got anything to add, Anne?

Ms Nolan: I just reiterate the difficulties of getting good public policy skills across the WA public sector, and in small agencies that is particularly the case. It is consistent with the government's economic audit report as well, which looked at the establishment of a public policy office. A variant on that theme was the Public Utilities Office. Certainly, the ability to give a small agency better administrative and corporate support, as well as greater career opportunities, has certainly been welcomed by the staff of the office.

[12.15 pm]

I think that has been very welcome. The ability for us to reconsider what our office does is also a great opportunity for us to get closer to our stakeholders to understand their needs and their priorities. Obviously, in order for us to provide better and greater quality advice to government, we need to understand what their needs are as well. So, building the capability and capacity of the office is one of the prime aims that I see for us over the short term and developing some priorities closely aligned to what government needs and what the community of Western Australia requires. Policy development and advice is clearly a large element of that. The other aspect is oversight of our government business activities in terms of being to provide better quality advice to our minister

as a shareholder of those utilities. And certainly, as you would have noticed, they are large businesses and the ability to provide some independent advice, I think, it is essential for ministers to have access to that advice. In terms of where we have got so far, we have very much tried to get closer to our stakeholders, as I mentioned, but also we have undertaken the recruitment program to establish the head of the office, and that head of the office is called the Deputy Director General of the Department of Finance, which is effectively the head of that office, and this week Dr Ray Challen has commenced with the department and I think he will bring a new set of skills and experiences from outside the public sector, but with excellent energy skills. He has worked as a consultant over recent years and certainly understands economics and commercial issue. I think that is an illustration of the sorts of things we want to achieve over time, which is a building of a skill base that is relevant to the needs of the office and the needs of our stakeholders.

Hon LIZ BEHJAT: So is bringing water into that as well something for the future or are you going to be doing that in the short term?

Hon PETER COLLIER: Certainly not in the short term; it will not be before the election. I cannot speak for the Premier or the water minister, but we are in discussions with regard to the possibility of bringing water in at the time, and I know the Premier has spoken about that publicly. Certainly not in the short term. The notion of having utilities office where they can all work in unison collectively and with that oversight from Anne or whoever holds that position in Finance, I think will be much more effective, but it is a short-term thing.

Hon LIZ BEHJAT: So the policies you are working on at the moment, the hardship grants, is that part of what you are doing —

Hon PETER COLLIER: No; hardship utility grants are actually in Robyn McSweeney's domain, but we obviously have input into that.

Ms Nolan: In terms of that we have certainly been involved in the development through the tariffs and concessions policy review work with WACOSS and, in fact, we actually work very closely with WACOSS on that and that was part of those issues, looking at the household utility grants scheme. We certainly do monitor that scheme as to how it is used, and we work very well with the Department for Communities and of course with the decision to establish the COLAs, we were involved in that as well; it was a public policy issue.

Hon LIZ BEHJAT: So, it is just trying to make it more efficient, so you have just got one office looking at all of those things.

Hon PETER COLLIER: Exactly, and how it impacts. Particularly with us with regard to electricity of course, we can feed in to that the understanding of our office, of the public utilities office, into the bigger picture.

Hon LIZ BEHJAT: So, it would make sense, then, to have water involved in there, because presumably—I guess water is a bit different because it is usually rates, but with consumption and things, if there was some difficulty with electricity, they are going to have difficulty with water consumption, are they not?

Ms Nolan: It is a very similar framework that operates in water as does energy, but they are different. You cannot apply the same policies or the same tariff structures or whatever in water to electricity. But you can look at the separation of policy issues versus regulatory issues versus business activities, which is the basic framework within which we operate. The synergies you can develop by bringing together the policy issues and the oversight issues of the trading enterprises into one entity certainly provide for a strengthening of the ability to provide quality advice. I also think it is a good counter to providing information to ministers from the trading enterprises who may have a different set of objectives to what government may have. So I think is a great way of providing diversity of advice and through that diversity of advice, you hopefully will get better quality outcomes.

Hon LIZ BEHJAT: Okay, now I understand.

Hon PHILIP GARDINER: I refer to page 443 and subsequent pages. In the table at the top it talks about the percentage of Perth metropolitan homes serviced with underground power being 54.5 per cent. We had had that number in a previous session. Then page 454 under the table “Details of controlled grants and subsidies”, we have at the second bottom level that the state’s contribution to the underground power budget is to be \$9.8 million. But then if I refer—you will probably not have this with you—to page 599, which is for Western Power, under “New works”, and in the table the third heading down is “State underground power program”, which in 2012–13 is \$40 million. I just wonder whether you can reconcile, for my benefit, how those numbers work. At one spot it says that the state’s contribution is \$9.8 million being spent on underground power and I presume that the \$40 million is also a state contribution in the Western Power section.

Ms Nolan: Can you just clarify your page number for Western Power?

Hon PHILIP GARDINER: It is page 599, under 2012–13 it is for \$40 million. It is under “New works” about a third of the way down that table.

Ms Nolan: In terms of the state’s basic costing, Western Power provides 25 per cent of the cost and the state provides 25 per cent. All I can imagine is that that is a broader underground power program that could relate—I would be hazarding a guess here.

Hon PHILIP GARDINER: Can I get that as supplementary?

Hon PETER COLLIER: We will have to get that.

Hon PHILIP GARDINER: Just reconcile from those numbers and how those numbers tie in.

[Supplementary Information No B2.]

Hon PHILIP GARDINER: The second question is in relation to renewable energy, which I presume would fit into the policy parameters that you described before. I would like to know—again it is probably a supplementary—what the total government contribution is into renewable energy projects in Western Australia, be it commonwealth and state, for each year over the last five years. I will tell you what I am driving at. I am really driving at how much we have put in and then what I want to get to, given the policy in which you are involved, what the break-even carbon price would need to be for the carbon emissions we are saving as a result of renewables. I want to get a break-even on what the carbon price would need to be. For example, with the solar panels program that we had and we then curtailed, in my view quite correctly, the carbon price break-even was allegedly somewhere between \$150 and \$200 a tonne for carbon. I just want to get an overall analysis of what that might be for the renewable energy subsidies that we have made for the infrastructural contribution and, if possible, by each of the programs or each of the projects. So Collgar is a project, but the solar panels thing is a program. So I really want to get —

Hon PETER COLLIER: I am just a little confused with respect to what you actually want.

Hon PHILIP GARDINER: I want to have what the break-even carbon price would need to be to match the capital contribution that government is making into the carbon emissions reduction that is occurring because of the renewables projects we have.

Ms Nolan: We could provide some advice to you regarding the difference between the cost of renewable energy, and the various types of renewable energy, and the cost of more traditional energy.

Hon PHILIP GARDINER: I do not think that is going to help me.

Ms Nolan: That will provide some element of information to you. But to actually understand the capital versus the recurrent costs, I am a little confused as to whether you are trying to understand how much capital we are putting into the renewable energy programs, which is where you first started, or you are actually trying to work it out on the operating side.

Hon PHILIP GARDINER: I want to know what the amounts are for a start, so I want to know the capital costs.

Ms Nolan: Capital costs, yes.

Hon PHILIP GARDINER: That is the first question. For each of the years of the last five years, for example, roughly what they are. I know Collgar, I forget what the price was, was it \$700 million?

Ms Nolan: In those sorts of things there are no capital contributions for Collgar from the state. It is embedded into the price of the energy; that is why I was giving you the energy price side.

Hon PHILIP GARDINER: All right, I will tell you what I want to get then. I am trying to get what the government's contribution is, and it is either capital or operational then, out of taxpayers' funds. But then I want to get what the break-even carbon price would need to be to obtain the same outcome, in the same way you have analysed, or someone has analysed, what the solar panel thing that we were paying out money for and it being equivalent to \$150 to \$200 per tonne of carbon.

Hon PETER COLLIER: We will do our best.

Hon ROBIN CHAPPLE: That will bring RECs and all that sort of thing into it.

Hon PHILIP GARDINER: That is part of it; the RECs are an intrinsic part of it; that is fair enough. But it is the policy issue for the policy office and I think this is a very important question. I am all for renewables, and we will have renewables in 20 or 30 years I suspect.

The CHAIR: Sooner than that!

Hon ROBIN CHAPPLE: Too late!

Hon PHILIP GARDINER: Too late, okay, maybe in 10 years' time.

Hon PETER COLLIER: There are a lot more now than three years ago.

Hon PHILIP GARDINER: Sure, but what I want to know is what the cost is. And I would like to know, even more importantly, what that carbon price might have needed to be to have got the same outcome we have today.

Hon PETER COLLIER: We have got that one and we will make every attempt.

[Supplementary Information No B3.]

Hon KATE DOUST: I just want to refer to page 442 and to the dot point in relation to the Public Utilities Office. When this change occurred in April this year and the Office of Energy was absorbed into the Department of Finance under its new banner, how many staff from the original Office of Energy continued work under the new banner? How many staff are there in this Public Utilities Office?

Hon PETER COLLIER: As I understand it, there was very little movement, and as I understand it, the FTEs have remained the same, but I will ask Anne to —

Ms Nolan: There was no suggestion at all that this is about reducing the number of staff in the area. If anything, it was about boosting the skills and capability of the area and its ability to deliver. So there is no change in our FTE allocation from the Office of Energy to the department. And with the movement, I think the question you asked was: are we actually losing staff? There has been some normal attrition, but the nature of the turnover in the office is very limited, so it is small.

Hon KATE DOUST: Did you see any of your senior executives leave the public sector as a result of the change?

Ms Nolan: No.

Hon KATE DOUST: That is not my understanding. Were there any redundancies made as a result of the change?

Ms Nolan: No.

Hon KATE DOUST: Given the now housed in the Department of Finance and given that the Office of Energy was always intended to provide independent policy advice to the minister, who actually has the expertise in the energy space to provide that advice to the minister?

Ms Nolan: The office has been in existence since the late 1980s, in terms of it having energy knowledge and experience. It has a raft of staff, we have an FTE allocation of around 80 or 90, and therefore, a number of those people have skills and capabilities in the energy sector, and that is what we have been growing and developing over time. That is what we said we want to do into the future, to build those skills and capabilities. I cannot detail the skills and capabilities of each of my staff members, but we certainly recognise that building those skills is an essential part of our agenda going forward.

Hon KATE DOUST: I just have two more questions about that. You made a couple of references about getting closer to your stakeholders or connecting with your stakeholders. Who do you regard as stakeholders in this area?

[12.30 pm]

Ms Nolan: We are a government department, therefore, we serve the government of the day; therefore, the government is our major stakeholder. But we also need to understand the broader context of the energy industry; therefore, we need to understand the players in the energy sector—that is, the consumers and the industry itself, such as the trading enterprises, as well as the private sector, energy, sort of the resource input into those, the fuel supply. So, the whole chain of events that involves the sourcing of energy, whether that be gas, electricity, renewables, as well as other consumer equity issues, social issues—so it is quite broad.

Hon KATE DOUST: One of the key pieces of work that was being done by the Office of Energy was the strategic energy initiative, and I know that we have all been waiting with bated breath for that. Where is that currently? I mean, on whose desk is that currently sitting, minister?

Hon PETER COLLIER: I hate to say it, but that is in the cabinet process. It is complete. I said this before—I think I probably said it to the honourable member this time last year—I would like —

Hon KATE DOUST: Plus possibly the year before!

Hon PETER COLLIER: The year before, potentially, but no. Look —

Hon KEN TRAVERS: Cabinet takes a long time to deal with things!

Hon PETER COLLIER: It does, yes; we have got so much on the agenda!

But, look, the strategic energy initiative is exactly what I want it to be—that is, a holistic approach to energy policy throughout Western Australia. I will not waffle on, but it did take a lot longer than what I had anticipated. What happens in the energy sector—and I found this very early on when I took over the role—is there is an enormous amount of diversity of opinion in terms of what is best for the energy needs of Western Australia. They are quite diverse in terms of fuel sources, in terms of investment in the network, in terms of retail and so on, so to bring the whole thing together has been quite problematic. It has been a great process, I have got to say, because we have engaged with the community at large. Now, the document was getting to its conclusion towards the end of last year. I did feel that it was only appropriate given the change to the Public Utilities Office that Anne had some input into it and I am glad she did. I have got to say she reinvigorated, dare I say it, elements of that document to ensure that it did represent all of the stakeholders. We have worked arduously with a group of stakeholders in particular that represents a fairly broad cross-section. That document, as I said, is complete. Without pre-empting anything, I would like to think it will be very, very soon. As I said, it is in the process, it is in the works, but the document is complete.

The CHAIR: How long has it taken to get to this point, minister?

Hon KATE DOUST: About four years.

Hon PETER COLLIER: No, no!

Hon KATE DOUST: Sorry, three and a half!

The CHAIR: I am just trying to get a handle on how —

Hon PETER COLLIER: As I said, if you had given me it 12 months ago, I really would have preferred that we had it 12 months ago. We did not. I have got to be honest with you: we had some issues.

Hon KATE DOUST: Minister, you were talking about having it two years ago.

Hon PETER COLLIER: Yes, but as I said, if I had been happy, because at the time I was not happy with the document.

Hon KATE DOUST: It was not you, it was the Premier that was not happy, was he?

Hon PETER COLLIER: No, the Premier had not seen it at that stage. I can assure you he had not seen the document. I will tell you, I will be perfectly up-front: this is one of the things with the Office of Energy that we had; the document that I received I felt did not really reflect certainly the impressions that I had got when I went around the state. We did; we went everywhere. The stakeholders that I listened to, I felt that the document itself did not—it was very, very airy-fairy in terms of providing, you know, these sort of —

Hon PHILIP GARDINER: Motherhood statements.

Hon PETER COLLIER: Yes, just these —

Hon PHILIP GARDINER: Sorry, fatherhood statements.

Hon PETER COLLIER: Well, statements without any real substance is what I felt, so I wanted to make sure it was a document that did have a bit of meat in the sandwich—that did actually have some substance to it.

In a document that is going to talk about the energy security of Western Australia for the future, it is very, very difficult, for example, to put in that document what is going to happen in terms of where we are going to put a power plant or what is going to happen with the network in 2025 or whatever it might be. Then, of course, you do need some sort of broad generalisations in terms of what you want to identify. But if we can have a path forward in saying this is what we want to be as a community in terms of not just saying a cleaner energy future—I will tell you it is one of the key components of it—but in terms of the direction upon which we go to get that cleaner energy future. Again, it depends who you ask and if you go to the energy sector throughout Western Australia, you will find a great diversity of opinion on what goes on with cleaner energy—some saying that wind is the way to go, some saying that geothermal is the way to go, some saying that solar is the way to go. As I said, there is a great diversity of opinion in terms of what to do. We had to make sure that it was generic enough but also specific enough to be a document that had some substance. So, yes—I take it on the chin—I do feel disappointed that it was not out certainly 12 months ago. I am very, very satisfied, though, that it was worth the wait, and I am as confident as I possibly can be as a minister of the Crown that it will pass the final hurdle and will be released very soon.

Hon KATE DOUST: Just prior to the election I assume, minister?

Hon PETER COLLIER: No, I would not be that opportunist, I can assure you. This is very important to me.

Hon KEN TRAVERS: How does “very soon” compare to “short to medium”? What does that mean in weeks?

Hon PETER COLLIER: I could say “as long as a piece of string”, but I get into trouble when I do that! So, I will not say that.

Hon KEN TRAVERS: I do not know, it depends on what context you put it in, minister!

Hon PETER COLLIER: As I said 12 months ago, if I have my way, it will be in two weeks. Then if I do not, or something else happens, it might be —

Hon ROBIN CHAPPLE: That was five months ago—two weeks.

Hon PETER COLLIER: But, again, can I just say—I will not take up any more time, Madam Chair—but I know people are going to be even disappointed with this long wait and they will get a document and say, “Well, is that really what we waited for?” I wanted this thing; when it first came out, this is what I wanted. That is why I wanted to make sure that, yes, it reflected the energy sector but it was a document that did have some substance while at the same time did have, you know, the tapestry of expertise and experience that was necessary for a document of that magnitude.

Hon ROBIN CHAPPLE: Just touching on the strategic energy initiative—you have led me into that—I basically just want to talk about a couple of things in that area. I recently attended the Mining the Pilbara conference and it was raised there that there is really going to be a shortfall of energy supply in the Pilbara and there was talk about shipping distillate or coal into the Pilbara to resolve that problem. Have you been looking at those issues, because the time frame that was being talked about was 2012–25? There is the issue of whether you are going to have an interconnected grid up there and then the mining companies were basically saying, “No, that’s our grid, our little bit of it; we won’t integrate with them.” I would suggest there is a minefield up there. Where are you going with that?

Hon KEN TRAVERS: In the Pilbara, a minefield!

Hon PETER COLLIER: Very good!

Hon ROBIN CHAPPLE: Excuse the pun! But because there is significant shortfall in terms of that 15 per cent allocation—it is not statutory—I think they are looking at something like 1 229 petajoules in the pre-forecast and that is going to literally lead to a major shortfall. What is going to happen?

Hon PETER COLLIER: I am not diminishing the question here, but we can probably talk about this a bit more specifically with Horizon, but I will just give you a general overview now.

Hon ROBIN CHAPPLE: I mean, it is a strategy issue we are dealing with.

Hon PETER COLLIER: It is, and yes it is a key component of it. The interconnected system in the Pilbara has always been on the drawing board. We will not be building a network for the multinationals, I can tell you that, but that is still there. A Pilbara link is something that Horizon will continue to look at.

With regard to generation, it is a massive issue; it really is. I mean, we have made our position clear with regard to the short-term component. We will talk about that with Horizon this afternoon. We do have a Pilbara power procurement board, which is working as we speak in terms of addressing the short to medium-term generation requirements in the Pilbara. We have a short-term strategy at the moment. I meet with Horizon very regularly and with Anne with regard to this and, dare I say it, we have had some very colourful discussions about the best way forward. We certainly know that we have got the best way forward in terms of looking after the power for the next 12 months. Then beyond that, of course, is why the Pilbara power procurement board has been established to ensure that we do look at the longer term generations.

Hon KEN TRAVERS: The answers to that are going to be in Horizon Power, though?

Hon PETER COLLIER: Yes.

Hon KEN TRAVERS: That is the best the place to ask.

Hon PETER COLLIER: That is right, unless Anne —

Ms Nolan: I would make some comment about it is obviously a challenging area. The demand is very strong from the mining sector, obviously, but it is important that we actually cater for the households and the smaller business. That is where we are working with Horizon very much in our power procurement board, and the initial step is actually 20 megawatts of the gas turbine has been secured for that—so the good news is that is not diesel—for the short term. We will get that in mid-October and that will be into production for the summer of 2012–13.

The next phase that we are looking at is probably for the next three or four years after that and how we do actually fill the gap that will potentially emerge from two factors: one is growing demand from the community and the other part of that is access to generation that is already up there through the Alinta plant in Port Hedland. We are looking at a range of options as to how we could fill that gap and what the size of that gap is and we would like to do that in a manner that is, I guess, scaled to the need so it will probably be an incremental decision-making process. But we also have an eye to the more medium term, which is sort of 2016–17 and beyond, when there is probably quite a larger gap where it will enable to us actually fill that gap, we hope, with a far more efficient plant—ideally gas-fired, and I see no reason why it would not be at this stage—and we will need to go through a proper power procurement process in Horizon with the driver of that in terms of procuring additional generation. So there are a number of steps and then there is the broader question, as the minister had raised, as to the ongoing framework within which Horizon operates.

Hon ROBIN CHAPPLE: The key issue was that there would not be the gas available at that time for that extra plant. That was the point that was being made at the Mining the Pilbara conference, certainly by ACIL Tasman who did a really incredible presentation on availability.

Hon PETER COLLIER: I do not want to specifically talk about gas contracts; I do not know enough about them with regard to Horizon at this stage. They are entering into contracts and those negotiations will continue. Perhaps we might get a bit more specific detail from that during Horizon's session this arvo.

Hon KEN TRAVERS: Is the office doing any work on opening up retail competition?

Hon PETER COLLIER: Yes we have, but I say it is very, very difficult in terms of retail competition given the nature of the beast in terms of lack of cost-reflective tariffs at the domestic level. In terms of increased contestability, that continues to be on the drawing board. Anne, would you like to comment?

Ms Nolan: Yes. I make the comment that that issue in the environment where we have electricity prices subsidised as heavily as we do, makes that a very challenging environment. The question is, from a policy perspective, as to whether there is any scope to move the contestability threshold level down to make it to smaller users. That is something we are looking at and we have not yet provided advice to government. An allied question of that is in regard to the prohibitions on Verve and Synergy in terms of Verve being able to sell electricity and Synergy being able to own generation capacity. Those issues are interlinked as well. We are looking at that issue as required under the act and we will be providing advice to the minister on those issues.

Hon KEN TRAVERS: So when do you expect to provide that advice? What is the time line?

Ms Nolan: I actually do not have a timetable for the advice on the contestability threshold. But in terms of the questions of the prohibitions of Verve and Synergy, that will be over the next couple of months.

Hon KEN TRAVERS: So are you doing any work on the issue of the merger of Verve and Synergy, or have you done any work on the merger of Verve and Synergy?

Ms Nolan: No.

Hon KEN TRAVERS: Or the structure of Verve and Synergy?

Ms Nolan: No.

Hon KATE DOUST: Have you had any discussions with the Premier about the future mergers of Verve and Synergy?

Hon PETER COLLIER: I have. I have had plenty. I have had lots of discussions.

Hon KEN TRAVERS: So where are we up to on it?

Hon PETER COLLIER: If I were a betting man, I would say the status quo will prevail. I think we have made some significant changes to Verve and Synergy in the last couple of years in particular with market rules et cetera, but we will continue to look at it. You know what I mean? There are some very real advantages and some very real disadvantages, so we have got to weigh them up. But at this stage, the appetite for a complete merger, as I said, while there are some potential advantages of it, I am not convinced that they are going to outweigh the disadvantages.

Hon KATE DOUST: Has the Premier had any discussions at all with officers from the Public Utilities Office about policy attached to any proposed re-merger? Not with you, minister, but with the office.

Hon PETER COLLIER: I do not know. I am not aware of that.

Ms Nolan: Nothing. I personally have not spoken to the Premier for many months so, no, I have not had any recent conversation.

Hon KATE DOUST: Okay.

[12.45 pm]

Hon KEN TRAVERS: When do we expect all of that work to be completed? When do you expect people to pay out on your bet, minister; that there will not be any change to the status quo? When will a final decision be taken?

Hon PETER COLLIER: Again, I hate saying it, it seems like a cliché for me: in the short to medium term.

Hon KEN TRAVERS: Your definition of “short to medium term”, like how long is this piece of string?

Hon PETER COLLIER: A piece of string, that is the one, yes!

Hon KATE DOUST: I think it is whenever the Premier wants a distraction, he pops this one out.

Hon PETER COLLIER: As I said, the short to medium term. We continue to discuss it.

Hon KEN TRAVERS: Minister, is there actually a process for making a decision around this or is it just a couple of thought bubbles get thrown around and you have a conversation with the Premier and leave it for another couple of months and then have another thought bubble and another couple of conversations? Do you actually have a process for making the decision about Verve and Synergy?

Hon PETER COLLIER: We do.

Hon KEN TRAVERS: What is that process?

Hon PETER COLLIER: We had another discussion last week about it. We are getting to that point where, as I have said, I think we will be able to come out and say something publicly.

Hon KEN TRAVERS: What is the formal process? Is it just you and the Premier having a conversation, a quiet fireside chat?

Hon PETER COLLIER: Pretty much; and he talks to people in the energy sector. I talk to people, very informally—we have had no formal advice.

Hon KATE DOUST: That is not the message he has put out into the public arena from time to time. He goes on the radio on a regular basis, every couple of months, and says that he has had full discussions with staff or with officers. We have asked this question at each tier of estimates for

Energy, and we have asked it of each of the organisations as well, they have all told us, as Ms Nolan has said today, that they have not had the conversation with the Premier at all. That leads us to think it is simply of the Premier's own imagination or creation that these things are happening. At some point you have to stop the uncertainty for industry and actually make a definitive announcement that it is either going to go ahead or it is not.

Hon PETER COLLIER: Point taken —

Hon KATE DOUST: If you cannot do it there are serious implications for the energy sector in this state in the future.

Hon PETER COLLIER: Point taken. As I said, they are probably questions you need to ask the Premier but —

Hon KATE DOUST: I am asking you; you are the minister responsible.

Hon PETER COLLIER: I do not know who the Premier has spoken to from that perspective. As I said, you are asking me to pre-empt something of comments the Premier has made. I have had some very valuable discussions with the Premier. I do not know what advice you are talking about or what advice he has received. Suffice to say, as I said, I am very confident that we will be able to provide more certainty in the near future.

Hon KEN TRAVERS: You still have not answered my question: what is the formal process?

Hon PETER COLLIER: Ultimately it is between —

Hon KEN TRAVERS: Are you going to seek advice from the PUO before you make that final decision or is it simply a matter of you and the Premier eventually getting on the same wavelength and having the same position?

Hon PETER COLLIER: Fundamentally, it is a policy decision of government. That is the way it has always been.

Hon KEN TRAVERS: I understand that, but what is the process for you to reach that policy decision?

Hon PETER COLLIER: We are pretty much there, with the discussion between the Premier and myself.

Hon KEN TRAVERS: Will it be taken as a formal minute to cabinet to sign off on it?

Hon PETER COLLIER: If we made the decision to remerge Verve and Synergy, yes, it would have to. It would require a legislative change.

Hon KEN TRAVERS: If the decision is that you will not merge Verve and Synergy, will there be a formal public announcement that the government has made that decision?

Hon KATE DOUST: They have already made that announcement.

Hon PETER COLLIER: We will be making an announcement of sorts.

Hon KEN TRAVERS: "Of sorts".

Hon PETER COLLIER: Yes.

Hon KEN TRAVERS: Minister, this is not a plaything. This is a pretty serious policy issue.

Hon PETER COLLIER: We will be making an announcement that will provide the certainty that you are seeking.

Hon KEN TRAVERS: But you cannot tell us when?

Hon PETER COLLIER: No.

Hon KEN TRAVERS: And you cannot tell us the process that will be followed?

Hon PETER COLLIER: I will be discussing it with the Premier, as I have said.

Hon KEN TRAVERS: There is no further process beyond a conversation between you and the Premier to reach a decision on this matter?

Hon PETER COLLIER: Pretty much.

Hon KEN TRAVERS: “Pretty much”—what does that mean?

Hon PETER COLLIER: Yes, you are right.

Hon KEN TRAVERS: You will not be seeking advice from the Public Utilities Office on this matter?

Hon PETER COLLIER: No.

Hon KEN TRAVERS: You have not sought advice on this matter?

Hon PETER COLLIER: No.

Hon KEN TRAVERS: There is no intention to seek advice?

Hon PETER COLLIER: Certainly not at this stage, no.

Hon KEN TRAVERS: Why is that?

Hon PETER COLLIER: That is a policy decision on the part of government. We will make a decision —

Hon KEN TRAVERS: There are plenty of policy decisions of government where you seek advice from your professional public service. I would have thought you would do that on a daily basis.

Hon PETER COLLIER: I do; regularly.

Hon KEN TRAVERS: Why on this occasion are you not seeking advice from the Public Utilities Office?

Hon PETER COLLIER: As I said, in this instance we have made the decision that the Premier has his views and I have got my views. They pretty much coincide with those of the Premier in terms of concerns with the market. Peter Oates did a very comprehensive review with regard to the possible merger of Verve–Synergy. He provided two options with regard to the possibility of merging and not merging. We considered those options and made some significant changes to the market rules, and the vesting contract shifted as well. We have made some changes. Now we just have to determine as a government whether or not we are comfortable that those changes have produced the best outcome, but ultimately it will come down to a decision between myself as energy minister and the Premier.

Hon KEN TRAVERS: You will not consult? You will not have a formal consultation?

Hon PETER COLLIER: No, we will not have a formal consultation.

Hon KEN TRAVERS: It will just be a matter of if someone can get to your ear, they can give you a view about it?

Hon PETER COLLIER: A lot of people have got to my ear on this one.

Hon KEN TRAVERS: Have you ever had discussions at the leaders’ forum on this matter?

Hon PETER COLLIER: Which leaders’ forum?

Hon LJILJANNA RAVLICH: The fundraising.

Hon PETER COLLIER: Oh, the Liberal Party.

Hon KEN TRAVERS: Yes.

Hon LJILJANNA RAVLICH: You know the one!

Hon PETER COLLIER: No, I do not—I thought he was talking about an energy forum. No. Those leaders' forums, you go there and there are very general conversations. I have not spoken to anyone. There is no —

Hon KEN TRAVERS: You have never had a conversation at a leaders' forum function about this matter?

Hon PETER COLLIER: I think I have been to the leaders' forum once, possibly twice. I have not been this year. If I did, it would have been a question. I honestly cannot remember anyone asking a question. You do not have a thing on Verve–Synergy or a thing on Education. You go there and there are however many people there, a dozen people or whatever, and they just ask questions. I go to a lot of those things. I went to the Energy Supply Association yesterday, the same sort of thing—you go there and talk to people. You talk and then they ask very, very general questions. There certainly was no leaders' forum on Verve–Synergy.

Hon KEN TRAVERS: Finally, there has been no work done on what the financial impacts of any changes to the current structure of Verve and Synergy would be?

Hon PETER COLLIER: No. There has been no formal work done. Peter Oates did a very, very comprehensive appraisal; very comprehensive.

Hon KEN TRAVERS: No modelling of what the impacts will be?

Hon PETER COLLIER: No. As I said, apart from Peter Oates' modelling —

Hon KEN TRAVERS: Which was done?

Hon PETER COLLIER: Two years ago.

Hon LJILJANNA RAVLICH: I only have one question, and that is: can you provide all the emails to and from your office in relation to the re-merger of Verve and Synergy or Verve–Synergy and Western Power to this committee?

Hon PETER COLLIER: Yes; no problems. I do not think there are any, but there may be. I certainly have not sent any.

Hon LJILJANNA RAVLICH: You are the energy minister and you have received no emails in relation to a re-merger?

Hon PETER COLLIER: You mean generally, or to the Premier's office.

Hon LJILJANNA RAVLICH: I will start again —

Hon PETER COLLIER: I do not mind; I will give you whatever you want because there is nothing in it. Do you want the emails from my office to anyone, or my office to the Premier's office?

Hon LJILJANNA RAVLICH: In and out, yours to the Premier, and from his office back to you.

Hon PETER COLLIER: To me personally?

Hon LJILJANNA RAVLICH: No, not you personally.

Hon PETER COLLIER: That is what you just said.

Hon LJILJANNA RAVLICH: To your office.

Hon PETER COLLIER: To my office, okay.

Hon LJILJANNA RAVLICH: To anybody in your office; that is, any employee in your office—between the Premier's office and between any person in your office. So, from any person in the Premier's office to any person in your office, including you and the Premier.

Hon PETER COLLIER: I have no problems with that. I do not think you are going to find anything, but I have no problems doing it. That is fine; we can do that. No worries.

[*Supplementary Information No B4.*]

Hon KATE DOUST: I was going to follow up on the Oates review. Given that was tabled two years ago, it was a very expensive review at the time, you did come out and quite clearly state that the government would not be remerging Synergy and Verve; a very clear statement more than two years ago —

Hon PETER COLLIER: I will clarify that in a minute.

Hon KATE DOUST: Why is it that since that time, even though that clear statement was made—I agree with you that the market rules that were made and those other changes that were recommended were entirely appropriate—but the thing that troubles me is that since that clear statement was made that the government would not be proceeding down the path of the re-merger, why is it that the Premier, obviously without advice, constantly comes out on a regular basis and still talks up the possibility of the re-merger which is going against the advice of the Oates report and going against your very public statements? Why does he continue to do that without any advice?

Hon PETER COLLIER: The Premier is a very learned man, particularly in the area of energy—he is a former energy minister. I have got great respect for his intellect in the energy portfolio; I really do. With regard to my comments about Verve–Synergy—I think I broached this last time—at the time I said quite specifically, “We will not be remerging Verve and Synergy.” I also qualified that by saying “at the moment”. I said that quite specifically. But then I also said we needed to have some changes to the market rules et cetera, which we did. We made those changes. Whether or not we have as dynamic an energy market as we could if they were remerged, of course we are going to continue to look at that; always. As I have said, though, I think what is happening with the evolution of the market—it will be an evolving market. We are an isolated network, a very, very small market, in comparative terms. To have this notion of multitudes of retailers in the market is just nonsensical. We have all sorts of issues with regard to a reliance on a single gas pipeline and the enormity of the magnitude of our above-ground network. All those issues are constant pressures on government. We have got to say as a government constantly—it would be nonsensical for a government not to suggest this—for us to say that everything is off the radar forever. As far as Verve–Synergy is concerned, we must continue to monitor those two corporations. Do not forget Verve was running at hundreds and hundreds of millions of dollars loss. We have got to say, “Have we got the best system in place to ensure that that market continues to evolve, continues to be a dynamic market for the future?” We will always do that. The Premier is quite within his rights—he is the Premier of Western Australia, he is a former energy minister and he is a very learned man in the energy sector. I thoroughly enjoy my conversations with the Premier with regard to energy; I always learn from them. Having said that, we will always talk and we always have talked. We had a very good conversation last Friday about Verve–Synergy; a very, very good conversation with regard to Verve–Synergy. We will use the expertise from Peter Oates, who, again, is a very experienced man, plus also the Premier’s experience plus my experience over the last four years. That is when we make our determination. That is only just and right, I think.

Hon KATE DOUST: Are you able to provide to this committee a list from the Public Utilities Office of each of the current pieces of research that the office is conducting into the various aspects of energy?

Hon PETER COLLIER: Yes.

Hon KATE DOUST: And the estimated time frames for completion?

Ms Nolan: Those time frames would not have necessarily been discussed with government. They will only be internal documents. We do a range of background information. They are not necessarily government time lines, as long as that is understood.

[*Supplementary Information No B5.*]

Hon ROBIN CHAPPLE: I refer to pages 159 and 160, “Cost of Living Assistance Payment” under “Energy Corporations”.

Hon PETER COLLIER: Sorry, what page was that?

Hon ROBIN CHAPPLE: Pages 159 and 160 of budget paper No 3. Whilst it is heartening to see the government is acknowledging the problems of the two-speed economy and is trying to provide assistance through COLA, I am really concerned about the whole notion of COLA is just providing money to lower socioeconomic people and not actually dealing with the issue that was established previously under the HEP program. If the government is cutting the cost of the household efficiency program in favour of diverting funds into COLA, what provision is it making for providing energy efficiency training and capacity building to households to ensure that they develop ongoing skills to reduce their costs and environmental impacts rather than just relying on a subsidy?

Hon PETER COLLIER: Fair cop. Energy efficiency is a vital component of the way forward. That is across the community, not just for the lower socioeconomic grouping but of course that impacts more positively on that cohort more than anyone. We felt as a government that it was a policy decision—this will not placate or even necessarily answer your question—but that money would be better spent in terms of spreading the love, for want of a better term, that you are now looking at about a third of the public gaining access to financial assistance. In terms of energy efficiency—you are not going to like this because I know you do not like the program—the Switch to the Future campaign has been very, very successful —

Hon ROBIN CHAPPLE: You are not going to mention the bloody chuditch —

Hon PETER COLLIER: Yes, he is terrific. He has a name now—his name is Sparkie. Sparkie has been very successful —

Hon KEN TRAVERS: How much did you pay to get that name?

Hon LJILJANNA RAVLICH: It sounds a bit like you, sparking on empty!

Hon PETER COLLIER: Do not be so nasty! It has been very, very successful in terms of identifying areas. That program is specific to areas to reduce your electricity use. If you have a look at those programs, it is comprehensive. It goes through the electronic media and the print media out there into the community. I will tell you now, if you go to the schools and you ask the kids about the chuditch and the wheel, they like it. I have been going to a lot of schools in the last two weeks, I can tell you.

[1.00 pm]

The CHAIR: They are not the ones who determine how energy is consumed in a household.

Hon PETER COLLIER: But you are asking about a policy. That is a policy framework that is taking place to ensure that we can help to educate the public to be more energy efficient. Can I say you can be as cynical as you like, but what I will tell you is the Waterwise program that was used by the Water Corporation over a decade ago has been phenomenally successful in educating the Western Australian public to be more conservation friendly with regard to water use than ever before. That is what we are doing with regard to energy use. There has been a significant decline in terms of electricity use in Western Australia. It has been on the decline. No doubt tariff increases have contributed to that.

Hon ROBIN CHAPPLE: That was an interesting point.

The CHAIR: How much has it declined?

Hon PETER COLLIER: I have got the figures. I think it is with Synergy.

The CHAIR: Can we take that on notice? I would be interested to know.

Hon PETER COLLIER: Yes. I think you might get the response from Synergy. If not, ask and we will get it for you.

Hon ROBIN CHAPPLE: You did mention in Western Power that that was causing a reduced revenue stream as well.

Hon PETER COLLIER: Yes; that is right. It depends what you want. Do you want energy efficiency or not?

Hon ROBIN CHAPPLE: I want a reduced revenue stream through energy. It means that we are doing a good job. But I just think that cancelling out HEP was an incredibly missed opportunity. There were a number of people working on that program doing an incredibly good job and the community was actually being educated not just about switching off lights, but about using the whole system of water, everything about minimising. There was actually a really good learning expertise in that. I just think switching to just a notional subsidy was a bad move, but that is a political comment.

The CHAIR: Members, I am mindful that it is nearly one o'clock and we need to have a break because we have got further sessions this afternoon. So I am going to suggest that we do draw to a close. If members have got further questions, they can submit them. The committee will forward any additional questions it has to you, minister, in writing in the next couple of days, together with the transcript of evidence, which includes questions taken on notice. If members have any unasked questions, please submit them to the committee clerk at the close of the hearing by email. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be, for whatever reason, unable to meet this due date, please advise the committee in writing as soon as possible before the due date, and the advice is to include specific reasons as to why the due date cannot be met. Finally, on behalf of the committee, thank you very much for your attendance.

Hearing concluded at 1.02 pm
