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Office of **Energy**

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Our Ref: 00/0011

**HON COLIN J BARNETT, MLA  
MINISTER FOR ENERGY**

**LETTER OF TRANSMITTAL**

In accordance with Section 62 of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament, the Report of the Office of Energy for the financial year ending 30 June 2000.

The Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

**LES FARRANT  
CHIEF EXECUTIVE OFFICER AND  
COORDINATOR OF ENERGY**

30 August 2000

## Coordinator's Overview

The supply of electricity and gas to consumers in Western Australia is a significant contributor to the economy of the State and to the well being of the community. During 1999/2000 the people of the Office of Energy have again been instrumental in efforts to contain the price, improve the availability and ensure the safety of that supply.



The sale of AlintaGas has been a clear priority following the announcement by the Government in June 1999 that the sale would proceed as a cornerstone initial public offering. The Office readied the necessary legislation for Parliament's consideration and, after its enactment without amendment in December 1999, has participated fully in the conduct of the sale process through the AlintaGas Sale Steering Committee.

The sale of AlintaGas necessitated the licensing of AlintaGas as a gas distributor and as a gas retail trader to its customers in Perth and the South West, Kalgoorlie-Boulder and Albany. The Coordinator of Energy issued three sets of licences on 1 July 2000. This and numerous other regulatory, policy and commercial aspects to the transition of the State-owned Gas Corporation towards a publicly listed company, AlintaGas Limited, have been competently dealt with by people of this Office.

Good progress was also made in 1999/2000 in implementing Government policy for a phased introduction of competition into the supply of electricity. The work has focused on the provision of access to Western Power's wires networks on reasonable terms. From 1 January 2000 the access threshold fell to 1 MW, making some 120 of Western Power's largest industrial and commercial customers contestable to receive supply from private generators. The Minister for Energy announced in March 2000 his intention to lower the threshold for access progressively to about 0.034 MW within three years. This will make well over 2,000 larger users contestable. Together with establishing access for suppliers of electricity from renewable sources from 1 October 2000, the Office has been working with Western Power and industry stakeholders to review access arrangements in anticipation of further opening of the market.

Regional power required a high level of input from the Office throughout 1999/2000. The Office has been working with Western Power to procure lower cost supplies of electricity so that Western Power can reduce its losses in meeting its customers' requirements in regional areas. The Office facilitated the operation of the separate Ministerial Advisory Committee that in early July 2000 delivered its comparison of the tidal option with that of liquefied natural gas, the solution proposed by the preferred bidder selected by the tender process for the West Kimberley.

The announcement of the Government's Green Power Policy in December 1999 and its associated Sustainable Energy Development Fund, represented just one of a wide range of activities involving the Office in relation to energy efficiency, renewable energy and environmental considerations of energy supply and use. Greenhouse gas emissions abatement is a wider community concern but attention tends to focus particularly on electricity supply and use. The Office continued to contribute to the State's response to this national issue. These efforts now include administration in the State of the Commonwealth-funded Photovoltaic Rebate Program, as well as continuing management of the State-funded Remote Area Power Systems program and Alternative Energy Development Board grants program.

This report showcases the diverse range of activities that staff of the Office perform on behalf of the Government and in the service of the public. Spanning often-difficult policy and regulatory areas of electricity and gas supply, the relatively small staff of the Office has delivered an outstanding result again in 1999/2000. The enthusiasm of the staff for this work is, I believe, clearly evident and I take pleasure in representing their work to you.

A handwritten signature in dark ink that reads "Les Farrant".

LES FARRANT  
CHIEF EXECUTIVE OFFICER AND  
COORDINATOR OF ENERGY

## Highlights

- Legislation enabling the sale of AlintaGas was passed by Parliament in December 1999. Three bidders participated in the final due diligence process prior to submitting final binding bids for a 45% cornerstone shareholding in AlintaGas.
- Legislation for a gas trading and distribution licensing regime was passed by Parliament. The Coordinator of Energy granted three gas distribution licences and three gas trading licences to AlintaGas covering its Mid West, metropolitan, South West, Albany and Kalgoorlie-Boulder operations. These licences address the transport and sale of gas to over 420,000 small use customers. Regulations were put in place capping gas tariffs for these consumers, effective from 1 July 2000.
- The Office developed a Green Power policy to encourage the uptake of electricity produced from renewable sources. A Sustainable Energy Development Fund was established to support the development by independent power producers of new renewable energy sources.
- On 31 May 2000 the Commonwealth accepted the National Competition Council's recommendation that the Western Australia Third Party Access Regime for Gas Pipelines be certified as an effective access regime, under the Trade Practices Act 1974.
- Customers consuming at least 100 TJ/year of gas at a single site became contestable for supply through the Dampier to Bunbury pipeline or AlintaGas' gas distribution network from 1 January 2000.
- From 1 January 2000 about 120 of Western Power's existing customers, making up 30% of Western Power's load, became eligible to obtain power from the supplier of their choice. Perth Airport, Sons of Gwalia, BOC Gases, Fremantle Hospital and Coca Cola are some of the organisations now obtaining their power from third parties.
- As part of the Government's new Green Power policy, accredited renewable energy suppliers will from 1 October 2000 be able to access Western Power's distribution systems in the South West Interconnected System (SWIS) and the Pilbara North West Interconnected System (NWIS) to transport electricity to consumers who use more than 300MWh per annum.
- The Minister for Energy foreshadowed in March 2000 that electricity access within the SWIS and the NWIS would be available within 3 years for independent power producers to supply electricity to consumers using more than 300MWh per annum.
- A Green Power accreditation scheme for Western Australia was established and Western Power's *NaturalPower* product was accredited. Western Power is required to source at least 50% of its Green Power from private suppliers.
- Minimum Energy Performance Standards were introduced for refrigerators, freezers and electric storage water heaters sold in Western Australia.
- Significant progress was made in calling tenders for private companies to supply electricity to Western Power for its distribution in its bigger regional systems.
- Six projects for the retrospective undergrounding of electricity distribution wires were completed. Twelve new major residential projects and 12 localised enhancement projects were selected for round two of the undergrounding program.
- The Coordinator of Energy gave approval to 15 separate companies for major gas installations and other arrangements to supply gas in Western Australia. The Coordinator authorised the establishment of nine electricity generating sites and gave approval to four residential projects under Western Power's renewable energy buyback scheme.
- The 2000 WA Energy Efficiency Awards highlighted Western Australian organizations and individuals for their outstanding contributions to energy efficiency.
- State funding for the renewable energy Remote Area Power Systems (RAPS) rebate scheme was renewed for a further four years. Under the scheme the Office has disbursed rebates of \$602,481 for 76 remote homesteads.
- The implementation of gas distribution licensing and the imminent sale of AlintaGas necessitated improvements to technical and safety regulation of the gas supply industry:
  - Regulations for the technical and safety aspects of gas distribution were completed after a comprehensive consultation process; and
  - 'Guidelines for the Design and Planning of Interconnected Gas Distribution Networks in WA' were developed.

## Overview of the Western Australian Energy Industry

### ENERGY RESOURCES

Western Australia has an abundance of fossil fuel resources, particularly coal and natural gas. Black coal accounts for about 50% and natural gas for about 40% of total fossil fuel resources within the State.

Coal is mined in the Collie basin in the South West and is used in Western Australia only, mainly for electricity generation.

Natural gas is used domestically, principally in resource processing and electricity generation, and is also exported as liquefied natural gas (LNG) and liquefied petroleum gas (LPG). The major fields producing natural gas are in the offshore area of Carnarvon Basin in the North West.

The State's diverse environment provides the opportunity to harness a wide range of renewable energy resources.

### ELECTRICITY AND GAS SUPPLIERS

Western Power is the principal generator, transmitter, distributor and retailer of electricity within Western Australia (Western Power is the Government owned electricity corporation established under the Electricity Corporation Act 1994). A number of private companies also generate electricity, some of which is traded, but primarily to supply associated mining, mineral processing or other remote operations.

As at 30 June 2000 private generation accounted for over 39% of total electricity generation capacity within the State. Western Power remains the major supplier of electricity to the residential and commercial markets.

AlintaGas is the Government owned gas distribution and retail corporation. The privatisation of AlintaGas is underway with the cornerstone investor expected to be selected in August 2000 and the float of shares to the public completed in mid October 2000.

### ENERGY INFRASTRUCTURE

While there are a limited number of privately owned

electricity transmission and distribution systems in WA, Western Power owns the major electricity networks of the South West Interconnected System (SWIS) and the North West Interconnected System (NWIS). Western Power also owns 29 relatively small and isolated regional power systems.

There are five major natural gas transmission pipelines in Western Australia:

- the Dampier to Bunbury Natural Gas Pipeline (DBNGP) - which transports gas from the Carnarvon Basin to Geraldton, Perth, Mandurah and Bunbury;
- the Goldfields Gas Pipeline - which transports gas from the Carnarvon Basin to the Pilbara and Eastern Goldfields;
- the Parmelia Pipeline - which was established to transport gas from fields in the Perth Basin to the South West;
- the Pilbara Energy Pipeline - which transports gas from the Carnarvon Basin to Port Hedland; and
- the Mid-West Pipeline - which runs from the DBNGP near Geraldton to Windimurra to supply the recently commissioned vanadium mine.

### REGULATION AND LICENSING OF ELECTRICITY AND GAS SUPPLY

Electricity supply is required to be authorised by the Coordinator of Energy under Section 7 of the *Electricity Act 1945*. The safety and technical regulation of electricity supply and use is administered by the Director of Energy Safety.

Production of natural gas, its transmission in pipelines (at more than 1.9 megapascals) and the manufacture and bulk storage of LPG is licensed through the Minister for Mines and administered by the Department of Minerals and Energy.

Gas trading and retail and the distribution of gas via networks (at less than 1.9 megapascals) is required to be licensed by the Coordinator of Energy.

The safety regulation of gas distribution and use, including gas quality and metering standards, is administered by the Director of Energy Safety.

## RECENT DEVELOPMENTS IN THE ENERGY INDUSTRY

### Energy Intensive Projects

There continues to be significant private sector commitment to natural gas fired power generation. A consortium of AGL and Western Power constructed, and now owns and

operates, a gas fired power station at Windimurra to supply electricity to Precious Metals Australia's vanadium mine. The consortium established the Mid West Pipeline principally to supply this project and nearby mine sites.

The \$90 million South West Cogeneration Joint Venture plant at Worsley Alumina's refinery site near Collie was substantially complete by June 2000. The cogeneration plant has a capacity of 120 MW and can produce 180 tonnes of steam per hour for the refinery. With supplementary gas firing, an extra 185 tonnes of steam per hour is available. Worsley Alumina uses about 31.5 MW of the electricity generated, with the remainder taken by Western Power.

Gas fired power stations have also been constructed in Onslow and Leonora.

### Infrastructure Ownership

In December 1998 the Government announced its intention to sell AlintaGas. In December 1999, legislation enabling the sale was passed by Parliament specifying that the utility be sold by a trade sale of a substantial cornerstone shareholding to a cornerstone investor and a public float of the remaining shares. Four potential cornerstone investors were short listed from eleven which submitted registrations of interest in March 2000. Three of the short listed bidders participated in due diligence leading to final binding bids by 28 July 2000. It is expected that the cornerstone investor will be selected in August 2000 and the float to the public completed in mid October 2000. Once the sale of AlintaGas is complete Western Australia's gas industry will, except for Western Power's involvement in the Mid West Pipeline and in gas supply for power generation and associated purposes, be entirely in the hands of the private sector.





## Competition

One of the State Government's major objectives is to encourage competition in the energy industry to bring about a lower-cost and reliable energy supply for Western Australians. A range of initiatives, in addition to the sale of AlintaGas, has been progressed towards this objective:

### Gas

- The Gas Pipelines Access (Western Australia) Act 1998 implements the National Access Code in Western Australia. The Code is designed to promote competition in the supply of gas by ensuring gas suppliers and traders have access to pipelines on fair and reasonable terms. During the past year the Western Australian Independent Gas Pipelines Access Regulator (Regulator) has given consideration to proposed access arrangements for most of Western Australia's pipelines covered under this Act.
- A gas distribution and retail licensing regime has been established that defines operating conditions and acceptable performance standards. The licensing regime ensures that only organisations with the required technical and commercial capabilities are eligible to participate in gas trading and distribution activities, thereby ensuring a safe and reliable supply of gas to small use customers. The trading and distribution licences provide a public record of operating and supply requirements and standards.
- Significant improvements have been made (and some are expected to be introduced in the next year) to the technical and safety regulation regime to support the above initiatives.
- The threshold for third party access to the DBNGP and AlintaGas' gas distribution system was reduced to 100 TJ per annum on 1 January 2000, with the State on its schedule for full open access to gas markets by 1 July 2002.

## Electricity

- The third party access level to Western Power's distribution systems was reduced to 8,760 MWh per annum (annual average load of 1 MW) on 1 January 2000, and the Minister for Energy in March 2000 foreshadowed a reduction to 300 MWh per annum (annual average load of 0.034 MW) within 3 years.
- A regional power procurement process is being conducted by the Regional Power Procurement Steering Committee comprising the Office of Energy and Western Power and chaired by an independent person. Work was conducted for the West Kimberley, Mid West and Esperance regions to procure bulk power for supply to Western Power. In addition to supplying Western Power, the successful tenderers will be allowed to compete with Western Power to supply directly to larger customers.

## Renewable Energy

Concern about greenhouse emissions has resulted in increased interest and commitment to renewable energy projects in Western Australia. Government actions are stimulating the growth of the renewable energy industry in the State and encouraging the development of cost effective applications of renewable energy.

Western Power has committed to construct a 22 MW windfarm at Albany and has added two 230 kW wind turbines to the existing turbine at Denham. Over \$1 million has been invested during the year in photovoltaic power systems.

A number of proposals have been suggested for using biomass to generate electricity. Opportunities for supply of electricity in the West Kimberley from tidal power in Derby have been thoroughly evaluated as part of the regional power procurement process and by the Ministerial Advisory Committee, which compared tidal power to the use of trucked LNG as proposed by the preferred bidder.

## Office of Energy Profile

### ESTABLISHMENT

The Office of Energy was established as a department on 1 January 1995 under Section 35 of the *Public Sector Management Act 1994*. The Office of Energy is the Government agency providing policy advice to the Government on energy supply and use generally and on the activities of the State owned energy businesses in particular. It administers regulations addressing supply, use, technical standards and safety for the energy sector. The agency is also involved in the State's emergency management framework.

### THE ACCOUNTABLE OFFICER

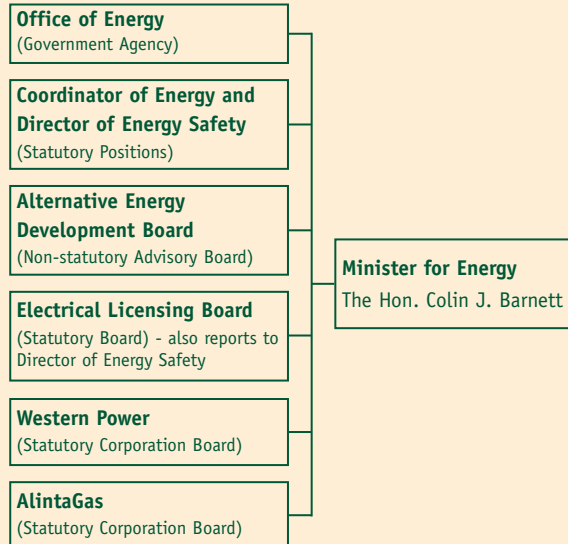
The Accountable Officer of the Office of Energy is the Coordinator of Energy, Dr Les Farrant. Dr Farrant was appointed under the provisions of Section 45(1) of the *Public Sector Management Act 1994* on 24 October 1995 for a period of five years.



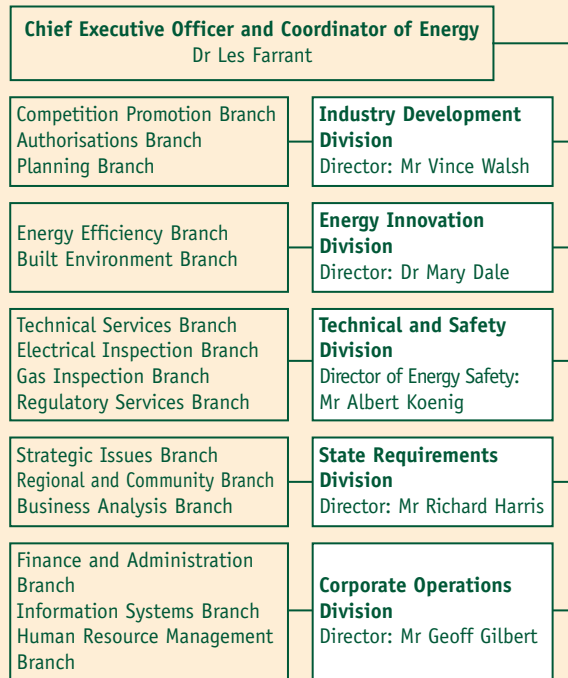
### EXECUTIVE COMMITTEE

(Rear L-R) Mr Richard Harris, Dr Mary Dale, Mr Vince Walsh  
(Front L-R) Mr Albert Koenig, Dr Les Farrant, Mr Geoff Gilbert

### ENERGY PORTFOLIO



### ORGANISATIONAL STRUCTURE



## LEGISLATION ADMINISTERED

### By the Minister for Energy with the Assistance of the Office of Energy

The principal legislation administered through the Office of Energy is the *Energy Coordination Act 1994* which provides for the appointment of a Coordinator of Energy and a Director of Energy Safety

The Coordinator of Energy assists the Minister for Energy in planning and coordinating energy supply in Western Australia and authorises the provision of electricity and gas to the public from suppliers other than Western Power or AlintaGas.

The Coordinator advises the Minister on all aspects of energy policy including:

- the energy needs of the State;
- introduction and encouragement of competition;
- promotion and achievement of open access to transmission and distribution systems, which is an important element in facilitating competition;
- gas trading and gas distribution licensing arrangements;
- energy policy as a means of helping to achieve other policy objectives of Government;
- ways of achieving greater efficiency in the use of energy; and
- energy sources and methods of use, including renewable energy.

The Director of Energy Safety primarily oversees the safety needs of the community in relation to the supply and use of electricity and gas. The Director of Energy Safety is authorised, under various legislation, to deal with safety and technical issues. This includes the licensing of electricity and gas operatives and the adoption of appropriate technical standards for installations, appliances and supply systems.

Other Acts administered include:

- Dampier To Bunbury Pipeline Act 1997;
- Electricity Act 1945;
- Energy Operators (Powers) Act 1979 (Section 55);
- Energy Corporations (Transitional And Consequential Provisions) Act 1994;

- Fremantle Electricity Undertaking Agreement Act 1952;
- Fremantle Electricity Undertaking (Purchase Moneys) Agreements Act 1952;
- Fuel, Energy And Power Resources Act 1972;
- Gas Corporation (Business Disposal) Act 1999;
- Gas Pipelines Access (Western Australia) Act 1998;
- Gas Standards Act 1972;
- Kalgoorlie Electric Power And Lighting Corporation Limited Act 1902;
- Katanning Electricity Supply Undertaking Acquisition Act 1961;
- Liquefied Petroleum Gas Act 1956;
- Liquefied Petroleum Gas Subsidy Act 1980;
- Petroleum Products Subsidy Act 1965; and
- State Energy Commission (Validation) Act 1978.

## LEGISLATION INTRODUCED/IMPLEMENTED

The following legislative matters were developed and/or implemented on behalf of the Government during 1999/2000:

- Electricity Amendment Regulations 2000;
- Energy Coordination Amendment Act 1999;
- Energy Coordination (Coastal Supply Area) Order 2000;
- Energy Coordination (Gas Tariffs) Regulations 2000;
- Energy Coordination (Licensing Fees) Regulations 1999;
- Energy Coordination (Supply Areas) Order 1999;
- Electricity (Energy Efficiency And Labelling) Notice 2000;
- Electricity (Licensing) Amendment Regulations 2000;
- Electricity (Licensing) Amendment Regulations (No 2) 2000;
- Gas Corporation (Business Disposal) Act 1999;
- Gas Corporation (Business Disposal) (Gas Tariffs) Regulations 2000;
- Gas Pipelines Access (Privatized DBNGP System) (Transitional) Regulations 1999;
- Gas Pipelines Access (Privatized DBNGP System) (Transitional) Amendment Regulations 2000;
- Gas Pipeline Access (Repealed Access Scheme Modification) Regulations 2000;
- Gas Pipelines Access (Western Australia) (Funding) Regulations 1999;
- Gas Pipelines Access (Western Australia) Order 2000;
- Gas Pipelines Access (Western Australia) Regulations 2000;

- Gas Standards (Gasfitting And Consumer Gas Installations) Amendment Regulations 2000; and
- Transfer Order Under Gas Corporation (Business Disposal) Act 1999.

**MINISTER FOR ENERGY**

The Minister for Energy is The Honourable Colin J Barnett, MEd, MLA. Under the provisions of the *Energy Coordination Act 1994*, the Minister for Energy may direct the Coordinator of Energy and the Director of Energy Safety. No such direction was issued during 1999/2000.

**VISION**

The energy needs of the Western Australian community are met safely, efficiently and economically.

**MISSION**

To promote conditions that enable the energy needs of the Western Australian community to be met safely, efficiently and economically.

**GOVERNMENT DESIRED OUTCOME 1999/2000**

Promotion of a safe and competitive environment for the provision of reliable and efficient energy services meeting the needs of the community.

**Changes To Outcomes and Outputs**

In accordance with Treasurer’s Instruction 903 (4) (ii), changes to the Outcome and Outputs of the Office of Energy are outlined in the following table.

1998/99	1999/2000
<p><b>Outcome</b></p> <p>A safe, efficient and competitive environment for the provision of energy.</p>	<p><b>Outcome</b></p> <p>Promotion of a safe and competitive environment for the provision of reliable and efficient energy services meeting the needs of the community.</p>
<p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• The advancement of competitive market conditions within the State’s energy industry</li> <li>• Development, introduction and ongoing support of worthwhile initiatives in renewable energy and efficient energy use</li> <li>• Enhancement of efficient and safe energy infrastructure and appliances, safety of consumers, workers and the community in energy related areas</li> <li>• Policy advice, information and project management for the improvement in value from energy business and services.</li> </ul>	<p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• Policy advice and briefings</li> <li>• Energy-related information</li> <li>• Energy-related system development and implementation</li> <li>• Management, administration and ongoing enhancement of regulatory systems</li> <li>• Management of energy-related projects.</li> </ul>



## Output Delivery

Following are details of the Outputs delivered by the Office of Energy during the 1999/2000 financial year.

### OUTPUT 1:

#### Policy Advice and Briefings

*Provision of policy advice and briefings to Government on a range of energy-related issues.*

#### Access to Gas Pipelines

The *Gas Pipelines Access (Western Australia) Act 1998* implements the National Third Party Access Code for Natural Gas Pipeline Systems (Code) in Western Australia and establishes the statutory position of a Western Australian Independent Gas Pipelines Access Regulator (Regulator).

The owners of pipelines covered by the Code are required to submit third party access arrangements to the Regulator. The Regulator reviews these proposed access arrangements and conducts public consultations.

The Office of Energy advised the Government on proposed gas pipeline access arrangements submitted by pipeline owners to the Regulator. The submissions provided to the Regulator by the Office of Energy aimed to present the Government's position on the relevant energy policy issues and to assist the Regulator in striking a balance between the interests of pipeline operators, pipeline users and the wider community.

The Office of Energy made submissions on both the proposed access arrangement and the Regulator's draft decisions on the following access arrangements:

- CMS Gas Transmission Australia - Parmelia Pipeline, transmission pipeline licences (PLs) 1, 3, 5 & 23, lodged on 7 May 1999; and
- AlintaGas - Mid-West and the South West Distribution System, gas distribution licence (GDL) 2, lodged on 30 June 1999.

In addition, the Office of Energy made submissions to the Regulator on the following proposed access arrangements:

- Origin Energy Resources - Tubridgi Pipeline System (PL16, PL19), lodged on 5 November 1999;
- Epic Energy - Dampier to Bunbury Natural Gas Pipeline (DBNGP, PL40), lodged on 15 December 1999; and
- Goldfields Gas Transmission Pty Ltd Goldfields Gas Pipeline system (PL24), lodged on 15 December 1999.

The Regulator approved AlintaGas' proposed access arrangement for the Mid West and South West Distribution Systems on 14 July 2000 and draft and final decisions on access arrangements for other pipelines are expected to be made later in 2000 and early in 2001.

#### Gas Distribution Infrastructure

The Office of Energy also formulated a proposal for expressions of interest for new gas distribution infrastructure in areas of the State not presently reticulated.

#### Policy for the Connection of Regional and Remote Communities to Western Power's Regional Supply Systems

The draft connection policy was developed in response to the perceived need for an integrated policy governing the connection of remote communities to Western Power's regional supply systems. The policy needs to balance the inter-related issues of regional development, competition, infrastructure development and environmental health with particular reference to Aboriginal communities.

Extensive interviews with stakeholders were conducted prior to producing the draft policy. Stakeholders were asked to comment on the draft and 16 submissions were received.

## Additional Electricity Generation Plant

Additional generation plant is required on the South West Interconnected System (SWIS) over the next five years or so to meet predicted load growth and to supersede ageing and inefficient Western Power plant. The Office of Energy has provided various policy submissions during the year to the Minister for Energy on this matter. The Minister for Energy announced in March 2000 that the Government had the objectives of 50% of power supply on the SWIS to be from private power producers by 2010 and of 50% of Western Power's sources of supply to be from private power producers by 2010. The latter objective will require Western Power to outsource some of its existing supply as well as to meet load growth from private producers.

## Green Power Policy

The Office assisted the Minister for Energy to develop a Green Power policy, which was announced in December 1999. The policy has five initiatives to encourage and promote the uptake of renewable energy in Western Australia:

- A Green Power accreditation program which, together with the launch of Western Power's Green Power product, *NaturalPower*, allows any business or household to purchase some or all of its grid-based electricity from renewable sources;
- A Sustainable Energy Development Fund will support the development of new renewable energy resources by independent power producers;

- Western Power will give independent power producers, which generate electricity from renewables, wider access from 1 October 2000 to its grid to reach potential customers;
- Funding for an energy efficiency campaign to raise public awareness of the environmental benefits and the potential for saving money through the wiser use of energy; and
- Funding to continue to provide assistance for people in isolated regions to install their own renewable energy power supplies.

## National Greenhouse Strategy

The Coordinator of Energy is a member of the Western Australian Greenhouse Council and chairs its Energy Supply and Use Technical Panel. The Panel's report, released in August 1999, makes suggestions on how energy measures developed in the National Greenhouse Strategy might be applied in Western Australia. Further development of the National Greenhouse Strategy is reported under Output 3.

The *Renewable Energy (Electricity) Bill*, the Efficiency Standards for Power Generation and the Remote Renewable Power Generation Program are three Commonwealth initiatives to encourage renewable energy and energy efficiency. The Office gave policy advice to the State Government on the potential impact of these measures on Western Australia.

## Performance Measures for Output 1 - Policy Advice and Briefings.

In accordance with Treasurer's Instruction 904, the actual results of Output 1 measures against targets reported in the 1999/2000 budget papers are as follows:

Measure	1999/2000 Target	1999/2000 Actual	Reasons for significant variation
<b>Quantity</b> Number of Ministerial advices and briefings	600	901	Increased number of representations to the Minister requiring advice from the Office of Energy.
<b>Quality</b> Minister's satisfaction with advice and briefings received	75%	75%	
<b>Timeliness</b> Percentage of Ministerials completed within agreed time	95%	83%	
<b>Cost</b> Cost per Ministerial advice or briefing	\$1,750	\$1,029	Overall costs for Ministerial advice remained static but number of advices was above target.

## OUTPUT 2:

### Energy-related information

*Provision of unbiased information on energy-related matters to Government agencies, the public and industry.*

#### WA Energy Resources and Infrastructure Map

An updated second edition of the 700 x 1,000 mm map of Western Australian energy resources and related infrastructure was published in May 2000. The map is available in electronic format as well as hard copy.

#### Energy in Western Australia

Issue five of the Office of Energy's flagship publication *Energy in Western Australia* was published in 1999. It covers resources, supply, demand, policy and initiatives relating to energy in Western Australia.

#### Beyond the Grid

*Beyond the Grid* informs people in regional and remote areas of energy developments resulting from the State Government's reform policy. During 1999/2000 the Office published two issues of *Beyond the Grid*.

#### Energy News WA

Three issues of the newsletter *Energy News WA* were produced. This newsletter follows the progress of energy reform in Western Australia, including features on companies participating in the WA energy market.

#### Energy Bulletins

Four *Energy Bulletins* were published during the year. These cover technical and safety regulatory issues, standards and industry news.

#### Energy in Western Australia Conference

The third Energy in Western Australia Conference was held at the Sheraton Perth Hotel on 22 and 23 March 2000. The Office of Energy, in association with the Australian Institute of Energy, again hosted this periodic event. This year's event was the most successful to date, attracting more than 260 delegates.

#### Energy Matters

A wide range of information on new technologies, industry case studies, renewable energy installations and programs and other energy efficiency matters was reported in this year's two issues of the *Energy Matters* magazine. Feature articles included a review of the growing use of biomass world wide, daylighting technologies, developments in energy storage mechanisms and electric vehicles.

#### Home Energy Line

The Home Energy line is a telephone service provided by the Office of Energy that offers unbiased advice on all aspects of using energy more wisely at home. It is available State wide for the cost of a local call. A second review of the service and an internal audit were undertaken during the year with positive results. Callers continue to indicate a high level of satisfaction.

#### Home Energy Web Site

Work commenced this year on the development of a web site in response to the significant number of callers to the Home Energy Line who indicated their preference for online and e-mail access. The web site should be online and linked to the Office of Energy Web site ([www.energy.wa.gov.au](http://www.energy.wa.gov.au)) by October 2000.

#### Energy Efficiency Brochures

The Office develops and publishes the information brochures supplied by the Home Energy Line. Two new brochures on different aspects of home heating were published this year. In addition, the suite of brochures was reviewed during the year and each brochure will be updated as reprints are required.



### **Building Greenhouse Rating Scheme**

A Building Greenhouse Rating Scheme, developed in New South Wales, is being adapted for use throughout Australia. The Office provided data specific to Western Australia to ensure that the ratings provided by the tool are representative of the local energy supply regime and the Perth commercial building sector. The Office is working with the Property Council of Australia to introduce the scheme when development is complete.



### **House Energy Rating Scheme**

Presentations to architectural students at Curtin University, design students at Central Metropolitan College (CMC) of TAFE and to local government promoted the concept of energy efficient housing and the role of the House Energy Rating Scheme. The Office again sponsored and helped judge the final year student housing design competition at CMC TAFE.

The Office helped the Housing Industry Association organise and present a series of seminars on energy efficient and environmentally sensitive building design. A number of project home builders' house designs were rated to demonstrate the advantages of using the house rating software to improve the energy efficiency of their buildings.

### **Promoting Energy Efficiency**

The Office produced a compass to promote appropriate house orientation for energy efficient design. The compass is proving popular with home builders, architects, local governments, educational institutions and homeowners.

Over 1,300 people sought information on energy efficiency and renewable energy technologies at the Office of Energy stand at the WA Building and HomeStyle Expo in February 2000. Energy efficiency brochures were also distributed through local government offices. Information displays at Home Base and City West were withdrawn after an analysis of their cost effectiveness.

Additional funding was obtained to promote energy efficiency as part of the new Green Power policy.

### **CADET**

CADET and GREENTIE are programs operated by the International Energy Agency aimed at promoting proven renewable energy and energy efficiency technologies. Australia is a participant in this program. The Office of Energy continues to provide representation for WA on the national CADET committee and the Office has now formalised this arrangement through a Letter of Agreement. The CADET program has been promoted at a number of conferences, seminars and workshops and this has resulted in an increase in WA CADET members. Two local case studies have also been developed and submitted to add to the growing number of published WA case studies.

### ***Guidelines for Applications for Funding for Underground Power***

These guidelines were produced to provide local authorities with information regarding the State Underground Power Program. They outline the participation process and the methodology used for prioritising and implementing projects.

### **Codes of Practice**

Work has been carried out and continues on developing codes of practice. The following new codes were produced:

- Safe Work On or Near High Voltage Electrical Apparatus
- Electricity Supply Quality and Reliability
- Enclosure Safety of Ground Mounted Distribution Substations



## Licensing Publications

The following licensing publications were updated:

- Licensing for In-house Electrical Installing Work
- Licensing of Electrical Contractors
- Licensing of Electrical Workers
- Information Guide - National Restricted Electrical Licence System
- Licensing of Gas Fitters
- How to Obtain a Restricted Gas Fitting Permit in Western Australia
- How to Obtain a Gas Fitting Permit for Class 1 Work in Western Australia
- Guidelines for Registration Under Mutual Recognition (Gas Licensing) Energy Bulletins

## *Guidelines for the Design and Planning of Interconnected Gas Distribution Networks in WA*

A working group of representatives from industry and the Office was established to develop these guidelines.

As the gas industry is opened up to competition, new network owners are able to set up discrete distribution networks that are connected to existing networks. The third-party access code provides for third parties to transport gas through covered pipelines, but guidelines were needed to cover interconnection issues between networks owned by different parties. The working group developed the guidelines to assist new network owners in planning, operating and obtaining a connection to an existing network.

## *Understanding Gas Trading and Distribution Licences in Western Australia*

This new publication gives an outline of the new gas licensing arrangements operating in Western Australia.

## *Guidelines for the Application of Safety Instrumented Systems for Industrial Gas Appliances*

These guidelines were prepared with the assistance of industry specialists in instrumentation and process control systems. Based on industry codes where practicable, the guidelines outline recommended principles, procedures and safe practices for the application of Safety Instrumented Systems (SIS) to Type B gas appliances.

## Safety Programs

“Turn on common sense ... turn on safety” was the slogan chosen for an auto gas safety inspection campaign. The campaign, supported by the Royal Automobile Club, Transport WA and the auto gas installation industry, was conducted in several locations for owners of motor vehicles fitted with LPG fuel systems. The campaign focused on the correct installation of auto gas systems and the age and test date of LPG fuel containers.



**Performance Measures for Output 2 - Energy-related information**

In accordance with Treasurer's Instruction 904, the actual results of Output 2 measures against targets reported in the 1999/2000 budget papers are as follows:

Measure	1999/2000 Target	1999/2000 Actual	Reasons for significant variation
<b>Quantity</b>			
Number of energy safety publications issued	5	6	
Number of industry/energy safety presentation campaigns	2	1	No funding was available for an advertising campaign in 1999/2000.
Number of public energy safety awareness advertising campaigns	2	0	
Number of clients provided with information on energy efficiency and renewable energy	26,000	30,365	
Number of publications/promotions aimed at providing information on energy market reforms and encouraging participation in the energy sector	7	8	Higher than expected readership of one issue of Energy Matters magazine.
<b>Quality</b>			
Percentage of customers rating energy safety publications as credible, authoritative, independent and useful	75%	NA	
Percentage of customers rating industry energy safety presentations as credible, authoritative and independent	75%	82%	
Percentage of public surveyed rating energy safety advertising campaigns as credible and authoritative	75%	NA	
Client satisfaction with information provided on energy efficiency and renewable energy	90%	91%	
Client satisfaction with information provided on energy market reforms and encouraging participation in the energy sector	72%	77%	
<b>Timeliness</b>			
Percentage of clients satisfied with currency of information in energy safety publications, industry presentations and advertising campaigns	75%	82%	
Client satisfaction with currency of information on energy efficiency and renewable energy	90%	97%	
Client satisfaction with currency of information provided on energy market reforms and encouraging participation in the energy sector	75%	83%	
<b>Cost</b>			
Average cost of energy safety publications	\$57,038	\$113,364	Some funding that was targeted for an advertising campaign was redirected to publications.
Average cost of industry energy safety presentations	\$162,486	\$170,124	
Cost of energy safety advertising campaigns	\$226,875	0	Insufficient funding was available for an advertising campaign in 1999/2000.
Average cost of publication/provision of phone advice on energy efficiency and renewable energy	\$12.54	\$7.63	
Average cost per publication/promotion on energy market reforms and encouraging participation in the energy sector	\$57,000	\$64,420	

## OUTPUT 3:

### Energy-related system development and implementation

*Development and implementation of systems to facilitate increased competition in the energy market, renewable energy and energy efficiency initiatives, a technical and safety regulatory regime and Government's social and community obligations in relation to the energy sector.*

### Sale of AlintaGas

On 23 December 1998 the Government announced its intention to sell the State owned gas utility, AlintaGas. The sale will include AlintaGas' retail trading and distribution functions.

In June 1999 the Government announced that the full sale of AlintaGas would be conducted by way of a Cornerstone Initial Public Offering. This method will involve selling by competitive tender 45% of the company shares to a Cornerstone shareholder and the remaining 55% by public float. The placing of at least 75% of the public float with the Western Australian public and institutional investors is a key State requirement.

During the year, the Office of Energy was directly involved in the sale process through representation by the Coordinator of Energy on the AlintaGas Sale Steering Committee (ASSC), which is responsible for implementing the sale, and by participation of various office staff on working parties responding to the ASSC. As part of its involvement in the sale process, the Office of Energy took the lead in developing and drafting sale legislation, which was passed in December 1999.

The Office also took the lead in establishing policies for the future industry structure post sale, which would ensure competition could flourish, as well as securing protection for small consumers through capping of tariffs.

Following a Registration of Interest process early in 2000, ten companies were sent an Information Memorandum and invited to submit indicative bids for the 45 per cent cornerstone shareholding of AlintaGas. Four bidders were short-listed to proceed to the Binding Bid stage. Three of

those companies participated in a due diligence process prior to submitting final binding bids for the cornerstone shareholding in July 2000. The Office was involved in the due diligence phase by providing information to bidders in the data rooms and in implementing the legal and regulatory framework for the sale.

### Regulation of and Third Party Access to Gas Pipelines

The *Gas Pipelines Access Law*, the *National Third Party Access Code for Natural Gas Pipeline Systems* and the *Gas Pipelines Access (Western Australian) Act 1999* (the Act) came into effect on 9 February 1999. The Act established the Offices of the Western Australian Independent Gas Pipelines Access Regulator (Regulator), the Western Australian Gas Disputes Arbitrator (Arbitrator) and the Gas Review Board. Dr Ken Michael was appointed as Regulator in June 1999.

The Office assisted in the appointment of Mr Laurie James as Arbitrator in September 1999. The Office also assisted in the recruitment of appointees to the panel of legal practitioners and the panel of experts from which the Gas Review Board is constituted. The Board hears appeals against Ministerial decisions on coverage or revocation of coverage of gas pipelines under the National Access Code, decisions of the Regulator under the National Access Code, or decisions of the Coordinator of Energy on licensing of gas distribution pipelines or gas trading.

The Office instructed Parliamentary Counsel in the drafting of the *Gas Pipelines Access (Western Australia) (Funding) Regulations 1999*. The regulations provide for the Regulator and the Arbitrator to charge the gas industry for the costs in regulating gas pipelines covered under the National Access Code.

The Office consulted with relevant stakeholders and instructed Parliamentary Counsel in the drafting of the *Gas Pipelines Access (Privatized DBNGP System) (Transitional) Regulations 1999* and the *Gas Pipelines Access (Privatized DBNGP System) (Transitional) Amendment Regulations 2000*. These regulations clarified the statutory gas transmission tariffs to apply to the DBNGP from 1 January 2000 until the Regulator approves an access arrangement.

### Gas Retail Deregulation

The Office of Energy has been instrumental in implementing the State Government's policy for an open and competitive gas market. At the beginning of 2000 the Office developed, for consideration by Government, a proposal by which the procedures and mechanisms to underpin full deregulation of the gas market in mid-2002 would be established.

### Gas Pipeline Access Regime Certification

The access regime embodied in the *Gas Pipelines Access (Western Australia) Act 1998* was assessed by the National Competition Council (NCC), in consultation with the Office of Energy, for certification as an effective access regime for the purposes of Section 44N of the *Trade Practices Act 1974*. On 31 May 2000 the Commonwealth Minister for Financial Services and Regulation announced his decision to accept the NCC's recommendation that the *Western Australia Third Party Access Regime for Gas Pipelines* be certified as an effective access regime for 15 years.

Regulations under Section 12 of the *Gas Pipelines Access (Western Australia) Act 1998*, which include provision for penalties for breaches of the Gas Pipelines Access Law and the Code, were gazetted on 2 May 2000.

### Gas Supply Licensing Regime

In October 1999 the Government's new gas supply licensing regime commenced under the *Energy Coordination Act 1994*. Gas distribution licences, developed and granted under the Act, provide for the right to operate and maintain gas distribution pipelines (those systems typically operating at a pressure of less than 1.9 megapascals) within defined areas of the State and also include conditions dealing with the following obligations:

- residential customer connections;
- future development of gas distribution systems;
- performance monitoring;
- asset management;
- accounting standards; and
- third-party access to pipelines not the subject of the *Gas Pipelines Access (Western Australia) Act 1998*.

Gas trading licences, granted under the Act, provide for the licence holder to sell gas to customers using less than one terajoule per annum (known as "small use customers") and also include provisions relating to the obligation to offer to supply gas to small use customers in certain circumstances, a requirement to maintain supply to existing small use customers, an obligation to market gas, standard customer contracts, back up trader arrangements, customer service standards and performance bonds.

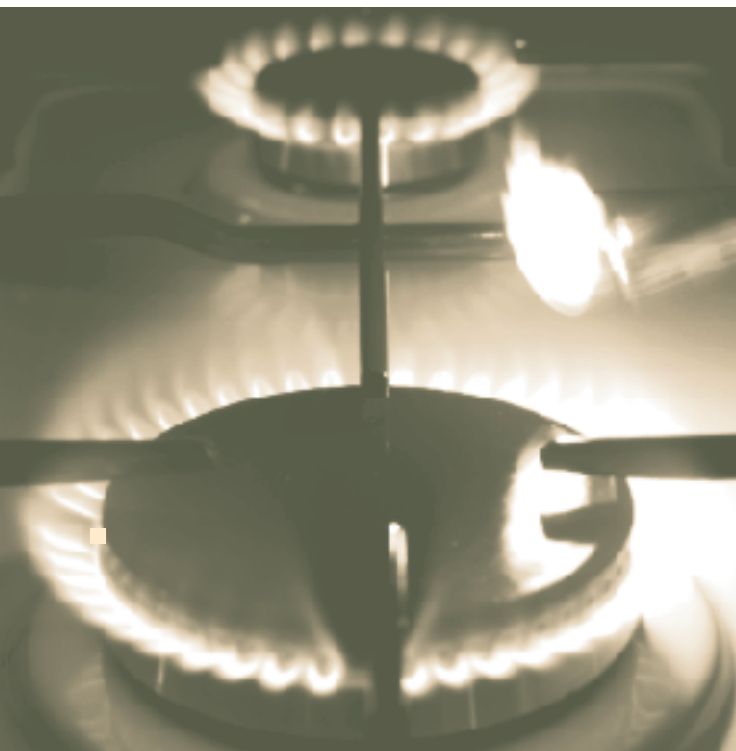
### Gas Standards (Gas Supply and System Safety) Regulations 2000

The development of regulations covering the technical and safety aspects of gas distribution (gas supply) was completed. The work was carried out in conjunction with a working group of representatives from AlintaGas, Origin Energy and Kleenheat Gas and included a comprehensive consultation process.

The regulations ensure:

- safety of the public, gas consumers and gas workers in the vicinity of gas distribution (gas supplier) assets; and that
- gas supplies conform to acceptable standards of quality and metering accuracy to protect all gas consumers.

A forum was held to discuss comments received on the consultation paper and further consultation is planned as the legislation is drafted.



## Other Gas Distribution Issues

A paper on gas technical and safety regulation was also prepared and issued for public comment. The paper detailed proposed changes to the *Energy Coordination Act 1994* and the *Gas Standards Act 1972* to ensure the gas regulatory regime is suitable for the new industry environment and structure, including new gas distribution licence holders and a privatised AlintaGas. A forum was held to discuss comments received on the consultation paper and further consultation is planned as the legislation is drafted.

## Review of Gas Licensing Operative Applications

Following the introduction of the *Gas Standards (Gasfitting and Consumer Gas Installations) Regulations 1999*, the Office undertook a comprehensive review of gas fitter licensing policies.

Working groups comprising representatives from industry, training providers and the Office of Energy were formed to assist this review, for each class of gas fitting:

- Class G - domestic and small commercial
- Class I - industrial installations
- Class E - automotive (mobile engines)
- Class P - automotive refuelling.

Work is continuing to develop guidelines for training providers to embrace industry best practices, codes and standards as well as working towards national consistency for each class of gas fitting. These guidelines will assist training providers to develop new training packages acceptable for licensing purposes.

## Business Strategies for Government Energy Corporations

Western Power and AlintaGas are each required, under provisions of respectively the *Electricity Corporation Act 1994* and the *Gas Corporation Act 1994*, to produce an annual Strategic Development Plan (SDP) and Statement of Corporate Intent (SCI). The SDP is confidential and covers five years of forward planning. The SCI is a public document covering one year and must be consistent with the SDP. These documents must be accepted by the Minister for Energy and the Board of the respective corporations with

the Treasurer's agreement. The Office of Energy again assisted with this process in 1999/2000 through discussions with all relevant parties on the content of the draft documents.

The Office also monitored the performance of AlintaGas and Western Power and provided comment to the Minister. This involved reviewing, analysing and advising on AlintaGas' and Western Power's quarterly and annual reports and other related documents, including those seeking the Minister's agreement on substantial contracts, as required by legislation.

## Regional Power Procurement Process

A competitive tendering process commenced in 1998 for the calling of tenders for private companies to supply electricity to Western Power for its distribution in its bigger regional systems. Bids have been invited for the supply of bulk power to Western Power in two regions - the West Kimberley and the Mid West. Bids will be called in Esperance in August 2000. The procurement process will later include other smaller regional systems. The Regional Power Procurement Steering Committee (RPPSC), comprising Dr Des Kelly as independent chairperson, and the Chief Executive Officers of the Office of Energy and Western Power, is undertaking this process.



**West Kimberley**

The Minister for Energy announced on 1 November 1999 that of the six short-listed bidders, the Energy Equity Corporation/Woodside Energy Limited (EEC/WEL) consortium had been selected as the single preferred bidder to participate in the final negotiation stage of the procurement process for the supply of power in the West Kimberley.

A negotiating team of Western Power and Office of Energy officers proceeded with contract negotiations with EEC/WEL in order to conclude a Power Purchase Agreement (PPA).

The endorsement of the final draft PPA is still subject to approval by the EEC/WEL Board and its financiers. The Western Power Board is also required to approve the draft PPA, which will then be subject to endorsement by State Cabinet.

Given the significant amount of public interest in the tidal power option, the Minister for Energy invited Tidal Energy Australia to submit to him its "best deal" proposal for comparison with that put forward by the single preferred bidder.

An independent Ministerial Advisory Committee (Power Procurement in the West Kimberley) was formed to undertake a comparison between the offer from the EEC/WEL consortium and the "best deal" offer from Tidal Energy Australia. The Office provided secretariat support to the Committee, independent from its involvement in the RPPSC. The Ministerial Advisory Committee was chaired by an independent person, Mr Frank Reid. The comparison between the two bids was close to completion at the end of the year. The Ministerial Advisory Committee reported to the Minister for Energy on 10 July 2000, and he released that report in full on 25 July 2000. That report (the Reid Report) confirmed the selection of the EEC/WEL proposal as providing the best outcome for supply of power in the West Kimberley.

**Mid West**

The RPPSC decided not to recommend any of the initial bids received in August 1999 for the supply of power to Western Power in the Mid West.

New proposals were subsequently invited from three of the four consortia that submitted bids. The new tender period closed in March 2000 and proposals were received from StateWest Power and Burns and Roe Worley. Assessment of those bids was undertaken and a draft recommendation prepared for the Minister. A decision on the preferred bidder is expected in August 2000.

**Esperance**

For the Esperance region, 12 consortia were previously short listed from the 23 initial Expressions of Interest. A tender document was developed that will encourage bidders to consider including renewable energy technologies in their proposals. It is expected that tenders will be called in August 2000.

**Remote Area Essential Services Program**

The Remote Areas Essential Services Program (RAESP) has introduced major changes in the delivery of essential services, including energy, to remote Aboriginal communities, providing improved repair and maintenance standards as well as utilising preventative measures to reduce costly repairs. The new arrangements take advantage of the synergies associated with the provision of water, waste water services and energy.

The program is managed by the Aboriginal Essential Services Steering Committee (AESSC) with representatives from the Ministry of Housing, the Aboriginal Affairs Department (AAD), the Aboriginal and Torres Strait Islander Commission (ATSIC), the Office of Energy and the Office of Water Regulation. The Office of Energy provides secretariat services to the AESSC.

The number of communities covered by the RAESP was expanded from 56 to 62 in 1999/2000 and will be expanded to 72 communities over the next two years.

The energy efficiency education package developed the previous year was delivered to 18 remote Aboriginal communities.

Under the RAESP, a new training and employment program, commenced in 1999/2000 to train people in remote Aboriginal communities in the skills needed to operate and maintain essential services. The Office assisted in the development of the program.

### Access to Interconnected Electricity Distribution Networks

In conjunction with the Office of Energy and other stakeholders, Western Power developed arrangements to allow customers with annual loads greater than 8,760 MWh (annual average of 1 MW) to access its interconnected distribution networks in the South West and the Pilbara from 1 January 2000, to obtain electricity from the supplier of their choice.

Pricing for access to Western Power's regional non-interconnected distribution networks and a technical code for interconnection and operation were developed during 1999/2000.

During the year, work commenced on developing arrangements to apply from 1 October 2000 to enable renewable energy suppliers access to Western Power's distribution networks to supply loads with an annual electricity consumption greater than 300 MWh.

### Electricity Transmission and Distribution Regulation

Contributions were made to the development of a *National Electricity Network Safety Code* and an associated *Safety Assurance Guideline* by the Electricity Supply Association of Australia (ESAA). These documents will provide part of the basis for the proposed *Electricity (Supply Standards and System Safety) Regulations*.

Some further work took place on the drafting of legislation for the control of vegetation in the vicinity of overhead power lines.

### Accreditation of Green Power

Green Power is electricity generated from accredited renewable sources and sold at a premium because of its perceived environmental benefit. The Office has



participated on the National Green Power Steering Committee, which aims to promote the development of new renewable energy generation through a national Green Power accreditation scheme. An accreditation scheme for Green Power has been implemented in Western Australia, based on the scheme that currently operates in the eastern states. The Western Power product *NaturalPower* has been approved under Green Power. Western Power sells *NaturalPower* at a premium of three cents/kWh.

### National Greenhouse Strategy – Development of Implementation Plan

In 1998 Western Australia joined with the other States to agree in principle to the National Greenhouse Strategy (NGS), which was then published by the Commonwealth. The strategy described a range of measures for reducing greenhouse gas emissions and allocated responsibility for developing these measures, but did not include implementation plans.

Within Western Australia, the Minister for Environment has been given responsibility for coordination of the greenhouse response, but responsibility for implementation of the various measures remains with the relevant agencies. A significant number of measures specifically relate to energy and are being addressed by the Office.

An implementation plan, showing energy-related actions already being undertaken in Western Australia to reduce greenhouse emissions, was developed for inclusion in a State greenhouse implementation plan. This will in turn be published as part of the NGS. Work commenced on drafting the energy section of a greenhouse strategy for Western Australia, which will consider possible additional actions.

### Industry Energy Efficiency

The Office continued working with industry to assist with improvements in the energy efficiency of commercial and industrial operations in Western Australia. Funds were provided as part of the greenhouse strategy to employ an officer for three years to establish this program. Three areas of opportunity were identified in a study undertaken during the year:

- the provision of information to small business through brochures and possibly a telephone information service;
- the development of new networks and the strengthening of existing networks to promote energy efficiency in industry; and
- working with industry associations to develop customised energy efficiency programs.

Work has commenced on brochure development. The Office is also involved in the Sustainable Industry Group (SIG), a network associated with the Centre of Excellence in Cleaner Production at Curtin University and is represented on its steering committee. A successful workshop on energy efficiency was organised for SIG participants in March 2000 and similar events are planned for the future.

### Energy Performance Contracting

Energy performance contracting is a contracting arrangement where an energy services company provides a complete service for energy management analysis, engineering design, installation, commissioning, operation, maintenance, finance and training to implement cost effective energy efficient upgrade projects. The projects are funded from subsequent energy and operational savings that are guaranteed by and shared with the energy services company for the duration of the contract.

A program to investigate the feasibility of using energy

performance contracting by the private sector to fund energy efficient capital equipment upgrades in Government agencies continued. Guidelines for the implementation of energy performance contracting in State agencies were developed and a major Government facility has been identified as suitable for a pilot project to commence in 2001.

### Photovoltaic Rebate Program

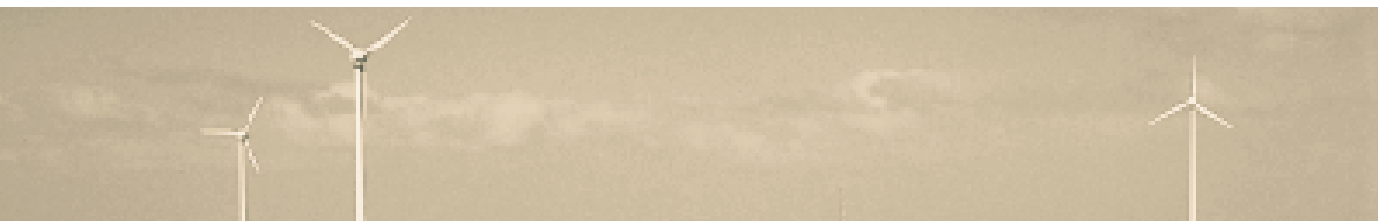
Using experience gained with the State's Remote Area Power Systems rebate program, the Office assisted the Australian Greenhouse Office to develop its Photovoltaic Rebate Program. An agreement was made for the Office of Energy to administer the program in Western Australia. Results of this program are reported under Output 5.

### Minimum Energy Performance Standards

Minimum Energy Performance Standards (MEPS) were introduced in May 2000 for some domestic electrical appliances through amendment of the *Electricity Regulations 1947*. MEPS aim to progressively eliminate from sale or hire highly inefficient appliances, thus leading to reductions in greenhouse gas emissions as well as savings in operating costs to consumers.

The standards initially require that new refrigerators, freezers and electric storage water heaters meet specific minimum energy efficiency performance levels that are consistent across Australia. The scheme involves testing to verify compliance with minimum energy efficiency benchmarks and registration of the appliance details on a national database.

The Office contributed to the National Appliance and Equipment Energy Efficiency Program, under which the star rating label system for some electrical appliances was modified to reflect energy efficiency improvements.





**Performance Measures for Output 3 - Energy-related system development and implementation.**

In accordance with Treasurer's Instruction 904, the actual results of Output 3 measures against targets reported in the 1999/2000 budget papers are as follows:

Measure	1999/2000 Target	1999/2000 Actual	Reasons for significant variation
<b>Quantity</b>			
Number of technical/safety proposals/processes. schemes submitted to Minister or implemented	2	7	
Number of systems relating to energy efficiency and renewable energy developed and implemented	5	5	
Number of systems developed aimed at facilitating increased competition in the energy market	2	1	
Number of systems implemented aimed at facilitating increased competition in the energy market	1	1	
Number of consultancies or studies in relation to provision of essential energy services to remote communities	4	4	
Number of systems relating to regional power procurement	0	1	This is a new measure.
<b>Quality</b>			
Significant technical/safety proposals comply with control procedures	100%	100%	
Minister's satisfaction rating of systems relating to energy efficiency and renewable energy developed and/or implemented (1=completely dissatisfied, 5=completely satisfied)	3	3	
Minister's satisfaction rating of systems developed that are aimed at facilitating increased competition in the energy market (1=completely dissatisfied, 5=completely satisfied)	3	3	
Satisfaction of key stakeholders in relation to provision of essential energy services to remote communities	70%	75%	
<b>Timeliness</b>			
Significant technical/safety proposals comply with timeliness in the control procedures	100%	100%	
Number of systems relating to energy efficiency and renewable energy developed and/or implemented within target date	5	5	
Number of systems aimed at facilitating increased competition in the energy market developed within target time	2	1	
Percentage of studies in relation to provision of essential energy services to remote communities completed on time	100%	100%	
<b>Cost</b>			
Average cost of technical/safety proposals/schemes	\$217,200	\$116,232	Target was over-estimated
Cost per system relating to energy efficiency and renewable energy	\$86,200	\$83,873	
Cost per system aimed at facilitating increased competition in the energy market	\$92,600	\$124,334	One planned system was not developed increasing average cost above target.
Average cost of consultancies and studies in relation to provision of essential energy services to remote communities	\$18,000	\$25,420	
Cost of system for regional power procurement	NA	\$169,495	This is a new measure.

**OUTPUT 4:**

**Management, administration and ongoing enhancement of regulatory systems**

*Regulatory systems for a safe and competitive energy industry*



**Revocation of Access to Gas Pipelines**

Applications for revocation of the *National Third Party Access Code for Natural Gas Pipeline Systems* were submitted by service providers to the National Competition Council (NCC) for seven pipelines in Western Australia. The Office of Energy provided advice to the Minister on each revocation application and related NCC recommendations. The Minister agreed with the NCC recommendation to revoke coverage for five pipelines:

- Karratha to Cape Lambert Pipeline (PL8);
- Beharra Springs to CMS Pipeline (PL18);
- Goldfields Gas Transmission Pipeline (GGT) to Mt Keith Power Station Lateral (PL25);
- GGT to Leinster Power Station Lateral (PL26); and
- GGT to Kalgoorlie Power Station Lateral (PL28).

The Minister agreed with the NCC recommendation not to revoke coverage for two pipelines:

- Tubridgi to DBNGP Compressor Station No.2 (PL16); and
- Kalgoorlie to Kambalda Lateral (PL27).

The Office developed and implemented systems to record and monitor the obligations associated with gas trading and distribution licences for both the State and proponents, subject to the *Energy Coordination Act 1994*.

**Gas Pipeline Construction**

Three companies were authorised to build additional pipeline infrastructure:

- CMS Gas Transmission of Australia for 13 lateral pipelines from the Parmelia pipeline to Canning Vale, Kwinana and Chandala (approval was also given for a gas trading arrangement);

- Statewest Power Pty Ltd for a lateral pipeline from the Goldfields Gas Pipeline to the Leonora power station; and
- South West Cogeneration for a lateral pipeline from the DBNGP to the Worsley Alumina Refinery.

**Licensing of Gas Operatives**

The new gas licensing system, which was introduced with the implementation of the *Gas Standards (Gasfitting and Consumer Gas Installations) Regulations 1999*, operated successfully in 1999/2000. At 30 June 2000, a total of 6,067 persons were registered for gasfitting work.

An internal Gas Licensing Committee was established to assist the Director of Energy Safety to issue gas operative licences and to provide advice on matters of discipline. Ten disciplinary investigations were carried out, including one formal inquiry that resulted in the suspension of the gas operative's certificate of competency for six months and a requirement to undergo retraining. Two other licence holders were subject to lesser disciplinary measures and five operatives were censured.

**Increases in Operative Licensing Fees**

Licensing fees for both electrical and gas operatives were increased on 2 May 2000. These increases are part of a series designed to achieve full cost recovery for the provision of licensing services.

**Inspection of Consumers' Gas Installations by Utilities**

The gas utilities' Inspection Plans and Policy Statements are required to be based on guidelines issued by the Director of Energy Safety. These guidelines were revised to reflect experience gained during the past two years and recent changes to the regulatory framework. Inspection Plans submitted by AlintaGas, Wesfarmers Kleenheat Gas and Origin Energy were approved for use for the next two years.

**Trans-Tasman Trade in Gas Appliances**

The Trans-Tasman Mutual Recognition Agreement continues to cause problems for regulators in Australia and New Zealand. The Office is an active participant in the Australia New Zealand Gas Technical Regulators Committee (GTRC), which during the year made considerable effort to harmonise the countries' safety regulatory requirements for domestic and commercial gas appliances.

## Gas Inspection Work

### Type A Gas Appliance Approvals:

Submissions received	81
Appliances approved from submissions	163

### Gas Installations Inspections/Audits:

Mine sites	31
Autogas installations	231
Caravans/campervans	196
Marine	68
Appliance retail outlets	46
Hire/camping company audits	125
Second hand outlets	251
Total inspections/audits	<u>948</u>

Number of Notices of Defect issued on new gas installations inspected by Gas Inspection Branch 36

Number of Inspectors' Orders written where gas installations were inspected by Gas Inspection Branch and required maintenance or repair 103

A total of 129 investigations into various incidents (including fires) resulted in 7 prosecutions and 25 warnings.

### Incident/Accident Reports:

Number of reported gas incidents with completed reports 45  
(Reporting of gas incidents/accidents became mandatory with the introduction of the *Gas Standards (Gasfitting and Consumer Gas Installations) Regulations 1999*)

Number of gas accident reports 3  
(where injury had been sustained requiring hospital treatment)

Gas related fatalities 0

### Mine Site Inspections:

The inspection and auditing of gas installations at mine sites and associated accommodation camps to ensure that regulatory requirements are being met is a new initiative. It included checking the approval of Type B gas appliances and the maintenance and record keeping associated with these appliances. Many deficiencies were found and are being attended to by mine operators.

## Gas Sampling

Sampling of natural gas was witnessed and sampling of liquefied petroleum gas (LPG) was carried out throughout the State. Thirty five natural gas and 51 LPG samples were tested for heating value, quality and odorant levels, as well as for compliance with legislative requirements.

## Electricity Networks Access

In late 1999 the Office of Energy and Western Power, under the direction of the Electricity Access Steering Committee (EASC), began a review of the regime for access to Western Power's electricity networks. The review, which included a public consultation process, is expected to finish by the end of 2000 and revised access prices will then be put in place.

The EASC oversees the regime for access to Western Power's transmission and distribution networks, with input from stakeholders represented on the Electricity Access Consultation Committee (EACC). Both Committees are chaired by the Office of Energy.

In early 2000 a public consultation committee, the Renewable Energy Access Working Group (REAWG) was established to review and advise on the proposed open access regime for approved suppliers of electricity from renewable sources. REAWG reports to the EACC and is chaired by the Office of Energy.

## Electricity Generating Plant

Seven organisations and four households were granted approval to construct electricity generating plant:

- The Amber Motor Hotel (Eucla) was authorised to operate a diesel power station at Eucla.
- Batavia Holdings Pty Ltd was authorised to operate a diesel power station at Coral Bay.
- Approval was granted for BP to operate and grid connect photovoltaic (PV) cells mounted on three BP service stations in Mandurah, Ascot and Karrinyup.
- Craigie and Willetton Senior High Schools were authorised to operate and grid connect pilot arrays of PV cells.
- Approval was granted to Curtin University of Technology to upgrade its experimental PV array.

- Statewest Power was granted approval to install a gas fired power station in Leonora.
- Approval was given to four households for the installation of grid connected PV systems.

### Licensing of Electrical Operatives

The Director of Energy Safety administers the licensing of electrical workers and contractors. The statutory Electrical Licensing Board, reporting to the Minister and the Director, approves the issue of licences and deals with related matters.

At 30 June 2000, there were 22,232 electrical workers, 3,018 electrical contractors and 214 in-house licence holders registered.

The Electrical Licensing Board reviews those matters that impact on the qualifications of electrical operatives such as training programs. It also maintains standards of conduct of operatives through a disciplinary process. The Board informs the Minister and the Director on matters relating to the safety of electrical workers and other persons.

The members of the Electrical Licensing Board on 30 June 2000 were:

Mr R Pritchard	Chairman, self employed Consulting Engineer
Mr T Banton	Nominated by the WA Department of Training and Employment
Mr J Murie	Nominated by the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Workers Union.
Mr R Campbell	Nominated by the Electrical Contractor's Association
Mr C Dundas	Appointed as a person with knowledge of restricted electrical work
Mr J Jarvis	Nominated by the Chamber of Minerals and Energy and the Chamber of Commerce and Industry of WA (Inc)
Mr I George	Nominated by the Director

The Board met 24 times during the year and meetings were held at the Office of Energy, Worsley Alumina, the Plumbing

& Painting Training Company, the College of Electrical Training and the Combined Skills Training Association.

The Board dealt with 51 investigations including eight formal disciplinary hearings and 16 summary proceedings. Ten operatives had their licences cancelled, suspended or had a condition placed on their licences, 19 operatives were required to undergo a competency examination and four had to undergo further training. Four operatives were required to demonstrate they had implemented corrective work practices and censures were issued to 26 operatives.

### Inspection of Consumers' Electrical Installations by Utilities

All electricity supply authorities are required to operate their consumer installation inspections in accordance with their Inspection Plans and Policy Statements, approved by the Director of Energy Safety.

At the end of the last financial year, approval for Western Power's Inspection System Plan expired. Prior to the expiry of this plan, the Director issued guidelines to Western Power under the *Electricity Regulations 1947* setting out the investigative, reporting, administrative and other requirements with which Western Power's Inspection System needed to comply. At the same time, it was requested that a new plan be submitted for approval.

Western Power submitted a new plan to the Director but this plan did not give effect to the guidelines and in the view of the Director did not provide for an effective system of inspection. This plan was rejected and another plan was requested. Western Power submitted another plan that was approved subject to amendments. Western Power then appealed against this decision to the Minister under Regulation 253(6) of the *Electricity Regulations 1947*. The Minister referred the matter to the Director for further action.

Western Power submitted another plan and the Director is currently seeking further clarification from Western Power before making a decision. Western Power is using its existing plan until approval of a new plan and policy statement is granted.

During the year the Office continued to audit the supply authorities' inspection performance to assess compliance with their approved plans. Three audits were conducted during the year, two at country offices of Western Power and one at WMC Resources' Leinster operation.

The following electricity supply authorities are subject to audit:

- BHP Iron Ore;
- Hamersley Iron;
- Robe River Iron Associates;
- Rottneest Island Authority;
- Western Power Corporation; and
- WMC Resources.

### Electrical Installations and Appliances

The *Electricity (Licensing) Regulations 1991* were reviewed by a consultative process using a public discussion paper. Responses were analysed and a comments paper is being finalised. It is planned to amend the regulations by the end of 2000.

The *WA Electrical Requirements* document is issued by the Director of Energy Safety under the authority of these regulations, principally to deal with service rules that set out how installations may be supplied with electricity. During the year, the document was revised to reflect the major changes in the nature and technology of the electrical industry and the roles of the Office of Energy and network operators. A detailed consultative process was carried out with industry and stakeholders. The final document is expected to be published late July 2000.

### Electrical Inspection Work

The following electrical inspections and investigations were carried out:

- 321 inspections of installations not supplied from utility supply systems;
- 414 investigations into breaches of the Electricity Act and Regulations, resulting in 123 prosecutions and 74 warnings;
- 485 inspections of mine sites and the processing of 121 submissions;
- 47 investigations into various types of reported electrical safety incidents, including fatalities;
- 21 audits of electrical appliance retailers in respect of

compliance with statutory safety and energy efficiency labelling requirements;

- 19 surveys/audits of electrical contractor/air conditioning installers' work systems and practices; and
- 17 safety assessments and 13 approvals of various types of electrical appliances/products.

### Electricity Related Accidents:

A number of electricity related incidents were reported. There were 523 electric shocks and 28 accidents, including six fatalities:

- A child received a fatal electric shock when his finger touched the active pin of a plug that was partially inserted into a socket outlet.
- A rigger received a fatal electric shock while assisting in the erection of concrete wall panel suspended from a crane. The crane contacted a 22kV power line.
- An engineer contacted the live HV bushing of a transformer in a Coolgardie sub station containing two ground-mounted transformers and received fatal burns.
- A child in a bath contacted the water taps and received a fatal electric shock. An old rubber extension lead in the house had a phase-to-earth fault. There was no MEN connection at the house sub-board and the water pipes had become live.
- A deck hand using an angle grinder on the deck of a fishing trawler at sea received a fatal electric shock. A wave washed over the deck, wetting the grinder.
- A man was using an extension lead to obtain electricity from a neighbouring house. His house had been disconnected from the supply due to non-payment of the electricity account. The lead had been damaged and the active conductors were exposed at the socket end of the lead and the temporary repairs to the lead had deteriorated over time. The man was standing in wet grass when he contacted the exposed conductors and received a fatal electric shock.

### New edition of wiring rules:

In September 1999, Standards Australia released the new edition of AS/NZS 3000:2000. The Office participated in the presentation of two seminars in Perth and one each in Bunbury and Karratha.

### Installation Inspection Seminar:

A seminar was conducted for 67 electrical inspectors from the six electricity supply authorities. The seminars focused on the application of the new AS/NZS 3000:2000 Wiring Rules and accident investigations.

### Technical Investigations:

Technical investigations were carried out into a number of issues and incidents, including:

- The electrocution of a Western Power engineer in a substation in Coolgardie;
- A capacitor fire in Western Power's North Perth Substation;
- A switch-room fire in Western Power's Victoria Park Substation;
- EMF effects from a Western Power's 330 kV transmission line in Wellard; and
- An electric shock from a Western Power underground connection pit.

### Apprentice Seminars:

Several safety and information seminars were conducted for first-year electrical apprentices, their parents and apprentices' supervisors, presenting information on the electrical licensing system, safe work practices and legislative requirements. The seminars provided an opportunity to address some of the issues that electrical apprentices face, such as on and off-the-job training, levels of supervision and how to find help and guidance during their apprenticeship.

### Performance Measures for Output 4 - Management, administration and ongoing enhancement of regulatory systems

In accordance with Treasurer's Instruction 904, the actual results of Output 4 measures against targets reported in the 1999/2000 budget papers are as follows:

Measure	1999/2000 Target	1999/2000 Actual	Reasons for significant variation
<b>Quantity</b>			
Number of gas/electrical operatives licensed	30,600	31,531	
Number of gas/electrical audits/inspections/investigations	550	2,156	Target was quarterly estimate, whereas actual is annual number of audits/inspections/investigations.
Number of technical codes referenced in statutory rules	120	120	
Number of electricity and gas industry related authorisations	25	28	
<b>Quality</b>			
Percentage of licences issued comply with all legal requirements	100%	99%	
Compliance with audit/inspection/investigation process	90%	90%	
Satisfaction of Standards bodies with advice and input provided (1=completely dissatisfied, 5=completely satisfied)	3	4	
Percent of formal complaints by recipients as to the authorisation process	5%	0%	
<b>Timeliness</b>			
Percentage of operative licensing applications processed within target time	100%	99%	
Compliance with audit/inspection/investigation target timeliness	95%	95%	
Satisfaction of Standards bodies with timeliness of advice provided (1=completely dissatisfied, 5=completely satisfied)	4	4	
Electricity and gas industry authorisations completed within target turnaround time	80%	96%	Turnaround times are generally improving. A number of the approvals were for small installations.
<b>Cost</b>			
Cost per gas/electrical operative licence	\$13.71	\$19.37	Target was under-estimated.
Cost of audit/inspection/investigation services	\$3,102	\$915	Estimate was based on quarterly number of services which inflated average estimated cost.
Cost of technical code referenced in statutory regulations	\$4,537	\$3,660	
Cost per electricity and gas industry related authorisation	\$10,900	\$8,787	

## OUTPUT 5:

### Management, Administration and Ongoing Enhancement of Energy-Related Projects

*Management of a range of projects to facilitate social and community aspects of energy services and energy efficiency.*

#### The State Underground Power Program

The State underground power program gives local authorities the opportunity to apply for funding under two categories: major residential projects and localised enhancement projects. The State (including Western Power on a 50/50 basis) provides cost sharing grants (which may include in kind elements) of up to \$2.5 million per project, to be matched equally by the local authority in cash or in kind. The Office manages the program jointly with Western Power and with involvement from the Western Australian Municipal Association.

Prior to the pilot program commencing in 1996, about 18% of the metropolitan area was serviced by underground power. When round two of the program is completed in 2002, about 30% of the distribution system will be underground. The Government aims to have 50% of metropolitan homes serviced by underground power by 2010.

The following round one underground power projects were completed in 1999/2000:

#### Major Residential Projects:

- City of Nedlands, Swanbourne
- Shire of Peppermint Grove
- Town of Cottesloe, E Ward

#### Localised Enhancement Projects:

- Shire of Nannup – Warren Rd, Nannup
- Shire of Dowerin – Stewart Street, Dowerin
- Shire of Collie – Steere Street, Collie

Major residential projects in Dalkeith and Woodlands are currently underway and are scheduled to be completed by about October 2000. It is anticipated that the balance of round one projects will be completed in 2000/2001.

Thirteen major residential projects were selected for round two of the program for completion from late 2000 to mid 2002. A further 12 projects were selected to participate in round two of the localised enhancement program.

#### WA Energy Efficiency Awards

The Minister for Energy announced the winners of the 2000 WA Energy Efficiency Awards in June 2000. The Office of Energy is grateful for the support of sponsors Honeywell, AlintaGas, the Chamber of Commerce and Industry WA, Western Power Corporation, the Alternative Energy Development Board and Radio 6PR.

Winners demonstrate significant achievements in energy management and the Perpetual Trophy is awarded to the entrant judged to be the best over all.

Amcor Fibre Packaging won the Perpetual Trophy and the Industry Award for reducing gas and electricity consumption at its Spearwood Mill. In just under two years the mill's annual consumption of gas per tonne of paper produced has fallen by about 20% and electricity consumption per tonne of paper recycled has dropped by about 15%. This decrease in energy use has come not from the deployment of major new energy efficient plant but from focusing on many small initiatives that together build into a formidable achievement.

Katrina O'Mara received the Energy Achiever Award for developing, managing and running educational programs on energy efficiency, renewable energy and greenhouse gas abatement initiatives.

The University of Western Australia won the Commercial Buildings Award for instigating a wide ranging program of plant upgrades and system rationalisation that led to substantial reductions in energy consumed by campus mechanical services.

The Renewable Energy Travelling Show, presented by Science Alive, was awarded the Educational and Community Based Programs Award for promoting renewable energy and energy efficiency to school students in rural Western Australia.

The show used interesting and entertaining presentations to explain the basics of renewable energy and energy efficiency. The Water Corporation's Woodman Point Wastewater Treatment Plant won the Innovation Award for the use of innovative waste water sludge digesters. The digesters produce about 15,000m<sup>3</sup> of biogas daily for combustion in gas reciprocating engines to generate about 16,000 kWh of electricity, of which about 7,000 kWh is purchased by Western Power.

### **Financing Efficient Energy Use**

The Financing Efficient Energy Use (FEEU) program continued to provide financial assistance to WA public sector agencies to reduce energy consumption. In the past financial year \$325,950 was allocated to 11 energy saving capital investment projects and \$50,305 was allocated to eight energy audits. Major capital investment projects included the modification of air-conditioning controls at the Department of Land Administration offices in Midland, a lighting upgrade at the Department of Resource Development offices in the SGIO Atrium building and the installation of variable speed drives at the Central Metropolitan College of TAFE, the Westrail East Perth Terminal building and Sir Charles Gairdner Hospital.

The predicted ongoing savings in energy costs for these capital investment projects is \$227,600 per annum. The Office introduced new guidelines and application forms to reflect changes in the FEEU program and made preparations to introduce in 2000/2001 a batch processing system involving two defined funding rounds each year.

### **Government Energy Management Program**

The Office arranged two information and networking seminars for energy managers from State and local government agencies. It also organised two training courses for energy managers from State, Commonwealth and local government agencies in WA. The topics covered in the two day courses included energy management, energy and the environment, the current energy market, evaluation of energy projects, energy audits, air conditioning, lighting, monitoring, motors and energy performance contracting.

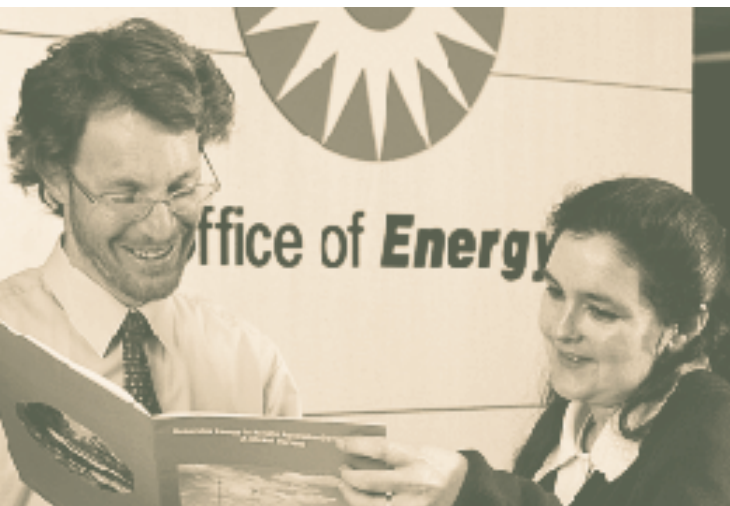
### **Renewable Energy**

The renewable energy Remote Area Power Systems (RAPS) rebate scheme provides rebates of up to \$8,000 per household for the installation of renewable energy systems in isolated areas of Western Australia. During the year rebates totalling \$602,481 were paid for RAPS systems in 76 households and 46kW of photovoltaic (PV) modules, 10kW of wind turbines, 138kW of inverters and 1,364kWh of batteries were installed. A review of the scheme yielded valuable information for its continuing development and improvement. Funding for the RAPS scheme will continue for four more years under the Government's Green Power policy.

The Photovoltaic Rebate Program (PVRP) is a Commonwealth initiative that commenced on 1 January 2000. The program provides funding of up to \$8,250 for the installation of PV power systems serving households. In Western Australia the Office of Energy administers the program on behalf of the Australian Greenhouse Office. The Office approved rebates of \$540,628 for 31 grid-connected and 45 stand-alone PV power systems, which will include a total of 101kW of PV modules. As at 30 June 2000, 13 of these installations had been completed and rebates totalling \$81,356 had been paid.

### **Emergency Management**

During the year the Office continued to participate in and support the State's emergency management framework, through the State Emergency Management Advisory Committee (SEMAC) and its Lifelines Committee, which is chaired by the Director of Energy Safety.





**ALTERNATIVE ENERGY DEVELOPMENT BOARD**

The Alternative Energy Development Board (AEDB) offers members of the public the opportunity to develop and implement innovative ideas that contribute to the increased uptake of renewable energy and the greater use of energy efficiency practices. The seven member board allocates grant funds to research and development projects, and education and demonstration projects. The Office of Energy gives the AEDB administrative support. The Board held ten meetings during the year

AEDB Members as at 30 June 2000 were:

Mr Frank Daly (Chair)	appointed by the Minister
Mr Michael Carr	appointed by the Minister
Dr Les Farrant (deputy Dr Mary Dale)	Ex-officio as Coordinator of Energy
Mr Geoff Hill	appointed by the Minister
Dr Monica Leggett	appointed by the Minister
Mr Noel Schubert	appointed by the Minister
Mr Gordon Thompson	Ex-officio as Managing Director of CASE
Mr Greg Elliott	Executive Officer

**General Activities**

Following the launch of the State’s Green Power policy, the AEDB was asked to administer the new Sustainable Energy Development Fund. The Board drafted a framework for administration, including criteria for allocating funds, and a public consultation process was proposed.

The AEDB initiated a study of off-grid renewable energy opportunities in Western Australia. The study, carried out by the Murdoch University Energy Research Institute, pinpointed valuable information for identifying potential subsidy applicants through the Commonwealth’s Remote Renewable Power Generation Program.

Available Energy Consultants completed a commissioned evaluation of the options for heating municipal swimming pools in areas where natural gas is not available. A number of case studies were developed, including the use of biomass, LPG, municipal waste and solar heating. Copies of the report and the case studies have been distributed to local government and the Ministry of Sport and Recreation and are also available from the Office of Energy.

A function, attended by the Minister for Energy, was held in November 1999 for proponents of the renewable energy and

energy efficiency industries. Guests received a booklet describing completed and ongoing AEDB projects. The booklet has also been posted on the Office of Energy web site.

**AEDB grant projects**

Funding for projects is made up of two components:

- energy education, demonstration and promotional activities are funded from the AEDB trust account; and
- energy research and development projects are funded from the Minerals and Energy Research Institute of Western Australia (MERIWA) energy account.

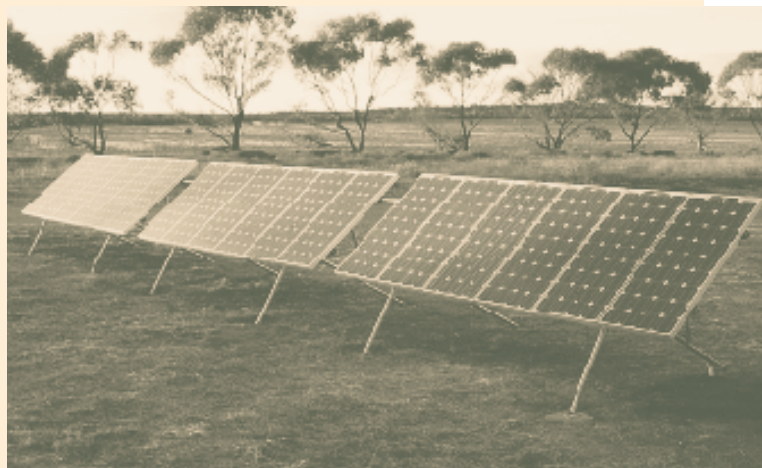
MERIWA is in the process of divesting its energy research funding to the AEDB. Until the process is complete the Board will continue to recommend energy research projects to MERIWA for grants, which are then funded from MERIWA’s energy account and administered by the Office.

Fifty three grant applications to a value of over \$1 million were received over two funding rounds.

Contracts were signed for nine new projects to a value of \$201,700 and funds have been committed for a further 12 projects to a value of \$256,200. The Australian Cooperative Research Centre for Renewable Energy will continue to receive funding of \$100,000 per year for training courses and research into remote area power systems. The AEDB gave \$100,000 towards the establishment of a Chair in Renewable Energy at Murdoch University.

**AEDB and MERIWA funded projects**

Eight AEDB and five MERIWA projects were completed in 1999/2000. These are included in the following list of projects:



## Output delivery

Grantee	Project Description	Grants under contract (\$)	Project activity in 1999/2000
<b>AEDB projects</b>			
Science Alive	Development and presentation of a course on energy efficiency and renewable energy, targeting remote primary schools	33,400	completed
Baverstock Murphy and Associates	Development and presentation of energy efficiency seminars targeting locations in the North West	30,000	completed
Murdoch University	Development of Internet-based real-time RAPS demonstration site (WebRAPS)	30,000	completed
Norman Disney & Young	Study to determine the life cycle costing of electrical and gas driven chillers for multi-storey buildings	16,400	completed
Murdoch University	Development of internet-based fact sheets on renewable energy and energy efficiency	14,000	completed
University of WA	Examination of the feasibility of storing hydrogen in magnesium alloys	8,000	completed
Curtin University	Support for the establishment of the International Journal of Renewable Energy	5,000	completed
King Edward/Princess Margaret Hospitals	Modification and re-publishing of a booklet to promote energy efficiency in the health care sectors	4,555	completed
City of Melville	Installation of a wind and solar powered RAPS demonstration facility	50 000	continuing
Rockingham Regional Environmental Centre	Installation of a wind powered RAPS demonstration facility	40,325	continuing
Available Energy Consultants	Field testing of selective surface roof paint used to keep buildings cool	30,000	continuing
Murdoch University	Upgrade of existing RAPS display and extension of WebRAPS.	29,611	continuing
Curtin University	Project to improve the life of lead acid batteries – Stage 3	25,000	continuing
Solarhart	Demonstration 20kW concentrating photovoltaic trough collector	20,000	continuing
Hopetoun Progress Association	Pilot energy efficiency program for a small regional town in Western Australia	17,356	continuing
Fairbridge WA	Installation of a demonstration wind turbine	15,000	continuing
Morawa Agricultural College	Wind turbine added to existing photovoltaic system for training of students in management and design of RAPS	15,000	continuing
Western Power Corporation	Documentation of the history of alternative energy in Western Australia since 1975	10,000	continuing
Murdoch University	Assessment of performance of computer programs for daylighting calculations in buildings	10,000	continuing
Western Power Corporation	Funding assistance for distribution of energy saving kit for schools	10,000	continuing
Curtin University	Three-phase motor from single-phase supply	20,000	new
Murdoch University	Development of a solar powered livestock watering system	16,155	new
Murdoch University	Examination of opportunities for applying WA renewable energy technologies in the Republic of Maldives	15,032	new
Central Metropolitan College of TAFE	Cabling training facility for RAPS installers	10,500	new
APACE	Solar Net pilot program for installation of photovoltaics in schools	10,000	new
City of Gosnells	Solar cooker education program	8,000	new

Grantee	Project Description	Grants under contract (\$)	Project activity in 1999/2000
<b>MERIWA projects</b>			
Solar Focus	Design, construction and testing of a high efficiency water pump for use with a photovoltaic electricity supply	38,000	completed
PowerSearch	Expert system for evaluation of RAPS	35,000	completed
PowerSearch	Battery monitoring for hybrid and renewable energy	35,000	completed
Lincolne Scott	Analysis of energy and cost savings achieved in commercial buildings from installation of variable speed drives	29,200	completed
Murdoch University	Construction and testing of a prototype forced circulation solar still	7,200	completed
Curtin University	Development of longer lasting sacrificial anodes for solar water heaters	51,470	continuing
DESAL Australia	DESAL water desalination process	50,000	continuing
Murdoch University	Further development of a solar powered reverse osmosis desalination unit	49,650	continuing
Energy Power Conservation	Development of an improved system for control and operation of fluorescent lights - Stage 1	28,100	continuing
	- Stage 2	50,000	continuing
Curtin University	Development of a solar powered uninterruptable power supply	23,000	continuing
Hunt & Reid	Development of a low cost solar water heater	17,000	continuing
Phillip Calais	Development and testing of a nocturnal cooling device	8,200	continuing
Murdoch University	Monitoring and analysis of residential RAPS systems operation	48,013	new
University of Western Australia	Development of a monitoring system to improve the efficiency of pumping systems	40,000	new
Curtin University	Evaluation of a transformerless, multi-level, single-phase cascade inverter that needs no transformer	34,000	new



Minister for Energy, the Hon. Colin J. Barnett, MLA with winners of the WA Energy Efficiency Awards 2000.



**Performance Measures for Output 5 - Management, Administration and Ongoing Enhancement of Energy-Related Projects**

In accordance with Treasurer’s Instruction 904, the actual results of Output 5 measures against targets reported in the 1999/2000 budget papers are as follows:

Measure	1999/2000 Target	1999/2000 Actual	Reasons for significant variation
<b>Quantity</b>			
Number of energy efficiency and renewable energy award and grant applications processed	170	238	Impending introduction of the GST resulted in a strong demand for the RAPS rebate scheme.
Number of grants relating to energy efficiency and renewable energy	100	142	Impending introduction of the GST resulted in a strong demand for the RAPS rebate scheme.
Number of projects managed for retrospective undergrounding of power	12	14	
<b>Quality</b>			
Level of client satisfaction with projects relating to energy efficiency and renewable energy	85%	72%	Low survey response rate.
Satisfaction of residents in areas in which retrospective undergrounding of power was completed during the financial year	85%	87%	
<b>Timeliness</b>			
Percentage of award/grant applications relating to energy efficiency and renewable energy processed within target timeframe	95%	93%	
Percentage of projects for retrospective undergrounding of power completed within planned schedule	100%	100%	
<b>Cost</b>			
Administrative cost per grant application relating to energy efficiency and renewable energy projects processed	\$2,617	\$1,655	
Average value of grants given relating to energy efficiency and renewable energy	\$15,300	\$8,977	More grants were paid out than estimated and therefore average value of grants was smaller than estimated.
Average value of grants to underground power	\$500,000	\$421,936	New administration cost measure added- see below.
Administrative cost per project managed for retrospective undergrounding of power	NA	\$19,988	This is a new measure.

## Corporate Operations Division

**Objective:** *To ensure that human, financial, physical and information resources are developed and utilised effectively and efficiently to support the attainment of Office objectives.*

### Corporate Issues

#### Corporate Development

The output-based management structure was reviewed during the year. The number of outputs for 2000/2001 will be reduced from five to two for more efficient recording and reporting of financial and output delivery information.

The *Corporate Plan* was revised to reflect the new output structure. The *Corporate Plan* will be reviewed again as part of a major review of agency planning early in the new financial year.

#### Support to the Office of Gas Access Regulation

Corporate support services were provided to the Office of Gas Access Regulation. The service level agreement between the two agencies was reviewed and updated. A new service level agreement for corporate support services was negotiated.

#### Internal Audit

The internal audit function is outsourced to a private provider. Audits performed during the year were consistent with the risk-based strategic audit plan. Recommendations arising from internal audit reviews were implemented where appropriate, subject to oversight by an Internal Audit Committee.

#### Risk Management

A risk management matrix details the risks inherent in the agency's operations, ranked according to impact and likelihood. The matrix was reviewed to determine appropriate operational areas for review under the internal audit program.

#### Customer Focus

The Office's *Client Service Charter* describes the services provided and the standards of service delivery. A suggestion and complaint procedure gives clients the opportunity to resolve any problems and enables the agency to modify its services to meet client needs.

A customer focus group has been established to develop customer focus initiatives and to integrate customer focus with agency planning.

#### Disability Services Plan Implementation

Planned: *Existing services are adapted to ensure they meet the needs of people with disabilities.*

Achieved: Client feedback on the services provided is sought through various publications and the Office's *Client Service Charter*. A process for dealing with customer complaints exists and can be used to adapt services. The OOE Access Policy outlines the agency's commitment to being responsible and adaptable in addressing access barriers as they arise.

Planned: *Access to buildings and facilities is improved.*

Achieved: An internal access audit was conducted using the Disability Services Commission (DSC) Access Resource Kit Checklist. The Perth office provides satisfactory access, though barriers to access were identified at the Leederville office. Alternative venues for meetings were identified.

Planned: *Information about services is provided in formats that meet the communication requirements of people with disabilities.*

Achieved: Publications produced by the Office can be made available in alternative formats on request.

Planned: *Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities.*

Achieved: The Office ran an awareness program for all customer service officers using the DSC video *Getting There*.

Planned: *Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes.*

Achieved: In addition to the public consultation seminar held in an accessible venue, the OOE sought public comment via the West Australian newspaper on four occasions during the year.

**Office Accommodation**

The city-based operations of the Office were relocated to Level 9, Governor Stirling Tower, 197 St Georges Terrace in November 1999. The relocation to a larger office, leased at less cost, enabled the Corporate Operations Division to relocate from Leederville to the Perth office, leading to greater efficiency and integration of corporate activities.

**Productivity Improvement Plan**

A new productivity improvement plan was developed and implemented to support the Office’s renegotiated employment agreements. The plan contains a number of key productivity improvement initiatives that are aligned to the agency’s output delivery and *Corporate Plan*.

**Human Resource Management**

**Staffing Levels**

The Office had an average staffing level of 80.48 full time equivalents (FTE’s) for the 1999/2000 financial year compared to 78.3 FTE’s for 1998/99. Total salary costs were \$4,727,884.

**Staffing Policies**

All staff are employed under the provisions of the *Public Sector Management Act (WA) 1994*. The Office’s Workplace Agreement and Enterprise Bargaining Agreement prescribe the conditions of employment for all staff except the Coordinator of Energy.

The Office’s staffing policies meet relevant legislation requirements including the *Public Sector Management Act*, the *Equal Employment Opportunity Act* and the *Occupational Health, Safety and Welfare Act*.

All staff recruitment is performed in accordance with the public sector standards in human resource management and the approved procedures under the *Public Sector Management Act*.

Staff training and development needs are identified through the Office’s performance and productivity management system. A range of in-house and external training was provided.



**Workplace Agreement and Enterprise Bargaining Agreement**

The Office’s Workplace Agreement and Enterprise Bargaining Agreement were renegotiated during the year. An Agreement Development Committee representing a cross-section of agency staff developed the Workplace Agreement that has been registered with the Commissioner of Workplace Agreements. Negotiations with the Union resulted in a new Enterprise Bargaining Agreement that is expected to be registered in July 2000.

Both agreements provide for pay increases subject to defined productivity targets being met. They also provide for the investigation, and where appropriate the implementation, of a range of flexible working arrangements.

**Equal Employment Opportunity**

The Office continued to monitor the progress of strategies outlined in its equal employment opportunity management plan. There were no reported incidences of sexual or racial harassment, nor of discrimination as a result of the Office’s employment policies and practices.

The equal employment opportunity management plan will be reviewed in the new financial year.

**Workers’ Compensation and Rehabilitation**

There were no new claims for workers’ compensation.

**Staff Leave Management**

The Office’s leave management policy was reviewed during the year and staff leave was actively managed.

## Finance and Administration

### Taxation Reforms

The Federal Government's tax reforms, including changes to Fringe Benefits Tax, Pay as You Go Tax and the introduction of the Goods and Services Tax, required changes to policies and procedures, changes to computer systems, training for key finance staff and general staff awareness-raising.

### Operating Expenses

The total gross operating expenses of the Office for 1999/00 were \$16.874M, including transfer payments, expenditure on capital items, non-cash costs, and payments for grants and rebate schemes. This compares to gross operating expenses of \$15,044M in 1998/99. Expenditure was within budgeted estimates.

Full details of this are disclosed in the 1999/2000 financial statements included in this report.

### Asset Management

The Office has assets with a book value of about \$263,000 as at 30 June 2000 compared with the book value of assets of about \$318,000 as at 30 June 1999. Assets are replaced as required under an asset replacement plan.

### Records Management

A review of the records management thesaurus was begun in 2000. The new thesaurus will improve the control and custody of public records held by the Office.

## Information Systems

### Internet Site

A major review of the Office's Internet site commenced during the year. The site is being redeveloped to enhance the appearance and organisation of information on the site. The review will include a client survey.

The enhanced site will be launched in the new financial year.

### Intranet

An Intranet network was developed to provide staff with access to a range of Office and Government policies, procedures, guidelines and information. The Intranet will

be implemented in July 2000.

### Desktop Applications

A range of updated software applications, including Microsoft Office 2000 and Microsoft Outlook Web Access, was installed. The latter program enables authorised staff to access their electronic diaries and messaging services from any Internet-connected computer.

### Year 2000 Computer Problem

Application testing, remedial action and contingency planning to mitigate the risks of the Year 2000 computer problem were undertaken. The Office did not experience any Y2K incidents or down-time.

## SHARES IN SUBSIDIARY BODIES AND INTERESTS IN EXISTING OR PROPOSED CONTRACTS

*Treasurer's Instruction 903* requires the disclosure of any shares in subsidiary bodies or any interests in existing or proposed contracts by senior officers. There were no such shares or interests in 1999/2000.

## ELECTORAL ACT DISCLOSURE REQUIREMENTS

In accordance with the disclosure requirements of Section 175ze of the *Electoral Act*, the Office of Energy incurred expenditure during the period 1 July 1999 to 30 June 2000 on the following:

<u>Advertising Agencies</u>	<u>Amount</u>
Benchmark Advertising	\$4,824
MJB&B	\$39,993
TOTAL	<u>\$44,817</u>
<u>Market Research Organizations</u>	<u>Amount</u>
Market Equity	\$17,564
AIM	\$8,238
TOTAL	<u>\$25,802</u>
<u>Polling Organizations</u>	<u>Amount</u>
	Nil
<u>Direct Mail Organizations</u>	<u>Amount</u>
	Nil
<u>Media Advertising Organizations</u>	<u>Amount</u>
Media Decisions	\$14,940
Marketforce Productions	\$59,459
TOTAL	<u>\$74,399</u>

## Public Sector Standards Compliance Report 1999/2000

In the administration of the Office of Energy, I have complied with the *Public Sector Standards in Human Resources Management*, the *Code of Ethics* and our *Code of Conduct*.

I have put in place procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy myself that the statement made above is correct.

In 1999/2000 an independent audit was conducted of OOE's personnel records and performance management system. The recommendations adopted will assist HRM practices to continue to meet agency needs, comply with appropriate legislation and standards, and be aligned with best practice.

The applications made for breach of Standards review and the corresponding outcomes for the period to 30 June 2000 were:

Number lodged	NIL
Breaches found	NIL
Multiple breaches	NIL
Applications under review	NIL
Material breaches	NIL



LES FARRANT  
**CHIEF EXECUTIVE OFFICER AND  
COORDINATOR OF ENERGY**  
30th August 2000

## Contact Details

### PERTH OFFICE

(including Coordinator of Energy, Energy Innovation Division, Industry Development Division, State Requirements Division, Corporate Operations Division)

9th Floor, Governor Stirling Tower  
197 St Georges Terrace  
PERTH WA 6000

Phone: 08 9420 5600  
Fax: 08 9420 5700  
Email: [enquiries@energy.wa.gov.au](mailto:enquiries@energy.wa.gov.au)

### WEST LEEDERVILLE OFFICE

(including Director of Energy Safety, Technical & Safety Division)

20 Southport Street  
WEST LEEDERVILLE WA 6007

Phone: 08 9422 5200  
Fax: 08 9422 5244  
Email: [safety@energy.wa.gov.au](mailto:safety@energy.wa.gov.au)

For the reporting of gas or electrical incidents and emergency advice,  
Phone: Freecall 1800 678 198

The Technical & Safety Division also has Senior Electrical Inspectors in four regional areas as follows:

### Karratha

C/- Department of Minerals and Energy

SGIO Building, Hedland Place

KARRATHA WA 6714

Phone: 08 9186 8276

Fax: 08 9186 8251

### Geraldton

Suite 2, 8 Chapman Road

GERALDTON WA 6530

Phone: 08 9964 5133

Fax: 08 9964 5149

### Kalgoorlie

Office being relocated – please refer to West Leederville Office for details

### Bunbury/Collie

Office being relocated – please refer to West Leederville Office for details



## Publications

The following publications are available from the Home Energy Line telephone information service (1300 658 158). Stakeholders with a specific need for bulk copies can request them from the Office of Energy, Perth Office.

Energy Efficient Housing for Perth

Home Insulation

Solar Hot Water

Choosing a Hot Water System

Ways To Winter Warmth

Choosing a Heater

The First Steps to Summer Cooling

Choosing an Air Conditioner

Renewable Energy Based Remote Area Power Systems:

- General Information booklet
- User Guide & Maintenance Advice booklet
- Rebate Scheme Guidelines and Application forms

The following publications are available from Office of Energy, Perth Office.

Energy Matters

WA Energy Efficiency Awards:

- Winners' feature
- Nomination and Call for Entry forms

Financing Efficient Energy Use (FEEU) Program for

Government agencies:

- Introduction
- Application Guidelines

Home Energy Line – Information pamphlet

Energy in Western Australia Conference 2000:

- Program and Papers

Energy News WA, Issues 5, 6 and 7

Beyond the Grid, Issues 1 and 2

Energy Resources and Infrastructure Map, May 2000 edition.

Energy Western Australia 99

Grid Connection of Energy Systems via Inverters – Guidelines

State Underground Power Program – Guidelines for

Applications for Funding

Understanding Gas Trading and Distribution Licences in

Western Australia

Alternative Energy Development Board Project Reports:

- Heating of Swimming Pools - Available Energy Consultants
- Catch the Energy Bug - King Edward/Princess Margaret Hospitals
- Viability of Life Cycle Costing of Gas Driven Chillers versus Electric Driven Chillers - Norman Disney & Young
- Hydrogen Storage in Nanocrystalline Magnesium Alloys - University of Western Australia
- Consultancy for the Alternative Energy Development Board to Evaluate the Size of the Off-Grid Renewable Energy Market in Western Australia - Murdoch University Energy Research Institute
- Pump Development for PV Pumping Systems - SolarFocus
- Energy Saving Performance of Air Handling Systems Retrofitted to Incorporate Variable Speed Frequency Drives (VSDs) - Lincolne Scott Australia Pty Ltd

The following publications are available from the Office of Energy, West Leederville office. The publications are available free of charge unless shown otherwise.

Energy Safety Information:

- Auto LP Gas Safety
- Care and Safety of Cords and Plugs
- Care and Safety of Electrical Appliances
- DIY Electricity Dangers
- Electric Arc Welders
- Electric Shock - Poster
- Electric Shock Survival
- Safety Switches
- Using Electricity Safely Near Water
- Using Electricity Safely in Caravans and Tents
- Using Gas Safely in Caravans and Tents
- Using Gas Safely in Marine Craft
- Using LP Gas Safely
- Watch Out for Power Lines Above When You're Working Below
- Worker Safety When Cutting Trees Near Power Lines

Energy Efficiency Information:

- Energy Efficiency of Air-Conditioners
- Energy Efficiency of Appliances
- Energy Efficiency of Clothes Washers and Driers
- Energy Efficiency of Dishwashers
- Energy Efficiency of Fridges and Freezers

- Safety Guidelines for Electrical Workers
- WA Electrical Requirements (Cost \$110.00)

As a service to industry, the Licensing Office also has some of the more commonly used electrical and gas Legislation and Australia Standards available for sale.

Licensing Information:

- Licensing for In-House Electrical Installing Work
- Licensing of Electrical Contractors
- Licensing of Electrical Workers
- The National Restricted Electrical Licensing System
- How to Obtain a Restricted Electrical Worker's Licence in WA
- Licensing of Gas Fitters
- How to Obtain a Restricted Gasfitting Permit in Western Australia

The following publications are available from either office:

- Office of Energy Client Service Charter
- Office of Energy Code of Conduct
- Office of Energy Corporate Plan

Some of the publications listed are available on the Office of Energy web site at [www.energy.wa.gov.au](http://www.energy.wa.gov.au)

Industry Information:

- Apprentice Safety Assessment Guidelines
- Checking and Testing Electrical Installing Work
- Code of Practice – For the Sale of Electrical Installation Products to the Public
- Code of Practice – For Personnel Electrical Safety for Vegetation
- Code of Practice – Safe Electrical Work on Low Voltage Electrical Installations
- Control Work Near Live Powerlines (Cost \$30.00)
- Energy Bulletins 1 to 17
- Energy Bulletin Special Edition – New Gas Standards Regulations
- Guidelines – Construction Electricity Supplies to Residential Sites
- Guidelines – Electricity Transmission and Distribution Work in WA
- Guidelines – Safe Working with Gas in Consumer's Installations
- Guidelines – The Application of Safety Instrumented Systems for Industrial Gas Appliances
- Guidelines – Design and Planning of Interconnected Gas Distribution Networks in WA

## Boards and Committees

Representatives of the Office of Energy participated in the following Boards and Committees:

Aboriginal Affairs Coordinating Group  
 Aboriginal Community Essential Services Steering Committee  
 - Ngarda Ngarli Yarndu Regional Housing and Essential Services Sub-Committee  
 - Wunan Regional Housing and Essential Services Sub-Committee  
 - Malarabah Regional Housing and Essential Services Sub-Committee  
 - Kullarri Regional Housing and Essential Services Sub-Committee  
 Air Quality Coordinating Committee  
 AlintaGas Sale Steering Committee  
 - Legislation Working Group  
 - Industry Structure Working Group  
 Alternative Energy Development Board  
 Australia and New Zealand Reciprocity Association  
 Australian Competition and Consumer Commission (ACCC)  
 Public Utilities Regulators Forum  
 Australian CRC for Renewable Energy – Energy Policy Group  
 Australian Design Awards  
 Australian Gas Association Installation Committee  
 Australian Gas Association Industrial Equipment Committee  
 Australian Gas Association Appliance Committee  
 Australian and New Zealand Minerals and Energy Council (ANZMEC) Standing Committee of Officials  
 - Ecologically Sustainable Development Energy Use Working Group  
 - Energy Management Taskforce  
 - National Appliance and Equipment Energy Efficiency Committee  
 - National Energy Policy Framework Working Group  
 Building Construction Industry Training Council Services  
 Industry Skill Stream Committee  
 CADDET Australian National Team  
 Council of Australian Governments (COAG) Energy Market Group  
 COAG Greenhouse Energy Group  
 - Efficiency Standards for Power Generation Working Group  
 - Renewable Target Working Group  
 DBNGP Gas Pipeline Sale Steering Committee  
 Distribution Technical Issues Working Group

Electrical Contractors Association Excellence Awards  
 Selection Committee  
 Energy Industry Association WA  
 Electrical Licensing Board  
 Electrical Regulatory Authorities Council  
 Electricity Access Steering Committee  
 Electricity Access Consultation Committee  
 Energy and Environmental Technologies Information Centre (EETIC) Australian National Team  
 Energy Markets Group  
 Financing Efficient Energy Use Committee  
 Gascoyne Regional Development Infrastructure Forecasting Working Group  
 Gas Policy Forum  
 Gas Technical Regulators' Committee  
 Keep Australia Beautiful Council (WA) Perth Action Awards Committee  
 Murdoch University Energy Research Institute Board  
 National Government Energy Managers Group  
 National Reference Group Electrical Licensing  
 National Oil Supplies Emergency Committee  
 Natural Gas Pipelines Advisory Committee  
 North West Shelf Consultative Group  
 Regional Development Policy Steering Committee  
 Regional Power Procurement Steering Committee  
 Renewable Energy Access Working Group  
 Standards Australia  
 - Council (representing WA Government)  
 - Electrical Accessories Committee  
 - Electrical Approvals Standards Committee  
 - Gas Fuel Systems for Vehicle Engines Committee  
 - HV Installations Committee  
 - Joint Australian and New Zealand Electrotechnology Standards Sector Board  
 - Metering Committee  
 - Standards Accreditation Board  
 - Wiring Rules Committee & Sub-Committees  
 State Emergency Management Advisory Committee  
 - Lifelines Emergency Management Committee  
 - State Fuel Emergency Management Committee  
 State Government and Industry Cleaner Fuels Taskforce  
 State Underground Power Steering Committee  
 Telecommunications Facilities Approvals Coordinating Group  
 Western Australian Department of Training Plumbing and Gasfitting Overseas Qualifications Committee  
 Western Australian Greenhouse Council



## Auditor General

To the Parliament of Western Australia

### OFFICE OF ENERGY

### FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

#### Scope

I have audited the accounts and financial statements of the Office of Energy for the year ended June 30, 2000 under the provisions of the Financial Administration and Audit Act 1985.

The Coordinator of Energy is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Coordinator of Energy.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Office to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Office's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Office of Energy provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Operating Statement, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Office at June 30, 2000 and the results of its operations and its cash flows for the year then ended.

D D R PEARSON  
AUDITOR GENERAL  
September 21, 2000

## Statement of Certification

The accompanying financial statements of the Office of Energy have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2000 and the financial position as at 30 June 2000.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



ACCOUNTABLE OFFICER  
15 August 2000



PRINCIPAL ACCOUNTING OFFICER  
15 August 2000

## Operating Statement *as at 30 June 2000*

	Note	1999/00 \$'000	1998/99 \$'000
<b>COST OF SERVICES</b>			
<b>Operating expenses</b>			
Salaries	4	4,801	4,471
Superannuation	5	598	489
Depreciation	6	169	203
Administration Expenses	7	3,470	3,399
Accommodation Expenses	8	1,033	426
Grants, Subsidies and Transfer Payments	9	7,288	6,052
Net Loss on disposal of Non-Current Assets	10	0	4
<b>Total cost of services</b>		<b>17,359</b>	<b>15,044</b>
<b>Operating Revenue</b>			
Licensing and Regulatory activities		1,546	1,742
Contributions, Recoups and other Miscellaneous Services		879	171
<b>Total operating revenue</b>	11	<b>2,425</b>	<b>1,913</b>
<b>Net cost of services</b>	26	<b>14,934</b>	<b>13,131</b>
<b>REVENUES FROM GOVERNMENT</b>			
Appropriations	12	13,787	12,314
Resources Received Free of Charge	13	13	30
Liabilities Assumed by the Treasurer	14	598	489
<b>Total revenues from Government</b>		<b>14,398</b>	<b>12,833</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>		<b>-536</b>	<b>-298</b>

## Statement of Financial Position as at 30 June 2000

	Note	1999/00 \$'000	1998/99 \$'000
<b>CURRENT ASSETS</b>			
Cash	15	1,035	1,064
Restricted Cash	16	315	513
Accounts Receivable	17	73	43
Other Current Assets	18	27	43
<b>Total current assets</b>		<b>1,450</b>	<b>1,663</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	19	263	318
<b>Total assets</b>		<b>1,713</b>	<b>1,981</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	20	253	102
Accrued Salaries	21	117	73
Employee Entitlements	22	547	594
<b>Total current liabilities</b>		<b>917</b>	<b>769</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Entitlements	22	484	364
<b>Total liabilities</b>		<b>1,401</b>	<b>1,133</b>
<b>EQUITY</b>			
Accumulated Surplus	23	312	848
<b>Total equity</b>		<b>312</b>	<b>848</b>
<b>Total liabilities and equity</b>		<b>1,713</b>	<b>1,981</b>

## Statement of Cash Flows for the year ended 30 June 2000

	Note	1999/00 \$'000	1998/99 \$'000
<b>CASH FLOWS FROM GOVERNMENT</b>			
Receipts from Capital Appropriations		258	205
Receipts from Recurrent Appropriations		13,529	12,109
<b>Net cash provided by Government</b>		<b>13,787</b>	<b>12,314</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Salaries and related costs		-4,684	-4,545
Administration		-3,290	-3,387
Accommodation	8	-1,033	-426
Grants, Subsidies & Transfer payments	9	-7,288	-6,052
<b>Receipts</b>			
Licensing and Regulatory Activities	11	1,546	1,880
Contributions, Recoups and other Miscellaneous Services		849	
<b>Net cash used in operating activities</b>	26	<b>-13,900</b>	<b>-12,530</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of non-current assets		-117	-177
Receipts from the sale of non-current assets		3	
<b>Net cash used in investing activities</b>		<b>-114</b>	<b>-177</b>
<b>Net increase in cash held</b>		<b>-227</b>	<b>-393</b>
<b>Cash at the beginning of the reporting period</b>		<b>1,577</b>	<b>1,970</b>
<b>Cash at the end of the reporting period</b>	27	<b>1,350</b>	<b>1,577</b>



## Summary of Consolidated Fund Appropriations & Revenue Estimates for the year ended 30 June 2000

	1999/00			1998/99
	Estimate \$'000	Actual \$'000	Variation \$'000	Actual \$'000
<b>DETAILS OF APPROPRIATION ITEMS AND EXPENDITURE AUTHORISED BY OTHER STATUTES</b>				
Amount required to fund Outputs for the year	15,155	15,779	624	13,115
<i>Less Retained Revenue - Section 23A Financial Administration and Audit Act</i>	2,132	2,395	-263	1,913
Item 38 - Amount provided to fund Outputs for the year	13,023	13,384	361	11,202
Amount Authorised by Other Statutes:				
Salaries and Allowances Act 1975	145	145	0	136
<i>Sub-Total</i>	<b>13,168</b>	<b>13,529</b>	<b>361</b>	<b>11,338</b>
Administered Transactions	0	0	0	754
<i>Total Recurrent Services</i>	<b>13,168</b>	<b>13,529</b>	<b>361</b>	<b>12,092</b>
Item 138 - Amount provided for Capital services for the year	258	258	0	205
<i>GRAND TOTAL</i>	<b>13,426</b>	<b>13,787</b>	<b>361</b>	<b>12,297</b>

## Summary of Consolidated Fund Appropriations & Revenue Estimates for the year ended 30 June 2000

	1999/00			1998/99
	Estimate \$'000	Actual \$'000	Variation \$'000	Actual \$'000
<b>DETAILS OF EXPENDITURE</b>				
<b>Recurrent:</b>				
<i>Outcome: the promotion of a safe and competitive environment for the provision of reliable and efficient energy services meeting the needs of the community</i>				
<b>Outputs:</b>				
1. Policy advice and briefings	1,054	1,046	-8	
2. Energy-related information	1,840	1,716	-124	
3. Energy-related system development and implementation	1,980	1,890	-90	
4. Management, administration and ongoing enhancement of regulatory systems	2,707	3,386	679	
5. Management of energy-related projects	7,872	8,202	330	
Less: - Retained Revenue	-2,132	-2,395	-263	
- Adjustment for cash balances and other funding sources	-153	-227	-74	
<i>Sub total recurrent expenditure</i>	<b>13,168</b>	<b>13,618</b>	<b>-450</b>	<b>11,254</b>
<b>Capital:</b>				
Capital Expenditure	258	169	-89	293
Adjustment for cash balances and other funding sources	0	0	0	
<i>Sub total Capital expenditure</i>	<b>258</b>	<b>169</b>	<b>-89</b>	<b>293</b>
<b>Administered:</b>				
Administered Items	0	0	0	750
<i>Sub total Administered Items</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>750</b>
<b>Grand total of appropriations</b>	<b>13,426</b>	<b>13,787</b>	<b>361</b>	<b>12,297</b>

a) Explanations of variations by Outputs, Capital and Revenue between the current year estimates and actual results are set out in note 34.

b) Comparative figures for actual results by Output between the current year and the immediately preceding year are not available due to the change in Output structure. Actual expenditure by Output for 1998/99 was:

## Summary of Consolidated Fund Appropriations & Revenue Estimates for the year ended 30 June 2000

	1998/99 \$'000
<b>1998/99 Outputs:</b>	
1. Policy advice, information and project management for improvement in value from energy businesses and services	5,096
2. Advancement of competitive market conditions within the State's energy industry	1,003
3. Development, introduction and ongoing support of worthwhile initiatives in renewable energy and energy use	2,178
4. Enhancement of efficient and safe energy infrastructure and appliances, safety of consumers, workers and the community in energy related areas	5,336
Less: - Retained Revenue	-1,913
- Non-cash items	-446
	<b>11,254</b>

## Schedule of Administered Items for the year ended 30 June 2000

		GENERAL NOT ATTRIBUTED	
	Note	1999/00 \$'000	1998/99 \$'000
<b>ADMINISTERED EXPENSES AND REVENUES</b>			
<b>Expenses</b>			
Transfer payments to OffGAR	9	0	750
<i>Total administered expenses</i>		<b>0</b>	<b>750</b>
<b>Revenues</b>			
For transfer to OffGAR		0	754
<i>Total administered revenue</i>		<b>0</b>	<b>754</b>

## Notes to the Financial Statements 30 June 2000

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### 1. Office Mission and Funding

The mission of the Office of Energy is to promote conditions that enable the energy needs of the Western Australian community to be met safely, efficiently and economically.

The achievement of this mission is underpinned by the agreed Government desired Outcome, which is the promotion of a safe and competitive environment for the provision of reliable and efficient energy services meeting the needs of the community.

The Office of Energy is predominantly funded by Parliamentary appropriation. The Office has a net appropriation agreement, as determined by the Treasurer, pursuant to section 23A of the *Financial Administration and Audit Act*, which provides for receipt of moneys for services provided on a fee for service basis and various other revenues. In 1999/2000, these services include mines electrical inspections, electrical and gas licensing functions, sale of technical and safety publications and sponsorship of the WA Energy Efficiency Awards. Fees are reviewed each year and the Office determines charges with a view to working towards full cost recovery. The financial statements encompass all funds through which the Office controls resources to carry on its functions.

In the process of reporting on the Office as a single entity, all intra-entity transactions and balances have been eliminated.

### 2. Significant Accounting Policies

#### a. General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and UIG Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to these financial statements.

## Notes to the Financial Statements 30 June 2000

### b. Basis of Accounting

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29 as modified by Treasurer's Instruction 1101A. There are no modifications giving rise to material or significant financial effects.

The statements have been prepared on the accrual basis of reporting using the historical cost convention, with the exception that certain non-current physical assets have been introduced at written down current cost as at 30 June 1998. Additions to non-current physical assets since valuation are stated at cost.

Administered assets, liabilities, expenses and revenues are not integral to the Office in carrying out its functions and are disclosed in schedules to the financial statements, forming part of the general purpose financial report of the Office. The administered items are disclosed on the same basis as is described above for the financial statements of the Office. The administered assets, liabilities, expenses and revenues are those which the Government requires the Office to administer on its behalf. The assets do not render any service potential or future economic benefits to the Office, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Office, and the expenses and revenues are not attributable to the Office.

As the administered assets, liabilities, expenses and revenues are not recognised in the principal financial statements of the Office, the disclosure requirements of Australian Standard AAS 33, Presentation and Disclosure of Financial Instruments, are not applied to administered transactions.

### c. Appropriations

Appropriations in the nature of revenue, whether recurrent or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account.

### d. Operating Accounts

Amounts appropriated are deposited into the account and any revenues which are the subject of net appropriation determinations are also deposited into the account. All payments of the Office are made from the operating account.

### e. Non-current Assets and Depreciation

All non-current assets of a material value having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

Furniture: - Soft furniture	5 years
- Hard furniture	7 years
Office Equipment	5 years
Computer Hardware	3 years

## Notes to the Financial Statements 30 June 2000

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### f. Employee Entitlements

#### Annual and long service leave

These entitlements are calculated at current remuneration rates. A liability for long service leave is recognised after an officer has completed four years of service. This treatment is consistent with the provisions of Australian Accounting Standard AAS 30: Accounting for Employee Entitlements.

#### Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme now closed to new members, or the Gold State Superannuation Scheme, a defined benefit and lump sum benefit scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*.

The superannuation expense comprises the following elements:

- i) change in the unfunded employer's liability in respect of current employees who are members of the Superannuation and Family Benefits Act Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- ii) notional employer contributions that would have been paid to the Gold State Superannuation Scheme and West State Superannuation Scheme if the Office had made concurrent employer contributions to these Schemes.

The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Office in the current year. The total unfunded liability for pensions and transfer benefits assumed by the Treasurer at 30 June 2000 in respect to current employees is \$851,884 (1999 \$1,281,465).

### g. Leases

The Office has no finance lease commitments. The only operating leases the Office has entered into are operating leases of office accommodation and motor vehicles, where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the operating statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property. The office accommodation occupied by the Office is under a head lease between the lessor and the Commercial Property Branch, Treasury whereas the vehicles are leased indirectly via the Department of Contract and Management Services from Matrix Finance Group Ltd for the supply of motor vehicles for use by government agencies.

## Notes to the Financial Statements 30 June 2000

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### **h. Accounts Receivable, Accounts Payable, Accrued Salaries and Amount Due to the Treasurer**

Accounts receivable are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of accounts receivable is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

Accrued salaries suspense account consists of amounts paid annually into a suspense account at Treasury over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accounts payable, including accruals not yet billed, are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are generally settled within stated terms and in accordance with Treasurer's Instruction 308.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for the financial year does not coincide with the end of the financial year.

The Office holds no Treasurer's Advance and therefore has no amount due or repayable to the Treasurer.

### **i. Net Fair Values of Financial Assets and Liabilities**

Net fair values of financial instruments are determined on the following basis:

Monetary financial assets and liabilities not traded in an organised financial market - cost basis carrying amounts of debtors, accounts payable, and accruals (which approximate net market value).

## **3. Outputs of the Office**

The Budget for 1999/2000 was framed in terms of Outputs, consequently financial reporting for the year is also analysed in terms of Outputs.

Information about the Office's Outputs and the expenses, revenues, assets and liabilities which are reliably attributable to those Outputs is set out in the Outputs Schedule. Information about expenses, revenues, assets and liabilities administered by the Office are given in the Schedule of Administered Assets and Liabilities.

The Outputs delivered by the Office are:

1. Policy advice and briefings;
2. Energy-related information;
3. Energy-related system development and implementation;
4. Management, administration and ongoing enhancement of regulatory systems; and
5. Management of energy-related projects.



## Notes to the Financial Statements 30 June 2000

	1999/00 \$'000	1998/99 \$'000
<b>4. Salaries</b>		
Salaries, annual leave and long service leave paid	4,728	4,569
Change in annual and long service leave entitlements	73	-98
	<b>4,801</b>	<b>4,471</b>
<b>5. Superannuation</b>		
Total expense for the year	<b>598</b>	<b>489</b>
(Superannuation expense calculation is based on data and formulae provided by the Government Employees Superannuation Board)		
<b>6. Depreciation</b>		
Furniture and Equipment	27	32
Computer Equipment	142	171
	<b>169</b>	<b>203</b>
<b>7. Administration Expenses</b>		
Motor Vehicle Operating Lease Rentals	139	36
Other Expenses incurred during the year	3,318	3,333
Resources received free of charge	13	30
(Administered expenses include travel, communications, services and contracts and asset maintenance costs)	<b>3,470</b>	<b>3,399</b>
<b>8. Accommodation Expenses</b>		
Operating Lease Rentals	438	420
Other Expenses incurred during the year	595	6
(Including fit-out of new office accommodation and staff accommodation costs)	<b>1,033</b>	<b>426</b>
<b>9. Grants, Subsidies and Transfer Payments</b>		
Western Power - Underground Power Project	5,907	3,900
FEEU	256	533
Projects - RAPS	639	378
Contribution to AEDB	250	250
Transfer to OffGAR	0	750
PVRP Grants	129	0
Other grants/sponsorship/contributions	107	241
	<b>7,288</b>	<b>6,052</b>
<b>10. Net Loss on Disposal of Non-Current Assets</b>		
Proceeds from disposal of Non-Current Assets	2	0
Less written down value of assets	2	4
	<b>0</b>	<b>4</b>

## Notes to the Financial Statements 30 June 2000

	1999/00 \$'000	1998/99 \$'000
<b>11. User Charges and Fees</b>		
These consist of:		
<i>Receipts from Licensing and Regulatory activities</i>		
Mine Inspections	391	388
Electrical and gas licensing fees and charges	1,085	1,283
Information for Industry - Sales	31	35
Technical services	4	11
Other inspections	35	25
	<b>1,546</b>	<b>1,742</b>
<i>Contributions, Recoups and other services</i>		
Miscellaneous	470	133
Contributions to WA Energy Efficiency Awards	33	33
Contributions to PVRP program	361	0
Gas trading and distribution licenses	2	0
Contributions by senior officers to the Executive Motor Vehicle Scheme	12	5
	<b>879</b>	<b>171</b>
<b>12. Appropriations</b>		
Consolidated Fund - Recurrent	13,279	11,859
Consolidated Fund - Capital	258	205
Consolidated Fund - AEDB Trust Fund Contributions	250	250
	<b>13,787</b>	<b>12,314</b>
<b>13. Resources Received Free of Charge</b>		
Administration Expenses		
Resources received free of charge has been determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General – audit services	10	15
State Treasury – Government Accounting services	0	3
Education Department of Western Australia	1	0
Department of Resources Development – Corporate Services	2	12
	<b>13</b>	<b>30</b>
<b>14. Liabilities assumed by the Treasurer</b>		
Superannuation	598	489

## Notes to the Financial Statements 30 June 2000

	1999/00 \$'000	1998/99 \$'000
<b>15. Cash</b>		
Operating Trust Account	947	993
Accrued Salaries for 27th Pay held at Treasury on behalf of the OOE	84	66
Cash on hand	5	5
(Accrued salaries suspense account is represented by a cash balance and is therefore equivalent to the net fair value).	<b>1,035</b>	<b>1,064</b>
<b>16. Restricted Cash</b>		
Trust Fund Balance for AEDB Trust Account (see note 31)	<b>315</b>	<b>513</b>
<b>17. Accounts Receivable</b>		
Accounts receivable	73	43
Less Provision for Doubtful Debts	0	0
(The Office does not have any significant exposure to any individual customer or counterpart. The carrying amount of accounts receivable approximates their net fair values.)	<b>73</b>	<b>43</b>
<b>18. Other Current Assets</b>		
Prepayments	<b>27</b>	<b>43</b>
<b>19. Property, Plant and Equipment</b>		
<b>Furniture and equipment</b>		
At valuation	70	83
Accumulated depreciation	70	73
	<b>0</b>	<b>10</b>
At cost	118	83
Accumulated depreciation	42	23
	<b>76</b>	<b>60</b>
<b>Computer hardware</b>		
At valuation	131	189
Accumulated depreciation	131	189
	<b>0</b>	<b>0</b>
At cost	554	521
Accumulated depreciation	367	273
	<b>187</b>	<b>248</b>
<b>Total</b>		
At cost and valuation	873	876
Accumulated depreciation	610	558
	<b>263</b>	<b>318</b>

## Notes to the Financial Statements 30 June 2000

	1999/00 \$'000	1998/99 \$'000
<b>20. Accounts Payable</b>		
Amounts payable for goods and services received (The carrying amount of accounts payable approximates their net fair values)	253	102
<b>21. Accrued Salaries</b>		
Amounts owing for the 6 working days from 23 June to 30 June 2000 (1999: 4 working days) (Accrued Salaries are settled within a few working days of the Financial year. The carrying amount of accrued salaries is equivalent to the net fair value)	117	73
<b>22. Employee Entitlements</b>		
<b>Current liabilities:</b>		
Liability for annual leave	376	347
Liability for long service leave	171	247
	<b>547</b>	<b>594</b>
<b>Non-current liabilities:</b>		
Liability for long service leave	484	364
	<b>1,031</b>	<b>958</b>
<b>Total Employee Entitlements</b> (The carrying amount of employee entitlements is equivalent to the net fair value)		
<b>23. Accumulated Surplus</b>		
Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community.		
Balance at the beginning of the year	848	1,146
Change in the net assets resulting from operations	-536	-298
<i>Balance at the end of the year</i>	<b>312</b>	<b>848</b>
<b>24. Lease Commitments</b>		
At balance date, the Office had the following operating lease commitments:		
Not later than one year	422	462
Later than one year and not later than two years	349	462
Later than two years and not later than five years	620	683
Later than five years	292	0
	<b>1,683</b>	<b>1,607</b>

## Notes to the Financial Statements 30 June 2000

	1999/00 \$'000	1998/99 \$'000
<b>25. Remuneration of Senior Officers</b>		
The number of Senior Officers whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, who fall within the following bands is:		
	NUMBER OF SENIOR OFFICERS	
	1999/00	1998/99
70,000 - 80,000	1	1
80,000 - 90,000	0	1
90,000 - 100,000	1	2
100,000 - 110,000	2	1
110,000 - 120,000	1	0
120,000 - 130,000	0	0
130,000 - 140,000	0	0
140,000 - 150,000	0	2
150,000 - 160,000	1	0
<b>Total remuneration of senior officers is:</b>	<b>656</b>	<b>747</b>
 (The figures for 1998/99 include for a senior officer who ceased employment during the year and received a termination payment)		
<b>Retirement Benefits</b>		
The following amounts in respect of retirement benefits for senior officers became payable for the financial year:		
Notional contributions to Gold State Superannuation Scheme:	<b>81</b>	<b>100</b>
No senior officers are members of the Superannuation and Family Benefits Act Scheme.		

## Notes to the Financial Statements 30 June 2000

	1999/00 \$'000	1998/99 \$'000
<b>26. Reconciliation of Net Cash Used in Operating Activities to Net Cost of Services</b>		
For the purposes of the Statement of Cash Flows, "cash" has been deemed to include cash on hand, Trust Fund balances and amounts held in suspense.		
Net cash used in operating activities	-13,900	-12,530
Decrease/(Increase) in employee entitlement	-72	99
Decrease/(Increase) in accounts payable	-151	-21
Decrease/(Increase) in accrued salaries	-44	-25
(Decrease)/Increase in Other Current Assets	-16	39
Depreciation	-169	-203
Increase/(Decreases) in accounts receivable	29	33
Liability Assumed by Government	-598	-489
Resources Received Free of Charge	-13	-30
Profit/(Loss) on disposal of non-current assets	0	-4
Net cost of services	<b>-14,934</b>	<b>-13,131</b>
<b>27. Reconciliation of Cash</b>		
For the purposes of the Statement of Cash Flows, Cash includes cash on hand and in banks and investments in money market instruments. Cash at the beginning of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash resources	1,035	1,064
Restricted cash resources	315	513
	<b>1,350</b>	<b>1,577</b>

## Notes to the Financial Statements 30 June 2000

### 28. Additional Financial Instruments Disclosures

(a) Interest rate risk exposure

The Office's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:

	2000			1999		
	Weighted Average Effective Interest Rate %	Non Interest Bearing \$'000	Total \$'000	Weighted Average Effective Interest Rate %	Non Interest Bearing \$'000	Total \$'000
<b>Assets</b>						
Cash Resources	NA	1,035	1,035	NA	1,064	1,064
Restricted Cash Resources	NA	315	315	NA	513	513
Accounts Receivable	NA	73	73	NA	43	43
<b>Total Financial Assets</b>	<b>NA</b>	<b>1,423</b>	<b>1,423</b>	<b>NA</b>	<b>1,620</b>	<b>1,620</b>
<b>Liabilities</b>						
Accounts Payable	NA	253	253	NA	102	102
Accrued Salaries	NA	117	117	NA	73	73
Employee Entitlements	NA	1,031	1,031	NA	958	958
<b>Total Financial Liabilities</b>	<b>NA</b>	<b>1,401</b>	<b>1,401</b>	<b>NA</b>	<b>1,133</b>	<b>1,133</b>
<b>Net Financial Assets (Liabilities)</b>		<b>22</b>	<b>22</b>		<b>487</b>	<b>487</b>

(b) Credit risk

All financial assets are unsecured. Amounts owing by other Government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the Office's maximum exposure to credit risk in relation to those assets.

(c) Net fair value of Financial Instruments

The carrying amounts of cash at bank, accounts receivable, accrued salaries and employee entitlements are considered to reflect their net fair value.

### 29. Contingent Liabilities

The Office has no contingent liabilities as at 30 June 2000.

### 30. Events Occurring After Reporting Date

The Office is unaware of any event occurring after reporting date that would materially affect the financial statements.

## Notes to the Financial Statements 30 June 2000

	1999/00 \$'000	1998/99 \$'000
<b>31. Trust Funds</b>		
<b>ALTERNATIVE ENERGY DEVELOPMENT BOARD GOVERNMENTAL TRUST ACCOUNT</b>		
Purpose: To hold funds for the purpose of allowing the Alternative Energy Development Board to carry out its functions.		
Opening Cash Book Balance	513	598
Receipts:		
Consolidated Fund Contribution	250	250
Payments:		
Board Member Fees	22	15
Salaries	65	63
Services & Contracts	6	3
Project Grants (Details of project grants are include in the Report of Operations)	351	254
Other Expenses	4	0
	<b>448</b>	<b>335</b>
Closing Cash Book Balance	315	513
<b>32. Audit Fees</b>		
Notional amounts charged by the Office of the Auditor General in respect of the provision of audit services:		
External Audit	10	15



## Notes to the Financial Statements 30 June 2000

	1999/00	1998/99
	\$	\$
<b>33. Supplementary Information</b>		
Write-Offs:		
During the financial year \$761.00 was written off under the authority of:		
The Accountable Officer	761	40
The Minister	0	0
Executive Council	0	0
	<b>761</b>	<b>40</b>
Losses Through Theft, Defaults and Other Causes:		
Losses of public moneys & public & other property through theft or default	597	40
Amounts written out of the Department's asset register	164	0
Amount recovered	0	0
	<b>761</b>	<b>40</b>
Gifts of Public Property:		
Gifts of public property provided by the Department	0	0

## Notes to the Financial Statements 30 June 2000

	Estimate	1999/00 Actual	Variance
	\$'000	\$'000	\$'000
<b>34. Explanatory Statement</b>			
<b>Significant variations (greater than 10% or \$100,000) between estimates and actual results for the financial year.</b>			
<b><i>OUTPUT 2 – Energy-related information</i></b>	<b>1,840</b>	<b>1,716</b>	<b>-124</b>
Under expenditure occurred as several information projects were deferred or commenced late in the financial year			
<b><i>OUTPUT 3 – Energy-related system development and Implementation</i></b>	<b>1,980</b>	<b>1,890</b>	<b>-90</b>
Under expenditure occurred as several projects, including gas reticulation in regions and electricity licensing have been carried forward.			
<b><i>OUTPUT 4 – Management, administration and ongoing enhancement of regulatory systems</i></b>	<b>2,707</b>	<b>3,386</b>	<b>679</b>
Over expenditure occurred due to increased involvement of the Office in delivering improvement in technical and safety regulation for electricity and gas			
<b><i>OUTPUT 5 – Management of energy-related projects</i></b>	<b>7,872</b>	<b>8,202</b>	<b>330</b>
Additional expenditure in 1999/2000 was available with specific grant funds carried forward from 1998/99.			
<b>CAPITAL</b>	<b>258</b>	<b>169</b>	<b>-89</b>
Under expenditure has occurred because of deferral in purchasing major IT equipment			
<b>REVENUE</b>	<b>2,132</b>	<b>2,395</b>	<b>263</b>

Unbudgeted revenue including relocation expenses and grants from the Commonwealth was received. This more than offset a significant shortfall of revenues against the estimate for operative licensing activities.

### Significant variations between 1999/00 expenditure by Output and expenditure by Output for the immediately preceding financial year.

It is not possible to make comparisons between the 1999/2000 financial year and the 1998/1999 financial year because of a significant change in the Office's Output structure to achieve more direct accountability within the Output Based Management framework of Government.

## Notes to the Financial Statements 30 June 2000

### Activity/Output Schedule of Expenses and Revenues

	Output 1	Output 2	Output 3	Output 4	Output 5	Total
	1999/00	1999/00	1999/00	1999/00	1999/00	1999/00
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenses						
Salaries and Related Costs	170	845	1021	2523	242	4801
Superannuation	40	72	80	126	280	598
Depreciation	11	20	23	36	79	169
Administration Expenses	694	694	694	694	694	3470
Accommodation expenses	88	88	88	87	87	438
Grants, Subsidies and Transfer Payments	0	0	0	0	7288	7288
Net Loss on disposal of Non-Current Assets	0	0	0	0	0	0
<b>Total operating expenses</b>	<b>1003</b>	<b>1719</b>	<b>1906</b>	<b>3466</b>	<b>8670</b>	<b>16764</b>
Revenues from services						
User Charges and Fees	0	93	392	1546	394	2425
<b>Total revenues form services</b>	<b>0</b>	<b>93</b>	<b>392</b>	<b>1546</b>	<b>394</b>	<b>2425</b>
<b>Net cost of services</b>	<b>1003</b>	<b>1626</b>	<b>1514</b>	<b>1920</b>	<b>8276</b>	<b>14339</b>
Revenues from Government						
Appropriations	931	1513	1390	1737	8216	13787
Resources received free of charge	2	2	3	3	3	13
Liabilities assumed by the Treasurer	40	72	80	126	280	598
<b>Total revenues from Government</b>	<b>973</b>	<b>1587</b>	<b>1473</b>	<b>1866</b>	<b>8499</b>	<b>14398</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS BEFORE ABNORMAL ITEMS AND NET REVENUE (EXPENSE) FROM RESTRUCTURING</b>	<b>-30</b>	<b>-39</b>	<b>-41</b>	<b>-54</b>	<b>223</b>	<b>59</b>

Comparative Estimate figures for Recurrent services are not available due to the change in Output structure from 1998/99 to 1999/00



## Auditor General

**To the Parliament of Western Australia**

**OFFICE OF ENERGY  
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2000**

**Scope**

I have audited the key effectiveness and efficiency performance indicators of the Office of Energy for the year ended June 30, 2000 under the provisions of the Financial Administration and Audit Act 1985.

The Coordinator of Energy is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Office's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

**Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Office of Energy are relevant and appropriate for assisting users to assess the Office's performance and fairly represent the indicated performance for the year ended June 30, 2000.

A handwritten signature in blue ink, appearing to read 'D D R Pearson'.

**D D R PEARSON**  
**AUDITOR GENERAL**  
September 21, 2000

## Certification of Performance Indicators

I certify that these performance indicators are based on proper records and fairly represent the performance of the Office of Energy for the financial year ending 30 June 2000.



Les Farrant  
Coordinator of Energy  
30 August 2000

## Performance Indicators 1999/2000

### OUTCOME:

Promotion of a safe and competitive environment for the provision of reliable and efficient energy services meeting the needs of the community.

### PREAMBLE:

The Office of Energy seeks to promote conditions that will enable benefits to flow to the economy and community in Western Australia through activities in the energy sector. The achievement of the above outcome is impacted by a range of factors. Many of these factors are external to the Office of Energy and outside of its control. However the Office of Energy contributes to this outcome through the delivery of its outputs.

The performance indicators include information relating to pricing (see Performance Indicators 2 and 6) by the two State-owned energy corporations - Western Power and AlintaGas. The information is primarily taken from their annual reports and is a general indicator of trends in energy prices. There is increasing private sector participation in the energy industry and the information on Western Power and AlintaGas does not relate to those private sector activities.

Information relating to energy pricing by private sector participants is commercially sensitive and not readily available to the Office of Energy. Therefore indicators on the amount of private sector participation have been included and in particular, the proportion of total electricity generated by private participants and transport of sales gas through transmission lines by private participants, to demonstrate the increasing private sector participation and greater competition (see Performance Indicators 5 and 8) in the energy industry in WA.

The Office of Energy strives to promote greater competition in the electricity and gas industries by creating the environment for other participants to enter the market.

Over time, this greater competition will trigger market forces to improve the conversion and delivery of energy, improve operational management, and source cheaper fuels, all resulting in energy being produced and delivered to users at lower real costs.

In an increasingly competitive energy market, community safety and consumer protection mechanisms of the regulatory framework should ensure acceptable minimum standards of safety and supply. Indicators are included of safety (see Performance Indicators 9 and 10) in the supply and use of electricity and gas.

Information is also provided on electricity and gas supply reliability and electricity generation efficiency (See Performance Indicators 3, 7 and 4). This information relates to Western Power and AlintaGas and is taken from their annual reports. Once again data from private sector participants is not readily obtainable.

The OOE significantly contributes to improving performance of Western Power and AlintaGas by:

- Providing advice to the Minister for Energy on the corporations' performance and significant investments, including comparisons with performance of other Australian and overseas energy companies.
- Negotiating, on behalf of the Minister for Energy, the agreed performance targets in the Strategic Result Areas of the Strategic Development Plans (SDP) and Statements of Corporate Intent (SCI) of the corporations, including strategies for achieving those targets

The following are the Office of Energy's key effectiveness performance indicators as required by Treasurer's Instruction 904.

## Effectiveness Indicators 1999/00

### MINISTER FOR ENERGY RATING OF EFFECTIVENESS

The Minister for Energy is in a unique position to rate the overall effectiveness of the Office of Energy in its work towards the achievement of its Outcome in 1999/2000. The Boards of both the State owned energy corporations, Western Power and AlintaGas respond to him as he represents the interests of the State in relation to the operation of the corporations. The statutory positions of Coordinator of Energy and Director of Energy Safety respond to him on a range of energy-related issues including assisting with planning and coordinating the provision of energy in the State, providing advice on energy policy, and advice on public safety outcomes in the energy sector. The Minister also responds to community representations on a range of energy-related matters.

This performance indicator provides the Minister for Energy's rating on the effectiveness of the Office of Energy in working towards the achievement of its Outcome.

#### Performance Indicator Number 1

<p><b>To what extent has the Office of Energy promoted a safe and competitive environment for the provision of energy services meeting the needs of the community.</b> (1 = not a significant extent, 5 = a very significant extent).</p>	<p><b>Rating</b></p>
	<p><b>3</b></p>

Note: This is the first year that this performance indicator has been reported and therefore no comparative data is available.

### ELECTRICITY PRICE - WESTERN POWER DATA

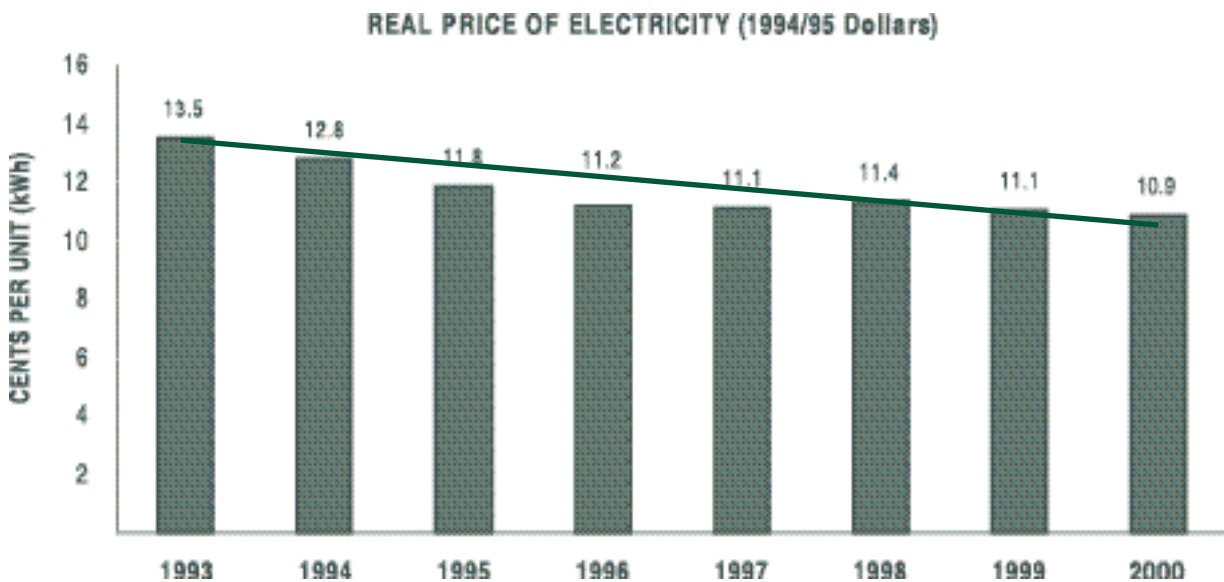
The following information on the trend in the price of electricity supplied by SECWA and Western Power gives a general indication of the trend in electricity prices over time. Pricing of electricity by private sector providers is commercially sensitive and not readily available.

## Effectiveness Indicators 1999/00

### Performance Indicator Number 2

2 Average Price of electricity supplied by SECWA (prior to 1995) and by Western Power (after 1 January 1995) across all customer classes

The following graph relates to financial years.



### ELECTRICITY RELIABILITY – WESTERN POWER DATA

This performance indicator provides information on the reliability of electricity supply by Western Power.

### Performance Indicator Number 3

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Average Customer Outage Duration (mins/annum)	181	110	500	146	159	208	157	134	228
Outage Frequency (Total number of interruptions/customer pa)	2.6	1.5	3.4	1.7	1.8	2.3	1.7	NA	NA

Note: Major causes of increase in outage duration in 1999/2000 were severe storms in October 1999 and industrial action in July 1999.



## Effectiveness Indicators 1999/00

### ELECTRICITY GENERATION EFFICIENCY – WESTERN POWER DATA

The thermal efficiency is a broad indicator of how efficiently the energy in the various fuels used by Western Power Corporation is converted to electricity. Increased efficiency reduces greenhouse gas emissions.

#### Performance Indicator Number 4

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Thermal Efficiency for kWh generated (%)	32.8	33.6	33.2	32.6	32.8	31.9	30.1	32.4	31.6
Thermal Efficiency for kWh generated (%) (Australian Average)	35.4	35.2	34.9	NA	33.4	33.4	33.3	33.3	NA

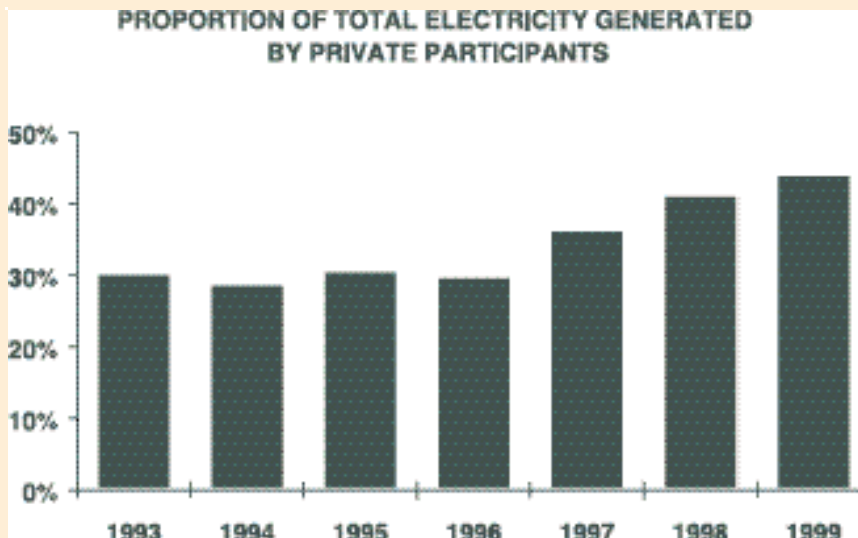
Note: Thermal efficiency varies depending on the fuel being used in electricity generation. This should be considered when making a comparison of Western Australian and average Australian information.

### ELECTRICITY - PRIVATE PARTICIPATION

The pricing of electricity by private suppliers is commercially sensitive and not readily available. This indicator provides information on the increasing overall level of private sector participation in the market. The dominance of the State owned electricity supplier has diminished over time.

#### Performance Indicator Number 5

The following graph relates to financial years.



Note: The result for 2000 was unavailable at the time of presenting this indicator.

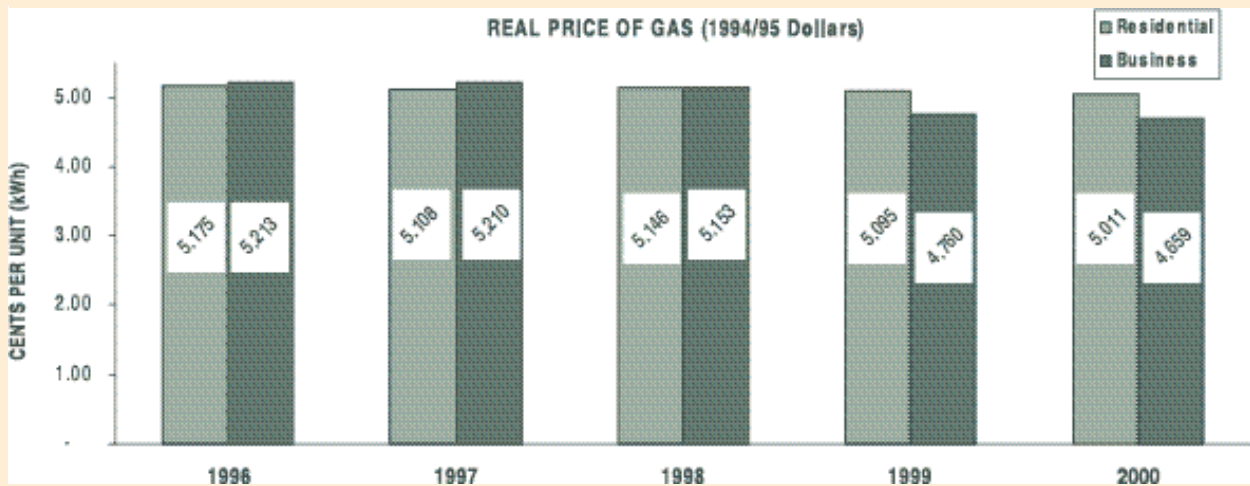
## Effectiveness Indicators 1999/00

### GAS - ALINTAGAS DATA

The following information on the trend in the price of gas supplied by AlintaGas to its tariff customers gives a general indication of the trend in gas prices to the community over time. Pricing of gas by private sector providers to larger users is commercially sensitive and not readily available.

#### Performance Indicator Number 6

The following graph relates to financial years.



### GAS RELIABILITY - ALINTAGAS DATA

This performance indicator provides information on the reliability of gas supply by AlintaGas.

#### Performance Indicator Number 7

	1995/96	1996/97	1997/98	1998/99
Supply Interruptions (Average seconds lost per customer as a result of supply interruptions)	372	16	10.2	NA
Unplanned Interruptions (Number of interruptions per 1000 customers)	5.6	3.9	3.5	3.5

Note: Information for 1999/2000 was unavailable at the time of presenting this indicator.

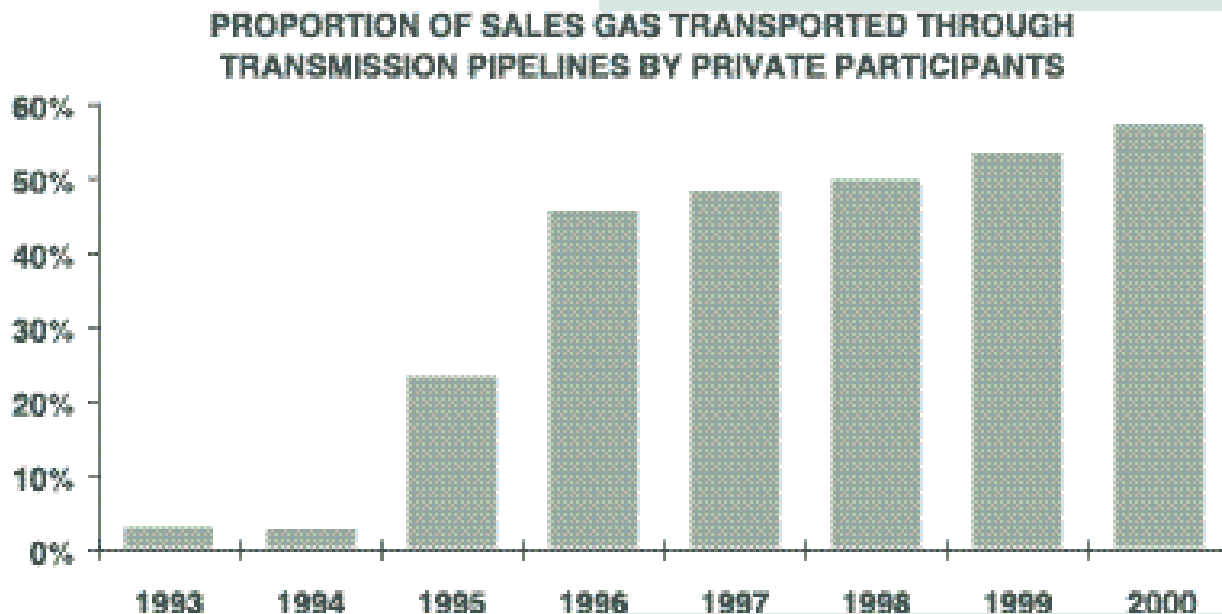
## Effectiveness Indicators 1999/00

### GAS - PRIVATE PARTICIPATION

The pricing of gas by private suppliers is commercially sensitive and not readily available. This indicator based on gigajoules.kilometers relates to volume sold and distance transported, and provides information on the overall level of private sector participation in the gas market. The indicator shows that the dominance of the State owned gas supplier has diminished over time.

The following graph relates to financial years.

#### Performance Indicator Number 8



Note: Estimated on the basis of GJ. km, and not always based on precise distances transported.

## Effectiveness Indicators 1999/00

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### ELECTRICAL SAFETY

#### Background Information

The Office of Energy maintains information on electrical accidents and wilful incidents. Many issues contribute to electricity related accidents. The Office of Energy cannot be held responsible for any individual accident or willful incident. However, the Office of Energy actively seeks to minimise the number of accidents by auditing industry work, licensing operatives, improving technical standards and generally promoting electrical safety at work, in the home and in public places.

#### Performance Indicator Number 9

##### 9.1

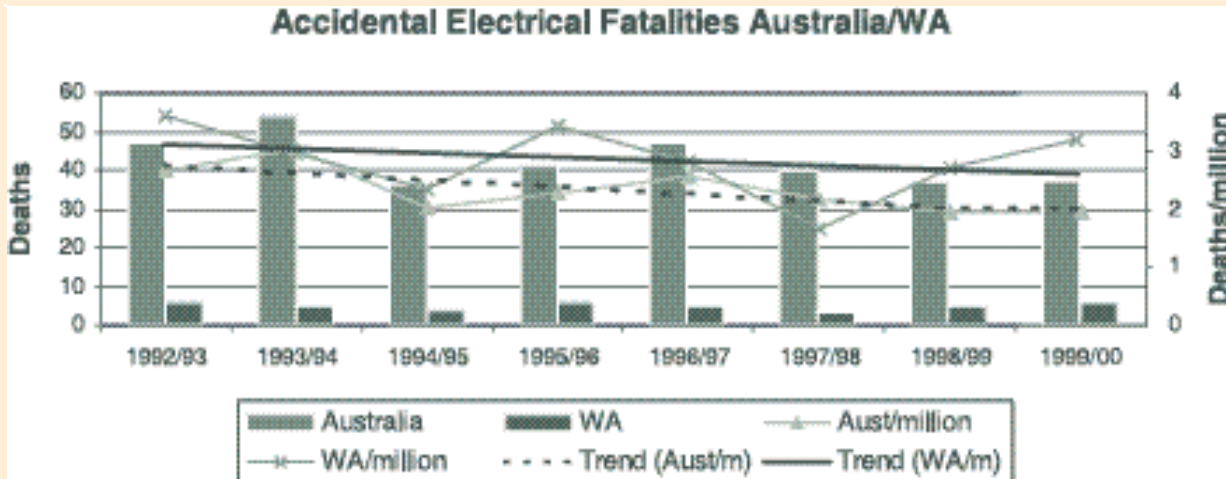
Five year average of electricity related accidents notified per 100 000 population (not including wilful incidents)	
Year	Accidents
1993/94	2.4
1994/95	2.4
1995/96	2.4
1996/97	2.3
1997/98	2.0
1998/99	1.9
1999/2000	1.7

#### Notes to Electrical Safety Performance Indicator:

These statistics include data published by SECWA, which had responsibility for electrical safety regulation up to 31 December 1994. An electricity related accident is defined as an incident which resulted from a sudden discharge of electricity and where one or more persons required medical treatment from a First Aid Officer or from a Medical Practitioner.

## Effectiveness Indicators 1999/00

9.2 The following graph relates to financial years.



Notes to Comparative Data Performance Indicator:

The Electrical Regulatory Authorities Council produces annual statistics on accidental electrical fatalities, which give a comparative indication of safety across Australia. This graph does not include the figure for the Northern Territory as it was unavailable at the time of preparing this graph.

## Effectiveness Indicators 1999/00

### GAS SAFETY

#### Background Information

The Office of Energy maintains information on gas accidents and willful incidents. Many issues contribute to gas related accidents. The Office of Energy cannot be held responsible for any individual accident or willful incident. However, the Office of Energy actively seeks to minimise the number of accidents by auditing industry work, licensing operatives, improving technical standards and generally promoting gas safety at work, in the home and in public places.

#### Performance Indicator Number 10

Five year average of gas related accidents notified per 100 000 population	
Year	Accidents
1993/94	1.2
1994/95	1.0
1995/96	0.8
1996/97	0.8
1997/98	0.7
1998/99	0.6
1999/00	0.6

#### Notes to Gas Safety Performance Indicator:

These statistics include data published by SECWA, which had responsibility for gas safety regulation up to 31 December 1994.

Gas related accidents are defined as accidents causing injury and assessed as having gas as their primary cause.

## Efficiency Indicators 1999/2000

### OUTPUT 1: POLICY ADVICE AND BRIEFINGS.

#### Background Information

Policy advice is provided to the Minister for Energy and Government in support of initiatives and issues related to energy supply and use.

#### Performance Indicator No. 1

	1998/99	1999/2000
Average cost per policy advice.	\$1,023	\$1,029

#### Notes to this performance indicator:

There are various types of policy advice activity and they vary in time and resources required. This general indicator therefore gives an average cost per policy advice.

### OUTPUT 2: ENERGY-RELATED INFORMATION.

#### Background Information

The Office of Energy provides unbiased information products and services on energy-related matters to Government agencies, the public and industry.

#### Performance Indicator No. 2

	1999/2000
Weighted average cost per energy-related information product and service.	\$53

#### Notes to this performance indicator:

There are various types of information products and services provided and the time and resources required varies. This performance indicator therefore gives an average cost per information product or service. This is the first time this efficiency indicator has been reported and therefore no comparative data is available. This indicator will be reported in future years and a trend reported.

A weighting has been applied to this performance indicator due to the variation in the type and volume of information products and services provided. The formula used for the weighting is  $(\text{quantity} \times \text{average price} + \text{quantity} \times \text{average price}) / (\text{quantity} + \text{quantity})$ .

# Efficiency Indicators 1999/2000

**OUTPUT 3: ENERGY-RELATED SYSTEM DEVELOPMENT AND IMPLEMENTATION.**

**Background Information**

The Office of Energy develops and implements systems to facilitate increased competition in the energy market, renewable and energy efficiency initiatives, a technical and safety regulatory regime, and Government’s social and community obligations in relation to the energy sector.

**Performance Indicator No. 3**

	<b>1999/2000</b>
Weighted average cost per system developed and/or implemented.	\$1,592,258

**Notes to this performance indicator:**

There are various types of systems developed and/or implemented and the time and resources required varies. This general indicator therefore gives an average cost per system developed and/or implemented. This is the first time this efficiency indicator has been reported and therefore no comparative data is available. This indicator will be reported in future years and a trend reported.

A weighting has been applied to this performance indicator due to the variation in the type and volume of systems developed and/or implemented. The formula used for the weighting is  $(\text{quantity} \times \text{average price} + \text{quantity} \times \text{average price}) / (\text{quantity} + \text{quantity})$ .

**OUTPUT 4: MANAGEMENT, ADMINISTRATION AND ONGOING ENHANCEMENT OF REGULATORY SYSTEMS.**

**Background Information**

The Office of Energy provides regulatory systems for a safe and competitive energy industry. This performance indicator provides the average cost per regulatory action by the Office of Energy including licensing of electrical and gas operatives, electrical and gas audits, inspections and investigations, and electrical and gas authorisations.

**Performance Indicator No. 4**

	<b>1999/2000</b>
Weighted average cost per regulatory action.	\$97

**Notes to this performance indicator:**

There are various types of regulatory actions and the time and resources required varies. This general indicator therefore gives an average cost per regulatory action. This is the first time this efficiency indicator has been reported in this aggregated format and therefore no comparative data is available. This indicator will be reported in future years and a trend reported.

A weighting has been applied to this performance indicator due to the variation in the type and volume of regulatory actions. The formula used for the weighting is  $(\text{quantity} \times \text{average price} + \text{quantity} \times \text{average price}) / (\text{quantity} + \text{quantity})$ .





## Efficiency Indicators 1999/2000

### OUTPUT 5: MANAGEMENT OF ENERGY-RELATED PROGRAMS.

#### Background Information

The Office of Energy manages a range of projects to facilitate social and community aspects of energy services and energy efficiency.

#### Performance Indicator No. 5

	1999/2000
Weighted average cost per energy-related program.	\$2,673

#### Notes to this performance indicator:

There are various types of energy-related programs managed and the time and resources required varies.

This general indicator therefore gives an average cost per energy-related program managed. This is the first time this efficiency indicator has been reported and therefore no comparative data is available. This indicator will be reported in future years and a trend reported over time.

A weighting has been applied to this performance indicator due to the variation in the type and volume of energy-related programs. The formula used for the weighting is  $(\text{quantity} \times \text{average price} + \text{quantity} \times \text{average price}) / (\text{quantity} + \text{quantity})$ .





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