



## **MEDIA STATEMENT**

**21 DECEMBER 2007**

### **Public feedback sought on review of electricity retail market**

Public submissions are invited on an Issues Paper released today as part of the 'Electricity Retail Market Review'.

The review involves a study of:

- electricity retail tariff arrangements;
- the introduction of full retail contestability (which provides all consumers their choice of electricity retailer); and
- the roll-out of smart meters.

The review will include an assessment of current tariff arrangements, the future tariff adjustment mechanism, and the structure and level of regulated tariffs for all residential, community and business customers.

"Our aim is to ensure that tariffs reflect the real costs of producing and supplying electricity and are at levels that are sustainable into the future, appropriately balancing the interests of the environment, the economy and consumers. The review will also examine the ability of alternative tariff structures to influence desirable customer behaviours such as energy conservation," commented Mr Jason Banks, Coordinator of Energy.

A cost-benefit analysis of the implementation of full retail contestability will also be conducted as part of the review. This will include an assessment of the arrangements needed to implement full retail contestability, such as appropriate legislation, market rules, a market operator, IT systems and customer protection measures.

The review will also involve a cost-benefit analysis of the introduction of smart meters to facilitate the introduction of time-of-use pricing so that customers can better manage their use of electricity during peak periods.

"We have engaged a consultant to undertake detailed economic modelling to assist with the review. This economic modelling will be completed in February and will inform Government on the magnitude of the required increases in tariffs," added Mr Banks.

The next round of public consultation will involve consultation on a draft recommendations paper to be released for a four week consultation period in February 2008. The Office of Energy will complete the review and prepare a report with its recommendations for Minister Logan's consideration in March 2008.



Office of Energy  
Government of Western Australia

The Issues Paper is available from the Office of Energy's website at:  
<http://www.energy.wa.gov.au> or by phoning (08) 9420 5600.

Submissions are to be sent to the Office of Energy (Email: [electricityreview@energy.wa.gov.au](mailto:electricityreview@energy.wa.gov.au))  
by **5pm on Friday, 25 January 2008**.

**ENDS**