

Our ref: EDM 63948856  
Contact: Chris King

16 June 2023

Energy Policy WA  
Level 1, 66 St Georges Terrace  
Perth WA 6000

**By email: [EPWA-licence-exemptions@dmirs.wa.gov.au](mailto:EPWA-licence-exemptions@dmirs.wa.gov.au)**

Dear Energy Policy WA,

**Western Power response to licence exemption application submitted by Blair Fox Pty Ltd**

Thank you for the opportunity to provide feedback on the permanent exemption application under section 8 of the *Electricity Industry Act 2004* (Act) from the requirement to hold a Distribution Licence as defined in section 4(1)(c) and required under section 7(3) of the Act submitted by Blair Fox Pty Ltd (Blair Fox) and published by Energy Policy WA (EPWA) on 29 May 2023 (Application).

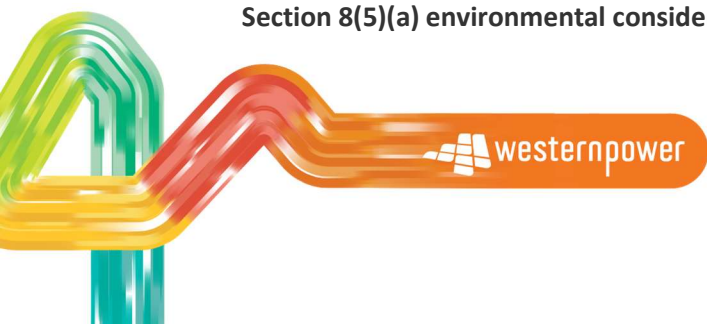
The Application is in relation to the distribution network at Beros Road, Warradarge, which Blair Fox operates on behalf of Indian Ocean Farms Pty Ltd (Blair Fox Network). The Blair Fox Network supplies two properties: Beros Road, Warradarge and Chatfield Clarke Road, Eneabba and traverses third-party property and Declared Rare and Priority Flora sites.

Western Power is concerned that without the protections and assurances of the licensing regime there is a risk that asset failures may be more likely to occur on the Blair Fox Network. Further, given the potential negative impact of an asset failure on third parties and the environment, the management of Blair Fox's assets and network risks are of public interest. Therefore, Western Power is of the view that Blair Fox should not be exempt from the requirement to hold the License.

Under Section 14 of the *Electricity Industry Act 2004* (Act), all licensees must provide for an asset management system in respect of the licensee's assets. The asset management system sets out measures to be taken by the licensee for the proper maintenance of those assets used in the supply of electricity and in the operation of the associated distribution system. The licence conditions also specify that the licensee must provide the Economic Regulatory Authority (ERA) with a regular independent report assessing the effectiveness of the asset management system. The ERA's role in monitoring and enforcing any contraventions under the Licence provides assurance that any asset failure and associated risks will continue to be adequately managed by an independent regulator and that the asset management system is aligned with good industry practice.

Section 8(5) of the Act specifies matters to be taken into account when determining if granting the Application would not be contrary to the public interest. Western Power is of the view that the following matters demonstrate that granting the Application is contrary to the public interest:

**Section 8(5)(a) environmental considerations**



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Protected flora will be exposed to increased risk of bushfire due to asset failures on the Blair Fox Network.

**Section 8(5)(b) social welfare and equity considerations, including community service obligations**

The social welfare of the community in the vicinity of the Blair Fox Network will be impacted by exposure to increased risk of bushfire due to asset failures on the Blair Fox Network.

**Section 8(5)(e) the interests of any licensee, or applicant for a license, in respect of the area or areas to which the order, if made, would apply**

The interests of Western Power as a licensee will be impacted as Western Power assets in the area will be exposed to increased risk of bushfire due to asset failures on the Blair Fox Network. These interests include the safety and reliability of supply of Western Power customers.

**Section 8(5)(g) the policy objectives of government in relation to the supply of electricity**

The published policy objective of the WA Government's Energy Transformation Strategy to maintain a secure and reliable electricity supply will be impacted by exposure of Western Power assets in the area to increased risk of bushfire due to any asset failures on the Blair Fox Network.

Western Power is willing to discuss this further with EPWA. If you would like to discuss any aspect of our response, please feel free to contact myself or Chris King.

Yours sincerely

**Zahra Jabiri**

Head of Regulation and Investment Assurance