

19 June 2025



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

Sent via email: energymarkets@dmirs.wa.gov.au

Dear Energy Policy WA,

Proposed changes to the Pilbara, GSI and ESM Regulations – transitional rule-making powers and civil penalties

The Chamber of Minerals and Energy of WA (CME) is the peak representative body for the resources sector in Western Australia. CME is funded by member companies responsible for 90 per cent of the State's mineral workforce employment.¹

In 2023-24, the WA resources sector accounted for 45 per cent of WA's economic activity,² 93 per cent of goods exports³ and 43 per cent of investment.⁴ The sector contributed one third (31.5 per cent) of the WA Government's general revenue via royalties, payroll and other taxes and fees,⁵ enabling the provision of essential public goods and services such as doctors and nurses, teachers and police. CME's 2023-24 Economic Contribution Survey found that the WA resources sector supported 3 in 10 jobs in the State.⁶

Minister's rule making powers (Pilbara and GSI Regulations)

CME remains supportive of the actions being taken by the State Government under the Pilbara Energy Transition Plan to open up the North West Interconnected System (NWIS) to increased renewable generation and storage, to unlock low-carbon investments in the Pilbara.

CME is also supportive of actions to move forward with implementing policy solutions in line with the WA Domestic Gas (DomGas) Inquiry, including assessments of the Gas Services Information (GSI) Rules. CME notes that the WA parliament called for submissions into the Inquiry into the WA Domestic Gas Policy in August 2023⁷ and the DomGas Inquiry Final Report⁸ called for greater market transparency and improvements to assist in accurate supply and demand forecasting. The Coordinator, in consultation with the Gas Advisory Board (GAB) and the Australian Electricity Market Operator (AEMO), is assessing the GSI Rules in line with the findings of the Inquiry.

The Electricity Industry (Pilbara Networks) Regulations 2021 (Pilbara Regulations) and Gas Services Information (GSI) Regulations 2012 (GSI Regulations) do not currently provide the Minister for

¹ Government of Western Australia, [2023-24 Economic Indicators Resource Data File](#), full-time equivalents onsite under State legislation, Department of Energy, Mines, Industry Regulation and Safety, 29 October 2024.

² As measured by gross value add (GVA). Australian Bureau of Statistics, [5220 Australian National Accounts: State Accounts](#), Table 6.

³ Department of Energy, Mines, Industry Regulation and Safety (DEMIRS), [2023-24 Economic Indicators Resource Data File](#), released 29 October 2024.

⁴ Includes Gross Fixed Capital Formation plus minerals and petroleum exploration. Australian Bureau of Statistics, [5220 Australian National Accounts: State Accounts](#), Table 25. Australian Bureau of Statistics, [8412 Mineral and Petroleum Exploration](#), Table 4.

⁵ Includes royalties, Commonwealth grants from North West Shelf royalties and iron ore lease rentals plus surveyed expenditure on payroll and other taxes and fees. Government of Western Australia, [2023-24 Annual report on State finances](#), Department of Treasury, 27 September 2024, Table 2.1 Operating Revenue: General Government, pp 164-165; CME 2023-24 Economic Contribution Survey.

⁶ Direct and indirect jobs. CME, [2023-24 Economic Contribution: Western Australia](#), March 2025.

⁷ CMEWA, 2023, [Inquiry into the WA Domestic Gas Policy - Submission to the Economics and Industry Standing Committee](#), August 2023

⁸ Parliament WA, 'Domestic Gas Security in a Changing World: Inquiry into the WA Domestic Gas Policy: Final Report', August 2024



Energy (Minister) with the power to make, amend or repeal individual Pilbara Networks Rules or GSI Rules. CME notes the proposal from Energy Policy WA (EPWA) to introduce temporary rule making powers for the Minister (for two years to 31 October 2027) to facilitate:

- i. the Pilbara Network Rules Project. CME acknowledges that formal consultation⁹ was recently held on the Pilbara Network Rules, and that further work will be undertaken with stakeholders on an informal basis under the Pilbara Energy Roundtable to determine an appropriate suite of changes to implement the proposals, and;
- ii. the GSI Regulations which are anticipated following the Review of the [GSI Rules](#) and changes to the GSI framework arising from the Allowable Revenue Framework (ARF) Review.

CME is supportive of the introduction of temporary rule-making powers, subject to the caveat that any proposed changes to either set of Rules will be subject to robust public consultation (where they have not been already), during which there will be an opportunity to comment on the recommendations that emerge from the Pilbara Network Rules Project and the GSI Review.

CME notes that EPWA has been updating the civil penalty provisions in Schedule 1 in accordance with the evolution of the Electricity System Market (ESM) Regulations. As a result, EPWA has identified clauses warranting urgent implementation (category C classification) due to the potentially significant impact a breach of the relevant clause can have on the market and its operations. CME is supportive of these changes to maintain a robust civil penalty regime to deter behaviours that may negatively affect the Wholesale Electricity Market (WEM). This is important to our members who rely on reliable cost-competitive energy for the viability of their operations.

CME notes the proposal to correct the exclusion of delegates of AEMO (employees and officers of Delegates of AEMO) from immunity provisions in the next round of changes to the ESM Regulations. CME supports this proposal, noting that it ensures AEMO is accountable for any negligence, and allow the Economic Regulatory Authority (ERA) to issue civil penalties as it deems appropriate. However, it is important such penalties are not simply passed on to market participants given the AEMO's not-for-profit status. More broadly, the development of a new ARF provides the opportunity to explore more effective measures to incentivise and support AEMO's performance.

CME looks forward to continued engagement with EPWA on the evolution of the regulatory framework and looks forward to clarity on the forward plans for reforms and implementation.

Should you have any questions regarding this submission, please contact Steven Mills (Manager – Climate and Energy) on 0428 920 314 or Aaron Walker (Head of Economics) on 0477 679 195.

Yours sincerely,

Anita Logiudice

Director – Policy and Advocacy

⁹ EPWA [Evolution of Network Rules consultation paper](#), February 2024

