



INDEPENDENT PRICING AND REGULATORY TRIBUNAL of New South Wales

Annual Report 1999/2000





**INDEPENDENT PRICING AND REGULATORY TRIBUNAL
of New South Wales**

28 November 2000

The Hon Bob Carr MP
Premier of NSW
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Premier,

**INDEPENDENT PRICING AND REGULATORY TRIBUNAL
ANNUAL REPORT 1999/00**

As required by the Annual Reports (Statutory Bodies Act) 1984, we are pleased to submit the annual report of the Independent Pricing and Regulatory Tribunal for the year ended 30 June 2000.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Thomas G. Parry'.

Thomas G. Parry
Chairman

A handwritten signature in black ink, appearing to read 'James Cox'.

James Cox
Member

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WHAT WE DO

The role of the Independent Pricing and Regulatory Tribunal of New South Wales (IPART) is to:

- set maximum prices and review the pricing of New South Wales Government monopoly services, in particular electricity, water and public transport
- regulate natural gas pricing and third party access to gas distribution networks
- undertake general reviews of industry, pricing and competition
- register agreements for access to public infrastructure assets, and arbitrate any disputes about such agreements.

PRINCIPAL ACHIEVEMENTS of IPART in 1999/2000

- Releasing three year maximum price determinations for the water, sewerage and drainage services provided by Hunter Water Corporation, Gosford City Council and Wyong Council.
- Releasing an interim maximum price determination for Sydney Water Corporation.
- Recommending proposed terms and conditions of operating licences for Sydney Water Corporation and Sydney Catchment Authority.
- Releasing one year maximum price determinations for SRA(CityRail) and STA.
- Approving a final access arrangement for Great Southern Network's gas distribution network.
- Approving a revised access arrangement for Albury Gas Company's gas distribution network.
- Reviewing pricing arrangements for the delivered price of gas in Albury and Wagga Wagga.
- Establishing the annual revenue requirement for electricity distribution networks in NSW for the period to June 2004.
- Determining the retail margins for the franchise retail supply of electricity to December 2000.
- Ensuring that all determinations appropriately include the effects of the new tax system, in compliance with ACCC guidelines.
- Reviewing the taxi cab and hire car industry.

OUR CORPORATE PLAN

MISSION

To provide an acceptable balance between competing claims within the NSW community, and to promote an increasingly competitive environment through price regulation, industry reviews and by ensuring access to infrastructure facilities.

OUR VISION

To be highly respected by our key stakeholders for our independence, professionalism and competence.

OUR CORPORATE OBJECTIVES

Our objectives are to:

- achieve the most feasible pricing outcomes by balancing competing claims within the community
- provide high quality advice to Government on industry issues
- optimise effective access to key public utility infrastructure services
- consult widely with our stakeholders
- achieve excellence in organisational and staff performance.

OUR CORPORATE VALUES

- independence
- fairness
- consistency
- excellence
- continuous improvement
- teamwork
- responsiveness.

CHAIRMAN'S REPORT



Thomas Parry
Chairman

“For the first time in New South Wales, there will be an integrated system of economic regulation and licence regulation, including standards of service for the water, electricity and gas industries.”

IPART has had a very challenging year. We achieved a comprehensive work program in respect of the utilities for which we determine maximum prices and/or regulate access terms and conditions – electricity and gas, water and public passenger transport. We also completed several major one-off reviews, including a review of the taxi cab and hire car industry, and the preparation of new operating licences for Sydney Water Corporation and Sydney Catchment Authority.

Our workload included medium term reviews of electricity – determining a new medium term revenue/price path for the distribution businesses, gas – reviewing access arrangements for all the State’s gas distribution businesses including a revised arrangement for AGL, and water – setting medium term price paths for the regulated urban water agencies.

Details of IPART’s various inquiries and investigations can be found on our website (www.ipart.nsw.gov.au) which provides an up to date source of our terms of reference, submissions, transcripts of hearings, and reports.

In last year’s annual report, I drew attention to the overly complex and arguably costly set of arrangements for regulating major energy utility infrastructure. Nothing has changed. If anything, things have got worse. In electricity, the already complex set of regulatory arrangements administered by NEMCO, NECA, ACCC and the jurisdictional regulators is deteriorating as full retail contestability unfolds. The gas industry is rapidly following the same path. Policy makers must rethink the regulatory models in electricity and gas as a matter of increasing urgency.

However, from late 2000 there will be significant convergence and rationalisation in the regulation of electricity, gas and water in this State. Parliament has passed legislation allocating IPART responsibility for regulating these industries. Commencing 1 November, IPART will assume the licensing and licence compliance functions currently undertaken by the Ministry of Energy and Utilities. In particular, we will advise the Minister on the licensing or authorisation of gas, electricity and water businesses. We will also monitor, report and advise the Minister on whether these businesses are complying with their licence conditions. IPART will have its own powers to enforce compliance with licence conditions and to recommend to the Minister appropriate sanctions for breaching such conditions. For the first time in New South Wales, there will be an integrated system of economic regulation and licence regulation, including standards of service for the water, electricity and gas industries. IPART looks forward to its challenging new role in implementing the new system.

The coming year promises to be at least as busy as the past year was for our organisation. Reflecting government policy, the move to full retail contestability in gas and electricity requires that default tariff arrangements be implemented for both these industries for several years at least, while effective competition unfolds. IPART will play a major role in setting and monitoring these default tariffs.

As I have noted in previous reports, the work of IPART depends on the support of our key external stakeholders. The past year has been no exception. In particular, I acknowledge the tremendous contributions of the interest groups which have been active in the many consultation groups formed by the Secretariat in the electricity, gas, water and transport areas.

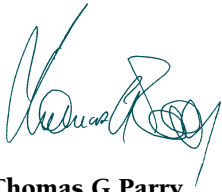
CHAIRMAN'S REPORT

As ever, of greatest importance to our work is our Secretariat. The past year has seen continuing pressures on our staff, who continue to perform an outstanding task in meeting the demands of IPART's ever increasing agenda. We have barely kept pace with the workload. With the significant expansion of our functions, we hope to have an opportunity to appropriately enhance our resources – both internal and external. I have absolutely no doubt that the benefits flowing to the people of New South Wales from IPART's diverse and expanding activities will continue to greatly outweigh our very modest costs.

During the year, John Dulley, Secretariat General Manager, retired. He was instrumental in establishing this government agency, first as the Provisional Prices Tribunal and then, as the Government Pricing Tribunal in 1992. His contribution over the years has been invaluable as we have grown and developed to become the organisation we are today. I would like to extend a personal tribute and my thanks to John Dulley. I know this appreciation is shared by all who have worked with him over the past eight years.

Part time Tribunal Member, Liza Carver, completed her three year term on 30 June 2000. Her legal and welfare background, combined with her involvement in regulatory matters in other jurisdictions, were of great assistance to IPART. This was particularly the case with the application of the new National Electricity Code.

All at IPART look forward to the demands and challenges of the coming year with keen anticipation.



Thomas G Parry
Chairman

IPART

The Independent Pricing and Regulatory Tribunal is headed by a group of three permanent members plus temporary members appointed by the Premier from time to time. This group is known as the Tribunal.

Permanent Members

Chairman

Dr Thomas G Parry BEc (Hons), MEd, PhD

Appointed for five years from 7 June 1995. Reappointed for an additional five year term from 1 July 2000. Chairman of First State Super. Former Dean of Commerce, University of Wollongong.



Full-time member

Mr James Cox BSc (Econ) (Hons), MA (Econ)

Appointed for five years from 22 February 1996. Former Principal Adviser, Government Pricing Tribunal/IPART, 1992–96. Consultant, NSW Cabinet Office, 1989–92. Principal Economist, Office of EPAC, 1986–89.



Part time member

Ms Liza Carver BEc, LLB, LLM

Appointed for three years from 1 July 1997 to 30 June 2000. Currently a lawyer with Gilbert and Tobin, Executive Member and Treasurer of the Consumers' Federation of Australia, and a member of the NSW Premier's Council for Women. Former Associate Member of the Australian Competition and Consumer Commission.



Temporary Members

Ms Cristina Cifuentes BEc, LLB (Hons)

Appointed 9 September 1996 to 8 September 2000 to assist with gas regulation issues. Appointed 1 July 2000 to 30 June 2003 as part time member. Currently a Board member of NSW Treasury Corporation and First State Super. Previously Investment Strategist/Group Economist with BNP Investment Management, Senior Economist with NSW Treasury and with Rothschild Australia, and Head of Legal Policy, Australian Securities Commission. Formerly a member of the Premier's Council for Women.

Professor Warren Musgrave MSc Agr, PhD

Appointed 22 February 1996 to 31 December 2000 to assist with reviews of the pricing policies of local water authorities and of rural bulk water pricing. Emeritus Professor of Agricultural Economics at the University of New England. Catchment Assessment Commissioner, 1995. Special Adviser, Natural Resources to the Premier's Department, 1995–2000.

Mr John Ward BSc

Appointed 15 September 1998 to 31 December 1999 to assist with the review of the taxi cab and hire car industry. Former Managing Director of Qantas. Currently an executive with News Ltd.

Details of members' attendance at meetings and public hearings are given in Appendix 2.

IPART'S SECRETARIAT

IPART's Secretariat assists the work of the Tribunal by providing research and advisory services. It also supports IPART's investigations and public processes.

Most of our professional staff members are highly experienced economists and financial/accounting analysts working in industry based teams, which undertake research, investigation and analysis to provide skilled professional advice to the Tribunal.

A small Access Group covers general third party access issues and the access agreement register, and provides an Arbitration Registry when IPART is required to arbitrate an access dispute.

General Counsel provides legal advice to IPART on the increasingly complex regulations governing utility operations.

Our support services team provides information technology, general administrative and personnel support to the operational areas. It also manages IPART's processes, including the public registry, submissions and the preparation and publication of reports and the website.

With most investigations additional research activities are required to provide IPART with the highest quality advice on often complex topics. Consultant research is commissioned as required for this work. If necessary, IPART can also second staff from other government agencies to assist with particular investigations.

The Secretariat's three contracted executives reporting directly to the Chairman, are:

Director Analysis and Policy Development

Eric Groom BEc Hons, MEd

Responsible for maintaining the intellectual rigour of the approach to regulation, ensuring the consistency of reviews and representing IPART at external regulatory forums.



Director Industry Groups

Fiona Towers BCom (Accounting & Finance), MCom (Economics & Econometrics), CPA

Responsible for managing industry programs, providing specialist advice to the Tribunal, and preparing discussion papers and reports.



Director Secretariat

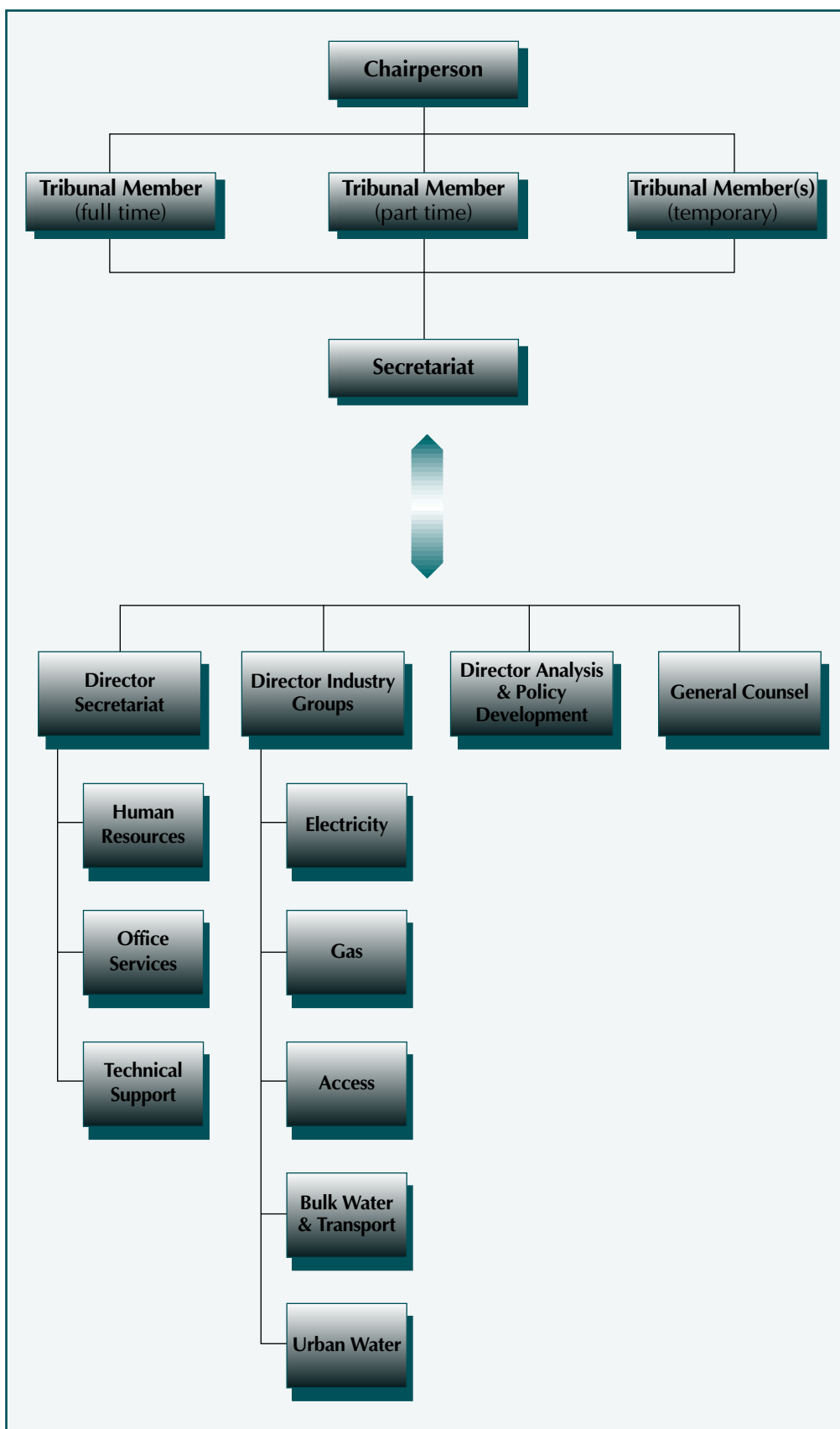
Colin Reid BCom(Accounting), ASIA, CPA

Responsible for providing support services including human resources, office services, accounting and information technology.



IPART

IPART's organisational structure at 30 June 2000:



1999/2000 WORK PROGRAM

Our successful 1999/2000 work program reflects our commitment to our primary corporate objectives, which are to:

- achieve the most feasible pricing outcomes by balancing competing claims within the community
- provide high quality advice to Government on industry issues
- optimise effective access to key public utility infrastructure services.

Inappropriate prices distort the distribution of resources within the economy. We assess the financial viability of the regulated utilities and their social and environmental impacts. Various technical tools and studies help us to make determinations. The reasonableness of our decisions is the overriding concern, and this requires us to exercise considerable judgement. Thus IPART's work involves tempering objective analysis with subjective assessment of each case.

The Tribunal's performance during the reporting year is covered by a review of the following programs:

Water

- pricing urban water
- bulk water pricing
- developer charges for urban water authorities
- monitoring compliance.

Electricity

- reviewing medium term price paths for electricity prices
- monitoring compliance.

Gas

- regulation of third party access to natural gas pipelines
- price regulation of tariff customers
- monitoring compliance.

Transport

- setting annual fares for CityRail and STA
- monitoring compliance, service standards and efficiency.

Industry Reviews

- reviewing the taxi cabs and hire car industry.

Third-Party Access

- registration of access agreements
- arbitrating disputes over access agreements.

Assistance under Section 9 of the IPART Act

- assisting NSW agencies
- assisting other states.

CORPORATE OBJECTIVE 1

achieving feasible pricing outcomes

Urban Water

During 1999/2000 we conducted reviews to establish medium term price paths for maximum charges to apply to each of the four metropolitan water supply authorities from 1 July 2000. In June 2000, we published determinations for Hunter Water Corporation, Gosford City Council and Wyong Shire Council for the three years to June 2003. We also determined to maintain Sydney Water's charges at current levels from 1 July to 30 September 2000. A medium term determination for Sydney Water will be released in September 2000 to apply from 1 October 2000 until 30 June 2003.

Following a Section 12(1)(a) referral in August 1999, we reviewed the pricing of the Catchment Authority's bulk water supply to Sydney Water and its other customers. As a result, a new price path will apply from 1 October 2000 until 30 June 2005 in accordance with a determination to be released in September 2000.

Prior to this determination, customers of Gosford and Wyong Councils paid a fixed amount for a given quantity (allowance) of water and then paid a unit charge for all water consumed in excess of that allowance. Our determination replaces this fixed charge with a usage charge for all water consumed. This will encourage water conservation, while ensuring that customers pay for only the water they have used. This change will bring Gosford and Wyong into line with other urban water suppliers and with national competition policy objectives.

Bulk water

During 1999/2000 we conducted a review of bulk water prices proposed by the Department of Land and Water Conservation (DLWC) to apply from 1 July 2000. Our previous determination of bulk water set prices for 1998/1999 and 1999/2000 to give stakeholders greater certainty at a time when DLWC was separating its resource management and operator functions, while improving its information cost base.

At that time, we projected prices for 2000/2001 to demonstrate DLWC's progress towards the Council of Australian Governments' (COAG) target of full cost recovery by 2000/2001.

Since our determination of bulk water prices, DLWC has created a commercial water business, State Water, and made progress in implementing our recommendations. However, considerable work is required to provide all the requisite cost information.

For this reason, DLWC proposed prices for 2000/2001 only, based on the prices projected in the 1998/1999 determination. When it has completed further work to substantiate its case, DLWC intends to apply to us for the determination of a longer-term price path.

Electricity

On 30 December 1999 we released two determinations: Regulation of New South Wales Electricity Distribution Networks, and Pricing for the Retail Supply of Electricity to Franchise Customers.

Issued under the National Electricity Code (the Code), the distribution network determination covers the period, 1 February 2000 to 30 June 2004. IPART was granted a derogation from part E of chapter 6 of the Code.



CORPORATE OBJECTIVE 1

achieving feasible pricing outcomes

The determination involves our setting revenue caps for each of the six distributors. We established pricing notification and information disclosure requirements in conjunction with the determination. The distributors must provide evidence of their reliability and quality of service performance against a range of key indicators. We will use this data to monitor the distributors' compliance with the determinations.

Issued under the IPART Act 1992, the retail determination covers the franchise retail supply of electricity from 1 February 2000 to 31 December 2000. A new determination will be released in late 2000.

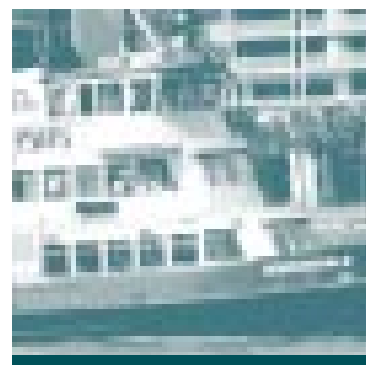
A complicating factor in the determinations was the need to allow for the impact of the GST. The introduction of the new tax system created financial savings while imposing additional costs on distributors. The extent of costs and savings depended on the relative tax impacts of the removal of previous taxes and the introduction of the GST.

The distributors were required to model the impact of the new tax system. These reported impacts were then audited independently. Results indicated that the net impact on the distributors was less than 10 per cent GST. This outcome was reflected in our determinations.

CityRail and STA buses and ferries

In June we released our determination of maximum fares to be charged in 2000/2001 by CityRail and STA. The new fares included the 10 per cent GST, minus the net savings in operating costs that will result from the introduction of the new tax system. This is in line with Federal and NSW Government policy that public transport be subject to the GST, and is consistent with the way IPART has treated other regulated utilities.

For Sydney Buses, Sydney Ferries and Newcastle services, the increase also included a 1.9 per cent adjustment for inflation. The Sydney Ferries increase included a further 5.2 per cent adjustment to improve its level of cost recovery. In line with the ACCC's pricing guidelines, the GST related increase for any individual fare was capped at 10 per cent, causing many fares to be rounded down.



CORPORATE OBJECTIVE 2

providing high quality advice to Government

Review of the taxi cab and hire car industry

This review was undertaken in accordance with a reference from the Premier under Section 12A of the IPART Act 1992.

We released an interim report for comment in August 1999. The final report, released in November 1999, contained our recommendations for improving the regulation of taxis and hire cars in accordance with the Passenger Transport Act 1990.

Review of arrangements for the supply of bulk water by Sydney Catchment Authority (SCA) to Sydney Water Corporation (SWC)

In early 1999, the Premier requested IPART to facilitate the provision of an initial draft of an arrangement to be entered into between SWC and SCA under Part 3 of the SWCM Act, review the terms of arrangements publicly exhibited under section 22(8) of the SWCM Act, and report on them.

We duly reported to the Premier regarding the exhibited arrangements in August 1999.

Review of the operating licences for Sydney Water Corporation and Sydney Catchment Authority

Under the Sydney Water Act 1994 and Sydney Water Catchment Management Act 1998, each organisation must have an operating licence. The Premier requested IPART to recommend the terms of operating licences for the Sydney Catchment Authority and the Sydney Water Corporation from 1 January 2000.

We recommended draft terms for an operating licence for SWC in October 1999 and SWC's new licence took effect in April 2000.

We recommended draft terms for an operating licence for SCA in December 1999. SCA's licence also took effect in April 2000.

Security of payment in building industry

In November 1998, the Premier requested that we report on the effectiveness, costs and benefits of proposals outlined in a report of the Parliamentary Joint Standing Committee on Small Business on Security of Payment in the NSW Building Industry.

Security of payment is mainly of concern in the event of a contractor's insolvency. When this occurs, subcontractors are not guaranteed security of payment for work undertaken. In June 2000, we presented a report to the Premier and the Minister for Public Works and Services on the Committee's proposal for mandatory security of payment insurance.

Review of lease arrangements for Port Kembla Coal Terminal

In May 1999 the Premier asked IPART to provide advice to the Treasurer on an appropriate lease payment by Port Kembla Coal Terminal Limited to the Port Kembla Port Corporation for the lease of the Port Kembla Coal Terminal. IPART released a draft report to key stakeholders in August 1999, and sent its confidential final report to the Treasurer a month later.



CORPORATE OBJECTIVE 2

providing high quality advice to Government

Review of productivity targets in contracts for cleaning NSW Government buildings

In November 1999, the Premier asked IPART to advise the Minister for Public Works and Services on the appropriateness of certain productivity targets in contracts let by the NSW Government for the commercial cleaning of NSW Government buildings. In February 2000 we released a draft, confidential report to key stakeholders. The following month we sent a final, confidential report to the Premier and Minister for Public Works and Services.

Valuation of Hunter Valley rail network

Following our April 1999 report on aspects of the NSW rail access regime, the Premier asked us to conduct a review under Section 9 of the IPART Act, valuing the rail assets of the Rail Access Corporation used to transport coal in the NSW Hunter Valley.

We commissioned consultants to prepare a depreciated optimised replacement cost valuation of the relevant rail assets. The consultant's draft report will be released for public comment in November 2000. A final report is expected in December 2000.

Assisting the Australian Capital Territory (ACT)

We are currently providing consultancy services to the Independent Competition and Regulatory Commission of the ACT, in relation to gas access regulation. Through this process, third party access will be established for the ACT, Queanbeyan and Yarrowlumla distribution systems now operated by ActewAGL.

With our assistance the Commission's draft decision was released in March 2000. We will continue to provide assistance in assessing ActewAGL's proposed Access Arrangement, and will continue to assist the Commission when it makes its final decision.

Assisting the Northern Territory Utilities Commission

In 2000 the IPART Secretariat assisted the Northern Territory Utilities Commission in its review and approval of electricity network prices in the Northern Territory. We helped the Commission to develop a strategy for approval by the Commission of pricing principles, initial interim prices, and subsequent annual prices. Final proposals are to be submitted to the Commission for approval.



CORPORATE OBJECTIVE 3

optimising effective access to key infrastructure services

GAS

ACCESS REGULATION Great Southern Networks (Wagga Wagga)

In August/September 1999 we drafted and released an Access Arrangement for Great Southern Networks (GSN) under s2.20 of the Code. This followed GSN withdrawing its application to the Australian Competition Tribunal for a review of IPART's earlier draft decision.

The Access Arrangement for GSN applies from 1 October 1999 to the end of 2003.

ACCESS REGULATION Albury Gas Company

Our draft decision on the Access Arrangement and Access Arrangement Information for Albury Gas Company (AGC) was released in July 1999.

Following public consultation including consideration of comments made in submissions we released the final decision for AGC in December 1999.

AGC was asked to provide revised Access Arrangement and accompanying Access Arrangement Information in January 2000.

In February 2000, we assessed AGC's revised Access Arrangement and Access Arrangement Information, and deemed them to be consistent with the required amendments in the final decision. We therefore approved the revised Access Arrangement and Access Arrangement Information for AGC relating to the natural gas distribution system in Albury and Jindera. The Access Arrangement for AGC applies from 1 March 2000 until end of 2002.

ACCESS REVIEW AGL Gas Networks

In January 1999, AGL Gas Networks submitted proposed revisions to its Access Arrangement, the 1997 Access Undertaking. The proposed revision covers the period from 1999/2000 to 2003/2004.

Following public hearings, extensive analysis and consideration of public submissions, we released a draft decision on 28 October 1999. We did not approve AGLGN's proposed revisions to the Access Arrangement, and asked that amendments be made by AGLGN to enable a final decision to be reached.

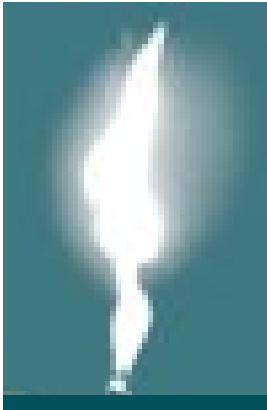
We considered further submissions and analyses, in order to reach a final decision scheduled for July 2000.

Associated party contracts

Section 24 of the Gas Supply Act requires IPART approval of all agreements between a network and a related supplier. During 1999/2000 we approved six associated party contracts involving AGL Gas Networks.

Application of ring fencing GSN

As a gas distribution service provider, Great Southern Network Pty Limited (GSN), is required to meet the minimum ring fencing obligations outlined in the Code unless IPART



CORPORATE OBJECTIVE 3

optimising effective access to key infrastructure services

grants a waiver pursuant to section 4.15 of the Code. In December 1998, GSN sought a waiver from section 4.1(h) and (i) of the Code dealing with the separation of marketing staff. In June 1999, we issued a draft decision refusing GSN's application for a waiver.

After considering further submissions on the matter, we released our final decision in November 1999. Once again, we did not accept GSN's application because we were not convinced that the administrative costs GSN would incur in complying with the Code would outweigh any public benefit from meeting those obligations.

TARIFF REVIEW Wagga Wagga and Albury

We reviewed the delivered prices of gas in Albury and Wagga Wagga, and released our final report in February 2000. Rather than issuing a gas pricing order in these areas, we established voluntary pricing principles (VPP). VPP make default (existing) tariffs available to all tariff customers in the transitional period to retail contestability. A limit is placed on price changes for residential customers. The requirement to notify IPART prior to any tariff changes applies only to existing (default) tariffs.

TARIFF REVIEW AGL Retail Energy

In May 1998, we commenced a major review of the delivered price of natural gas to tariff customers served by the AGL gas distribution network in NSW.

After considering all submissions received, we postponed our determination of the delivered price of gas to the tariff market in NSW. This postponement enabled this review to run concurrently with our review of AGL Gas Network's (AGLGN) Access Arrangement.

On 8 May 2000, we issued a draft report on the AGL tariff review. We expect to release the final decision later in the year.

National Gas Pipelines Advisory Committee (NGPAC)

IPART and the Office of Regulator General (Victoria) represent state regulators on this body. NGPAC met on four occasions during the financial year.

Gas retail contestability

Staged introduction of contestability in the NSW gas market commenced in August 1997 when larger industrial customers became eligible to select the gas supplier of their choice. The final tranche of customers, comprising all residential customers and small industrial customers, become eligible for contestability on 1 July 2001.

To facilitate the process, the Ministry of Energy and Utilities has established a Gas Retail Project Steering Committee. Network operators, retailers, government departments, regulators (including IPART) and users are represented on this group.



CORPORATE OBJECTIVE 4

consulting widely with our stakeholders

Our stakeholders are people and organisations with a vested interest in IPART decisions. Key stakeholders are:

- the Government of New South Wales
- shareholders (including government shareholders)
- 'regulated' enterprises
- customers of 'regulated' enterprises
- the community
- interest groups (including industry, environmental and welfare groups)
- third parties (those seeking access to infrastructure facilities)
- other jurisdictions
- our staff.



Stakeholder involvement in IPART investigations

Stakeholder involvement is vital to ensuring that IPART is aware of the range of viewpoints on the issues being considered. To ensure that stakeholders are well informed we:

- advertise all investigations and invite public submissions
- inform key stakeholders of investigations and seek submissions
- hold public hearings, with transcripts available for public inspection
- arrange public seminars and workshops
- seek the views of the public through advertisements and surveys
- maintain a public register of material placed before us
- publish issues papers, discussion papers and research reports
- consult extensively with interested organisations and the parties affected by investigations
- where appropriate, release interim reports and seek comments before releasing final reports
- explain our decisions in published reports
- maintain a website with comprehensive information about IPART's role, investigation timetables, submissions and reports issued.

Consultation with stakeholders

In providing advice to our Tribunal, the Secretariat liaises extensively with other government agencies, businesses, consumer, welfare, and private organisations, special interest groups, and individuals. As well as receiving a wide range of information from government agencies whose monopoly services are subject to review or price determination by IPART, the Secretariat has received substantial input from various government agencies whose operations or policy areas impinge on the business activities of those agencies.

A number of consultative groups have been formed to improve our awareness of the views of interested parties, and to provide forums for discussion on developments in regulated markets. These include:

Water Industry Forum: Representatives of land developers, urban water agencies, relevant government agencies, and IPART consulted on issues affecting implementation

CORPORATE OBJECTIVE 4

consulting widely with our stakeholders

of the methodology for pricing developer charges for water and sewerage services. In January 2000, the forum issued its 1999 Report, outlining current concerns with the implementation of the methodology.

Urban Water Miscellaneous Charges Working Group: Representatives of urban water agencies, consumer groups, and IPART met during the year to review the range of miscellaneous charges and provide assistance to the agencies in making their submissions to IPART's medium term price review. The working group identified a small number of charges that were common to all agencies. It also suggested that miscellaneous charges should be calculated based on material and labour costs, and should include overheads and a profit margin.

Electricity Industry Consultation Group: This group liaises with distributors, retailers, customers, environmental groups, consumer, and business groups, the Ministry for Energy and Utilities and the Electricity Reform Taskforce on electricity pricing issues.

Wires Working Group: This group liaises with electricity distributors, TransGrid and the Electricity Reform Taskforce on network pricing, technical and related access issues.

Gas Industry Consultation Group: Representatives of pipeline operators, gas retailers, gas producers, gas customers, business and community groups and IPART consult on matters relating to technical and other issues arising from third party access to gas distribution networks.

Reports and publications

Publications relating to IPART investigations include:

- issues papers
- information and research papers
- interim and final reports.

Publications released in 1999/2000 are listed in Appendix 3. Recent reports may also be viewed and downloaded from IPART's website.

All formal price determinations under the IPART Act 1992 are published in the NSW Government Gazette.

Public hearings, submissions and transcripts

Copies of all submissions to IPART investigations that are not subject to confidentiality or are considered to be exempt documents under the Freedom of Information Act are made available for public inspection immediately following registration. We hold at least one public hearing for each investigation. Transcriptions of all public hearings are also available for public inspection.

Copies of all publicly available submissions and hearing transcripts are available for inspection at our public access library located at our Sydney office. Alternatively, all available public submissions to current investigations and transcripts of public hearings are available for viewing and downloading from our website.

Details of public hearings held during 1999/2000 and statistics of submissions received during this period are given in Appendix 2.



CORPORATE OBJECTIVE 4

consulting widely with our stakeholders

Our website

The IPART website – www.ipart.nsw.gov.au – provides stakeholders and interested parties with up to date, on line coverage of our activities. This provides current information on many of the issues mentioned in this annual report. The website is part of the NSW Government commitment to making comprehensive electronic services available to users via the internet.

As well as providing a wide range of information about IPART's role, its legislation, corporate plan and contracts, the site is regularly updated with information about our current work program. It includes:

- current timetables for all investigations, including public hearing schedules
- copies of all media releases and advertisements
- on-line access for browsing and downloading public submissions, reports and other publications
- our annual report and corporate plan
- an up to date review of major areas of regulation.



CORPORATE OBJECTIVE 5

achieving excellence in both organisational and staff performance

Staffing

During the year the Secretariat was restructured to:

- improve its capacity to undertake research and remain at the forefront of regulatory reform
- ensure a common approach across industries
- enhance the quality of analysis through better training, project planning, and internal review processes by equipping ourselves with superior analytical tools
- provide high level legal advice internally
- increase the level of support services provided to our industry teams.

The restructure involved the creation of an analysis and policy development group, the appointment of general counsel, and the employment of additional support services personnel.

The industry groups were combined under the one Directorate. The Directorate will be split in 2000/2001 because of the increased workload associated with our new utility regulation functions.

Staff numbers were constant from 30 June 1999 to 30 June 2000. However, there was a significant turnover of staff with the loss of key employees to consulting firms. This is being addressed through new recruits, a review of the induction process for new staff and improved human resource management practices. The growth of the 'regulation industry' has substantially increased the opportunities for analysts and competition for resources.

Process improvement

We are embarking on several strategies to improve the quality of our analysis, service delivery, support services and forward planning. These initiatives include:

- preparing a five year strategic business plan and an IT strategic plan
- reviewing and streamlining business processes including the introduction of specific quality assurance measures
- arranging specialised project and people management training for our middle and senior managers
- appointing specialist support services personnel (office services, human resources and IT)
- selecting through tender, an external IT support partner to complement our internal resources and provide high level support
- developing and implementing revised IT security policies in line with the outcomes of a risk/ threat analysis
- developing and implementing revised internal financial controls and associated management reporting
- developing and implementing amended personnel policies, training needs analysis, and workforce planning
- arranging a direct connection to the Central Corporate Services Unit, which provides payroll and financial services to IPART.

The preparation of our five year strategic plan involves benchmarking our organisation against other Australian regulators and developing measures to assist in tracking future performance.

The five year strategic plan will include our future work program and associated resource budget. It will state the strategies and actions needed to meet our work program.



IMPACTS OF IPART DETERMINATIONS

IPART regulates declared monopoly services supplied by the NSW government in the electricity, water and sewerage, and public transport industries, and private monopoly supply of natural gas. IPART's price determinations affect household and business costs.

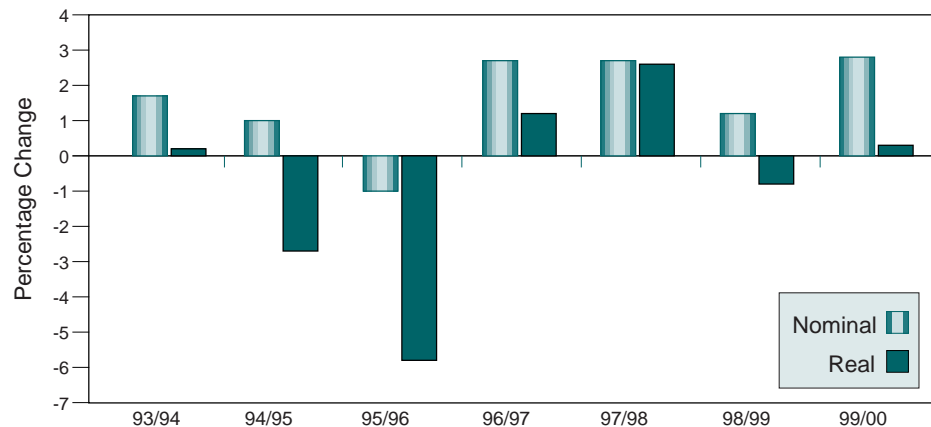
To monitor the impact on households, we introduced an index of household charges in 1993.

Impact on Households

IPART's Index of Household Charges measures the impact on an average household of charges that are subject to regulation by IPART. The index uses Australian Bureau of Statistics (ABS) data on household expenditure to calculate the relative expenditure (or weightings) for electricity (53.9), gas (7.1), water (26.4) and public transport (rail 9, bus/ferries 3.6).

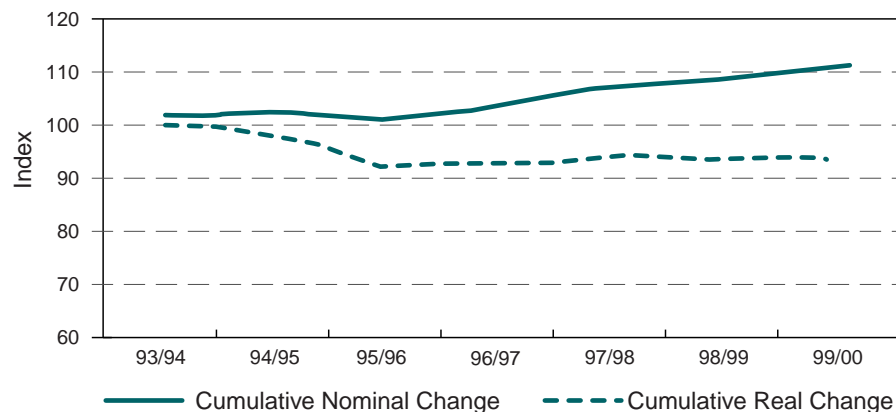
In 1999/2000, the Index of Household Charges increased by 2.6 per cent. This means that for an average household, the weighted average nominal increase in the prices of electricity, gas, water and public transport for households was 2.6 per cent. This compares with the increase in the total basket of goods measured by the consumer price index (CPI) for NSW in 1999/2000 of 2.4 per cent. As a result there was an increase in the Index of Household Charges of just over 0.2 per cent in real terms for 1999/2000.

Figure 1 Movement in the Index of Household Charges 1993/1994 – 1999/2000



As Figure 2 below illustrates, there has been a steady increase in the index from 1995/96. As a result, the index has increased, in nominal terms, by around 11 per cent since 1993/94. However, when the effects of inflation are considered, the real change in the index has been a 5 per cent fall over the same period.

Figure 2 Index of Household Charges from 1993/1994 – 1999/2000



IMPACTS OF IPART DETERMINATIONS

Impacts of IPART determinations on residential customers

This section provides an assessment of the determinations that were applicable in 1999/2000 on typical NSW residential customers.

ELECTRICITY

Contestability is being introduced into the electricity retail market progressively. The residential segment (0-40MWh per annum) is due to become contestable from 1 January 2002. Over the past year, franchise residential customers have experienced no change in the average nominal price (ie a real price reduction) of electricity.

Average electricity prices for residential customers (a)

	Whole of NSW Average Real Price (\$1999/00) (cents/kWh)	Whole of NSW Average Nominal Price (cents/kWh)
1995/1996	10.20	9.65
1996/1997	10.02	9.62
1997/1998	10.16	9.77
1998/1999	9.95	9.72
1999/2000	9.72	9.72
Change from 1998/99 – 1999/00	– 2.3%	0.0%

Note that percentages do not add due to rounding

(a) Data used in this analysis comes from the regulatory accounts and pricing proposals.

From 1 July 2000, retail residential prices will include the new goods and services tax. However, the net increase in franchise residential prices is expected to be less than the full 10 per cent rate, due to cost savings from the new tax system package.

GAS

Currently, AGL supplies 96 per cent of the natural gas market in NSW. Reforms have paved the way for new suppliers to enter the market. Full retail contestability for the (low volume) residential market is due to commence on 1 July 2001.

During 1999/2000, AGL continued to operate under the price control formula(PCF) set by the former Gas Council of NSW. In June 2000, the PCF was replaced by voluntary pricing principles pending the outcome of the IPART's review of retail prices.

The following table presents an analysis of AGL's supply and usage charges which is consistent with the way household impacts have been measured for the other regulated utilities.

Residential supply and usage fees for residential customers (nominal)

	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Supply fee (\$/qtr)	18.60	18.60	18.60	21.80	24.00	24.42
Usage fee (c/MJ)	0.94	0.96	1.00	1.03	1.06	1.11
Total average annual bill (\$)	308.90	314.78	323.20	344.05	360.88	373.96
Change		1.9%	2.7%	6.5%	4.9%	3.6%

Based on annual average residential consumption of 25GJ for AGL customers

IMPACTS OF IPART DETERMINATIONS

WATER

Residential customers of Sydney Water Corporation experienced a 3.3 per cent increase in their average water and sewerage bills during the year. This is a greater increase than provided in the original determination. This difference is due to 1998/99 average prices being lower as a price freeze followed the water contamination incident in that year. An example of an average bill for Sydney water customers is shown below.

Water prices applicable to residential customers of SWC (nominal \$)

Residential customer with water and sewerage services	Average usage (220 KL pa) Total bill (\$/week)
1995/1996	9.81
1996/1997	10.22
1997/1998	10.58
1998/1999	10.83
1999/2000	11.19
Change from 1998/1999 – 1999/2000	0.36

Hunter Water customers enjoyed a reduction in prices of 1.2 per cent. There was no change in Gosford and Wyong prices.

PUBLIC TRANSPORT

Fare increases determined for CityRail services for 1999/2000 averaged 13.8 per cent. For STA, an average 7.0 per cent increase in fares was determined.

Changes in prices for STA (Bus) and SRA (rail) travel – selected periodical tickets

Commuter trip (ticket) Examples	1996/97 Cost (\$/week)	1997/98 Cost (\$/week)	1998/99 Cost (\$/week)	1999/00 Cost (\$/week)	Change From 98/99 (\$/week)
Weekly and Travel Pass					
Cambelltown–City (weekly)	29.00	30.00	31.00	35.00	4.00
Parramatta–City (weekly)	20.40	21.00	21.00	24.00	3.00
Lane Cove–City (blue travel pass)	18.10	19.00	20.00	20.00	0.00
Five Dock–City (red travel ten)	16.80	17.20	17.60	20.00	2.40

IMPACTS OF IPART DETERMINATIONS

Impacts of determinations on non-residential customers

This section provides an assessment of the impacts of the determinations that were applicable in 1999/2000 on non-residential customers in NSW.

ELECTRICITY

National competition reform is introducing contestability progressively into the electricity industry. Currently, customers consuming more than 160MWh per year are contestable. Non-residential customers consuming 100-160MWh per year (eg large department stores, small engineering workshops) are scheduled to become contestable on 1 January 2001. Customers consuming between 40-100MWh per year (eg restaurants/cafés, small hotels/pubs, medical centres) are scheduled to become contestable on 1 July 2001. It is difficult to report the change in average price for franchise business customers because the customer base is diminishing as it becomes increasingly contestable.

GAS

Retail prices to large customers who consume more than 10TJ pa (large industrial customers) are not regulated. Large volume tariff customers have been contestable since October 1999. Real average tariff prices are lower than they were before the price control formula. The non-residential market is the major beneficiary, with real declines in average tariff prices.

WATER

The table below shows that revenue collected from the non-residential customers has been decreasing in real terms. This reflects the phasing out of the property value component of water, sewerage and stormwater charges.

Water charges for Non-residential customers of SWC and HWC

\$1999/00	Income from non-residential charges	Reductions in non-residential charges	Real change	Nominal change
SWC	(\$m)	(\$m)	(%)	(%)
1997/98	348.16	–		
1998/99	308.42	39.74	–11.4	–9.9
1999/00	303.01	5.41	–1.8	+0.6
HWC				
1997/98	36.22	–		
1998/99	36.43	–0.21	+0.6	–2.23
1999/00	33.99	2.44	–11.2	–9.1

BULK WATER

In 1998 we released a determination on bulk water prices for 1998/1999 and 1999/2000. As a result of this determination, in 1999/2000, average prices in regulated rivers increased by 15 per cent. For unregulated rivers average prices increased by 8 per cent, while average prices for ground water increased by 7 per cent.

FUTURE DIRECTIONS

– *added responsibilities*

The Independent Pricing and Regulatory Tribunal of New South Wales (IPART) was established in 1992 as the Government Pricing Tribunal. Our purpose then was primarily to provide independent oversight of the price levels charged by monopoly service providers. Over the past eight years, our regulatory responsibilities have increased significantly. The name change to the Independent Pricing and Regulatory Tribunal occurred in January 1996 in conjunction with other legislative amendments that also expanded the organisation's role, to include industry reviews and arbitration.

New responsibilities: licence regulation

IPART regulates utilities operating under various State and Federal laws. These functions are to be expanded from 1 November 2000 to include an additional responsibility: licence regulation.

From 1 November 2000, the principal functions of IPART will be:

- setting prices for 'regulated' monopoly services
- ensuring regulated entities are meeting their licence requirements for quality of product, environmental impact and consumer protection
- undertaking pricing and industry reviews
- facilitating the implementation of access regimes and, where required, acting as arbitrator
- providing similar services to assist other jurisdictions on a fee-for-service basis

Under its new powers IPART will assume responsibility for such matters as making recommendations to the Minister for or with respect to:

- the granting, variation, transfer or cancellation of a licence (or authorisation in the case of the gas industry)
- action to be taken and sanctions to be applied in respect of contravention of the conditions of a licence
- any remedial action that may be warranted as a result of a contravention of the conditions of a licence.

To fulfil this role, IPART will monitor licence compliance and will report annually to the Minister regarding such compliance. The Ministry will continue to be responsible for policy making.

IPART will have specific licence auditing responsibilities for the electricity and water industries. A Utilities Licence Auditing Advisory Committee is to be established. Comprising six part time members appointed by the Minister, it will furnish advice to IPART on the scope and methodology of licence audits.

In addition to making recommendations to the Minister, IPART will have limited powers to impose fines or force a utility to take remedial action if the utility knowingly contravenes the conditions of a licence.

Competitive neutrality

The Government has assigned IPART part responsibility for investigating and reporting in respect to competitive neutrality complaints, under the Competition Principles Agreement.

FUTURE DIRECTIONS

– *added responsibilities*

Under certain conditions, the Minister may refer to IPART a complaint about a public trading agency's failure to comply with competitive neutrality principles, or about how an agency is applying competitive neutrality principles in relation to any or all of its trading activities.

We will investigate and report (including a public report) on any such complaint referred to IPART by the Minister. Legislation lays down the processes IPART is to follow in investigating such a complaint.

Setting maximum prices

In determining the maximum price for a government monopoly service, IPART may be directed by a Portfolio Minister to include an amount representing the efficient cost of a requirement imposed on the agency. The requirement must relate to either a condition imposed under a licence or authorisation, a Ministerial direction under an Act, or some other requirement imposed under an Act or statutory instrument. The IPART Act 1992 has been amended accordingly.

Review of the IPART Act 1992

In addition to the above, there is a statutory requirement (IPART Act 1992 (s30A)), that the IPART Act 1992 be reviewed. The outcome of the review is to be tabled in Parliament in 2001.

The coming year

During the last twelve months, we have made several determinations across a range of industries. Further determinations are due for release in early 2000/2001. As part of our ongoing responsibilities, we will review compliance with these determinations.

For information relating to our work program for the coming year, see overleaf.

FUTURE DIRECTIONS

– *added responsibilities*

2000/2001 Work Program

Industry	Activity	Due date
Water	Release medium term price determinations for Sydney Water & Sydney Catchment Authority	September 2000
	Publish a revised developer charges pricing methodology	September 2000
	Review system performance standards for Sydney Water	April 2001
	Review Sydney Water customer contract	April 2001
	Review effectiveness of Sydney Water's interaction with customer councils	March 2001
	Liaise with Sydney Water to establish key performance indicators for customer service and satisfaction	March 2001
	Commence annual audit of utility licences & licence compliance assessment	May 2001
	Complete medium term bulk water price determination	June 2001
Electricity	Recommend regulated tariffs to 2004 for low volume customers	November 2000
	Determine capital contributions	June 2001
	Produce pricing principles guidelines	June 2001
	Produce guidelines on ring fencing (separation) of regulated and non-regulated activities	June 2001
	Administer utility licences	Ongoing
	Assess compliance for licences and price determinations	Ongoing
Gas	Finalise access undertaking for AGLGN	October 2000
	Conduct retail price review for AGL	December 2000
	Participate in review of National Gas Code	Ongoing
	Assess compliance for licences and price determinations	Ongoing
Transport	Release annual price determination for STA and CityRail	June 2001
	Commence major review to assist future price determinations	December 2000
	Assess pricing compliance	Ongoing
Research Papers	Research transfer pricing	June 2001
	Publish ring fencing guidelines	June 2001

BUDGET 2000/2001

IPART's budget for 2000/2001 compared with previous years:

	\$'000 1997/98	\$'000 1998/99	\$'000 1999/00	\$'000 2000/01
Expenses				
Employee related	2,923	3,304	3,885	3,921
Other operating expenses	1,762	2,166	2,278	1,968
Maintenance	21	18	28	21
Depreciation & amortisation	125	120	138	136
Total Expenses	4,831	5,608	6,329	6,046
Revenue				
Sales of goods & services	247	216	644	100
Investment income	22	34	17	10
Other	355	91	51	48
Total Revenue	624	341	712	158
Gain/(Loss) on sale of assets	(26)		(2)	
Net cost of service	4,233	5,267	5,619	5,888
Government Contributions:				
Recurrent appropriation	3,972	4,258	5,156	5,478
Capital appropriation	32	75	70	74
Acceptance by the Crown of employee entitlements	209	309	422	306
Total Government Contributions	4,213	4,642	5,648	5,858
Surplus/(Deficit) for the year	(20)	(625)	29	(30)

The decline in expenditure and income from 1999/2000 to 2000/2001 relates to the expected reduction in assistance provided by IPART on a fee for service basis, to other Government agencies.

Following approval of our budget for 2000/01 IPART has been given:

- a special reference by the Government to investigate retail contestability issues for franchise customers in the electricity and gas industries; and
- new responsibilities for utility regulation.

IPART has requested additional funding to finance these activities.



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

INDEPENDENT PRICING AND REGULATORY TRIBUNAL

To Members of the New South Wales Parliament and Members of the Tribunal

Scope

I have audited the accounts of the Independent Pricing and Regulatory Tribunal for the year ended 30 June 2000. The members of the Tribunal are responsible for the financial report consisting of the statement of financial position, operating statement, statement of cash flows and summary of compliance with financial directives, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the Tribunal based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act). My responsibility does not extend to an assessment of the assumptions used in formulating budget figures disclosed in the financial report.

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

In addition, other legislative and policy requirements, which could have an impact on the Independent Pricing and Regulatory Tribunal's financial report, have been reviewed on a cyclical basis. For this year, the requirements examined comprised compliance with:

- core business activities being in accordance with the *Independent Pricing and Regulatory Tribunal Act 1992*; and
- the Premier's Department, SES Guidelines in respect of the Chairman's contract of employment.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the financial position of the Independent Pricing and Regulatory Tribunal, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Independent Pricing and Regulatory Tribunal complies with sections 41B and 41BA of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Independent Pricing and Regulatory Tribunal as at 30 June 2000 and the results of its operations and its cash flows for the year then ended.

P. Carr, FCPA
Director of Audit

(duly authorised by the Auditor-General of New South Wales
under section 41C(1A) of the Act)

SYDNEY
15 September 2000



INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

**STATEMENT ON BEHALF
OF THE INDEPENDENT PRICING AND REGULATORY TRIBUNAL**

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I state that:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for Budget Dependent Agencies, the Public Finance and Audit (General) Regulation 1995 (as applicable) and Treasurer's Directions;
- b) the statements exhibit a true and fair view of the financial position of the Independent Pricing and Regulatory Tribunal of New South Wales as at 30 June 2000 and transactions for the year then ended;
- c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Thomas G Parry
Chairman

James Cox
Member

14 September 2000

FINANCIAL STATEMENTS

OPERATING STATEMENT
for the year ended 30 June 2000

	Note	Actual 2000 \$'000	Budget 2000 \$'000	Actual 1999 \$'000
Expenses				
Operating Expenses:				
Employee Related	2(a)	3,885	3,556	3,304
Other Operating Expenses	2(b)	2,278	1,983	2,166
Maintenance	2(c)	28	20	18
Depreciation and Amortisation	2(d)	138	110	120
Total Expenses		6,329	5,669	5,608
Less:				
Retained Revenue				
Sale of Goods and Services	3(a)	644	150	216
Investment Income	3(b)	17	15	34
Other Revenue	3(c)	51	47	91
Total Retained Revenue		712	212	341
Gain/(loss) on sale of non-current assets	4	(2)	0	0
NET COST OF SERVICES	22	5,619	5,457	5,267
Government Contributions:				
Recurrent Appropriation	5	5,156	5,134	4,258
Capital Appropriation	5	70	75	75
Acceptance by the Crown Entity of Employee Entitlements and Other Liabilities	6	422	203	309
Total Government Contributions		5,648	5,412	4,642
SURPLUS/(DEFICIT) FOR THE YEAR		29	(45)	(625)

The accompanying notes form part of these statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION as at 30 June 2000

	Note	Actual 2000 \$'000	Budget 2000 \$'000	Actual 1999 \$'000
ASSETS				
Current Assets				
Cash	8	449	160	441
Receivables	9	123	36	69
Other	10	8	0	0
Total Current Assets		580	196	510
Non Current Assets				
Plant and Equipment	11	341	366	406
Total Non Current Assets		341	366	406
TOTAL ASSETS		921	562	916
LIABILITIES				
Current Liabilities				
Accounts Payable	12	311	301	425
Employee Entitlements	13	549	268	418
Other	14	51	46	46
Total Current Liabilities		911	615	889
Non-Current Liabilities				
Other	14	29	29	75
Total Non-Current Liabilities		29	29	75
TOTAL LIABILITIES		940	644	964
NET ASSETS		(19)	(82)	(48)
EQUITY				
Accumulated Funds	15	(19)	(82)	(48)
TOTAL EQUITY		(19)	(82)	(48)

The accompanying notes form part of these statements.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS
for the year ended 30 June 2000

	Note	Actual 2000 \$'000	Budget 2000 \$'000	Actual 1999 \$'000
Cash flows from Operating Activities				
Payments				
Employee Related		(3,442)	(3,443)	(2,997)
Other Operating Expenses		(2,432)	(2,049)	(1,948)
Total Payments		(5,874)	(5,492)	(4,945)
Receipts				
Sale of Goods and Services		585	166	216
Investment Income		22	15	34
Other Revenue		4	47	191
Total Receipts		611	228	441
Cash Flows from Government				
Recurrent Appropriation		5,156	5,134	4,258
Capital Appropriation		75	75	75
Cash reimbursement from the Crown Entity		110	85	77
Net Cash flows from Government		5,341	5,294	4,410
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	78	30	(94)
Cash Flow from Investing Activities				
Proceeds from sales of Plant and Equipment		1	0	0
Purchases of Plant and Equipment		(71)	(75)	(95)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(70)	(75)	(95)
NET INCREASE/(DECREASE) IN CASH				
Opening Cash and Cash Equivalents		441	205	630
CLOSING CASH AND CASH EQUIVALENTS	8	449	160	441

The accompanying notes form part of these statements.

FINANCIAL STATEMENTS

SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES
for the year ended 30 June 2000

	2000				1999			
	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure \$'000	Capital Appropriation \$'000	Expenditure \$'000
Original Budget Appropriation/ Expenditure								
Appropriation Act	5,134	5,134	75	70	4,149	4,149	75	75
Additional Appropriations	–	–	–	–	–	–	–	–
S21A PF & AA – special appropriation	–	–	–	–	–	–	–	–
S24 PF & AA – transfer of functions between departments	–	–	–	–	–	–	–	–
	5,134	5,134	75	70	4,149	4,149	75	75
Other Appropriations/ Expenditure								
Treasurer's Advance			–	–	109	109	–	–
Section 22 – expenditure for certain works and services	22	22	–	–	–	–	–	–
	22	22	–	–	109	109	–	–
Total Appropriations/ Expenditure/Net Claim on Consolidated Fund (includes transfer payments)	5,156	5,156	75	70	4,258	4,258	75	75
Amount drawn- down against Appropriations		5,156		75		4,258		75
Liability to Consolidated Fund		–		5				

Notes to the Summary of Compliance with Financial Directions

- (a) The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).
- (b) The Liability to Consolidated Fund represents the difference between the 'Amount drawdown against Appropriations' and the 'Total Expenditure/Net claim on Consolidated Fund'.

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Independent Pricing and Regulatory Tribunal of New South Wales (hereafter referred to as the Tribunal) is a separate reporting entity. There are no entities under its control.

As the Tribunal is a single program entity, the financial operations disclosed in the Operating Statement and Statement of Financial Position are those of the Tribunal program. Accordingly, a separate supplementary program statement has not been prepared.

(b) Basis of Accounting

The Tribunal's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act 1983 and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 'Accounting Policies' is considered.

The financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted are consistent with those of the previous year, except as disclosed in note 1(d)(i).

(c) Administered Activities

The Tribunal does not administer any activities on behalf of the Crown Entity.

(d) Revenue Recognition

Revenue is recognised when the Tribunal has control of the good or right to receive, it is probable that the economic benefits will flow to the Tribunal and the amount of revenue can be measured reliably. Additional comments regarding accounting policies for the recognition of revenue are discussed below.

(i) *Parliamentary Appropriations and Contributions from Other Bodies*

From this financial year there is a change in accounting policy for the recognition of parliamentary appropriations. Parliamentary appropriations are generally recognised as revenues when the agency obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are now accounted for as liabilities rather than revenue.

The effect of this change for the year ending 30 June 2000 is that \$5,000, which is the amount owing to the Consolidated Fund (excluding any liability in respect of transfer payments), is accounted for as a current liability and not as a revenue as previously. The liability is disclosed in Note 14 as part of 'other current liabilities'. The amount will be repaid and the liability will be extinguished next financial year.

It is impracticable to restate the comparatives for this change in accounting policy, as agencies were not required to determine any final amount owed to the Consolidated Fund for the year ending 30 June 1999.

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2000

(ii) *Sale of Goods and Services*

Revenue arising from the sale of goods and disposal of other assets is recognised when the Tribunal has passed control of the goods or other assets to the buyer and consideration is expected by the Tribunal, whether or not cash has been received.

Revenue from the rendering of services is recognised as and when services have been rendered and there is a valid claim against external parties, whether or not cash has been received.

(iii) *Investment Income*

Investment income is recognised for the total period of the investment whether or not cash has been received.

(iv) *Other Income*

Refer to Note 1(e) for the Acceptance by the Crown Entity of Employee Entitlements and Other Liabilities.

Revenues arising from the contribution of assets to the Tribunal are recognised when the Tribunal gains control of an asset or the right to receive the asset.

(e) **Employee Entitlements**

(i) *Salaries, Annual Leave, Sick Leave and On-Costs*

Liabilities for salaries, annual leave and vesting sick leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the near future will be greater than the entitlements accrued in the future.

The outstanding amounts for payroll tax, workers' compensation insurance premiums and fringe benefit tax, which are consequential to employment are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

(ii) *Long Service Leave and Superannuation*

The Tribunal's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Tribunal accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee entitlements and other liabilities'.

Long service leave is measured on a nominal basis. The nominal method is based on remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(f) **Insurance**

The Tribunal's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(g) **Acquisition of Assets**

The cost method of accounting is used for the initial recording of all acquisition of assets controlled by the Tribunal. Cost is determined as the fair value of the asset, given as consideration plus the costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2000

(h) Plant and Equipment

Items of Plant and Equipment costing \$5,000 and above individually are capitalised.

(i) Revaluation of Physical Non-Current Assets

As the Tribunal does not own Land, Buildings or Infrastructure assets, management considers it unnecessary to carry out a revaluation of physical non-current assets every five years, unless it becomes aware of any material difference in the carrying amount of any class of assets. It is considered by management that the written down value of its non-current assets (computers, plant and equipment etc) would approximately equate to market value.

The recoverable amount test has not been applied as the Tribunal is a not-for-profit entity whose service potential is not related to the ability to generate net cash inflows.

(j) Depreciation of Non-Current Physical Assets

Depreciation is provided for on a straight line basis against all depreciable assets so as to write off the depreciable amount of each depreciable asset as it is consumed over its useful life to the Tribunal.

Depreciation Rates	% Rate
Computer Equipment and Software	25.000%
General Plant and Equipment	14.286%
Fixtures and Fittings	10.000%
Leasehold improvements over the lesser of the period of lease or the useful life of the improvements.	

(k) Leases

Leasing transactions are operating leases of buildings and motor vehicles. Lease payments are recognised as expenses over the lease term.

The lease incentive received by the Tribunal in previous years is being amortised over the period of the lease – refer to Note 14.

(l) Financial Instruments

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either the Tribunal or its counterparts. These include Cash at Bank, Receivables and Accounts Payable. Classes of instruments are recorded at cost and care carried at net fair value.

The terms, conditions and accounting policies applied by the Tribunal in relation to Financial Instruments are set out in Note 23.

	2000 \$'000	1999 \$'000
2. EXPENSES		
2(a) Employee Related Expenses		
Employee Related Expenses comprise of the following specific items:		
– Salaries and Wages (including Recreation Leave)	3,254	2,815
– Superannuation	331	199
– Long Service Leave	74	96
– Workers Compensation Insurance	15	14
– Payroll Tax and Fringe Benefit Tax	211	180
	3,885	3,304

Employee related expenses includes \$56,938 in payments to temporary members of the Tribunal.

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2000

	2000 \$'000	1999 \$'000
2(b) Other Operating Expenses		
Other Operating Expenses include:		
– Auditor's Remuneration	20	14
– Rental Expense Relating to Operating Leases	262	229
– Insurance	6	6
– Corporate Services	75	74
– Consultancies	1,142	1,199
– Travel Expenses	58	75
– Legal Fees	67	34
– Other Operating Expenses	648	535
	2,278	2,166
Consultancy charges totalling \$331,005 (\$25,000 in 1998–99) were recovered from Tribunal clients. These amounts are recognised under Sale of Goods and Services (other).		
2(c) Maintenance		
Maintenance Charges comprise:		
– Repairs and Maintenance	28	18
	28	18
2(d) Depreciation and Amortisation		
Depreciation and Amortisation Expenses:		
– General Plant and Equipment	138	120
	138	120
3. REVENUES		
(a) Sale of Goods and Services:		
– Other (reimbursement of both external consultancies and in-house costs)	644	216
	644	216
(b) Investment Income comprises:		
– Interest	17	34
	17	34
(c) Other Revenue comprises:		
– Lease Incentive Amortisation	46	46
– Other Income	5	45
	51	91

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

	2000 \$'000	1999 \$'000
4. GAIN/(LOSS) ON SALE OF NON-CURRENT ASSETS		
Gain/(loss) on disposal of Plant and Equipment:		
– Proceeds from sale	1	0
– Written down value of assets sold	(3)	0
– Gain/(loss) on disposal of Plant and Equipment	(2)	0
5. APPROPRIATIONS		
Total appropriations comprise:		
Recurrent		
– Total recurrent drawdowns from Treasury (per Summary of Compliance)	5,156	4,258
– Less: Liability to Consolidated Fund	0	0
Recurrent appropriations (per Operating Statement)	5,156	4,258
Capital		
– Total capital drawdowns from Treasury (per Summary of Compliance)	75	75
– Less: Liability to Consolidated Fund	5	0
Capital appropriations (per Operating Statement)	70	75
6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES		
The following liabilities and/or expenses have been assumed by the Crown Entity:		
– Superannuation	330	199
– Payroll Tax on Superannuation	18	14
– Long Service Leave	74	96
	422	309

7. PROGRAMS/ACTIVITIES OF THE TRIBUNAL**Program 1 – Pricing Regulation**

Objective: To provide an independent assessment of pricing and associated activities including setting maximum prices and undertaking pricing reviews of monopoly services supplied by government agencies. To regulate natural gas pricing and third party access to gas networks, undertake general reviews of industry, pricing or competition and to register agreements for access to infrastructure assets and to arbitrate in disputes arising from such agreements.

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2000

	2000 \$'000	1999 \$'000
8. CURRENT ASSETS – Cash		
Cash comprises:		
– Cash at Bank	448	440
– Cash on Hand	1	1
	449	441
9. CURRENT ASSETS – Receivable		
Receivable comprises:		
– Sundry Debtors	114	56
– Interest Receivable	8	13
– GST receivable from Australian Taxation Office	1	0
	123	69
No Provision for Doubtful Debts has been provided as all Debts are considered collectable.		
10. CURRENT ASSETS – Other		
Other comprise:		
– Prepayments	8	0
	8	0
11. NON CURRENT ASSETS – Plant and Equipment		
– At Cost	835	859
– Accumulated Depreciation at Cost	494	453
Written down value	341	406
The Tribunal continues to derive service potential and economic benefits from the following fully depreciated assets: (Fully depreciated computer hardware \$100,499).		
12. CURRENT LIABILITIES – Accounts Payable		
Current Liabilities – Creditors:		
– Creditors	311	425
	311	425

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

	2000 \$'000	1999 \$'000
13. CURRENT LIABILITIES – Employee Entitlements		
Employee Entitlements comprises:		
– Recreation Leave	405	291
– Accrued Salaries and Wages	59	47
– Accrued Employee Related Payments	85	80
Aggregate employee entitlements	549	418
Recreation Leave paid during the year has been charged directly to the Operating Statement.		
14. CURRENT AND NON CURRENT LIABILITIES – Other		
Current and Non Current Liabilities – Other comprises:		
– Liability to Consolidated Fund	5	0
– Lease Incentive – Current	46	46
Current Liabilities – Other	51	46
– Lease Incentive – Non Current		
– Balance at 1 July	75	121
– Less Transfer to Current Liability – Other	(46)	(46)
Non Current Liabilities – Other	29	75
15. CHANGES IN EQUITY		
Changes in Equity – Movement		
– Balance at the beginning of the financial year	(48)	577
– Surplus/(deficit) for the year	29	(625)
Balance at the end of the financial year	(19)	(48)
16. COMMITMENTS		
(a) Capital Commitments		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Not later than one year	3	0
(b) Other Expenditure Commitments		
Aggregate other expenditure contracted for at balance date and not provided for:		
Not later than one year	3	0

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2000

	2000 \$'000	1999 \$'000
(c) Lease Commitments		
Aggregate operating lease expenditure contracted for at balance date but not provided for in the accounts are:		
Operating Lease Commitments		
– Non Cancellable Operating Leases	651	718
Operating Lease Commitments Repayment Schedule	Non Cancellable Operating Leases	
– Not later than one year	391	261
– Later than one year and not later than five years	260	457
– Later than five years	0	0
Total	651	718

The above commitments are not recognised in the financial statements as liabilities.

17. CONTINGENT LIABILITY

Other than commitments mentioned elsewhere in these notes, the Tribunal is not aware of any contingent liabilities associated with its operations.

18. AMOUNTS WRITTEN OFF

No amounts due to the Tribunal were written off during 2000 (1999: Nil).

19. MONEYS HELD IN EXCESS OF TWO YEARS

No unclaimed amounts have been held in the accounts of the Tribunal in excess of two years. All amounts unclaimed are forwarded to the Treasury as Unclaimed Moneys where they remain available for refund for a period of twenty years. No Unclaimed Moneys were held by the Tribunal at 30 June 2000 (30 June 1999: Nil).

20. BUDGET REVIEW

Net Cost of Services

Actual Net Cost of Services was \$162,000 higher than budget. This was due to increased expenditure on Employee Related Costs due to a combination of factors including staff movements and restructuring, and also on increased Operating Expenses resulting from additional workload and provision of greater assistance with facilities management. The higher expenditure was partially off-set by revenue received due to additional consultancy work provided to outside agencies.

Assets and Liabilities

The closing Cash balance exceeded budget by \$289,000. This resulted from the opening Cash balance exceeding the budgeted opening Cash balance by \$236,000 and the higher than budgeted level of revenue. Receivables were \$87,000 more than budget because amounts outstanding for consultancy work were more than anticipated.

Employee Entitlements were \$281,000 higher than budget, which was brought about by an increase in permanent staff numbers together with a reduction in the level of leave taken during the year.

Cash Flows

The increase in cash of \$8,000 as compared to Budget of a \$45,000 reduction was primarily due to the higher than budgeted level of revenue from the increased consultancy work. This resulted in a favourable net Revenue performance.

FINANCIAL STATEMENTS

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2000

21. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, the Tribunal considers cash to include Cash on Hand and Cash at Bank. Total Cash at 30 June 2000 as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position (Refer Note 8).

	2000 \$'000	1999 \$'000
22. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES		
Net Cash Flows from operating activities	78	(94)
– Cash flow from Government	(5,341)	(4,410)
– Acceptance by Crown Entity of employee liabilities	(312)	(232)
– Depreciation and Amortisation	(138)	(120)
– Net (loss)/gain on disposal of sale of plant and equipment	(2)	0
– Decrease/(increase) in provisions	(131)	(75)
– Increase/(decrease) in receivables	54	(146)
– Increase/(decrease) in Prepayments	8	0
– Decrease/(increase) in creditors	119	(236)
– Decrease/(increase) in other liabilities	46	46
Net Cost of Services	(5,619)	(5,267)

23. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury. The average rate over the year was 4.2475% (3.855% in 1998–99) and at year end the rate was 5.00% (3.75% at 30 June 1999).

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

Bank Overdraft

The Tribunal does not have any bank overdraft facility.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was applied during the year (nil in 1998–99).

END OF AUDITED FINANCIAL STATEMENTS

APPENDIX 1

– legislative provisions

IPART was established under the *Independent Pricing and Regulatory Tribunal Act 1992*. IPART performs functions under this Act and the *Gas Supply Act 1996*.

IPART also has significant functions under the *National Electricity Code* and the *National Third Party Access Code for Natural Gas Pipeline Systems*.

Independent Pricing and Regulatory Tribunal Act 1992

This Act commenced in July 1992 as the *Government Pricing Tribunal Act 1992* and was substantially amended and renamed in January 1996 as the *Independent Pricing and Regulatory Tribunal Act 1992*.

Under this Act IPART has four major roles:

- regulating prices and reviewing pricing policies of government monopoly services
- reviewing industries, pricing or competition
- arbitrating access disputes in relation to public infrastructure access regimes
- registering access agreements

Price regulation and pricing policy reviews of government monopoly services

Government monopoly services

IPART's powers relate only to the maximum prices of government monopoly services supplied by NSW government agencies. IPART does not regulate the prices of government services in competitive markets.

IPART has responsibility for setting maximum prices only when the service has been declared by the Premier (as Minister responsible for the Act) to be a government monopoly service under Section 4 of the Act.

The criteria for declaring a monopoly service are:

- there are no other suppliers of the service to provide competition in that part of the market
- there is no contestable market by potential suppliers in the short term in that part of the market

Eight declarations are currently effective under Section 4 at 30 June 1998. They are:

- Government Pricing Tribunal (Passenger Transport Services) Order 1992 No 3 (Gazette No. 146, 18 December 1992, page 8893).
- Government Pricing Tribunal (Valuer-General's Services) Order 1993 (Gazette No. 89, 13 August 1993, page 4571).
- Government Pricing Tribunal (Electricity Services) Order 1993 (Gazette No. 124, 12 November 1993, page 6795).
- Government Pricing Tribunal (Local Water Authorities) Order 1994 (Gazette No. 99, 27 July 1994, page 3965).
- Government Pricing Tribunal (Waste Disposal Service) Order 1995 (Gazette No. 60, 19 May 1995, page 2466).
- Government Pricing Tribunal (Water Supply Schemes) Order 1995 (Gazette No. 60, 19 May 1995, page 2467).

APPENDIX 1

– legislative provisions

- Certain services supplied by the Water Administration Ministerial Council 1995 (Gazette No. 122, 6 October 1995, page 7115).
- Independent Pricing and Regulatory Tribunal (Water, Sewerage and Drainage Services) Order 1997 (Gazette No 18, 14 February 1997, page 558).

What IPART can do

For *declared government monopoly services*, IPART is empowered to:

- determine the maximum price (or a methodology for fixing the maximum price) for the service (Sections 11(1a) and 12(1a)); and/or
- carry out a periodic review of pricing policies (Sections 11(1b) and 12(1b)).

There are two main ways in which the IPART's investigations can be initiated.

(a) *Standing references*

Schedule 1 of the Act lists a number of government agencies for which IPART has a standing reference (see list below). Under Section 11 IPART may initiate investigations of declared services supplied by these standing reference agencies.

(b) *References by the Premier*

Under Section 12 of the Act the Premier may require IPART to determine the maximum price or carry out a review of any declared service, including those supplied by standing reference agencies.

The terms of any reference by the Premier must be advertised, and the final terms of reference must be settled with the Premier following consideration of public comments.

IPART may ask the Premier to make a particular reference under these provisions.

Standing reference agencies

The following government agencies are currently listed as standing references in Schedule 1 of the Act:

- Electricity Transmission Authority
- All NSW electricity distributors
- Sydney Water Corporation Limited
- Hunter Water Corporation Limited
- Water supply authorities constituted under the Water Supply Authorities Act 1987 including Gosford and Wyong Councils
- County councils established for the supply of water
- Administrators of the Fish River Water Supply*
- State Rail Authority
- State Transit Authority
- Roads and Traffic Authority*
- Department of Housing*
- Ports Corporations*.

Even though an agency is on this list, IPART *does not have authority to set prices or carry out a review until monopoly services supplied by the agency have been declared*. No declarations have been made for services supplied by the agencies marked with an asterisk (*).

APPENDIX 1

– legislative provisions

Public participation and access to information

The Act contains a number of provisions to ensure that IPART's activities are conducted through a public process. *The main requirement is that IPART must hold at least one public hearing for each investigation.* IPART may seek public participation by:

- advertising public hearings (Section 21(3))
- seeking public comments on terms of reference (Section 13(2))
- providing public access to submissions (Section 22A(1))
- inviting public comment on issues and submissions
- holding public seminars and workshops (Section 21(2))
- releasing reports and determinations to the public (Section 19(1))
- publicly reporting compliance by agencies (Section 18(4)).

IPART must make a document available for inspection on request unless the document is an exempt document under the *Freedom of Information Act 1989*. (Section 22A) If it is exempt, IPART has a discretion to release it following consultation, and if satisfied that it will not damage commercial or other interests.

While most IPART activities are public, we may direct that evidence be considered in private and may restrict access to confidential documents.

Matters to be considered by IPART

Under Section 15, IPART is required to consider a range of issues when making determinations and recommendations. These can be summarised as:

- the cost of providing the services concerned
- protection of consumers from abuses of monopoly power
- an appropriate rate of return
- the effect on general price inflation
- the need for greater efficiency
- the need to maintain ecologically sustainable development
- the impact on pricing of borrowing, capital and dividend requirements
- the impact on pricing of arrangements for the exercise of an agency's functions by some other person or body
- the need to promote competition
- considerations of demand management
- the social impact of the determinations or recommendations
- standards of quality, reliability and safety

Similar issues are to be considered when IPART determines a methodology for fixing prices under Section 14A (see (b) below). In making a determination or recommendation IPART is required to report on what regard it has had of each of these issues, (Section 15(2)).

The Premier may also require IPART to consider specific matters in its investigations (Section 13(a)).

APPENDIX 1

– legislative provisions

How IPART sets maximum prices

IPART may fix maximum prices in either of two ways:

(a) *Determining maximum prices*

Maximum prices may be determined in any way IPART considers appropriate (Section 14), including:

- setting specific prices (or average prices) for individual services
- increasing or decreasing prices for individual services or groups of services
- setting a rate of return on assets
- referring to a general price index such as the CPI.

(b) *Establishing a methodology for determining maximum prices*

If IPART considers that it is impracticable to make a determination of maximum prices as in (a), under Section 14A it may determine a methodology to be used by the agency to fix the maximum price. This provision was added during 1994/1995.

Implementation of maximum prices

The agencies concerned are *required to fix prices so that they do not exceed the maximum price* determined by IPART (Section 18(1A)). The approval of the Treasurer is needed if an agency wishes to charge a price below the maximum price (Section 18(2)).

Compliance

In their annual reports, all agencies subject to IPART's determinations must report (Section 18(4)) on how they have implemented the maximum prices. Information must also be provided on whether IPART recommendations made in pricing policy reviews have been implemented, and reasons must be given for any non-implementation.

Release of reports and determinations

IPART submits its reports to the Premier. Any determination must be published in the NSW Government Gazette as soon as possible (Section 17). All reports must be made available for public inspection and sale, tabled in Parliament, and placed in the Parliamentary Library (Section 19).

Reviews of industry, pricing or competition

Section 12A of the Act allows the Premier to require IPART to undertake reviews of matters covering industry, pricing or competition. In contrast to the review provisions of Sections 11 and 12, these reviews are not restricted to the operation of government monopoly services and can cover both government and private industry issues. In carrying out reviews under Section 12A, the Tribunal is not required to specifically have regard to the various issues listed in Section 15 of the Act.

Registration of access agreements

Section 12B of the Act requires that IPART be notified of access agreements that are being negotiated. IPART may provide advice to the Premier on such agreements. IPART is required to register all such agreements (Section 12D).

Arbitration of access disputes

If the access regime under which the agreement is being negotiated provides for the operation of Part 4A of the IPART Act, any disputes that occur are subject to arbitration by

APPENDIX 1

– legislative provisions

IPART. Currently Part 4A applies to access to gas, rail and electricity infrastructure. In carrying out these arbitration functions, IPART may appoint an arbitrator from a panel approved by the Premier¹ or may undertake the arbitration itself (Section 24B). IPART's arbitration activities follow the provisions of the Commercial Arbitration Act, supplemented by provisions of the IPART Act and any regulations made under Section 29 of that Act.

Provision of assistance to other agencies

Subject to the Premier's approval, the Tribunal may provide services to any government agency, body or person in areas that are within the Tribunal's field of expertise and relevant to its functions (Section 9).

In entering into any arrangement for IPART to provide services, IPART has a duty of care to ensure that giving effect to the arrangement will not interfere with its ability to exercise its normal functions.

Gas Supply Act 1996

The *Gas Supply Act 1996*, which was proclaimed in July 1996, provides for the abolition of the Gas Council of NSW, with economic and price regulation issues becoming the responsibility of the Independent Pricing and Regulatory Tribunal. IPART is also to be responsible for arranging third party access to gas networks in NSW and for arbitrating access disputes.

Access regulation functions of IPART previously undertaken under the Gas Supply Act are now undertaken under the National Gas Code (see below).

IPART continues to have the power to make gas pricing orders.

Gas pricing orders

Under section 27 of the Gas Supply Act, IPART is able to establish a pricing mechanism for delivered gas to tariff customers. Known as a gas pricing order, it enables IPART to:

- establish a methodology within which tariff customer prices for delivered gas must be set
- establish maximum tariffs or maximum average tariffs
- prohibit the imposition of certain charges.

It should be noted that any gas pricing order applicable to the delivered price of gas in a particular area applies to all retailers serving that area. This ensures that with competition among suppliers, any retailer supplying the area covered by a gas pricing order is subject to that order.

If gas suppliers are aggrieved with IPART's determination, they may request a review of pricing orders by a Review Panel appointed by the Minister for Energy. Notwithstanding the above, gas suppliers may apply for review of a pricing order by IPART twelve months from the date of the order.

State Access Code

Now replaced by the National Third Party Access Code Natural Gas Pipeline Systems, the Third Party Access Code for Natural Gas Distribution Networks in NSW was developed to provide NSW with an interim code for third party access. The Codes deal with the coverage of pipelines, the establishment and content of access undertakings, ring fencing provisions, pricing principles and procedures for the arbitration of access disputes.

¹ For arbitration of access to gas distribution networks where IPART appoints the panel.

APPENDIX 2

– public hearings and submissions

During 1999/2000, the Tribunal held 82 meetings and 8 public hearings on 8 sitting days. The Chairman, Dr Thomas G Parry, was present for 81 meetings and the full time member, Mr James Cox, for 79 meetings.

Other members attended Tribunal meetings according to their expertise and availability. Ms Carver attended 10 meetings and 1 Public Hearing. Ms Cifuentes attended 39 meetings, 3 Public Hearings and 2 Public Forums. Mr John Ward attended 3 meetings on Taxi Cabs and Hire Cars.

Hearing Date	Investigation	Submissions
<i>Determinations</i>		
5 May 2000 – Sydney	Passenger transport fares	333
17 March 2000 – Newcastle	Hunter Water Charges	13
15 March 2000 – Sydney	Sydney Catchment Authority Charges	9
10 March 2000 – Gosford	Gosford/Wyong Charges	7
3 March 2000 – Sydney	Developer Charges	11
3 March 2000 – Sydney	Sydney Water Charges	34
14-15 October 1999 – Sydney	Electricity Networks and Retail Supply	53
<i>Section 9 Reviews</i>		
30 July 1999 – Sydney	Operating Licences Sydney Water and Sydney Catchment Authority	23

APPENDIX 3

– publications

During 1999/2000 IPART released the following publications. Printed copies of all publications were distributed to interested parties and are available for purchase at the Government Information Office. These publications are also available for browsing and downloading (in PDF format) from IPART's website (www.ipart.nsw.gov.au).

Release date	Publication number	Title
Determinations		
June 2000	Det00–6	Sydney Water Corporation – Prices of Water Supply, Sewerage and Drainage Services – Prices from 1 July 2000
June 2000	Det00–5	Wyong Shire Council – Prices of Water Supply, Sewerage and Drainage Services – Medium Term Price Path from 1 July 2000
June 2000	Det00–4	Gosford City Council – Prices of Water Supply, Sewerage and Drainage Services – Medium Term Price Path from 1 July 2000
June 2000	Det00–3	Hunter Water Corporation – Prices of Water Supply, Sewerage and Drainage Services – Medium Term Price Path from 1 July 2000
June 2000	Det00–1&2	Public Transport Fares from 1 July 2000 – CityRail and STA Buses and Ferries
December 1999	Det99–5	Pricing for the Retail Supply of Electricity to Franchise Customers
July 1999	Det99–3&4	Public Transport Fares from 1 August 1999 – CityRail and STA Buses and Ferries
Review Reports		
December 1999	Rev99–9	Review of Fees for Development Control Services – Development Application Fees – Final Report
November 1999	Rev99–8	Review of the Taxi Cab and Hire Car Industries – Final Report
September 1999	Rev99–7	Review of Fees for Development Control Services – Development Application Fees – Interim Report
August 1999	Rev99–6	Review of the Taxi Cab and Hire Car Industries – Interim Report
July 1999	Rev99–5–1&2	Pricing for Electricity Networks and Retail Supply – Report of the Special Reference on Electricity

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– publications

Release date	Publication number	Title
Gas Reports		
May 2000	Gas00–03	Review of the Price of National Gas to Tariff Customers Served from AGL Gas Network in NSW
February 2000	Gas00–02	Review of the Delivered Price of Natural Gas in Wagga and Albury – Final Report
February 2000	Gas00–01	Access Arrangement and Access Arrangement Information for Albury Gas Company Limited
December 1999	Gas99–10	Final Decision – Access Arrangement Albury Gas Company Limited
December 1999	Gas99–9	Benchmarking the Efficiency of Australian Gas Distributors – Research Paper
November 1999	Gas99–8	Final Decision Great Southern Energy Gas Network Pty Limited– Application for Waiver of Certain Ringfencing Obligations
October 1999	Gas99–7–3	The Treatment of Net Working Capital in Establishing the Regulatory Asset Base for AGL Gas Networks Limited – KPMG Consulting
October 1999	Gas99–7–2	Review of AGLGN Gas Demand Forecasts – ACIL Consulting
October 1999	Gas99–7–1	Technical Review of AGLGN's DORC and Capex in NSW – Ewbank Preece
October 1999	Gas99–7	Draft Decision – Access Arrangement for AGL Gas Network Limited Natural Gas System in NSW
October 1999	Gas99–6	Review of the Delivered Price of Natural Gas In Wagga Wagga and Albury – Draft Decision
September 1999	Gas99–5	Access Arrangement, Access Arrangement Information & Explanatory Information for Great Southern Gas Networks Pty Limited and Natural Gas Distribution System in Wagga Wagga
August 1999	Gas99–4	Draft Access Arrangement, Access Arrangement Information & Explanatory Information for Great Southern Gas Networks Pty Limited and Natural Gas Distribution System in Wagga Wagga
July 1999	Gas99–3	Access Arrangement Albury Gas Company Limited – Draft Decision

APPENDIX 3

– publications

Release date	Publication number	Title
Discussion Papers		
June 2000	DP40	Sydney Water Corporation – Prices of Water Supply, Sewerage and Drainage Services, Issues Paper
May 2000	DP39	Pricing of Recoverable Works – Discussion Paper
April 2000	DP38	Pricing of Capital Contributions to Electricity Networks – Discussion Paper
October 1999	DP37	Pricing of Water, Sewerage and Drainage Services – Issues Paper
Reports under the National Electricity Code		
December 1999	NCDet99–1	Regulation of NSW Electricity Distribution Network – Determination and Rules under the National Electricity Code
July 1999	NCR–1	Rule 2000/00 – Charges for Monopoly Services
Other Publications		
March 2000	OP–7	Pricing for the Retail Supply of Electricity to Franchise Customers – Notification on Energy Cost Pass Through
January 2000		Halcrow Management Sciences Limited – New South Wales Water Agencies Review – Summary – December 1999
January 2000	WFR–3	Water Industry Forum – Report on Developer Charges for Water, Sewerage and Drainage Services, 1999 Report
January 2000	OP–6	Water Industry Overview
November 1999		Review of Developer Charges – PricewaterhouseCoopers & Centre for International Economics
November 1999	AR98–99–1&2	Annual Report 1998/99
July 1999	S9–2	Report to the NSW Treasurer and the Minister for Health – A Review of NSW Health from the Independent Pricing and Regulatory Tribunal of New South Wales

APPENDIX 4

– staffing and consultants

Staffing and equal opportunity statistics

The Central Corporate Service Unit provides personnel support services to IPART. Aware that special factors may affect an organisation with a small number of staff, IPART has adopted the Premier's Department's EEO policy for its use.

Current EEO outcomes and strategies include:

Outcomes

Strategies

Diverse & Skilled Workforce

Agency profile reflects a diverse workforce

- explore avenues for advertising job opportunities to attract target group members
- ensure that development opportunities are available to all staff

Fair Practices & Behaviours

Implementation of workplace policies & procedures

- ensure policies and procedures reflect EEO considerations eg harassment, grievances
- introduce awareness sessions to launch new/upgraded policies

Improved Access and Participation

Workforce committees to include target group participation

- ensure that workplace programs include EEO representation
- encourage participation in spokeswomen's program
- encourage external development opportunities.

EEO statistics – total staff by level (a)

	TOTAL STAFF NUMBER	RESPONSE %	SUBGROUP PERCENTAGE		SUBGROUP PERCENTAGE		
			MEN %	WOMEN %	ABORIGINAL & TORRES STRAIT ISLANDER PEOPLE	PEOPLE FROM RACIAL, ETHNIC, ETHNO-RELIGIOUS MINORITY GROUPS	PEOPLE WHOSE LANGUAGE FIRST SPOKEN AS A CHILD WAS NOT ENGLISH
\$26,276–\$38,582	2	50	–	100	–	–	–
\$38,583–\$48,823	4	75	–	100	–	33	33
\$48,824–\$63,137	7	71	43	57	–	40	40
>\$63,137 (non executive)	20	65	45	55	–	30	23
Contract executive and statutory appointments	5	80	100	–	–	–	–
Total	38	68	45	55	–	26	23

APPENDIX 4

– staffing and consultants

EEO statistics – total staff by employment basis (a)

	TOTAL STAFF NUMBER	RESPONSE %	SUBGROUP PERCENTAGE		SUBGROUP PERCENTAGE		
			MEN %	WOMEN %	ABORIGINAL & TORRES STRAIT ISLANDER PEOPLE	PEOPLE FROM RACIAL, ETHNIC, ETHNO-RELIGIOUS MINORITY GROUPS	PEOPLE WHOSE LANGUAGE FIRST SPOKEN AS A CHILD WAS NOT ENGLISH
Permanent							
full time	28	75	43	57	–	29	29
part time	3	33	–	100	–	100	–
Temporary							
full time	1	–	–	100	–	–	–
part time	1	–	–	100	–	–	–
Contract executive and statutory appointments	5	80	100	–	–	–	–
Total (c)	38	68	45	55	–	26	23

(a) The tables cover only information relevant to IPART staff.

(b) Total staff numbers at 30 June 1997, 1998 and 1999 were 32, 34 and 38 respectively.

(c) Source: Parliamentary Annual Report EEO Tables.

Contract Executive profile

All executive staff are employed under contract by IPART under Section 8(2) of the Independent Pricing and Regulatory Tribunal Act 1992. They are not formally members of the NSW Senior Executive Service (SES). Conditions of employment are similar to SES conditions, and remuneration has regard to determinations by the Statutory and Other Offices Remuneration Tribunal.

Three executive positions, including one held by a woman (Fiona Towers), were filled at the end of the current financial year.

Code of conduct

IPART's staff operate under a Code of Conduct designed to cover their role in a utility regulatory environment. A copy of the full Code of Conduct can be found on IPART's website at www.ipart.nsw.gov.au.

Corporate Plan

The main components of our corporate plan are shown at the beginning of this report. Progress in meeting corporate objectives is assessed for each program element in the main body of the report. The corporate plan is available on request and may be viewed or downloaded from IPART's website. The corporate plan will be reviewed in 2000/2001 as part of the development of a five year strategic business plan.

Consultants

Expenditure on consultants during 1999/2000 was \$1,142,000. During 1999/2000 IPART engaged 33 consultants for a total contract cost of \$1,003,000 (work on some consultancies

APPENDIX 4

– staffing and consultants

was proceeding at 30 June). There were 25 consultants engaged for values of less than \$30,000. Details of the 8 consultancies that had a value exceeding \$30,000 are shown below.

Consultancies over \$30,000

Project	Consultant	Contract cost (\$)
Capital and operating expenditure reviews of NSW Urban Water Utilities	Halcrow Management Sciences Ltd	237,500
Valuation of NSW Rail Network	Booz-Allen	218,000
Administrative and Management Structure	Joy London Consulting Pty Ltd	45,764
Energy Cost Pass Through	Intelligent Energy Systems Pty Ltd	39,600
Assistance to the Northern Territory Government	East Cape Pty Ltd	40,000
Security of Payment in the Building Industry	Ferrier Hodgson	94,500
Financial Modelling of Utilities	Marion Thompson	46,905
IT Strategic Plan, Security Review & Selection of External IT Partner	Internal Audit Bureau	58,638

Consultancy charges totalling \$331,005 were recovered from IPART clients.

Salaries of Statutory Appointees and Contract Executive

No performance-related payment (bonus) was made to Statutory Appointees and Contract Executive Staff.

In accordance with Treasury Circular TC00/20, the names of officers, position held, and total salary packages (including superannuation) for whom salary packages exceed \$153,000 must be disclosed. At IPART, this applies to:

Name	Position	Total Salary Package
Thomas G Parry	Chairperson	\$276,270
James Cox	Full Time Tribunal Member	\$181,859
Colin Reid	Director Secretariat	\$162,750

Executive meetings

IPART's Core Executive consisting of the Chairman, Full-time Member, and Directors of the Secretariat, Industry Groups, and Analysis and Policy Development met regularly at approximately two week intervals throughout the year. Program Managers, General Counsel and the Office Services Manager attended every second meeting.

Executive meetings reviewed the current work program of the Secretariat and ensured that the Tribunal was adequately briefed on all relevant issues.

External liaison

Details of the many working groups and forums which facilitate communication with external bodies are presented earlier in the report.

Overseas visits

Our Chairperson, Dr Thomas G Parry presented a paper at the inaugural World Forum on Energy Regulation in Montreal, Canada and visited the United Kingdom in May/June 2000, where he met with various regulatory bodies and representatives to discuss utility licence regulation.

External presentations

During the year the following external presentations on the role and work of IPART were made by Tribunal Members and Secretariat staff:

■ Dr Thomas G Parry, Chairman

Opening Address to the ESAA Round Table, July 1999, Canberra

What Incentives in Regulation, ESAA, November 1999, Sydney

Economic Regulation in a Deregulated Industry, ESAA, February 2000, Sydney

Policy and Price Regulation, World Forum on Energy Regulation, May 2000, Montreal

Contestability and the Small Consumer, UCAP Conference, PIAC, June 2000, Sydney

■ Mr James Cox, Full time Member

Price Reform in NSW, presentation to Queensland Water Reform Seminar, August 1999, Brisbane

Recent Developments in Access Pricing, Trade Practices Conference, October 1999, Sydney

1999 Electricity Pricing Determination, IPA Energy Forum, March 2000, Melbourne

Water Pricing in NSW, Water Supply Association of Australia, March 2000, Sydney

■ Mr Eric Groom, Director, Analysis and Policy Development

Network Regulation, Gas Business Symposium, Economics Society of Australia, September 1999, Melbourne

Regulation and Incentives: Environment and Quality, Fundamentals of the Competitive

Electricity Industry, Centre for Mining and Energy Conference, February 2000, Sydney

Issues in Regulation in NSW, 2000 Energy Markets and Policy Conference, April 2000, Sydney

Developments in Regulation in NSW, Network 2000 Conference, June 2000, Melbourne

■ Ms Fiona Towers, Director, Industry Groups

Practice of Benchmarking and Performance Regulation in NSW, ESAA Benchmarking Conference, February 2000, Sydney

APPENDIX 5

– other issues

- **Mr Michael Seery, Program Manager, Urban Water**

Stormwater Pricing, Hawkesbury Nepean Catchment Management Trust – Joint Catchment Stormwater Reference Group, May 2000, Sydney

- **Ms Anna Brakey, Acting Program Manager, Electricity**

Electricity Regulation in NSW, Fundamentals of the Competitive Electricity Industry, Centre for Mining and Energy Conference, February 2000, Sydney

Asset management plan

IPART has engaged the Internal Audit Bureau to prepare a three year IT strategic plan by 30 September 2000. This is intended to meet the Government's requirements for both an asset management plan and an electronic service delivery (ESD) plan. The preparation of the plan was delayed beyond the due date of 30 June 2000 pending clarification of the additional utility licensing regulation functions being transferred to IPART.

Computing facilities

During the year the computing needs of IPART's Secretariat were provided by a Netware 5.0 network operating system.

All Secretariat staff use Pentium PCs. These computing facilities are used extensively by the Secretariat's specialist staff for financial analysis, modelling and the preparation of reports.

A Lotus Domino server is used for email and Notes databases. Our principal operating system/software is Windows NT4 and Office 97.

A permanent connection to the Internet provides for email and internet browsing facilities. A Novell Border Manager firewall, and server and workstation virus protection provide external protection. An Internet Service Provider hosts IPART's website.

An integrated database (ASSIST) manages IPART's mailing lists and submissions registers.

Year 2000 issues

IPART did not encounter any major Year 2000 problems. All of our Year 2000 preparatory work was conducted under Office of Information Technology Guidelines. Part of this process involved obtaining external certification of our rectification plan, contingency and disaster recovery plan and external certification of remediation. Internally we were required to complete a legislative, insurance policy and legal review. All these requirements were met.

The cost of the project was \$15,000.

Complaints

IPART receives letters from time to time which complain about determinations made by IPART and on the public procedures of IPART. These representations are acknowledged and, where appropriate, are registered as submissions to the relevant investigation.

Other representations are made to IPART from time to time concerning pricing practices or activities of the utilities that we regulate. When appropriate, these representations are referred to the relevant agencies and the Electricity and Water Ombudsman.

New tax system

IPART contracts out its payroll and accounting services to the Central Corporate Services Unit (CCSU) of the Department of Public Works and Services.

APPENDIX 5

– other issues

IPART and CCSU completed GST compliance plans which satisfy NSW Treasury requirements. In addition, the Audit Office provided an independent report to Treasury on the reasonableness of GST project implementation, evaluation and testing. No substantive problems were encountered.

External costs incurred by IPART on GST implementation are a proportion of CCSU's implementation costs (\$19,170) and the cost of the reasonableness assessments by the Audit Office (\$3,000).

Occupational health and safety

IPART had one workers compensation claim in 1999/2000. The net incurred cost was less than \$1,000. There were no claims in 1998/1999.

Privacy plan

The Government requires government agencies to prepare and implement a privacy plan. IPART has engaged the Internal Audit Bureau to assist with this task.

A draft plan is to be submitted to the NSW Privacy Commissioner for approval.

Risk management and insurance

Comprehensive coverage for workers' compensation, motor vehicle, property and liability insurance is provided through the NSW Treasury Managed Fund. The major risks are those relating to workers compensation and motor vehicle damage.

Exposure to theft of property is limited by the installation of a security access system for IPART's office accommodation. This controls access to IPART's work areas during the day and provides security outside office hours. This system also provides security for sensitive business and financial information provided to IPART for consideration.

Duplexed server disk facilities, daily backup, offsite tape storage and uninterruptable power supply are used to reduce risks arising from computer system breakdowns.

Computer virus protection is installed on the server and workstations and protects all incoming email. Virus protection files are updated regularly and staff informed of ways of minimising the risk of importing computer viruses.

Report on account payment performance

Accounting services are provided by the Central Corporate Services Unit (CCSU) operated by the Department of Public Works and Services. Other than a small number of accounts which needed to be queried, all accounts were sent for payment without delay.

While IPART keeps records of accounts sent for payment, it relies on the CCSU to pay accounts promptly. Queries on late payment are referred to CCSU for progress in arranging payment. No formal complaints have been received by IPART about late payment of an account.

Details of Annual Report production

One thousand copies of this report have been printed at an average cost of \$14.50 per copy. This cost is based on the external costs of production including editing, design, photography and all printing processes. Extra copies may be purchased at the NSW Government Information Service Bookshop. An electronic copy of this report is available at IPART's website.

APPENDIX 6

– freedom of information – statement of affairs

Under the Freedom of Information Act 1989, every NSW government department or agency is required to publish an annual statement of affairs. The statement describes the structure and functions of the agency and lists categories of documents that are held by the agency. This information is provided in this annual report.

Availability of information

Copies of all documents in IPART's public access library are available for public inspection at the IPART office, Level 2, 44 Market Street, Sydney 2000, from 9.00 am to 5.00 pm Monday to Friday (inquiries (02) 9290 8400).

FOI procedures

To obtain IPART documents other than those identified in the public access library, application must be made in writing under the Freedom of Information Act.

Since many documents are readily accessible through IPART's public access arrangements and website, it is advisable to check the general availability of the document before making an application under the Freedom of Information Act.

FOI applications must be accompanied by a \$30 application fee and directed to:

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
Sydney NSW 1230

Arrangements to inspect or obtain copies of documents can be made by contacting the FOI Co-ordinator on (02) 9290 8400

FOI requests in 1999/2000

One request for access to documents under the FOI Act was received. Four of the five documents requested were provided. The fifth document was determined to be exempt under clause 13 of Schedule 1 of the Act.

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