

Independent Pricing and Regulatory Tribunal
New South Wales

Annual Report 2016-17



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Letter of Submission

Our reference: 17/389

31 October 2017

The Hon Gladys Berejiklian MP
Premier of New South Wales
52 Martin Place
Sydney NSW 2000

Dear Premier

Independent Pricing and Regulatory Tribunal - Annual Report 2016-17

As required by the *Annual Reports (Statutory Bodies) Act 1984*, I am pleased to submit the Independent Pricing and Regulatory Tribunal Annual Report for the year ending 30 June 2017.

Yours Sincerely



Hugo Harmstorf
Chief Executive Officer

The Chair's Foreword

IPART has had a year of consolidation following an expansion of our remit in the previous year. Our work continues to focus on making decisions that protect and promote the ongoing interests of the consumers, taxpayers and citizens of NSW.

In 2016-17 we concluded three major reviews in the water industry, including the first regulatory price reset for the Sydney Desalination Plant since it was transferred to private ownership. We also completed a determination for the pricing arrangements between the incumbent water utilities and alternative suppliers under Water Industry Competition Act in the Sydney and Hunter Water areas. This is the first determination for wholesale water prices by a regulatory agency in Australia and it was a complex and lengthy review process.

The Tribunal issued a determination for the prices of rural water supplied by WaterNSW. In this determination the Tribunal set prices in the North and South Coast Valleys aimed at increasing the utilisation of legacy water supply assets, rather than seeking to achieve full cost recovery. The Tribunal also departed from previous determinations when setting the prices for the Peel Valley, which covers the Tamworth Regional Council and irrigators.

During the year, IPART's new approach to setting reliability standards for electricity transmission was adopted by the Government. This involves trading off of the cost of investment in reliability against the cost of outages for customers. We also assessed the electricity networks' compliance with their regulatory obligations, including critical infrastructure security requirements, employment guarantees and bushfire risk mitigation.

We found that competition in retail electricity market is working and continues to improve and plan to apply a similar monitoring approach to the retail gas market following the Government's decision to deregulate retail gas prices from 1 July 2017.

We completed a number of other reviews for the Government during 2016-17 including social and affordable housing rent models and the local government rating system. For social and affordable housing, our recommendations focused on placing the delivery of housing to the most vulnerable members of society on a financially sustainable basis. Our recommended approach centered on covering market rents, with the tenant's contribution pegged to their income. We recommended converting the current implicit government subsidy to an explicit payment, thereby providing a financial return to housing suppliers.

In a comprehensive review of the local government rating system, we explored the possibility of councils moving from the unimproved value of land to the capital improved value as a basis for local government rates. As requested in the terms of reference, we also reviewed the current regime for exemptions from the payment of rates for various organisations and/or uses of land.

I would like to thank my fellow Tribunal members, Ed Willett and Deborah Cope, who joined in February, for their very able contributions to IPART's reviews during the year. I

would also like to thank Catherine Jones for her three years of diligent service up to February 2017.

I thank the Secretariat, led by Hugo Harmstorf, which has provided timely, high quality analysis and reports to the Tribunal. IPART has maintained its reputation as a highly professional group of people as evidenced by the results of the 2017 Stakeholder Survey. It is indeed a joy to work with such a group of people in a constructive and productive working environment.

A handwritten signature in blue ink, appearing to read 'Peter J. Boxall'.

Peter J. Boxall AO
Chair

The Chief Executive Officer's Report

I am pleased to have led IPART through a busy and productive 2016-17. We delivered a comprehensive work program on time, on budget, and to a high standard.

The results of our 2017 stakeholder survey demonstrate that stakeholders share my high regard for both the Tribunal and the Secretariat:

- ▼ 98% of our stakeholders agree or strongly agree that IPART's staff demonstrate a high level of professionalism (up from 97% in 2015).
- ▼ 97% agree or strongly agree that IPART's reports are of high quality (up from 89% in 2015)
- ▼ 95% say our decision-making processes are of high quality (up from 80% in 2015)
- ▼ 91% agree or strongly agree that our consultation processes, administrative processes and systems are of high quality (up from 80% to 84% in 2015) and
- ▼ 89% of our stakeholders agree or strongly agree that the Tribunal members demonstrate leadership in implementing their legislative functions (up from 87% in 2015).

I am very proud of these results and can attest that they reflect considerable effort from both the Tribunal and the Secretariat.

This year, our continual improvements to our decision making processes have focused on improving our communications with stakeholders to ensure we meet their evolving needs, and on improving the way that the Secretariat works. It is important that we are an efficient and effective organisation, and we are working to enhance our productivity by being an agile and lean organisation.

IPART is fortunate to have a strong leadership team to model our values of integrity, trust and excellence in delivering our purpose - to provide independent regulatory decisions and advice to protect and promote the ongoing interests of the consumers, taxpayers and citizens of NSW.

I would like to thank every member of the Secretariat for their dedication, excellence and professionalism. I would also like to thank the Tribunal, and particularly the Chair, for guidance and support during the year.

As CEO I am privileged to lead an outstanding team, and look forward to the challenges ahead.



Hugo Harmstorf
Chief Executive Officer

Our Organisation

Purpose and Objectives

We provide independent regulatory decisions and advice to protect and promote the ongoing interests of the consumers, taxpayers and citizens of NSW.

Strategic Direction

To fulfil this purpose, over the next three years we will pursue four strategic directions:

1. Deliver regulatory leadership and high-quality decisions and advice to enhance IPART's contribution to the NSW economy.
2. Keep regulated entities accountable in accordance with their regulatory requirements.
3. Meet stakeholder expectations through extensive consultations and the delivery of impartial, transparent and balanced determinations.
4. Promote a thriving culture, be an employer of choice, and deliver a well-run organisation where highly professional and capable staff can perform, learn and enjoy.

Values

We have three key values:

- ▼ We act with integrity
- ▼ We earn trust
- ▼ We deliver excellence.

Guiding Principles

We have eight guiding principles:

- ▼ **Independence** – we are independent and impartial in our advice and decision making.
- ▼ **Transparency** – we make our processes visible and explain our decisions clearly and simply.
- ▼ **Professionalism** – we conduct ourselves with discipline according to high professional standards, and use resources effectively and efficiently.
- ▼ **Consistency** – we strive to provide a consistent regulatory environment.
- ▼ **Consultation** – we consult extensively and effectively with all stakeholders and consider their concerns and comments.
- ▼ **Balance** – we aim to deliver equitable outcomes by balancing the ongoing interests of the regulated entities, their customers and other stakeholders.
- ▼ **Innovation** – we explore new and better approaches and demonstrate intellectual leadership and innovation.
- ▼ **Practicality** – we aim to deliver pragmatic outcomes that can be achieved efficiently within the statutory framework.

Major Stakeholders

Our major stakeholders are:

- ▼ **The consumers, taxpayers and citizens of NSW and their advocates** – our work directly affects consumers' cost of living and influences the quality of services they receive from the publicly owned utilities we regulate. It also influences the value taxpayers receive from the funds invested in these utilities and the provision of public transport services.
- ▼ **The businesses and industries we regulate and their advocates** – our work affects the financial viability and operating environment of the businesses and industries we regulate.
- ▼ **The NSW Government** – our work affects the ability of publicly owned utilities to pay dividends to the Government, and the revenue it receives from public transport fares. Our advice on economic and policy issues influences the productivity, effectiveness and efficiency of Government agencies and State Owned Corporations.

Who we are

IPART provides independent regulatory decisions and advice to protect and promote the ongoing interests of the consumers, taxpayers and citizens of NSW. We act with integrity, earn trust and deliver excellence.

We are the independent regulator for the water, public transport, local government, electricity and gas industries and the Energy Savings Scheme in NSW. We also undertake reviews and investigations into a wide range of economic and policy issues and perform a number of other roles at the NSW Government's request.

What we do

Our core functions are conferred by legislation, rules and access regimes established by legislation. These functions are to:

- ▼ determine or recommend prices that can be charged for specific services, including certain water, retail gas, public transport and taxi services in NSW
- ▼ administer licensing or authorisation of water, electricity and gas businesses, and monitor compliance with licence conditions
- ▼ regulate private sector access to water and wastewater to encourage competition and re-use
- ▼ maintain a local government cost index, determine the maximum percentage increase in councils' general revenue (rate peg) and special rate variations, and review councils' development contributions plans
- ▼ conduct special reviews at the Government's request under Section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act) on issues such as pricing, efficiency, industry structure and competition
- ▼ register agreements for access to public infrastructure assets and arbitrate disputes about agreements for access to public infrastructure
- ▼ investigate complaints about competitive neutrality referred to us by the Government
- ▼ perform specific roles, including:
 - Scheme Administrator and Scheme Regulator for the Energy Savings Scheme and maintain the associated register of energy savings certificates
 - Market Monitor to review and report annually on the performance and competitiveness of the retail electricity market in NSW.

Resources

As at 30 June 2017 we have:

- ▼ 124 full-time equivalent employees
- ▼ \$25.5 million in appropriation from NSW Treasury
- ▼ \$3.0 million revenue from special reviews.



2016-17 Highlights

IPART PROVIDES INDEPENDENT REGULATORY ADVICE AND DECISIONS TO PROTECT AND PROMOTE THE ONGOING INTERESTS OF THE CONSUMERS, TAXPAYERS AND CITIZENS OF NSW

PRICE REGULATION

Determining maximum regulated prices for water, energy, public transport and taxi fares, and local government rates and development contributions



5.5m

water customers across NSW



3.3m

energy customers prices monitored



550m+

NSW public transport journeys



3m+

ratepayers across 128 councils

LICENSING AND COMPLIANCE

Issuing licences and monitoring compliance for water and energy services to encourage competition, efficient use of resources and appropriate access to public infrastructure



34

water licences covering 5.5m water users



7.8m

consumers receiving electricity via networks IPART regulates for safety and reliability



2.1m MWh

energy saved under the Energy Savings Scheme in 2016

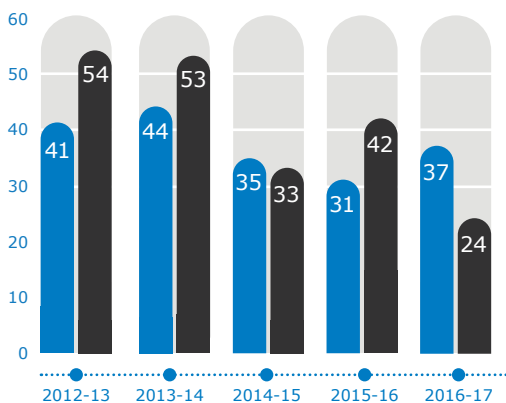
SPECIAL REVIEWS

Recommending improved pricing, efficiency, industry structure and competition reform to support economic growth through:

Health **Infrastructure** **EDUCATION** **TAXIS** **RURAL ISSUES** **Regulation**

REVIEWS AND LICENCES

Historical snapshot of reviews undertaken and licence determinations by year over the past five years



■ Pricing reviews/recommendations (incl. Local Govt SV's and CP's)
■ Licence determinations or recommendations

2016-17 HIGHLIGHTS

ENHANCING NSW ECONOMY THROUGH HIGH-QUALITY DECISIONS



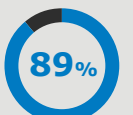
74

reports including 14 determinations and 21 final reports



2

special reviews undertaken at Government request



stakeholders who agree Tribunal demonstrates leadership



10

submissions made by IPART to external reviews

0 legal challenges to IPART decisions

KEEPING REGULATED BUSINESS ACCOUNTABLE



142

audits conducted



7

guidelines published to facilitate compliance



9

compliance reports

5 reporting manuals completed or updated

MEETING STAKEHOLDER EXPECTATIONS

1978

submissions received



128

consultation papers released (104 fact sheets, 7 issues papers, 17 draft reports)

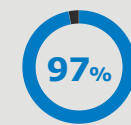
21

final reports published



15

consultations held (hearings and workshops)



stakeholders who agree or mostly agree IPART's reports are of high quality

PROMOTING A THRIVING ORGANISATIONAL CULTURE

124

full-time equivalent employees

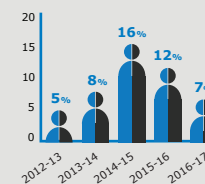


of stakeholders agree or mostly agree IPART staff demonstrate a high level of professionalism



55%

of senior executives are female



Staff turnover trend over the past five years

Our performance against strategic directions

We are currently pursuing four strategic directions to ensure we effectively fulfil our purpose, which is to provide independent regulatory decisions and advice to protect and promote the ongoing interests of the consumers, taxpayers and citizens of NSW. These strategic directions are to:

1. Deliver regulatory leadership, and high-quality decisions and advice to enhance our contribution to the NSW economy.
2. Keep regulated entities accountable in accordance with their regulatory requirements.
3. Meet stakeholder expectations through extensive consultations and the delivery of impartial, transparent and balanced determinations.
4. Promote a thriving culture, be an employer of choice and deliver a well-run organisation where highly professional and capable staff can perform, learn and enjoy.

Delivering regulatory leadership and high-quality decisions and advice

Water Pricing

In 2016-17, we completed reviews and released multi-year price determinations to apply from 1 July 2017 for:

- ▼ Sydney Desalination Plant's water services
- ▼ WaterNSW's Rural bulk water services
 - in coastal valleys, under the *NSW Independent Pricing and Regulatory Tribunal Act 1992*
 - in Murray Darling Basin valleys, under accreditation from the ACCC and the *Commonwealth Water Charge (Infrastructure) Rules 2010 (WCIR)*.

We completed our review of Sydney Water's and Hunter Water's prices for their wholesale water and wastewater services to other water utilities. We also provided submissions to relevant external reviews, such as the Productivity Commission's review on National Water Reform.

We have a role in undertaking scheme-specific reviews of Sydney Water or Hunter Water's wholesale water and/or sewerage charges, subject to receiving a request for such a review from Sydney Water, Hunter Water or a wholesale customer.

Energy

In 2016-17, we reviewed solar feed-in tariffs, retail offers for solar bonus customers, monitored retail electricity prices and reviewed the reliability standards for electricity transmission. Specifically we:

- ▼ Updated our subsidy-free benchmark range for the value of solar feed-in tariffs that some electricity retailers voluntarily offer to customers who are not part of the NSW Solar Bonus Scheme. The benchmark range for 2017-18 is 11.9 to 15 c/kWh
- ▼ We completed a review of options for solar customers after the solar bonus scheme ended. We published information papers to assist SBS customers understand how customers can continue to get the most benefits from their PV units after the SBS closes. We also provided information about net meters and home battery solar systems. We developed an Excel tool to help solar customers compare different offers in terms of their feed-in tariffs and retail prices.
- ▼ Recommended reliability standards for electricity transmission by applying an economic assessment to identify the level of reliability that would provide the most value to customers. This assessment takes into account both the cost of providing reliability, which is paid for by customers through their electricity prices, and the costs to customers of experiencing outages.
- ▼ We also commenced our third electricity retail market monitoring review of the performance and competitiveness of the retail electricity market in NSW between July 2016 and June 2017. We issued a draft report in October 2017 and will provide a final report to the Minister by 30 November 2017.
- ▼ From January 2017, we have determined the wholesale Ethanol price using an import parity price (IPP) methodology we developed after extensive consultation and a review of the ethanol wholesale market in 2016. We found that there was evidence of competition in the wholesale ethanol market, and that there was a relatively high degree of consumer choice for retail fuels.
- ▼ We also commenced a review monitor the retail market (including prices) for petrol-ethanol blend. In October, we released a draft report and invite public submissions. We will finalise our report to Government in December 2017.

Transport pricing

Rural and regional bus fares

In March 2017, we commenced a review of fares for rural and regional bus services in NSW. IPART's current fare determination for rural and regional buses sets prices up to 31 December 2017. We released a draft report in October 2017.

The NSW Government currently spends a substantial amount of money to provide these services. We estimate the total cost of providing both school and regular passenger services is \$414 million per annum. However, the patronage of regular passenger services is very low. As a result, the Government (and NSW taxpayers) spend an average of around \$20 dollars per passenger journey to provide services in rural and regional areas.

Under these decisions, the adult fare for a single journey would decrease by an average of around 25% from 1 January 2018. No passenger would pay more than they currently do, and many would pay noticeably less. Adult passengers taking the most common journey in rural and regional NSW (2 to 10 km) would pay up to half of what they do today

Private ferry fares

We recommended the maximum fares for private ferry services from January 2017:

- ▼ Brooklyn Ferries fares increase by 30 cents (to \$7.30)
- ▼ Church Point Ferry Service fares increase by 30 cents (to \$8.30)
- ▼ Clarence River Ferries fares increase by 30 cents (to \$8.30)
- ▼ Palm Beach Ferry Service fares increase by 30 cents (to \$8.10 and \$11.60 for the Basin and Ettalong services, respectively), and
- ▼ Matilda Cruises, Central Coast Ferries and the Cronulla and National Park Ferry Service fares do not change from 2015 level

Access charges for cruise ships using Sydney Harbour

We completed a review on the maximum site occupation charges the Port Authority should levy on cruise ships for using the Overseas Passenger Terminal, White Bay and any other berths and moorings in Sydney Harbour. We provided our final report and recommendations to the Minister in November 2016.

Rail Access

We reviewed our Guidelines designed to provide information and guidance in relation to IPART's annual reviews of rail infrastructure owners' compliance with the NSW Rail Access Undertaking.

Review of Social and affordable housing rent models

The Government asked IPART to undertake an independent review of social and affordable housing rent models. The review is one of the actions under the Government's social housing strategy, in NSW. We provided our Final Report and recommendations to the Minister for Social Housing in July 2017.

We made 29 recommendations on social and affordable housing, including:

- ▼ maintaining the contribution made by social housing tenants at 25% of their income
- ▼ implementing a sustainable funding model for housing providers
- ▼ reforming the allocation system to better match tenants' needs and, where possible, preferences for housing with the type of social housing available, and
- ▼ creating stronger incentives for tenants, who can, to find work and/or private housing.

Our recommendations would increase the benefits realised from existing social housing stock and help to ensure new stock that matches future needs and demand can be delivered.

Local Government, developer contributions and reviews

We set the annual rate peg for 2017-18 at 1.5% to reflect changes in the prices for goods, materials and labour used by an average council.

In May 2017 we made eight determinations on council applications for special variations to the rate peg. We made four Crown land adjustments in June 2017. These determinations came into effect in July 2017.

The approved special variation rate increases ranged from 4.9% for one year to a cumulative 34% over four years. We approved two single-year increases and two of the multi-year applications in full; two were partially approved and two were not approved as the councils did not adequately communicate the full impact of the proposed special variations to their communities.

Councils that received full approvals for their special variations demonstrated:

- ▼ there was a need for the special variation
- ▼ there was evidence the community was aware of the need for and extent of a rate increase
- ▼ the increase on rate payers would be reasonable, having regard to both the current rate levels, existing rate payer base and the purpose of the proposed special variation
- ▼ the relevant Integrated Planning and Reporting documents had been exhibited, and
- ▼ the council had realised productivity improvements and cost containment strategies over the past few years.

We undertook assessments of five council section 94 contributions plans. Our reports on three plans completed in 2016-17 include recommended reductions in council proposed costs in the order of 15%, 24% and 26%, altogether amounting to at least \$514 million. Our work in this area continues to support the NSW Government's policy to improve the supply of new housing in Sydney.

We also undertook a review under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* of the local government rating system. The review required IPART to:

- ▼ identify and make recommendations for potential reforms to the rating system for local government in NSW, so as to enhance the ability of councils to implement sustainable and equitable fiscal policy, and
- ▼ provide the legislative or regulatory approach to achieve the Government's policy of freezing existing rate paths for four years for newly merged councils.

As part of this review:

- ▼ the Government released our Interim Report, which outlines our recommendations to achieve the Government's rate path freeze policy, on 1 August 2016
- ▼ we released a Draft Report on 22 August 2016, and reviewed 175 submissions in response to our Draft Report
- ▼ we held public hearings in Sydney and Dubbo which attracted 116 participants, including 60 webcast participants, and

-
- ▼ we delivered a Final Report to the Government in December 2016 outlining our recommendations to improve the equity and efficiency of the local government rating system.

Other special reviews at the request of government

- ▼ In addition to those listed above, during 2016-17, we reviewed the proposed *Independent Pricing and Regulatory Tribunal Regulation 2017* (May 2017 – September 2017).

Submissions to external regulatory reviews

We make submissions to external reviews where the issues are within our bailiwick and we have a substantial contribution to make. In 2016-17, we made 10 submissions to the following external reviews:

- ▼ Independent Review of the NSW Regulatory Policy Framework Issues Paper – December 2016
- ▼ Draft Voluntary Planning Agreement Policy – December 2016
- ▼ ACCC Review of ARTC Hunter Valley Access Undertaking 2017 – January 2017
- ▼ Draft Environmental Planning and Assessment Amendment Bill 2017 – March 2017
- ▼ Legislative Council General Purpose Standing Committee No.2 Inquiry into Road Tolling – March 2017
- ▼ Draft State Environmental Planning Policy (Infrastructure) Amendment (Review) 2016 – April 2017
- ▼ Productivity Commission's review of National Water Reform 2017 – April 2017
- ▼ Proposed Point to Point Transport (Taxis and Hire Vehicles) Regulation 2017 – May 2017
- ▼ Independent Review of the NSW Regulatory Policy Framework Draft Report 2017 – June 2017
- ▼ ACCC Inquiry into Retail Electricity Supply and Pricing – June 2017.

Box 1 Delivering regulatory leadership and high quality decisions and advice – the year ahead

In water, we will be:

- ▼ Conducting a review of Sydney Water, Hunter Water and the Central Coasts Council's water, sewerage and stormwater developer and, where applicable, backlog sewerage charges determinations
- ▼ Conducting an annual review of WaterNSW's bulk water charges in Murray Darling Basin valleys, under accreditation from the ACCC and the WCIR.
- ▼ Preparing for public reviews that will occur in 2018-19, including review of prices for the Central Coast Council's water and sewerage services, prices for Essential Energy's water and sewerage services in Broken Hill and reviewing our approach to regulating Sydney Water, Hunter Water and the Central Coast Council's recycled water prices.
- ▼ Undertaking a range of other work to prepare for future water and sewerage price reviews, including (but not limited to) investigating how:
 - to use benchmarking to inform our assessment of water utilities' efficient costs
 - to apply component pricing to price reviews
 - the costs of delivering rural water services, including WaterNSW's costs and the Water Administration Ministerial Corporation's costs, are shared between entitlement holders, other users and the Government, using the impactor pays principle.

In the energy team, we will continue to assess the competitiveness of the retail electricity market in NSW. We will continue to publish a benchmark rate for solar feed in tariffs. The NSW Government deregulated gas prices on 1 July 2017. We will review the retail gas market for the first time next year after price deregulation has been in place for one year.

We will continue to determine quarterly the wholesale price of ethanol using an import parity price (IPP) methodology. We will monitor the retail market (including prices) for petrol-ethanol blend.

We expect to complete our review of fares for rural and regional bus services and for the seven private ferry operators.

We will complete a review of taxi fares in NSW and taxi licences outside Sydney from July 2018:

- ▼ The maximum fares for rank and hail taxi services both in Sydney and outside Sydney.
- ▼ The number of new annual taxi licences to be released outside Sydney only.

In the local government area we will continue our rate pegging, special variation and section 94 contributions plan assessment functions. Changes to the local infrastructure contributions framework announced by the Government on 1 June 2017 provide for IPART to continue to assess the costs of essential infrastructure in section 94 contributions plans.

Keeping regulated entities accountable

We regulate entities that operate in competitive markets and those that are monopolies. In some cases we have a role in safety or public health regulation, in others in protection of customers or consumers, and in others protection of the environment.

To keep regulated entities accountable in accordance with their regulatory requirements, we undertake a risk-based approach to monitoring their compliance with their licence conditions and/or regulatory requirements.

Water licensing

IPART is responsible for certain regulatory functions related to the operating licences for Hunter Water, Sydney Water and Water NSW. We also undertake functions in accordance with the *Water Industry Competition Act (2008)* to make recommendations to the Minister on whether to grant or refuse licences and the administration of those licences.

In 2016-17, we:

- ▼ completed the end of term reviews for the Hunter Water Corporation and WaterNSW operating licences. We released our final reports to the relevant Minister in May 2017.
- ▼ audited the compliance of Sydney Water Corporation and Hunter Water Corporation against their operating licences.
- ▼ audited the compliance of WaterNSW against the State Water Corporation and the Sydney Catchment Authority operating licences.
- ▼ monitored the compliance of 20 network operator's licensees and 10 retail supplier's licensees under the WIC Act, including the completion of 12 operational audits
- ▼ prepared the 2015-16 Annual Compliance report to the Minister.
- ▼ received two applications for network operator's licence under the WIC Act.
- ▼ received two applications for a retail supplier's licence under the WIC Act.
- ▼ completed our assessment and made recommendations to the Minister that he grant two new network operator licences, two new retail supplier licence, one varied network operator licence and one varied retail supplier licence.
- ▼ completed four 5-year WIC Act licence reviews, including recommendations to vary the conditions of the licences.
- ▼ assessed and recommended that the Minister cancel one network operator's licences at the request of the Licensee (Aquacell at Workplace 6, licence no. 13_023).

Energy network regulation

We have a role in holding the electricity network operators in NSW accountable for safety and reliability and for compliance with licence conditions issued by the Minister. We also administer the licences and undertake compliance for the gas reticulators.

During 2016-17, we monitored the compliance of electricity network operators in NSW with their licences and their relevant legislative requirements, and we will provide our annual compliance report on licence compliance to the Minister for Resources and Energy by 31 October 2016. Specifically we:

- ▼ monitored and audited the compliance of the four licensed electricity network service providers in NSW, TransGrid, Ausgrid, Endeavour Energy, and Essential Energy, against their operating licences including critical infrastructure security and reliability standards for the three licensed distributors
- ▼ monitored compliance with parts of the *Electricity Supply Act 1995* and regulations for eight electricity network operators for safe operation of their networks

- ▼ audited amendments to the safety management systems of the four electricity network operators required to properly address bushfire risks
- ▼ monitored compliance with the Employment Guarantees and the Code of practice for environmental management
- ▼ updated our Audit Guidelines and Reporting Manual
- ▼ administered ten licences/authorisations for gas reticulators.

Energy Savings Scheme administration and regulation

In our roles as Scheme Regulator and Scheme Administrator for the Energy Savings Scheme (ESS), we aim to protect the integrity of the scheme and the interests of electricity consumers by:

- ▼ monitoring compliance with the energy savings target each calendar year monitoring and managing participants' compliance with legislative requirements and conditions of accreditation
- ▼ ensuring that the Energy Saving Certificates created represent genuine energy savings

We conducted a number of activities during 2016-17 to improve our administration of the scheme, including:

- ▼ adding extra functionality to the ESS Portal (our online administration tool) that will increase both our efficiency and also the efficiency of how our Accredited Certificate Providers (ACPs) and auditors interact with us
- ▼ analysed the costs for organisations to participate in the ESS to identify practicable opportunities to reduce participation costs
- ▼ reviewing our compliance and audit framework in 2016 to ensure that the way we monitor and manage compliance is effective and efficient.

Key points for the Scheme Administration for 2016-17 include:

- ▼ we granted 31 new accreditations, which was up from 17 in 2015-2016
- ▼ we approved 58 amendments to accreditations, which was down from 138 in 2015-16
- ▼ we cancelled 27 accreditations (down from 43 in 2015-16), either because the ACP requested cancellation, or because the ACP's business was placed in administration or was the subject of a winding up order
- ▼ our audit services panel undertook 109 audits (up from 82 in 2015-16), covering 61 accreditations
- ▼ we accepted 2,289 emerging lighting technology products for use in the scheme (up from 1,227 in 2015-16), including 145 products approved under the Victorian Energy Efficiency Target (VEET) scheme
- ▼ we held 12 online workshops with a total of 139 external participants, and one in-person consultation forum with a total of 56 external participants
- ▼ the certificate surplus increased to 4.9 million certificates as at 30 June 2017.



Key points from our ESS Annual Compliance Report to the Minister for the 2016 calendar year include:

- ▼ the energy savings target was met by Scheme Participants and compliance was high
- ▼ the compliance performance of ACPs was high, as improper creation by ACPs was equivalent to 1.2% of all certificates created from 2016 activities (we have recovered nearly all of these, leaving 0.04% of all certificates created from 2016 activities unrecovered)
- ▼ ACPs created around 4.3 million energy savings certificates during 2016
- ▼ when forward creation of certificates and deeming of energy savings is taken into account, we estimate that the actual energy savings realised was 2.1 million MWh during 2016
- ▼ the indicative certificate price decreased from the relatively high level of \$27-\$28 in early 2016 to \$20 in late 2016
- ▼ the average application processing time in 2016 was 92 calendar days, compared to 87 in 2015.

Box 2 Keeping regulated entities accountable – The year ahead

In our water licensing and compliance role we plan to:

- ▼ continue liaising with the Department on reforms to the WIC Act and develop our approach and processes for assessment and compliance under the Amending Act
- ▼ audit the compliance of Sydney Water Corporation and Hunter Water Corporation against their operating licences. Audit the compliance of Water NSW against the State Water Corporation and the Sydney Catchment Authority operating licences.
- ▼ commence our review of the Sydney Water Corporation Operating Licence.
- ▼ continue to assess licence and variation applications, and to monitor compliance of licensees, under the WIC Act.

In our electricity network safety and reliability role and our energy licensing and compliance role we plan to:

- ▼ continue to undertake audits of the reliability of electricity distribution network service providers.
- ▼ assess compliance of electricity networks against their licences, including critical infrastructure requirements (where applicable).
- ▼ assess compliance of electricity networks against the requirements of the Act, including aspects of their safety management systems such as bushfire preparedness and the employment guarantees (where applicable).
- ▼ assess compliance of gas reticulators against their licence requirements.

For our administration of the ESS we plan to:

- ▼ review our compliance framework in 2017 to ensure that the way we monitor and manage compliance is effective and efficient, and
- ▼ review the costs of the ESS.

Meeting stakeholder expectations

IPART's focus is on enhancing the quality of its work and the rigour of its processes through extensive consultation and communications with stakeholders and the delivery of impartial, transparent and balanced decisions.

Extensive consultation

Public consultation is an important part of IPART's process for conducting reviews and making decisions. We encourage and facilitate stakeholder engagement through public hearings and workshops, online forums, submission processes and stakeholder meetings, and 90% of stakeholders rated IPART's engagement with them as effective or very effective¹.

We aim to ensure that our communication provides stakeholders with easy access to the information that they need and in a form that they can understand with 91% of respondents in our most recent stakeholder survey consider that our consultation processes are of high

¹ See ARTD Consultants, *Findings from the Independent Pricing and Regulatory Tribunal 2017 Stakeholder Survey - Final Report*, August 2017, p 24

quality.² We are committed to continuing to improve our communication material to ensure we canvas a wide range of views.

Delivery of impartial, transparent and balanced decisions

We published 128 consultation papers to explain our decisions to stakeholders, and make our approach and rationale for making these decisions transparent.

In achieving a balanced regulatory decision, we continue to strive to be at the forefront of regulation. In the most recent stakeholder survey, 95% of respondents considered that overall, our decision-making processes were of high quality, significantly improving from our previous survey.³ Similarly, there was a significant increase to 91% in stakeholders' perception of whether the decision-making processes are fair in that we give due weight to competing claims to reach a balanced outcome.⁴

Key outputs for 2016-17 include:

- ▼ 128 consultation papers released:
 - 104 Fact Sheets
 - 7 Issues Papers / Discussion Papers
 - 11 Draft Reports
- ▼ 15 consultation hearings and workshops
- ▼ 1978 submissions received
- ▼ 21 Final Reports.

Promoting a thriving culture

As at 30 June 2017, IPART employed 141 employees. This represented a 6.6% decrease in headcount on the previous financial year. This decrease was as a result of the initial outsourcing of Information Technology functions and a decrease in some support services roles.

We have continued to focus on supporting all of our staff in developing high performing teams that are flexible and agile, allowing us to effectively undertake the work given to us by Government.

Employer of choice

We continue to aim to promote a thriving culture, be an employer of choice, and deliver a well-run agency where highly professional and capable staff can perform, learn and enjoy. Specifically we:

² See ARTD Consultants, *Findings from the Independent Pricing and Regulatory Tribunal 2017 Stakeholder Survey - Final Report*, August 2017, p 12

³ See ARTD Consultants, *Findings from the Independent Pricing and Regulatory Tribunal 2017 Stakeholder Survey - Final Report*, August 2017, p 16

⁴ See ARTD Consultants, *Findings from the Independent Pricing and Regulatory Tribunal 2017 Stakeholder Survey - Final Report*, August 2017, p 16

- ▼ Continue to treat all employees fairly and with respect regardless of gender, age, race, disability, ethnicity or religious beliefs.
- ▼ Further develop awareness and understanding of cultural diversity and develop a work environment that values cultural differences.
- ▼ Proactively develop our employees at all levels and always ensure pay equity.
- ▼ Recognise and reward performance, suitability and competence in IPART's recruitment and selection processes regardless of the diversity characteristics of any particular applicant. The recruitment, promotion and development decisions are based on merit without cultural bias.
- ▼ Ensure all internal and external hiring decisions are underpinned by fair, rigorous and transparent and capability-based selection methods.
- ▼ Continue to support flexible working arrangements such as working from home and part time work.

We continue to have high staff retention rates as we have for many years. The overall staff retention rate for the year remains high at 93.4%. We employ 141 staff of which 73 (51.77%) are female, and 16 (55.2%) of the 29 senior executives are female, which exceeds the Premier's priority target of 50% women in executive roles.

Developing our people through a well-run organisation where highly professional staff can perform, learn and enjoy

IPART is committed to developing an agile, high performing workforce and providing opportunities and the environment to promote the knowledge, experience and skill transfer between people. In 2017, we undertook a further review of our performance enhancement system. These changes were implemented to ensure we:

- ▼ had a performance management system based on best practice in the NSW Public Sector
- ▼ contributed to individual and organisation development plans and
- ▼ provided valuable information as part of whole of organisation talent reviews, which supported personal development and career progression.

In supporting the continual growth and development of our employees, we made investments in staff training and supported the ongoing education of our employees. On average, we invested approximately \$925 per employee.

We have also continued to ensure we support the development of our staff by providing internal development opportunities to work across other teams in IPART in order to gain further knowledge, skills and experience.



Our leadership structure and people

Our organisation is led by a Tribunal whose members are appointed by the Premier, and supported by a Secretariat providing analysis, research, advisory and administrative services.

The Tribunal

The Tribunal comprises three permanent members: a Chair and two Tribunal Members. The Premier may appoint any number of additional temporary members where required. There were no temporary members appointed for 2016-17.

The Chairman and Tribunal Members are appointed for terms of up to five years on the basis of their knowledge and understanding of economics, the interests of consumers, and the interests of suppliers of services (including the Government).



Dr Peter J Boxall AO

Chair

B Econ (Hons), M Econ, PhD

Peter Boxall joined the Tribunal after a distinguished career in the Australian public sector, where he made a recognised contribution to economic and financial policy development and reform in the areas of accrual budgeting, taxation, and workplace relations. Previously, Peter was a Commissioner at the Australian Securities and Investments Commission for three years. He also held senior executive positions in the Australian Government, including Secretary of the Department of Resources, Energy and Tourism, Secretary of the Department of Employment and Workplace Relations, and Secretary of Finance and Administration. Peter was initially appointed to the Tribunal from 23 November 2011 for a term of five years. This was extended for a further three years until 22 November 2019.



Mr Ed Willett

Tribunal Member

B Ec, LLB, Dip. Int. Law

Ed Willett has over 25 years' experience in competition policy and economic regulation, with a particular focus on the economic regulation of utility services. He was a commissioner at the Australian Competition and Consumer Commission until 2013 and an inaugural member of the Australian Energy Regulator in 2005. Ed was appointed to the Tribunal from 8 December 2014 for a term of five years.



Ms Deborah Cope

Tribunal Member

B Econ (Hons)

Ms Cope brings to the Tribunal more than 30 years' experience in Australian public policy and management. She was a Commissioner with the Victorian Competition and Efficiency Commission until 2015 and has operated a consulting business for 15 years. Deborah was initially appointed to the Tribunal for a term of 6 months effective 3 February 2017. This was extended for a further four and a half years to 2 February 2022.



Ms Catherine Jones

Tribunal Member

BE (Mech)(Hons), MBA (Executive)

Catherine Jones brings extensive experience in the private sector, particularly in the areas of project management, and commercial and risk management. Catherine was appointed to the Tribunal from 24 March 2014 for a term of four years. Catherine resigned as Tribunal Member effective 2 February 2017.

Delegated powers

As is allowed under the IPART Act, the Tribunal delegates some of its functions to support its efficient and timely operation, and allow its members to focus on the more important or complex issues at its meetings.

During 2016-17, the Tribunal delegated certain functions to a Delegated Tribunal, which comprises Tribunal members Ed Willett and Deborah Cope. The terms of this delegation

were wide ranging and allowed the delegate, for example, to exercise the pricing and industry functions of the Tribunal except for the function of making a determination or issuing a report to the Minister.

Similarly, the Tribunal delegated its responsibilities regarding the administration of the Energy Savings Scheme to a separate committee under the *Electricity Supply Act 1995*. The Minister for Energy and Utilities approved this delegation. The Tribunal delegated scheme administrator and scheme regulator functions to a committee comprising Ed Willett, Brian Spalding and Fiona Towers. The committee met 13 times in 2016-17.

In addition, the Tribunal has delegated its responsibilities regarding reviewing Local Government Contributions Plans under the *Environmental Planning and Assessment Act 1979* to a committee. The committee comprised three members. It was chaired by Catherine Jones from 24 March 2014 to 2 February 2017 and Deborah Cope from 3 February 2017. Other members were Matthew Edgerton and Stuart McDonald. It met nine times in 2016-17.

The Tribunal has also delegated its responsibilities of the Electricity Networks assets, relevant licensing, technical and safety functions under the *Electricity Supply Act 1995*, the *Electricity Supply (Safety and Network Management) Regulation 2014*, and the *Electricity Network Assets (Authorised Transactions) Act 2015* to a committee. The committee comprised Ed Willett (Chair), Deborah Cope and Brian Spalding and met 16 times in 2016-17.

The Tribunal has also delegated certain administrative functions to the CEO to enable him to make decisions on more routine matters.

The Secretariat

The Secretariat assists the Tribunal and its delegated committees by providing research and advisory services, and supporting investigations and public processes. The Secretariat includes:

- ▼ **The Chief Executive Officer** who manages eight executive staff, and is responsible for the Tribunal's professional output and overall operations. The CEO is accountable for the quality of this professional output, and for the general conduct and effective, efficient and economical management of our functions and activities. The CEO attends Tribunal meetings to provide input to the Tribunal's decision-making process and to ensure teams have the best possible information to conduct reviews effectively.
- ▼ **A team of eight senior executives** who together with the CEO form the Core Executive, responsible for delivering high-quality, accurate, timely and clear advice that the Tribunal relies on in decision making. These executives lead our teams of professional, legal and support services staff, or provide specialised technical advice aimed at maintaining our high standards and ensuring we are at the frontier of economic regulation and scheme administration.
- ▼ **Professional/analytical staff** who work in industry-based teams, undertaking research, investigation and analysis to provide professional advice to the Tribunal members. Many are economists and financial/accounting analysts, while some have engineering, planning and financial modelling capabilities.
- ▼ **Legal staff** who provide advice on the legal issues that arise in carrying out our functions.

- ▼ **Support services staff** who provide information technology, general administrative, and personnel support to the operational areas, and manage our processes, including the public registry, submissions, and the preparation and publication of reports and our website.

In addition, for many of our reviews, we commission consultants to undertake additional research and provide the Tribunal with the highest quality advice on complex topics.

Organisation Chart



This organisation chart is as at 30 June 2017



Financial reports



INDEPENDENT AUDITOR'S REPORT

Independent Pricing and Regulatory Tribunal Staff Agency

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Independent Pricing and Regulatory Tribunal Staff Agency (the Agency), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Agency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Agency in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer of the Independent Pricing and Regulatory Tribunal is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Agency determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer must assess the Agency's ability to continue as a going concern except where the Agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Agency carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented



A Oyetunji
Director, Financial Audit Services

21 September 2017
SYDNEY

**Independent Pricing and Regulatory Tribunal
Staff Agency**

**Financial Statements
for the year ended 30 June 2017**

Independent Pricing and Regulatory Tribunal Staff Agency
Statement of comprehensive income
for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
Continuing operations			
Expenses excluding losses			
Employee related expenses	2	<u>21,918</u>	22,652
Total expenses excluding losses		<u>21,918</u>	22,652
Revenue			
Personnel services revenue	3(a)	21,538	21,748
Acceptance by the Crown Entity of employee benefits and other liabilities	3(b)	<u>380</u>	904
Total revenue		<u>21,918</u>	22,652
Operating result		<u>-</u>	-
Net result		<u>-</u>	-
Other comprehensive income		<u>-</u>	-
Total other comprehensive income		<u>-</u>	-
TOTAL COMPREHENSIVE INCOME		<u>-</u>	-

The accompanying notes form part of these financial statements.

Independent Pricing and Regulatory Tribunal Staff Agency
Statement of financial position
as at 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	335	74
Receivables	5	<u>2,684</u>	<u>2,722</u>
Total Current Assets		<u>3,019</u>	<u>2,796</u>
Total Assets		<u>3,019</u>	2,796
LIABILITIES			
Current Liabilities			
Payables	6	546	94
Provisions	7	<u>2,204</u>	<u>2,396</u>
Total Current Liabilities		<u>2,750</u>	<u>2,490</u>
Non-Current Liabilities			
Provisions	7	<u>269</u>	306
Total Non-Current Liabilities		<u>269</u>	<u>306</u>
Total Liabilities		<u>3,019</u>	2,796
Net Assets		<u>-</u>	-
EQUITY			
Total Equity		<u>-</u>	-

The accompanying notes form part of these financial statements.

**Independent Pricing and Regulatory Tribunal Staff Agency
Statement of changes in equity
for the year ended 30 June 2017**

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2016	-	-
Net result for the year	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2017	-	-
Balance at 1 July 2015	-	-
Net result for the year	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2016	-	-

Independent Pricing and Regulatory Tribunal Staff Agency
Statement of cash flows
for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(21,315)	(21,796)
Total Payments		<u>(21,315)</u>	<u>(21,796)</u>
Receipts			
Personnel services		21,576	21,770
Total Receipts		<u>21,576</u>	<u>21,770</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	9	<u>261</u>	<u>(26)</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS			
Opening cash and cash equivalents		74	100
CLOSING CASH AND CASH EQUIVALENTS	4	<u>335</u>	<u>74</u>

The accompanying notes form part of these financial statements.

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

(a) Reporting entity

The Independent Pricing and Regulatory Tribunal Staff Agency (Staff Agency) is public service agency established under the Administrative Arrangements Order 2014 and is pursuant to Part 2 of Schedule 1 of the Government Sector Employment Act 2013 (formerly the IPART Division established under the former Public Sector Employment and Management Act 2002). It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. The Staff Agency is domiciled in Australia and its principal office is at Level 15, 2-24 Rawson Place, Sydney 2000.

The Staff Agency's objective is to provide personnel services to The Independent Pricing and Regulatory Tribunal.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Chief Executive Officer on 20 September 2017.

(b) Basis of preparation

The Staff Agency's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015 and*
- Financial Reporting Directions mandated by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Revenue is recognised from the Tribunal for providing personnel services

(e) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

The Staff Agency determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(i) Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1. Summary of Significant Accounting Policies (cont'd)

(f) Employee benefits (cont'd)

- Loans and receivables

Loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

(ii) Financial Liabilities

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in the net result.

(iii) Derecognition of financial assets and financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(iii) Offsetting financial instruments

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(f) Employee benefits

(i) Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Staff Agency has assessed the actuarial advice based on the Staff Agency's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Staff Agency does not expect to settle the liability within 12 months as the staff agency does not have an unconditional right to defer settlement.

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies (cont'd)

(f) Employee benefits (cont'd)

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

(ii) Long service leave and superannuation

The Staff Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Staff Agency 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 benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date

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 (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(g) Provisions

Provisions are recognised when: the Staff Agency has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Staff Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when the Staff Agency has a detailed formal plan and the Staff Agency has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

(h) Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

1 Summary of Significant Accounting Policies (cont'd)

(i) Changes in accounting policies, including new or revised AAS

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2016-17.

- AASB 2015-2 *regarding Amendments to AASB 101 (disclosure initiative)*
- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not for Profit Public Sector Entities*. This new requirement does not require to disclose comparative information.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

The Treasury Circular TC17/04 mandates not to early adopt any of the new Accounting Standards and Interpretations.

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 *regarding Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*

Management cannot assess and determine the impact of these new Standards and Interpretations to the Staff Agency's financial statements.

2. Expenses Excluding Losses

	2017	2016
	\$'000	\$'000
Employee related expenses		
Salaries and wages (including annual leave)	18,802	19,165
Superannuation - defined benefit plans	19	18
Superannuation - defined contribution plans	1,200	1,182
Long service leave	353	876
Workers compensation insurance	44	81
Payroll tax and fringe benefit tax	1,083	1,035
Redundancy payments	462	173
On costs (annual leave and long service leave)	(45)	122
	21,918	22,652

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

3. Revenue

	2017 \$'000	2016 \$'000
(a) Personnel services revenue		
Personnel services	<u>21,538</u>	21,748
	<u>21,538</u>	<u>21,748</u>
	2017 \$'000	2016 \$'000

(b) Acceptance by the Crown Entity of employee benefits and other liabilities

The following liabilities and / or expenses have been assumed by the Crown Entity or other government entities:

Superannuation - defined benefit	26	27
Long Service Leave	353	876
Payroll tax	<u>1</u>	<u>1</u>
	<u>380</u>	<u>904</u>

4. Current Assets- Cash and Cash Equivalents

	2017 \$'000	2016 \$'000
Cash at bank and on hand	<u>335</u>	74
	<u>335</u>	<u>74</u>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	<u>335</u>	74
Closing cash and cash equivalents (per statement of cash flows)	<u>335</u>	<u>74</u>

Refer Note 10 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

5. Current Assets - Receivables

	2017 \$'000	2016 \$'000
Personnel services	<u>2,684</u>	2,722
	<u>2,684</u>	<u>2,722</u>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 10.

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

6. Current Liabilities - Payables

	2017 \$'000	2016 \$'000
Accrued salaries, wages and on-costs	161	20
Creditors	<u>385</u>	<u>74</u>
	<u>546</u>	<u>94</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 10.

7. Current / Non-Current Liabilities - Provisions

	2017 \$'000	2016 \$'000
Current		
Employee benefits and related on-costs		
Annual leave	1,788	1,834
Long service leave on-costs	48	46
Banked flex leave	110	236
Payroll tax	<u>258</u>	<u>280</u>
Total current provisions	<u>2,204</u>	<u>2,396</u>
Non-current		
Employee benefits and related on-costs		
Long service leave on-costs	<u>269</u>	<u>306</u>
Total non-current provisions	<u>269</u>	<u>306</u>
Aggregate employee benefits and related on-costs		
Provisions - current	2,204	2,396
Provisions - non-current	269	306
Accrued salaries, wages and on-costs (Note 6)	<u>161</u>	<u>20</u>
	<u>2,634</u>	<u>2,722</u>

Employee benefits expected to be settled within 12 months from the reporting date

Annual leave	1,430	1,468
	<u>1,430</u>	<u>1,468</u>

Employee benefits expected to be settled in more than 12 months from the reporting date

Annual leave	358	366
	<u>358</u>	<u>366</u>

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

8. Contingent Liabilities and Contingent Assets

The Staff Agency has no contingent liabilities and contingent assets as at 30 June 2017 (2016 Nil).

9. Reconciliation of Cash Flows from Operating Activities to Net Result

	2017 \$'000	2016 \$'000
Net cash used on operating activities	261	(26)
Decrease / (increase) in provisions	229	22
Increase / (decrease) in receivables	(38)	(22)
Decrease / (increases) in creditors	<u>(452)</u>	<u>26</u>
Net result	<u>-</u>	<u>-</u>

10. Financial Instruments

The Staff Agency's principal financial instruments are cash, short term receivables and payables. These instruments expose the Staff Agency primarily to credit risk on short term receivables. The Staff Agency does not enter into or trade financial instruments for speculative purposes and does not use financial derivatives.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing risk. Compliance with policies is reviewed by the internal auditors on a continuous basis.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2017 \$'000	Carrying Amount 2016 \$'000
Class:				
Cash and cash equivalents	4	N/A	335	74
Receivables ¹	5	Loans and receivables (at amortised cost)	2,684	2,722
Financial Liabilities	Note	Category	Carrying Amount 2017 \$'000	Carrying Amount 2016 \$'000
Class:				
Payables ²	6	Financial liabilities measured at amortised cost	546	94

Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7).

(b) Credit Risk

Credit risk arises from the financial assets of the Staff Agency including cash and receivables. No collateral is held by the Staff Agency. The Staff Agency has not granted any financial guarantees.

Credit risk arises when there is the possibility of the Staff Agency's debtors defaulting on their contractual obligations, resulting in a financial loss to the Staff Agency. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

10. Financial Instruments (cont'd)

Cash

Cash comprises cash on hand and bank balances.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. The balance owing represents monies due from the Independent Pricing and Regulatory Tribunal. Sales are made to them on 14 day terms.

No financial assets are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Staff Agency will be unable to meet its payment obligations when they fall due. The Staff Agency continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

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 NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, 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 a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. No interest for late payment was paid during the year (2016 nil).

The table below summarises the maturity profile of the Staff Agency's financial liabilities, together with the interest rate exposure.

	Nominal Amount ¹	Interest Rate Exposure		Maturity Dates		
		Non-interest bearing		< 1 yr	1-5 yrs	> 5 yrs
\$'000						
2017						
<i>Payables:</i>						
Accrued salaries, wages and on-costs	161	161	161	-	-	-
Creditors	<u>385</u>	<u>385</u>	<u>385</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>546</u>	<u>546</u>	<u>546</u>	<u>-</u>	<u>-</u>	<u>-</u>
2016						
<i>Payables:</i>						
Accrued salaries, wages and on-costs	20	20	20	-	-	-
Creditors	<u>74</u>	<u>74</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>94</u>	<u>94</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

10. Financial Instruments (cont'd)

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Staff Agency has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Staff Agency operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Staff Agency's interest bearing liabilities. The Staff Agency does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Staff Agency's exposure to interest rate risk is set out below.

	Carrying Amount	- 1% Profit \$'000	Equity \$'000	+ 1% Profit \$'000	Equity \$'000
2017					
<i>Financial assets</i>					
Cash and cash equivalents	335	-	-	-	-
Total	335	-	-	-	-
2016					
<i>Financial assets</i>					
Cash and cash equivalents	74	-	-	-	-
Total	74	-	-	-	-

(d) Fair value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

Independent Pricing and Regulatory Tribunal Staff Agency
Notes to the financial statements
for the year ended 30 June 2017

11. Related Party Disclosures

The Staff Agency's key management personnel include Chairman and Chief Executive Officer, who are responsible for planning, directing, controlling the activities of the Staff Agency.

The Staff Agency's key management personnel remuneration are as follows:

	2017
	\$'000
Salaries	744
Total remuneration	<u>744</u>

During the year, the Staff Agency entered into no transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the material transactions and related outstanding balances as at and for the year ending 30 June 2017 are nil.

12. Events after the Reporting Period

There are no events subsequent to balance date which affect the financial statements.

End of audited financial statements.



INDEPENDENT AUDITOR'S REPORT

Independent Pricing and Regulatory Tribunal

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Independent Pricing and Regulatory Tribunal (the Tribunal), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Tribunal and the consolidated entity. The consolidated entity comprises the Tribunal and the entity it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Tribunal and the consolidated entity as at 30 June 2017, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Tribunal and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Tribunal determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer must assess the ability of the Tribunal and the consolidated entity to continue as a going concern except where operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must, disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Tribunal or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented



A Oyetunji
Director, Financial Audit Services

21 September 2017
SYDNEY

**Independent Pricing and Regulatory Tribunal
and its Consolidated Entity**

**Financial Statements
for the year ended 30 June 2017**

**Independent Pricing and Regulatory Tribunal
Statement of Comprehensive Income
for the year ended 30 June 2017**

	Notes	Consolidated			Tribunal		Actual 2016 \$'000
		Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000	Actual 2017 \$'000	Budget 2017 \$'000	
Continuing operations							
Expenses excluding losses							
Operating expenses							
Employee related	2(a)	21,918	21,831	22,652	-	-	-
Other operating expenses	2(b)	8,452	9,717	9,876	8,452	9,717	9,876
Personnel services		-	-	-	21,538	21,457	21,748
Depreciation and amortisation	2(c)	995	922	1,020	995	922	1,020
Total expenses excluding losses		31,365	32,470	33,548	30,985	32,096	32,644
Revenue							
Appropriations	3(a)	25,542	30,297	17,280	25,542	30,297	17,280
Sale of goods and services	3(b)	3,022	1,277	4,075	3,022	1,277	4,075
Grants and contributions	3(c)	-	-	2,338	-	-	2,338
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	380	374	904	-	-	-
Other income	3(e)	125	-	243	125	-	243
Total Revenue		29,069	31,948	24,840	28,689	31,574	23,936
Operating result		(2,296)	(522)	(8,709)	(2,296)	(522)	(8,709)
Other gains/ (losses)	4	-	-	(1)	-	-	(1)
Net result		(2,296)	(522)	(8,709)	(2,296)	(522)	(8,709)
Other comprehensive income							
Total other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		(2,296)	(522)	(8,709)	(2,296)	(522)	(8,709)

The accompanying notes form part of these financial statements.

Independent Pricing and Regulatory Tribunal
Statement of financial position
as at 30 June 2017

	Notes	Consolidated		Tribunal			
		Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
ASSETS							
Current Assets							
Cash and cash equivalents	6	1,850	891	1,793	1,515	891	1,719
Receivables	7	395	180	1,463	345	180	1,463
Total Current Assets		2,245	1,071	3,256	1,860	1,071	3,182
Non-Current Assets							
Plant and Equipment							
- Plant and Equipment	8	238	-	382	238	-	382
- Leasehold Improvement	8	2,247	3,067	2,992	2,247	3,067	2,992
Total Plant and equipment		2,485	3,067	3,374	2,485	3,067	3,374
Intangible assets	9	29	830	40	29	830	40
Total Non-Current Assets		2,514	3,897	3,414	2,514	3,897	3,414
Total Assets		4,759	4,968	6,670	4,374	4,968	6,596
LIABILITIES							
Current Liabilities							
Payables	10	2,296	1,064	1,757	1,911	1,064	1,683
Provisions	11	2,204	1,904	2,396	2,473	1,904	2,702
Other		-	61	-	-	61	-
Total Current liabilities		4,500	3,029	4,153	4,384	3,029	4,385
Non-Current Liabilities							
Provisions	11	913	831	875	644	831	569
Total Non-Current Liabilities		913	831	875	644	831	569
Total Liabilities		5,413	3,860	5,028	5,028	3,860	4,954
Net Assets		(654)	1,108	1,642	(654)	1,108	1,642
EQUITY							
Accumulated funds		(654)	1,108	1,642	(654)	1,108	1,642
Total Equity		(654)	1,108	1,642	(654)	1,108	1,642

The accompanying notes form part of these financial statements.

**Independent Pricing and Regulatory Tribunal
Statements of changes in equity
for the year ended 30 June 2017**

Consolidated / Tribunal	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2016	1,642	1,642
Net result for the year	<u>(2,296)</u>	<u>(2,296)</u>
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>(2,296)</u>	<u>(2,296)</u>
Balance at 30 June 2017	<u>(654)</u>	<u>(654)</u>

Consolidated / Tribunal	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2015	10,351	10,351
Net result for the year	<u>(8,709)</u>	<u>(8,709)</u>
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>(8,709)</u>	<u>(8,709)</u>
Balance at 30 June 2016	<u>1,642</u>	<u>1,642</u>

Independent Pricing and Regulatory Tribunal
Statement of cash flows
for the year ended 30 June 2017

	Consolidated			Tribunal		
	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related	(21,315)	(21,457)	(21,796)	-	-	-
Personnel services	-	-	-	(21,626)	(21,457)	(21,770)
Other	(9,409)	(10,938)	(10,034)	(9,409)	(10,938)	(10,034)
Total Payments	(30,724)	(32,395)	(31,830)	(31,035)	(32,395)	(31,804)
Receipts						
Appropriations (excluding equity appropriations)	25,542	30,297	17,280	25,542	30,297	17,280
Sale of goods and services	5,195	1,277	3,751	5,245	1,277	3,751
Interest received	-	-	114	-	-	114
Grants and contributions	-	-	2,338	-	-	2,338
Other	64	1,221	244	64	1,221	244
Total Receipts	30,801	32,795	23,727	30,851	32,795	23,727
NET CASH FLOWS FROM OPERATING ACTIVITIES	77	400	(8,103)	(184)	400	(8,077)
	15					
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of plant and equipment	(20)	(1,390)	(201)	(20)	(1,390)	(201)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(20)	(1,390)	(201)	(20)	(1,390)	(201)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	57	(990)	(8,304)	(204)	(990)	(8,278)
Opening cash and cash equivalents	1,793	1,881	10,097	1,719	1,881	9,997
CLOSING CASH AND CASH EQUIVALENTS	1,850	891	1,793	1,515	891	1,719
	6					

The accompanying notes form part of these statements.

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

(a) Reporting entity

The Independent Pricing and Regulatory Tribunal (the Tribunal) is a NSW government independent statutory entity and is controlled by the State of New South Wales, which is the ultimate parent. The Tribunal is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Tribunal as a reporting entity, comprises all the entities under its control, namely: Independent Pricing and Regulatory Tribunal Staff Agency (Staff Agency). The Staff Agency is a public service agency established under the Administrative Arrangements Order 2014 and is pursuant to Part 2 of Schedule 1 of the Government Sector Employment Act 2013 (formerly the IPART Division established under the former Public Sector Employment and Management Act 2002). All employee provisions are now held within the Staff Agency, and are shown in the consolidated section of these statements. The Tribunal is domiciled in Australia and its principal office is at Leve15, 2-24 Rawson Place, Sydney 2000.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Chief Executive Officer on 20 September 2017.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015* and
- Financial Reporting Directions mandated by the Treasurer.

Plant and equipment are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations

(d) Administered activities

The Tribunal administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Tribunal's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Tribunal's income, expenses, assets and liabilities, but are disclosed in Note 16 as "Administered Assets and Liabilities".

The accrual basis of accounting and all applicable accounting standards have been adopted.

(e) Insurance

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

1. Summary of Significant Accounting Policies (cont'd)

(f) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by the Tribunal as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary appropriations and contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are recognised as income when the Tribunal obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

(ii) Sale of goods

Revenue from the sale of goods is recognised when the Tribunal transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

(iii) Rendering of services

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment revenue

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(h) Plant and equipment

(i) Acquisitions of plant and equipment

Plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies (cont'd)

(h) Plant and equipment (cont'd)

(ii) Capitalisation thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(iv) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(v) Depreciation of plant and equipment

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

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Category of Assets	Depreciation Rates (%)	
	2017	2016
Plant & Equipment		
Office furniture and fittings	10	10
Computer equipment and hardware acquired before 29 June 2012	33	33
Computer equipment and hardware acquired after 29 June 2012	25	25
General plant and equipment	14	14
Leasehold improvements – depreciated over the period of the lease		

(vi) Revaluation of plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 and AASB 140 *Investment Property*.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The Tribunal has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

1. Summary of Significant Accounting Policies (cont'd)

(h) Plant and equipment (cont'd)

(vii) Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

The Tribunal assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Tribunal estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(i) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

(j) Intangible assets

The Tribunal recognises intangible assets only if it is probable that future economic benefits will flow to the Tribunal and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the Tribunal's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

As there is no active market for the Tribunal's intangible assets, the assets are carried at cost less any accumulated amortisation.

The useful lives of intangible assets are assessed to be finite.

The Tribunal's Computer Software are amortised using the straight line method over a period of four years and Registry software over a period of five years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

1. Summary of Significant Accounting Policies (cont'd)

(j) Intangible Assets (cont'd)

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

The Tribunal determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(i) Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

- Loans and Receivables

Trade receivables, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

- Impairment of financial assets

All financial assets, except those at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the Tribunal first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

1. Summary of Significant Accounting Policies (cont'd)

(k) Financial Instruments (cont'd)

(ii) Financial liabilities

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

- Financial assets at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held-for-trading are recognised in the net result.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in the net result.

- Financial liabilities at amortised cost (including borrowings and trade payables)

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Payables represent liabilities for goods and services provided to the Tribunal and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(iii) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the agency has not transferred substantially all the risks and rewards, if the entity has not retained control.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(iv) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(l) Employee benefits

Employee benefits are provided to the Tribunal by the Staff Agency. The Tribunal recognises personnel services expenses and provisions for these benefits.

(i) Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

1. Summary of Significant Accounting Policies (cont'd)

(l) Employee benefits (cont'd)

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9 % of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Tribunal has assessed the actuarial advice based on the Tribunal's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Tribunal does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

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

(ii) Long service leave and superannuation

The Tribunal's liabilities for long service leave and defined benefit 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 benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

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 (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(m) Provisions

Provisions are recognised when: the Tribunal has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Tribunal expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when Tribunal has a detailed formal plan and the Tribunal has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

1. Summary of Significant Accounting Policies (cont'd)

(n) Equity

(i) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(o) Fair value hierarchy

Fair value hierarchy disclosure under AASB 13 *Fair Value Measurement*, is not disclosed as the Tribunal's assets are non-specialised assets with short useful lives and measured at depreciated historical cost as an approximation of fair value.

(p) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained in Note 14.

(q) Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(r) Changes in accounting policies, including new or revised AAS

i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2016-17.

- AASB 2015-2 regarding Amendments to AASB 101 (disclosure initiative)
- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not for Profit Public Sector Entities*. This new requirement does not require us to disclose comparative information.

(ii) Issued but not yet effective

The Treasury Circular TC17/04 mandates not to early adopt any of the new Accounting Standards and Interpretations.

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 *regarding Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*

Management cannot assess and determine the impact of these new Standards and Interpretations to the Tribunal's financial statements.

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

2. Expenses Excluding Losses

	Consolidated		Tribunal	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(a) Employee related expenses				
Salaries and wages (including annual leave)	18,802	19,165	-	-
Superannuation - defined benefit plans	19	18	-	-
Superannuation - defined contribution plans	1,200	1,182	-	-
Long service leave	353	876	-	-
Workers compensation insurance	44	81	-	-
Payroll tax and fringe benefit tax	1,083	1,035	-	-
Redundancy payments	462	173	-	-
On costs - annual leave and long service leave	(45)	122	-	-
	21,918	22,652	-	-

	Consolidated		Tribunal	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(b) Other operating expenses include the following:				

Advertising	74	74	74	74
Auditor's remuneration - audit of the financial statements	40	39	40	39
Cleaning and outgoings	425	402	425	402
Consultancies	2,696	3,384	2,696	3,384
Contractors	781	1,646	781	1,646
Insurance	11	-	11	-
Internal audit fees	58	98	58	98
Legal costs	640	606	640	606
Operating lease rental expense - minimum lease payments	1,200	1,066	1,200	1,066
Travel	138	115	138	115
Other expenses	1,108	1,157	1,108	1,157
Corporate services	620	608	620	608
Electronic data processing expenses	623	612	623	612
Maintenance expenses	38	69	38	69
	8,452	9,876	8,452	9,876

* Reconciliation - Total maintenance

Employee related maintenance expense included in Note 2 (a)	-	-	-	-
Maintenance expense - other (non-employee related), as above	38	69	38	69
Total maintenance expenses included in Note 2(a) + 2(b)	38	69	38	69

	Consolidated		Tribunal	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(c) Depreciation and amortisation expense				
Depreciation:				
Plant and Equipment	152	213	152	213
Leasehold Improvements	831	802	831	802
Total Depreciation	983	1,015	983	1,015
Amortisation				
Intangibles	12	5	12	5
Total depreciation and amortisation	995	1,020	995	1,020

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

3. Revenue

(a) Appropriations

Summary of Compliance	Consolidated / Tribunal			
	2017 \$'000	2017 \$'000	2016 \$'000	2016 \$'000
	Appropriation	Expenditure	Appropriation	Expenditure
Original Budget per Appropriation Act	30,297	25,542	17,280	17,280
Other Appropriations / Expenditure - Additional Appropriations	-	-	-	-
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	30,297	25,542	17,280	17,280
Appropriation drawn down* Liability to Consolidated Fund	30,297	25,542	17,280	17,280
	-	-	-	-
*Comprising: Appropriations (per Statement of Comprehensive Income)**	30,297	25,542	17,280	17,280
	30,297	25,542	17,280	17,280
** Appropriations:				
Recurrent	29,287	25,542	17,100	17,100
Capital	1,010	-	180	180
	30,297	25,542	17,280	17,280

Consolidated		Tribunal	
2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000

(b) Sale of goods and services

Rendering of services (reimbursement of both external consultancies and in - house costs)

3,022	4,075	3,022	4,075
3,022	4,075	3,022	4,075

Consolidated		Tribunal	
2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000

(c) Grants and contributions

Grants and contributions

-	2,338	-	2,338
-	2,338	-	2,338

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

3. Revenue (cont'd)

Consolidated		Tribunal	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

(d) Acceptance by the Crown Entity of employee benefits and other liabilities

The following liabilities and / or expenses have been assumed by the Crown Entity or other government entities:

Superannuation	26	27	-	-
Long Service Leave	353	876	-	-
Payroll tax	1	1	-	-
	380	904	-	-

Consolidated		Tribunal	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

(e) Other income

Other	125	243	125	243
	125	243	125	243

4. Other Gains / (Losses)

Consolidated		Tribunal		
2017	2016	2017	2016	
\$'000	\$'000	\$'000	\$'000	
Other	-	(1)	-	(1)
	-	(1)	-	(1)

5. Service group statements for the year ended 30 June 2017

The Tribunal operates under a single service group.

Service Group Descriptions

Service group - Utilities Pricing, Regulation, Analysis and Policy Work

Purpose:

The Tribunal provides independent regulatory decisions and advice to protect and promote the ongoing interest of the consumers, tax payers and citizens of New South Wales.

The Tribunal is the independent economic regulator for water, public transport, local government electricity and gas industries and the Energy Savings Scheme in NSW. The Tribunal also undertakes reviews and investigations into a wide range of economic and policy issues and performs a number of other roles at the NSW Government's request.

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

6. Current Assets - Cash and Cash Equivalents

	Consolidated		Tribunal	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	<u>1,850</u>	1,793	<u>1,515</u>	1,719
	1,850	1,793	1,515	1,719

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statements of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	<u>1,850</u>	1,793	<u>1,515</u>	1,719
Closing cash and cash equivalents (per statement of cash flows)	<u>1,850</u>	1,793	<u>1,515</u>	1,719

Refer Note 17 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

7. Current Assets - Receivables

	Consolidated		Tribunal	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Sale of goods and services	219	1,504	169	1,504
Goods and Services Tax (GST)	<u>176</u>	(41)	<u>176</u>	(41)
	395	1,463	345	1,463

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 17.

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

8. Non-Current Assets - Plant and Equipment

Consolidated / Tribunal

	Plant and Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
At 1 July 2016 - fair value			
Gross carrying amount	1,277	4,122	5,399
Accumulated depreciation	(895)	(1,130)	(2,025)
Net carrying amount	<u>382</u>	<u>2,992</u>	<u>3,374</u>
At 30 June 2017 - fair value			
Gross carrying amount	1,198	4,208	5,406
Accumulated depreciation	(960)	(1,961)	(2,921)
Net carrying amount	<u>238</u>	<u>2,247</u>	<u>2,485</u>

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
Year ended 30 June 2017			
Net carrying amount at start of year	382	2,992	3,374
Additions	8	86	94
Disposals	(87)	-	(87)
Depreciation expense	(152)	(831)	(983)
Write back on disposals	87	-	87
Net carrying amount at end of year	<u>238</u>	<u>2,247</u>	<u>2,485</u>

**Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017**

8. Non-Current Assets - Plant and Equipment (cont'd)

Consolidated / Tribunal

	Plant and Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
At 1 July 2015 - fair value			
Gross carrying amount	1,391	4,009	5,400
Accumulated depreciation	(851)	(328)	(1,179)
Net carrying amount	540	3,681	4,221
At 30 June 2016 - fair value			
Gross carrying amount	1,277	4,122	5,399
Accumulated depreciation	(895)	(1,130)	(2,025)
Net carrying amount	382	2,992	3,374

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the previous reporting period is set out below.

	Plant and Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
Year ended 30 June 2016			
Net carrying amount at start of year	540	3,681	4,221
Additions	52	113	165
Disposals	(169)	-	(169)
Depreciation expense	(213)	(802)	(1,015)
Write back on disposals	169	-	169
Net carrying amount at end of year	382	2,992	3,374

**Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017**

9. Intangible Assets

	Software \$'000
Consolidated / Tribunal	
At 1 July 2016	
Cost (gross carrying amount)	71
Accumulated amortisation and impairment	<u>(31)</u>
Net carrying amount	<u>40</u>
At 30 June 2017	
Cost (gross carrying amount)	71
Accumulated amortisation and impairment	<u>(42)</u>
Net carrying amount	<u>29</u>
Year ended 30 June 2017	
Net carrying amount at start of year	40
Amortisation (recognised in depreciation and amortisation)	(12)
Other - adjustment	<u>1</u>
Net carrying amount at end of year	<u>29</u>
At 1 July 2015	
Cost (gross carrying amount)	82
Accumulated amortisation and impairment	<u>(70)</u>
Net carrying amount	<u>12</u>
At 30 June 2016	
Cost (gross carrying amount)	71
Accumulated amortisation and impairment	<u>(31)</u>
Net carrying amount	<u>40</u>
Year ended 30 June 2016	
Net carrying amount at start of year	12
Additions	36
Disposals	(44)
Transfer to expenses	(3)
Amortisation (recognised in depreciation and amortisation)	(5)
Write back on Disposals	<u>44</u>
Net carrying amount at end of year	<u>40</u>

10. Current Liabilities - Payables

	Consolidated		Tribunal	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Accrued salaries, wages and on-costs	161	20	-	-
Creditors	2,135	1,676	1,750	1,602
Unearned revenue	-	61	-	61
Personnel services	-	-	161	20
	<u>2,296</u>	<u>1,757</u>	<u>1,911</u>	<u>1,683</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 17.

**Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017**

11. Current /Non-Current Liabilities - Provisions

	Consolidated		Tribunal	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Employee benefits and related on-costs				
Annual leave	1,788	1,834	-	-
Long service leave on-costs	48	46	-	-
Banked flex leave	110	236	-	-
Payroll tax	258	280	-	-
Personnel services	-	-	2,473	2,702
	<u>2,204</u>	2,396	<u>2,473</u>	<u>2,702</u>
Total current provisions	<u>2,204</u>	2,396	<u>2,473</u>	<u>2,702</u>
Non-current				
Employee benefits and related on-costs				
Long service leave on-costs	269	306	-	-
	<u>269</u>	306	-	-
Other provisions				
Restoration costs	644	569	644	569
	<u>644</u>	569	<u>644</u>	<u>569</u>
Total non-current provisions	<u>913</u>	875	<u>644</u>	<u>569</u>
Aggregate employee benefits and related on-costs				
Provisions - current	2,204	2,396	-	-
Provisions - non-current	269	306	-	-
Accrued salaries, wages and on-costs (Note 10)	161	20	-	-
	<u>2,634</u>	2,722	-	-

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

	Restoration Costs \$'000
2017	
Carrying amount at the beginning of financial year	569
Additional provisions recognised	75
Carrying amount at end of financial year	<u>644</u>

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

11. Current / Non-Current Liabilities - Provisions (cont'd)

Employee benefits expected to be settled within 12 months from the reporting date

	Consolidated		Tribunal	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Annual leave	1,430	1,468	-	-
	1,430	1,468	-	-

Employee benefits expected to be settled in more than 12 months from the reporting date

Annual leave	358	366	-	-
	358	366	-	-

12. Commitments for Expenditure

	Consolidated		Tribunal	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable

Not later than one year	1,835	1,563	1,835	1,563
Later than one year and not later than five years	2,906	4,039	2,906	4,039
Total (including GST)	4,741	5,602	4,741	5,602

The operating lease commitments relate to leasing of office space. The total commitments includes input tax credits of \$431,006 (2016 \$509,258) that are expected to be recoverable from the Australian Taxation Office.

13. Contingent Liabilities and Contingent Assets

The Tribunal is not aware of any contingent liabilities and contingent assets associated with its operations (nil at 30 June 2016).

14. Budget Review

Net result

Net result for the year was a \$2.30 million loss.

Total expenses were \$1.1 million lower than budget due to a timing adjustment of consultancy and contractor expenses in other operating expenses carried forward to the next financial year. Total revenue was \$2.8 million lower than budget mainly due to timing differences resulting in a reduction in funds drawdowns from the Treasury.

Assets and liabilities

Total assets of \$4.8 million were lower than budget by \$0.2 million. This was due to an increase of cash and cash equivalents of \$1.1 million offset by a reduction in leasehold improvements and intangible assets by \$1.3 million.

Total liabilities were \$5.4 million and were higher than budget by \$1.5 million mainly due to an increase in creditors of \$1.2 million and increase of provisions of \$0.3 million.

Cash flows

Net cash flows from operating activities were \$0.3 million lower than budget due to a decrease in funding from appropriations offset by reduced operating expenses.

Cash flows from investing activities were lower than budget by \$1.4 million due to a timing adjustment in capital programs.

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

15. Reconciliation of Cash Flows from Operating Activities to Net Result

	Consolidated		Tribunal	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net cash used on operating activities	77	(8,103)	(184)	(8,077)
Depreciation and amortisation	(995)	(1,020)	(995)	(1,020)
Decrease / (increase) in provisions	229	(536)	229	(536)
Increase / (decrease) in receivables and prepayments	(1,068)	1,283	(1,118)	1,283
Decrease / (increase) in creditors	(539)	(333)	(228)	(359)
Net result	<u>(2,296)</u>	<u>(8,709)</u>	<u>(2,296)</u>	<u>(8,709)</u>

16. Administered Assets and Liabilities

	2017 \$'000	2016 \$'000
Consolidated / Tribunal		
Administered Assets		
Cash	608	498
Receivables	4,293	140
Total Administered Assets	<u>4,901</u>	638
Administered Liabilities		
Energy and Water Licence fees payable to Crown Entity	4,901	638
Total Administered Liabilities	<u>4,901</u>	638

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

17. Financial Instruments

The Tribunal's principal financial instruments are cash, short term receivables and payables. These instruments expose the Tribunal primarily to credit risk on short term receivables. The Tribunal does not enter into or trade financial instruments for speculative purposes and does not use financial derivatives.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing risk. Compliance with policies is reviewed by the internal auditors on a continuous basis.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2017 \$'000	Carrying Amount 2016 \$'000
Class:				
Consolidated				
Cash and cash equivalents	6	N/A	1,850	1,793
Receivables ¹	7	Loans and receivables (at amortised cost)	219	1,504
Financial Liabilities				
Class:				
Consolidated				
Payables ²	10	Financial liabilities measured at amortised cost	2,296	1,696
Financial Assets				
Class:				
Tribunal				
Cash and cash equivalents	6	N/A	1,515	1,719
Receivables ¹	7	Loans and receivables (at amortised cost)	169	1,504
Financial Liabilities				
Class:				
Tribunal				
Payables ²	10,11	Financial liabilities measured at amortised cost	1,911	1,622

Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(b) Credit Risk

Credit risk arises from the financial assets of the Tribunal, including cash and receivables. No collateral is held by the Tribunal. The Tribunal has not granted any financial guarantees.

Credit risk arises when there is the possibility of the Tribunal's debtors defaulting on their contractual obligations, resulting in a financial loss to the Tribunal. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

17. Financial Instruments (cont'd)

Cash

Cash comprises cash on hand and bank balances.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Tribunal will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Tribunal is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the statement of financial position.

Consolidated / Tribunal	2017 \$'000	2016 \$'000
Neither past due nor impaired		
Past due but not impaired		
< 3 months overdue	-	-
3 months – 6 months overdue	77	-
> 6 months overdue	-	-
	77	-
Impaired		
< 3 months overdue	-	-
3 months – 6 months overdue	-	-
> 6 months overdue	-	-
	-	-

Notes : The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7.

17. Financial Instruments (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Tribunal will be unable to meet its payment obligations when they fall due. The Tribunal continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

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 NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, 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 a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. No interest for late payment was paid during the year (2016 nil).

The Tribunal's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below summarises the maturity profile of the Tribunal's financial liabilities, together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	Nominal Amount ¹	\$'000		Maturity Dates		
		Interest Rate Exposure		< 1 yr	1-5 yrs	> 5 yrs
		Non-interest bearing				
Consolidated 2017						
<i>Payables:</i> ²						
Accrued salaries, wages and on-costs	161	161	161	-	-	
Creditors	<u>2,135</u>	<u>2,135</u>	<u>2,135</u>	<u>-</u>	<u>-</u>	
	<u>2,296</u>	<u>2,296</u>	<u>2,296</u>	<u>-</u>	<u>-</u>	
Consolidated 2016						
<i>Payables:</i> ²						
Accrued salaries, wages and on-costs	20	20	20	-	-	
Creditors	<u>1,676</u>	<u>1,676</u>	<u>1,676</u>	<u>-</u>	<u>-</u>	
	<u>1,696</u>	<u>1,696</u>	<u>1,696</u>	<u>-</u>	<u>-</u>	

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.
- Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

17. Financial Instruments (cont'd)

	\$'000				
	Nominal Amount ¹	Interest Rate Exposure	Maturity Dates		
		Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
Tribunal 2017					
<i>Payables:</i> ²					
Personnel services and on-costs	161	161	161	-	-
Creditors	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>	<u>-</u>
	<u>1,911</u>	<u>1,911</u>	<u>1,911</u>	<u>-</u>	<u>-</u>
Tribunal 2016					
<i>Payables:</i> ²					
Personnel services wages and on-costs	20	20	20	-	-
Creditors	<u>1,602</u>	<u>1,602</u>	<u>1,602</u>	<u>-</u>	<u>-</u>
	<u>1,622</u>	<u>1,622</u>	<u>1,622</u>	<u>-</u>	<u>-</u>

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Tribunal's exposure to market risk is primarily through interest rates on cash and cash equivalents. The Tribunal has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Tribunal operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017

17. Financial Instruments (cont'd)

Interest rate risk

The Tribunal does not have any interest-bearing liabilities nor borrowings with TCorp. The Tribunal does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Tribunal's exposure to interest rate risk is set out below.

Consolidated	Carrying Amount	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
2017					
Financial assets					
Cash and cash equivalents	1,850	(19)	(19)	19	19
Total	1,850	(19)	(19)	19	19

2016					
Financial assets					
Cash and cash equivalents	1,793	(18)	(18)	18	18
Total	1,793	(18)	(18)	18	18

Tribunal	Carrying Amount	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
2017					
Financial assets					
Cash and cash equivalents	1,515	(15)	(15)	15	15
Total	1,515	(15)	(15)	15	15

2016					
Financial assets					
Cash and cash equivalents	1,719	(17)	(17)	17	17
Total	1,719	(17)	(17)	17	17

(e) Fair value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

**Independent Pricing and Regulatory Tribunal
Notes to the financial statements
for the year ended 30 June 2017**

18. Related Party Disclosures

The Tribunal's key management personnel include Chairman and Chief Executive Officer, who are responsible for planning, directing, controlling the activities of the Tribunal.

The Tribunal's key management personnel remuneration are as follows:

	2017 \$'000
Salaries	<u>744</u>
Total remuneration	<u>744</u>

During the year, the Tribunal entered into no transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the material transactions and related outstanding balances as at and for the year ending 30 June 2017 are nil.

19. Events after the Reporting Period

There are no events subsequent to balance date which affect the financial statements.

End of audited financial statements.

Outline budget for 2017-18

Budget review 2016-17

Net Result

Total expenses were \$1.1 million lower than budget due to a timing adjustment of consultancy and contractor expenses in other operating expenses carried forward to the next financial year. Total revenue was \$2.8 million lower than budget mainly due to timing differences resulting in a reduction in funds drawdowns from the Treasury. Net result for the year was a \$2.30 million loss.

Assets and Liabilities

Total assets of \$4.8 million were lower than budget by \$0.2 million. This was due to an increase of cash and cash equivalents of \$1.1 million offset by a reduction in leasehold improvements and intangible assets by \$1.3 million.

Total liabilities were \$5.4 million and were higher than budget by \$1.5 million mainly due to an increase in creditors of \$1.2 million and increase of provisions of \$0.3 million.

Cash Flows

Net cash flows from operating activities were \$0.3 million lower than budget due to a decrease in funding from appropriations offset by reduced operating expenses. Cash flows from investing activities were lower than budget by \$1.4 million due to a timing adjustment in capital programs.

Outline budget for 2017-18

In 2017-18 IPART anticipates it will spend \$34.7 million (\$33.2 million recurrent and \$1.5 million capital) on price setting activities for water, public transport and local government; regulating access to water and waste water to encourage competition and re-use; conducting special reviews at the Government's request, on issues such as pricing, efficiency, industry structure and competition; and administering the Energy Savings Scheme.



Appendices

A Legislative provisions

Overview

A.1 Principal legislation under which IPART operates

IPART was established under the *Independent Pricing and Regulatory Tribunal Act 1992 (IPART Act)*. It performs functions under the IPART Act and also under other Acts such as the *Gas Supply Act 1996*, *Electricity Supply Act 1995*, *Hunter Water Act 1991*, *Sydney Water Act 1994*, *Water NSW Act 2014*, *Central Coast Water Corporation Act 2006*, *Water Industry Competition Act 2006*, *Passenger Transport Act 2014*, *Transport Administration Act 1988* and *Local Government Act 1993* (under Ministerial delegation). Further discussion of the principal legislation under which IPART operates is set out in sections A.2 to A.13 below.

IPART also has certain minor functions under Acts such as the *Prices Regulation Act 1948*, *Crown Lands Act 1989*, *Crown Lands (Continued Tenures) Act 1989*, *Snowy Hydro Corporatisation Act 1997*, *Cemeteries and Crematoria Act 2013*, *Forestry Act 2012*, *Electricity Network Assets (Authorised Transactions) Act 2015* and *Motor Accidents Compensation Act 1999*.

A.1.1 Changes in Acts and subordinate legislation

During the financial year 2016-17, changes were made to the regulatory framework governing:

- ▼ the New South Wales Energy Savings Scheme – discussed in section A.7 below
- ▼ point-to-point transport fares – discussed in section A.5.2 below
- ▼ arbitration of insurance premiums determined by the State Insurance Regulatory Authority – discussed in section A.11.

August 2017 saw the remaking of the *Independent Pricing and Regulatory Tribunal Regulation 2017* without changes following the sun-setting of the previous regulation.

A.2 IPART Act

Under the IPART Act, IPART has a number of major roles including:

- ▼ regulating prices and reviewing pricing policies of government monopoly services
- ▼ undertaking reviews referred to it in relation to industry, pricing or competition
- ▼ providing assistance to other agencies
- ▼ arbitrating access disputes in relation to public infrastructure access regimes
- ▼ registering access agreements
- ▼ regulating water, electricity and gas licences
- ▼ investigating complaints under the competitive neutrality regime.

A.2.1 Regulating prices and reviewing pricing policies

Under the IPART Act, IPART conducts investigations and makes reports to the relevant Minister on the determination of maximum prices for specified government monopoly services supplied by government agencies. It also conducts periodic reviews of the pricing policies of specified government monopoly services.

A service may be declared to be a government monopoly service if it is a service:

- ▼ for which there are no other suppliers to provide competition in the part of the market concerned
- ▼ for which there is no contestable market by potential suppliers in the short term.

There are two main ways in which IPART's investigations may be initiated. The first is by standing reference. In particular, section 11 of the IPART Act provides that IPART is to initiate investigations of government monopoly services supplied by those government agencies for which IPART has a standing reference (with such agencies being listed in Schedule 1 of the IPART Act).

The government agencies for which IPART currently has a standing reference are:

- ▼ Sydney Water Corporation
- ▼ Hunter Water Corporation⁵
- ▼ Water supply authorities constituted under the *Water Management Act 2000*
- ▼ County councils established for the supply of water
- ▼ Roads and Maritime Services
- ▼ Department of Family and Community Services
- ▼ Port Corporations or other relevant port authorities within the meaning of Part 5 of the *Ports and Maritime Administration Act 1995*
- ▼ Water Administration Ministerial Corporation
- ▼ Essential Energy
- ▼ Water NSW⁶

As the services of some agencies listed above have not been declared to be monopoly services, IPART may not initiate pricing investigations for those agencies under section 11 of the IPART Act.

The second way in which an investigation by IPART may be initiated is by a reference from the Premier. Under section 12 of the IPART Act, the Premier may require IPART to determine the maximum price or carry out a review of pricing policies in respect of a specified government monopoly service, including those supplied by government agencies

⁵ But excluding any water or sewerage services provided by Hunter Water Corporation in respect of the Dungog local government area prior to the commencement of the Tribunal's first determination made under section 11 of the IPART Act for Hunter Water Corporation after the commencement of the *Independent Pricing and Regulatory Tribunal Amendment (Hunter Water) Regulation 2008*.

⁶ But excluding any services provided by Water NSW in respect of which fees and charges may be approved or determined in accordance with Part 6 or 7 of the *Water Charge (Infrastructure) Rules 2010* (Cth) or the applied provisions, within the meaning of Part 3B.

that are the subject of a standing reference. IPART may ask the Premier to make a particular reference under these provisions.

Public participation and access to information

The IPART 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 pricing or access investigation. IPART may seek public participation by:

- ▼ advertising public hearings
- ▼ seeking public comments on terms of reference
- ▼ providing public access to submissions
- ▼ inviting public comment on issues and submissions
- ▼ holding public seminars and workshops
- ▼ releasing reports and determinations to the public.

IPART must make a document obtained by IPART in connection with an investigation available for inspection on request, unless the document contains information that IPART would not be required to disclose under the *Government Information (Public Access) Act 2009*. If a document contains such information, IPART has the discretion to release it following consultation, if satisfied that it will not damage commercial or other interests.

Matters IPART must consider

Under section 15 of the IPART Act, IPART is required to have regard to a range of matters when making determinations and recommendations under the Act, and to report on what regard it has had to each in reaching the particular determination or recommendation. These matters are (in addition to any other matters IPART considers relevant):

- ▼ the cost of providing the services concerned
- ▼ the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services
- ▼ the appropriate rate of return on public sector assets, including appropriate payment of dividends to the Government for the benefit of the people of New South Wales
- ▼ the effect on general price inflation over the medium term
- ▼ the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers
- ▼ the need to maintain ecologically sustainable development (within the meaning of section 6 of the *Protection of the Environment Administration Act 1991*) by appropriate pricing policies that take account of all the feasible options available to protect the environment
- ▼ the impact on pricing policies of borrowing, capital and dividend requirements of the government agency concerned and, in particular, the impact of any need to renew or increase relevant assets

- ▼ the impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body
- ▼ the need to promote competition in the supply of the services concerned
- ▼ considerations of demand management (including levels of demand) and least cost planning
- ▼ the social impact of the determinations and recommendations
- ▼ standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise).

The Premier may also require IPART to consider specific matters, in addition to the section 15 matters, in its investigations.

How IPART sets maximum prices

IPART may set maximum prices in either of two ways. The first way is by determining maximum prices. Under section 14 of the IPART Act, IPART may fix the prices in any way it considers appropriate, including fixing:

- ▼ an average price for a number of categories of service
- ▼ a percentage increase or decrease in existing prices
- ▼ an average percentage increase or decrease in existing prices for a number of categories of the service
- ▼ a specified price for each category of the service.

IPART may fix such a price by reference to:

- ▼ a general price index
- ▼ the government agency's economic cost of production
- ▼ a rate of return on the assets of the government agency.

The second way is by establishing a methodology for determining maximum prices. IPART may only do this if it considers that it is impractical to fix maximum prices directly. A methodology may be made in any manner that IPART considers appropriate, including by reference to maximum revenue, or maximum rate of increase or minimum rate of decrease in maximum revenue, for a number of categories of the service concerned.

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 complying with a Ministerial directive or a requirement imposed under a licence, authorisation or under a statutory instrument on the agency.

Implementing maximum prices

Agencies which are subject to IPART's determinations are not permitted to levy prices which exceed the maximum prices determined by IPART. Under section 18 of the IPART Act, the approval of the Treasurer is required if an agency wishes to charge a price below the maximum price.

Compliance

In their annual reports, all agencies subject to IPART's determinations made under the IPART Act must report on how they have implemented the maximum prices. Agencies must also provide information on whether IPART recommendations to which they are subject have been implemented, and reasons for any non-implementation.

Release of reports and determinations

IPART submits its reports for price determinations under the IPART Act to the Premier. Any determination must be published in the NSW Government Gazette as soon as practicable. Reports must be made available for public inspection and sale, tabled in Parliament, and placed in the Parliamentary Library.

A.2.2 Reviewing industries, pricing or competition

Under section 12A of the IPART Act, the Premier may require IPART to conduct investigations and make reports on any matter with respect to industry, pricing or competition. In contrast to the review provisions of sections 11 and 12 of the IPART Act, these reviews are not restricted to government monopoly services and may cover both government and private industry issues. In carrying out reviews under section 12A, IPART is not specifically required to have regard to the various matters listed in section 15 of the IPART Act.

A.2.3 Providing assistance to other agencies

Under section 9 of the IPART Act, the Premier may approve the provision of services by IPART to any government agency or other body or person (public or private), where those services are in areas within IPART's field of expertise and relevant to its functions. In entering into any arrangement to provide services, IPART has a duty to ensure that giving effect to the arrangement will not interfere with its ability to exercise its usual functions. Several examples are shown in *Our performance against strategic directions* section in this report.

A.2.4 Arbitrating access disputes

Under Part 4A of the IPART Act, any dispute with respect to a public infrastructure access regime that provides for the application of Part 4A may be subject to arbitration by IPART. In carrying out these arbitration functions, IPART may appoint an arbitrator from a panel approved by the Premier or may undertake the arbitration itself. The *Commercial Arbitration Act 2010* applies to such an arbitration, subject to the provisions of the IPART Act and any regulations made under section 29 of the IPART Act.

A.2.5 Registering access agreements

Sections 12B and 12C of the IPART Act require a government agency to notify IPART of any access agreements into which it proposes to enter or has entered. IPART may provide

advice on the proposed agreement to the agency and to the Premier. IPART is required to register all access agreements (section 12C).

A.2.6 Investigating complaints under competitive neutrality regime

IPART has a role in investigating and reporting on competitive neutrality complaints under the Competition Principles Agreement,⁷ so far as they are applicable to public authorities. If certain conditions are met, the Premier may refer to IPART, for investigation and report, a complaint about a public trading agency's failure to comply with (or misapplication of) the competitive neutrality principles. The IPART Act specifies the processes IPART is to follow in investigating such a complaint (Part 4C).

A.2.7 Investigating and reporting in relation to SafeWork NSW

Section 12AA of the IPART Act enables IPART to conduct investigations and make reports on such matters relating to the operational costs and expenses of SafeWork NSW as are referred to the Tribunal by the relevant Minister.

A.2.8 Approval or determination of Murray-Darling Basin water charges

Part 3B of the IPART Act enables IPART to approve or determine charges for the provision of certain water infrastructure services in the Murray-Darling Basin.

A.3 Licensing

IPART is responsible for ensuring various regulated entities meet their licence requirements. Under the IPART Act, *Electricity Supply Act 1995*, *Gas Supply Act 1996*, *Hunter Water Act 1991*, *Sydney Water Act 1994*, *Water NSW Act 2014* and *Central Coast Water Corporation Act 2006*, IPART is responsible for matters such as making recommendations to the relevant Minister with respect to:

- ▼ granting, varying, transferring or cancelling a licence (or authorisation in the case of the gas industry)
- ▼ taking action or applying sanctions in response to a contravention of the conditions of a licence
- ▼ taking any remedial action as a result of a contravention of the conditions of a licence.

In recent years, IPART has adopted a risk-based approach when making recommendations to the Minister on the terms of public utility licences. Under the *Water Industry Competition Act 2006*, IPART is responsible for matters such as making recommendations to the relevant Minister with respect to granting licensing applications. Further, it may cancel or suspend licences (with the concurrence of the relevant Minister). To fulfil its roles under these Acts, IPART monitors licence compliance and reports annually to the relevant Minister regarding such compliance. IPART also has specific licence auditing responsibilities for the electricity and water industries.

⁷ The Competition Principles Agreement was made on 11 April 1995 by the Commonwealth, the Territories and the States.

In addition to making recommendations to the Minister, IPART has limited powers to impose monetary penalties or require a utility to take remedial action in certain circumstances.

A.4 Energy pricing regulation, disclosure and comparison

A.4.1 Gas Supply Act 1996

The *Gas Supply Act 1996* enables IPART to establish pricing mechanisms known as gas pricing orders that regulate the tariffs, fees, charges and other payments that a standard supplier may impose for the supply of natural gas to small retail customers under standard form customer supply contracts. To date IPART has not made a gas pricing order, preferring to use a more light-handed form of regulation. Instead, the gas retailers have voluntary pricing arrangements (VPAs) with IPART. Gas retailers are obliged to set their regulated tariffs and charges in line with these VPAs, with IPART monitoring their compliance. The current VPAs apply until 30 June 2017.

A.4.2 National Laws

Additionally, IPART has functions under certain National energy laws. Most significant of these is IPART's role of Market Monitor under the *National Energy Retail Law (NSW)*. As Market Monitor, IPART monitors and reports annually on the performance and competitiveness of the New South Wales retail electricity market.

A.5 Transport pricing regulation

A.5.1 Passenger Transport Act 2014

The *Passenger Transport Act 2014* (which, when fully commenced, will replace the *Passenger Transport Act 1990*) provides a framework for regulating public transport services. Under this Act, IPART is responsible for setting maximum fares for public passenger services. In making its determinations or recommendations, IPART is to consider the following matters:

- ▼ the cost of providing the services
- ▼ the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers
- ▼ the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standards of service
- ▼ the social impact of the determination or recommendation
- ▼ the impact of the determination or recommendation on the use of the public passenger transport network and the need to increase the proportion of travel undertaken by sustainable modes such as public transport
- ▼ standards of quality, reliability and safety of the services (whether those standards are specified by legislation, agreement or otherwise)

- ▼ the effect of the determination or recommendation on the level of Government funding
- ▼ any matters specified in the referral to IPART
- ▼ any other matter IPART considers relevant.

IPART also has functions under the NSW Rail Access Undertaking and the *Transport Administration Act 1988*.

A.5.2 Point to Point Transport (Taxis and Hire Vehicles Act) 2016

Once Parts 4 and 5 of the *Point to Point Transport (Taxis and Hire Vehicles Act) 2016* commence, IPART will be authorised, with Ministerial referral, to:

- ▼ investigate and report to Transport for New South Wales with a recommendation as to the number of taxi licences to be issued for a specified period; and
- ▼ make recommendations to the relevant Minister on the appropriate maximum fares for point-to-point passenger services.

A.6 Greenhouse Gas Reduction Scheme

The NSW Greenhouse Gas Reduction Scheme (Scheme) closed on 1 July 2012. The final accreditation under the Scheme was cancelled in September 2017. Although no new certificates are being issued under the Scheme, there are still over 4 million active certificates. IPART, as Scheme Administrator, has retained certain powers under the *Electricity Supply Act 1995* pending finalisation all Scheme related matters.

A.7 Energy Savings Scheme

The NSW Energy Savings Scheme (ESS) is designed to create a financial incentive to reduce the consumption of energy by encouraging energy saving activities. It sets out energy savings targets, and imposes an obligation on NSW electricity retailers (and certain other parties) to surrender sufficient energy savings certificates to meet their individual energy savings targets.

The ESS commenced on 1 July 2009 under the *Electricity Supply Act 1995*. IPART functions as both the ESS scheme administrator and the ESS scheme regulator, and is responsible for assessing applications, accrediting parties to undertake eligible activities and to create certificates, monitoring ESS compliance and monitoring the performance of the ESS participants. IPART also manages the registration and transfer of certificates created from recognised energy savings activities. In July 2017, minor amendments to the *Electricity Supply Act 1995* commenced and these amendments clarified IPART's functions as Scheme Administrator and Scheme Regulator

A.8 Local Government

IPART performs functions relating to local government under:

- ▼ terms of reference under section 9 of the IPART Act; and

- ▼ delegation by the Minister for Local Government under the *Local Government Act 1993*.

IPART's functions relating to local government include:

- ▼ developing a local government cost index and productivity factor
- ▼ reviewing council development contributions plans under the *Environmental Planning and Assessment Act 1979* and reporting to the Minister for Planning and the relevant councils on IPART's assessment of the contributions plans
- ▼ determining the rate peg for general council income
- ▼ determining annual charges for domestic waste management services
- ▼ determining applications by councils for special variations and minimum rate amounts under the *Local Government Act 1993*.

IPART must report annually on its local government functions.

A.9 Water Infrastructure Pricing

In September 2015, the Australian Competition and Consumer Commission (ACCC) made a decision to accredit IPART under Part 9 of the *Water Charge (Infrastructure) Rules 2010* (Cth) (WCIR). Under its accreditation, IPART has the functions of a "Regulator" under the WCIR in relation to prices for bulk water services provided by Water NSW (formerly the State Water Corporation) to customers in the Murray-Darling Basin. IPART made its first WCIR determination in June 2017.

A.10 Electricity Infrastructure & Licensing

As part of the NSW Government's leasing of electricity network assets, relevant licensing, technical and safety functions were transferred to IPART under the *Electricity Supply Act 1995* and the *Electricity Supply (Safety and Network Management) Regulation 2014*. These functions include:

- ▼ administering the reporting and performance auditing of electricity network operators
- ▼ compliance auditing of electricity network operators
- ▼ appointing inspectors to inspect electrical installations and electrical delivery equipment and the investigation of serious electricity works accidents
- ▼ advising on the exercise of emergency or step-in powers by the relevant Minister, or exercising such powers.

IPART also has functions in relation to the enforcement of employment guarantees under the *Electricity Network Assets (Authorised Transactions) Act 2015*.

A.11 Governance of State insurance and care schemes

Under section 25 of the *State Insurance and Care Governance Act 2015*, which commenced in September 2015, IPART may, at the request of the relevant Minister, conduct an investigation and report to that Minister on such matters relating to the operational costs

and expenses of the State Insurance Regulatory Authority (SIRA) as are determined by the Minister.

A.12 Arbitrating insurance premiums

Additional functions have recently been conferred, or are in the process of being conferred, on IPART in relation to arbitrating insurance premium disputes. These functions allow IPART to act as arbitrator to hear and determine arbitrations between insurers and SIRA where proposed insurance premium have been rejected by SIRA under the *Workers Compensation Act 1987*, the *Home Building Act 1989* (upon commencement of the relevant sections of the *Home Building Amendment (Compensation Reform) Act 2017*); and the *Motor Accidents Injuries Act 2017* (upon commencement of Division 2.3).

A.13 Determination of a wholesale price for ethanol

In January 2017, Schedule 2 of the *Biofuels Amendment Act 2016* commenced, which inserted a new Part 3A into the *Biofuels Act 2007*. Part 3A confers on IPART the function of:

- ▼ determining, and periodically reviewing, a reasonable wholesale price for ethanol for use in the production of petrol-ethanol blend; and
- ▼ monitoring the retail market for petrol-ethanol blend and making reports to the relevant Minister on the effect of IPART's determination on that market.

B Decisions under s16A of IPART Act

Under section 16A of the IPART Act, the portfolio Minister for a government agency may direct IPART to include in a price determination, for a government monopoly service provided by the agency, an amount representing the efficient costs to an agency of complying with a specified requirement imposed on the agency. Such a requirement may only be imposed by or under a licence or authorisation, by ministerial direction under an Act, or some other requirement imposed by or under an Act or statutory instrument.

A portfolio Minister may only give a section 16A direction to IPART after consulting with IPART and obtaining the Premier's approval. Once IPART is given a direction under section 16A, it must comply with the direction. The Tribunal must also set out the terms of such a direction and explain the manner in which it has complied with the direction in the relevant price review report.

C Tribunal meetings, public forums and submissions

Tribunal Meetings and Public Forums

Table C.1 Tribunal Meetings and Public Forums held in 2016-17

Type of Meeting	Number Held	Attendees and number of Meetings attended
Tribunal	45	Peter Boxall, Chair (45/45)
		Catherine Jones ^a , Tribunal Member (25/25)
		Ed Willett, Tribunal Member (44/45)
		Deborah Cope ^b , Tribunal Member (19/20)
Delegated Tribunal	12	Catherine Jones ^a , Chair (6/6)
		Ed Willett (12/12)
		Deborah Cope ^b (6/6)
Energy Savings Scheme Committee	13	Ed Willett, Chair (13/13)
		Brian Spalding (13/13)
		Fiona Towers (13/13)
Local Government	9	Catherine Jones ^a , Chair (5/5)
		Stuart McDonald (8/9)
		Matthew Edgerton (9/9)
		Deborah Cope ^b , Chair (4/4)
Energy Network Regulation Committee	16	Ed Willett, Chair (16/16)
		Brian Spalding (13/16)
		Catherine Jones ^a (9/10)
		Deborah Cope ^b (6/6)
Public Forums	13	Peter Boxall, Chair (13/13)
		Catherine Jones ^a (10/10)
		Ed Willett (12/13)
		Deborah Cope ^b (5/5)

^a Catherine Jones resigned on 2 February 2017

^b Deborah Cope was appointed as a Permanent Tribunal Member from 3 February 2017

Public Forums 2016-17

Table C.2 Public hearings held in 2016-17

Date	Investigation	Location
Water		
31 October 2016	Prices for WaterNSW's Rural Bulk Water Services from 1 July 2017(formerly State Water Corporation)	The Max Centre, Moree
8 November 2016	Prices for WaterNSW's Rural Bulk Water Services from 1 July 2017 (formerly State Water Corporation)	SMC Conference and Function Centre, Sydney
14 November 2016	Prices for WaterNSW's Rural Bulk Water Services from 1 July 2017 (formerly State Water Corporation)	Coleambally Bowling Club, Coleambally
28 November 2016	Wholesale pricing for Sydney Water and Hunter Water	Wesley Conference Centre, Sydney
8 December 2016	Sydney Desalination Plant prices from 1 July 2017	SMC Conference and Function Centre, Sydney
4 April 2017	Prices for WaterNSW's Rural Bulk Water Services from 1 July 2017(formerly State Water Corporation)	SMC Conference and Function Centre, Sydney
Transport		
23 August 2016	Review of maximum fees and site occupation charges for cruise ships in Sydney Harbour	IPART Offices, Sydney
Local Government		
19 September 2016	Local Government Rating System	SMC Conference & Function Centre, Sydney
10 October 2016	Local Government Rating System	Dubbo RSL Club Resort Conference Centre, Dubbo
Other Industries		
2 August 2016	Multi-peril crop insurance incentive measures	SMC Conference and Function Centre, Sydney
22 November 2016	Maximum price for Wholesale Ethanol in NSW	IPART Offices, Sydney
2 May 2017	Review of Social and Affordable Housing Rent Models	Dubbo RSL Club Resort Conference Centre, Dubbo
9 May 2017	Review of Social and Affordable Housing Rent Models	Adina Apartment Hotel, Sydney

Table C.3 Public workshops held in 2016-17

Date	Investigation	Location
Water		
21 February 2017	2017 Review of Hunter Water's Operating Licence	Harbourview Function Centre, Newcastle
21 March 2017	2017 Review of WaterNSW Operating Licences	SMC Conference and Function Centre, Sydney
Transport		
27 February 2017	Point to Point Transport Use	Panel survey
16 May 2017	Rural and Regional Bus Passenger Survey	Online Survey
26 May 2017	Rural and Regional Bus Operator Survey	Online Survey
9 June 2017	Point to Point Transport Use	Panel survey

Submissions to projects during 2016-17

The Tribunal invited stakeholders and the public to make submissions to the projects in progress during 2016-17 and received a total of 1978 submissions.

Table C.4 Submissions received in 2016-17

Date	Investigation	Submissions
Water		
2 August 2017	Issues Paper – WaterNSW operating licence – June 2016	9
17 August 2016	Application Form – WICA Licence – Network Operator – Flow Systems Operating Pty Ltd – Glossodia – June 2016	10
31 August 2016	Application Form – WICA Licence – Network Operator and Retail Supplier – Narara Ecovillage Co-operative – June 2016	5
17 October 2016	Issues Paper – Prices for WaterNSW rural bulk water services – September 2016	29
11 November 2016	Issues Paper – Prices for Sydney Desalination Plant Pty Ltd – August 2016	6
7 December 2016	Draft Report – Prices for wholesale water and sewerage services - Sydney Water Corporation and Hunter Water Corporation - November 2016	10
9 December 2016	Application Form – WICA Licence – Network Operator – Flow Systems Operating Pty Ltd – Shepherds Bay – September 2016	11
3 March 2017	Draft Operating Licence – Hunter Water Corporation – December 2016	7
3 March 2017	Issues Paper – Hunter Water Corporation operating licence – May 2016	9
7 April 2017	Draft Operating Licence – WaterNSW – February 2017	13
17 April 2017	Draft Report – WaterNSW prices for rural bulk water services – March 2017	30
1 May 2017	Supplementary Draft Report – Prices for wholesale water and sewerage services – Sydney Water Corporation and Hunter Water Corporation – March 2017	9
18 April 2017	Draft Report – Prices for Sydney Desalination Plant Pty Ltd–	5

March 2017		
24 April 2017	Application Form – WICA Licence – Network Operator and Retail Supplier – Northern Water Solutions Pty Ltd – Cobaki Estate – March 2017	44
Transport		
30 August 2016	Draft Report – Maximum fees and charges for cruise ships in Sydney Harbour – July 2016	8
22 December 2017	Draft Decision – RailCorp compliance with NSW Rail undertaking for 2014-15 – November 2016	1
3 February 2017	NSW Rail undertaking - Compliance guideline – December 2016	2
28 April 2017	Issues Paper – Ethanol market monitoring – March 2017	5
29 June 2017	Issues Paper – Rural and regional bus services 2018 – May 2017	14
Energy		
7 October 2016	Electricity network Audit Guideline – Safety Management Systems Assessment Audit – September 2016	1
27 October 2016	Draft Report – Performance and competitiveness of the retail electricity market in NSW – September 2016	6
27 October 2016	Fact Sheet – Retail offers available to NSW Solar Bonus Scheme customers – October 2016	6
28 October 2016	Supplementary Draft Report – Electricity transmission reliability standards – September 2016	5
24 February 2017	Electricity network reporting manual update – February 2017	2
21 March 2017	Electricity network Audit Guideline with drafted updates – February 2017	3
24 March 2017	Electricity network Reporting Manual with drafted updates – March 2017	2
28 April 2017	Electricity network Audit Guideline – Safety Management Systems – April 2017	4
29 May 2017	Fact Sheet – Review of solar feed-in tariffs 2017-18 – May 2017	1423
30 June 2017	Information Paper - Retail Electricity Market Monitoring 2017-May 2017	9
Local Government		
14 October 2016	Draft Report – Local government rating system – August 2016	175
Other		
18 July 2016	Issues Paper – Maximum price for wholesale ethanol in automotive fuel blends – June 2016	17
15 August 2016	Draft Report – Multi-peril crop insurance incentive measures – July 2016	16
25 November 2016	Draft Report – Maximum price for wholesale ethanol in automotive fuel blends – October 2016	4
16 December 2016	Issues Paper – Rent models for social and affordable housing – November 2016	30
12 May 2017	Draft Report – Rent models for social and affordable housing – April 2017	47
9 June 2017	Regulatory Impact Statement IPART Regulation 2017 – May 2017	1

The number of submissions listed are only those received in 2016-17. The total number of submissions to a paper can be found on our website.

D Agency structure and plans

Senior Executives

Table D.1 Number of roles and gender breakdown at 30 June 2017

Band	2014-15		2015-16		2016-17	
	Female	Male	Female	Male	Female	Male
Band 4 (Secretary)	0	1	0	1	0	1
Band 3 (Deputy Secretary)	0	1	0	1	0	1
Band 2 (Executive Director)	5	1	4	1	4	1
Band 1 (General Manager/Director)	12	10	13	13	12	10
Total	17	13	17	16	16	13

Note: only executives occupying a role – excludes secondments/LWOP/Mat leave.

Table D.2 Average remuneration

Role	Range 2016-17	2014-15	2015-16		2016-17	
			Female	Male	Female	Male
Band 4 ^a	\$452,251 - \$522,500	\$300,969	NA	\$308,493	NA	\$316,205
Band 3	\$320,901 - \$452,250	\$343,183	NA	\$351,763	NA	\$360,557
Band 2	\$255,051 - \$320,900	\$262,965	\$273,542	\$269,179	\$280,377	\$275,908
Band 1	\$178,850 - \$255,050	\$203,835	\$220,457	\$214,228	\$210,487	\$215,916

^a Band 4 executive is a 0.6 FTE role

Executive remuneration represents 34% of the overall salaries-related expenses for 2016-17 compared to 37% for 2015-16.

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

Tribunal Members

Table D.3 Average remuneration

Role	Rate	2015-16	2016-17
Tribunal Member	\$1,000 per day ^a	\$144,500	\$152,250

^a Premier's Memorandum M2012-18 *Classification and Remuneration Framework for New South Wales Government Boards and Committees*

Total staff by level and employment basis

Table D.4 Staff profile by employment category as at 30 June 2017

	2014	2015	2016	2017
Chair	1	1	1	1
Chief Executive	1	1	1	1
Executive Directors & General Managers	7	6	6	6
Chief Financial Officer & Director, HR	0	2	2	1
Directors ^a	16	16	16	16
Managers	4	3	4	5
Analysts	68	72	77	77
Graduate Analysts	5	3	3	3
General Counsel	1	1	1	1
Director, Legal & Special Counsel	0	2	2	3
Legal Officers	3	4	3	3
Support Officers	22	21	23	22
Supernumeraries	3	2	12	1
Casual Staff	0	0	0	1
Total number of staff includes full time, part-time, temporaries and graduates	131	134	151	141
Tribunal Members	2	2	2	2
Temporary Members	0	1	0	0
Total number of Staff including members	133	137	153	143

^a 2014 known as Program Managers

Industrial Relations

There were no significant changes to IPART's Award.

The Human Resources unit provided advice and support to all employees in relation to working conditions, policies, processes and performance. This includes intervention strategies to assist with the early resolution and management of workplace and performance issues at the local level.

We continued to review all human resource policies, procedures, guidelines and forms. The objective is to continue to ensure we provide current and concise information that is easy to use and understand, and which is aligned to Public Sector provisions and best practice.

Diversity and Inclusiveness

IPART values diversity and inclusiveness in the workforce. IPART recognises diversity contributes to achieving sustainable long term performance improvements. IPART's commitment to diversity and inclusiveness in the workplace includes background, gender, ethnicity, age, all abilities, culture and experience and IPART is committed to embracing, engaging and empowering people to enable IPART to achieve its agency objectives without compromising any skill requirements.

Further programs introduced to support change through collaboration and feedback during 2016–17 included the continuation of a Human Resources Steering Committee to engage with representatives across the organisation on strategic HR projects. Collaborative workshops were held with staff and agency teams throughout the course of the year and are an ongoing process.

IPART supports flexibility in the workplace promoting awareness of the Carers Recognition Act 2012 through IPART’s Induction program. IPART has flexible work arrangements in place – flexible work arrangements including flex time, time in lieu, telecommuting, carer’s leave, unpaid leave and part time work. We provide our employees with Employee Assistance Program access that deals with issues from personal employee advice, domestic violence counselling and general advice line or work related counselling services. This service was promoted during the year with the provider attending the workplace to provide information on the value of the program.

We work to advance diversity and inclusion through feedback, statistics and the qualitative and quantitative benchmarks/indicators, as we are constantly striving for greater improvements in this area.

Table D.5 Trends in the representation of Workforce Diversity groups

Workforce Diversity Group	Benchmark/Target	2015	2016	2017
Women	50%	54.6%	51.7%	52.1%
Aboriginal People and Torres Strait Islanders	3.3%	0.0%	0.0%	0.0%
People whose First Language Spoken as a Child was not English	23.2%	25.4%	28.2%	17.1%
People with a Disability	N/A	1.8%	0.7%	1.4%
People with a Disability Requiring Work-Related Adjustment	N/A	0.0%	0.0%	0.0%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector’s salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for People with a Disability or for People with a Disability Requiring Work-Related Adjustment.

Table D.6 Trends in the distribution of Workforce Diversity groups

Workforce Diversity Group	Benchmark/Target	2015	2016	2017
Women	100	101	103	103
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	98	98	98
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring	100	N/A	N/A	N/A

Work-Related Adjustment

Source: NSW IPART 2016-17 Workforce Profile

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Investigations by the regulator under Part 10 of the Work Health and Safety Act 2011

No investigations were carried out under Part 10 of the Work Health and Safety Act.

Personnel Policies and Practices

Activities for the reporting period included:

- ▼ Continued participation in the public sector graduate program.
- ▼ Relunched Performance Enhancement System throughout the organisation.

Public Interest Disclosures

During the reporting period, no public officials made a public disclosure to the agency. The agency reports no public interest disclosures for the reporting period.

Corporate Plan

IPART's broad corporate strategies are set out in this document and progress towards meeting corporate objectives are assessed for each program element in the *Our organisation* section of this Annual Report.

Privacy Management Plan

There were no changes to IPART's Privacy Plan. No complaints or requests for internal reviews were received. New staff members are briefed on the Plan as it relates to their role at induction. A copy of the plan is available and accessible by all staff and a Privacy Statement is available on the IPART website for public viewing.

Asset Management Plan

There were no significant changes to the Asset Management Plan during the year.

Credit Card Compliance

The Chief Financial Officer certifies that credit card usage in the agency has met best practice guidelines in accordance with Premier's Memoranda and Treasurer's Directions 205.1 to 205.8. Credit card usage is subject to an annual internal audit.

Report on account payment performance

Table D.7 Report on account payment performance 2016-17

	September 2016	December 2016	March 2017	June 2017
Invoices due for payment	370	285	258	338
Invoices paid on time	316	234	196	272
Invoices due for payment received from small business	0	0	0	0
Invoices from small business paid on time	0	0	0	0
Amount due for payment (\$)	4,829,521	4,324,972	3,103,198	3,725,710
Amount paid on time (\$)	4,464,288	4,086,350	2,158,571	2,833,728
Amount due for payment received from small business (\$)	0	0	0	0
Amount from small business paid on time (\$)	0	0	0	0
Number of payments for the interest on overdue account	0	0	0	0
Interest paid on late accounts (\$)	0	0	0	0
Number of payments to small business for the interest on overdue account	0	0	0	0
Interest to small business on late account (\$)	0	0	0	0

Table D.8 Accounts paid on time within each quarter in 2016-17

Quarter	Target %	Actual %
September Quarter	90%	85%
December Quarter	90%	82%
March Quarter	90%	76%
June Quarter	90%	80%

Note: During 2016-17, there were no instances where penalty interest was paid in accordance with section 18 of the *Public Finance and Audit (General) Regulation 1995*.

Government standard payment terms are 30 days, however some IPART vendors have payment terms set to less than 30 days. This decrease in payment time contributed to the actual percentage being lower than the target. IPART is taking steps to remedy the situation liaising with GovConnect, the Shared Services Provider in 2017-18 to standardise all vendors to the 30 day payment term.

Details of Annual Report production

There were no external production costs such as copy writing, design and printing incurred in the production of the report. An electronic copy of this report is available on IPART's website.

Consultants

During 2016-17, IPART engaged the following consultants for a total expenditure of \$2,402,962 (work on some of these consultancies was still progressing at 30 June).

Table D.9 Consultancies over \$50,000 in 2016-17

Consultant	Cost (\$)	Title
Finance and Accounting		
WS Atkins International Ltd	\$209,864	Sydney Desalination Plant pricing review
Aecom Australia Pty Ltd	\$131,655	Maximum wholesale price for Ethanol
Centre for International Economics	\$119,938	Fees for multi-peril crop insurance
Marsden Jacob Associates	\$116,280	Sydney Desalination Plant energy review and benchmark prices for energy costs
Oakley Greenwood Pty Ltd	\$108,650	Wholesale water pricing review of efficient and reasonable competition costs and sewerage services cost drivers
Aurecon Australiasia Pty Ltd	\$88,520	Audit of public water utility Hunter Water Corporation
Frontier Economics	\$86,100	WaterNSW (Rural) cost recovery scoping study and briefs and report assistance
Cobbitty Consulting Pty Ltd	\$85,580	Audit of public water utility WaterNSW
Corporate Scorecard Pty Ltd	\$67,834	WIC Act financial assessments
Cobbitty Consulting Pty Ltd	\$64,840	Audit of public water utility Sydney Water
Nera Australia Pty Ltd	\$53,600	Wholesale water pricing review
Sub Total	\$1,132,861	
Engineering		
Aither Pty Ltd	\$334,092	WaterNSW (Rural) pricing review
Hacklabs Pty Ltd	\$103,818	Health check and pan tests of Ausgrid
Sub Total	\$437,910	
Information Technology		
Readify Pty Ltd	\$80,667	OSIRIS on-line report framework 2016-17
Milliways Pty Ltd	\$58,400	Delivery of IT procurement strategy and services
Sub Total	\$139,067	
Management Services		
Mandarin Media Pty Ltd	\$87,888	Communication and media services
Macroview Business Technology	\$53,100	Template development and updates
Sub Total	\$140,988	
Total	\$1,850,826	

Table D.10 Consultancies up to \$50,000 in 2016-17

Annual Report Category	Number of engagements	Cost (\$)
Finance and Accounting	17	\$335,020
Engineering	6	\$166,666
Environmental	0	-
Information Technology	1	\$33,400
Management Services	1	\$17,050
Legal	0	-
Training	0	-
Total	26	\$552,136

Contract executive profile

All of IPART's executive staff are employed under contract as Public Service Senior Executives. Remuneration is subject to determinations by the Statutory and Other Offices Remuneration Tribunal.

E Audit and risk management

Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for IPART

I, Hugo Harmstorf, am of the opinion that IPART has internal audit and risk management processes in operation that are, compliant with the eight core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*. Specifically:

Core Requirements	Specify compliant, non-compliant, or in transition
Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

- ▼ The membership of the Audit Committee, together with appointment dates and attendance at meetings, is set forth below:

Position	Members	Committee member since	Attendance at full meetings during 2016-17
Independent Chair	Mr Ken Barker	14 October 2014	4/4
Independent Member	Mr Tim Holden	31 October 2014	4/4
Independent Member	Ms Elizabeth Crouch	29 November 2016	2/2
Member ^a	Ms Pamela Soon	17 August 2012	2/2

^a Term finished 31 October 2016

This demonstrates that IPART has established and maintains frameworks, including systems, processes and procedures for appropriately managing audit and risk within IPART.

IPART's contact officer for this matter is Ms Fiona Towers, Chief Audit Executive, contactable on (02) 9290 8420.

Yours sincerely



Hugo Harmstorf
Chief Executive Officer

Risk Management and Internal Audit

IPART's risk management and internal audit framework informs and supports decision making across the organisation. We have developed our risk management framework to:

- ▼ build awareness and consideration of risks across the organisation
- ▼ facilitate risk reporting
- ▼ test, review and revise our key risk management strategies, and
- ▼ comply with the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector.

IPART's Audit and Risk Committee (ARC) oversees risk management and senior executives and the Tribunal receive regular reports on risks. Over the past 12 months risk management, including awareness, continues to mature. Key risk management activities during the year included:

- ▼ continuing to embed risk management processes across IPART
- ▼ increasing integration between internal audit and risk management, and
- ▼ reviewing and amending controls in response to recommendations from our internal audit program.

Our risk management activities inform our internal audit program and we have a number of internal audits planned for the coming year. We operate our internal audit function using an outsourced model and during the past financial year we reviewed the following areas of the organisation:

- ▼ Digital Information Security Policy
- ▼ Energy Savings Scheme, and
- ▼ Energy Network Regulation Unit.

The ARC considers the outcome of each audit and our senior executives develop a set of actions to address each audit recommendation. Senior executives and the ARC receives regular updates about progress towards implementing the audit recommendations.

Digital Information Security Annual Attestation Statement for the 2016-17 Financial Year for the Independent Pricing and Regulatory Tribunal

I, Hugo Harmstorf, Chief Executive Officer of the Independent Pricing and Regulatory Tribunal, am of the opinion that the Independent Pricing and Regulatory Tribunal had a partially compliant Information Security Management System in place during the 2016-17 financial year consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*. A fully compliant Information Security Management System is expected to be in place by the end of the 2017-18 financial year.

In the interim period, the security controls in place are adequate to mitigate significant identified risks to the digital information and digital information systems of the Independent Pricing and Regulatory Tribunal.

There is no agency under the control of the Independent Pricing and Regulatory Tribunal which is required to develop an Independent Information Security Management System in accordance with the *NSW Government Digital Information Security Policy*.

Yours sincerely



Hugo Harmstorf
Chief Executive Officer

F External liaison

Overseas Visits

There were no overseas visits undertaken by IPART staff in the reporting period.

Complaints

All complaints or enquiries are recorded and, where relevant, registered as submissions to any current review.

This financial year there was a decrease in complaints about energy pricing: 32 complaints were recorded compared with 46 last financial year. Although IPART no longer regulates electricity pricing, we still have a steady flow of complaints which we answer or refer to the Australian Energy Regulator.

There were 54 complaints made about Transport pricing and two complaints received during the social housing review.

Complaints about water pricing decreased to five complaints, reducing from 15 complaints in 2015-16. These complaints concerned charges for water and sewerage.

When appropriate, complaints are referred to the relevant regulated entity or to the Energy and Water Ombudsman NSW.

Complaints about competitive neutrality

There were no complaints about non-compliance with competitive neutrality referred to IPART in 2016-17.

G Government information (Public Access) Act

The *Government Information (Public Access) Act 2009* (the GIPA Act) commenced on 1 July 2010, replacing the *Freedom of Information Act 1989* (the FOI Act). The GIPA Act requires IPART to provide the following information on its websites:

- ▼ a publication guide – this describes IPART’s structure and functions, the various kinds of information it holds, and how people can access this information
- ▼ documents about IPART that have been tabled in parliament
- ▼ IPART’s policy documents
- ▼ IPART’s disclosure log of formal access applications
- ▼ IPART’s register of government contracts
- ▼ a record indicating the general nature of any open access information that has not been disclosed because of an overriding public interest.

Availability of information

Copies of all IPART publications are available on our website at <https://www.ipart.nsw.gov.au>.

Where information is not available on IPART’s website, an informal request for this information may be made to IPART by contacting IPART’s Right to Information Officer, Michelle James (ipart@ipart.nsw.gov.au). Unless there is an overriding public interest against disclosure of the information, IPART will try to release information without the need for a formal access application.

Formal access application

Where information is not available on IPART’s website or not able to be provided by informal request, a formal access application may be made to IPART. This involves sending a written application and an application fee of \$30 to the following address:

Ms Michelle James
Right to Information Officer, IPART
PO Box K35
Haymarket Post Shop NSW 1240

Further details about making a formal access application are available on IPART’s website (www.ipart.nsw.gov.au).



Formal requests made during this year

IPART did not receive any formal requests under the *Government Information (Public Access) Act 2009* during the reporting year. IPART received no requests for amendment or notation of personal records.

Request carried forward from the previous year

There were no requests carried forward from the previous year.

Review of information to be proactively released

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available.

As part of IPART's proactive release program, we review our information as it is produced and make it available online where appropriate and as soon as practicable. IPART routinely publishes a significant amount of information on its website. Over the last financial year, IPART has received a number of informal requests for information and, where appropriate, dealt with these by providing the requested information.

Total number of access applications refused on the basis of overriding public interest against disclosure

IPART did not refuse any applications in the 2016-17 reporting year.

Statistical information

IPART provides the following information as required by Schedule 2 of the *Government Information (Public Access) Regulation 2009*:

Table G.1 Number of GIPA applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media	-	-	-	-	-	-	-	-
Members of Parliament	-	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Not for profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-	-	-	-	-
Members of the public (other)	-	-	-	-	-	-	-	-

Note: More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

Table G.2 Number of GIPA applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Personal information applications*	-	-	-	-	-	-	-	-
Access applications (other than personal information applications)	-	-	-	-	-	-	-	-
Access applications that are partly personal information applications and partly other	-	-	-	-	-	-	-	-

Note: A personal information application is an access application for personal information about the applicant (the applicant being an individual). Personal information is defined in clause 4 of Schedule 4 to the Act.

Table G.3 Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	-
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-

Table G.4 Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used*
Overriding secrecy laws	-
Cabinet information	-
Executive Council information	-
Contempt	-
Legal professional privilege	-
Excluded information	-
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-

Note: More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table G.5.

Table G.5 Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of occasions when application not successful
Responsible and effective government	-
Law enforcement and security	-
Individual rights, judicial processes and natural justice	-
Business interests of agencies and other persons	-
Environment, culture, economy and general matters	-
Secrecy provisions	-
Exempt documents under interstate Freedom of Information legislation	-

Table G.6 Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	-
Decided after 35 days (by agreement with the applicant)	-
Not decided within time (deemed refusal)	-
Total	-

Table G.7 Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	-	-	-
Review by Information Commissioner*	-	-	-
Internal review following recommendation under section 93 of the Act	-	-	-
Review by ADT	-	-	-
Total	-	-	-

Note: The Information Commissioner does not have the authority to vary decisions, but can make a recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table G.8 Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	-
Applications by persons to whom information the subject of access application relates	-

Table G.9 Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	-
Applicant-initiated transfers	-

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