



**GOVERNMENT
PRICES
OVERSIGHT
COMMISSION**

ANNUAL REPORT 2007-08

Printed October 2008
Government Prices Oversight Commission
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GOVERNMENT
PRICES
OVERSIGHT
COMMISSION

The Hon Michael Aird MLC
Treasurer
Executive Building
Level 9, 15 Murray Street
HOBART TAS 7000

Dear Mr Aird

I have pleasure in submitting to you the Annual Report of the Government Prices Oversight Commission for the year ended 30 June 2008, in accordance with Section 40 of the *Government Prices Oversight Act 1995*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jane Hyland', with a large, stylized flourish at the end.

Jane Hyland
DELEGATE OF THE COMMISSIONER

7 October 2008

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COMMISSIONER'S REPORT

This report describes the twelfth full year of the operation of Tasmania's Government Prices Oversight Commission.

The Commission is established under the authority of the *Government Prices Oversight Act 1995*. Its primary function was to investigate the pricing policies of certain Tasmanian public sector monopolies.¹ The GPO Act also provides the Commission with the powers to investigate National Competition Policy (NCP) competitive neutrality complaints and undertake certain consultancies and inquiries at the request of Government.

On 4 July 2007, the GPO Act was amended to incorporate two new parts. Part 4A sets out the circumstances and procedures under which the Commission is to undertake inquiries at the request of Government and Part 4B covers investigation procedures for NCP complaints. A summary of the amendments to the GPO Act was provided in the 2006-07 Annual Report.

The Commissioner of the Government Prices Oversight Commission also holds the offices of the Regulator under the *Electricity Supply Industry Act 1995* and the Director of Gas under the *Gas Act 2000*. The Commission itself was appointed in June 2001 as the "local regulator" pursuant to the *Gas Pipelines Access (Tasmania) Act 2000*. In July 2008, the Commissioner also became economic regulator under the *Water and Sewerage Industry Act 2008*.

Investigations into Pricing Policies

One of the Commission's roles under the GPO Act is to investigate and make recommendations of maximum prices which may be charged by government businesses that are monopoly suppliers of goods and services. The intent of the legislation is to protect the consumer from excessive prices that may arise from monopoly pricing or from the effects of higher costs due to inefficiency of operations.

There were no pricing policy investigations undertaken during the 2007-08 period. An investigation into the pricing policies of the three bulk water authorities, which was completed in June 2007, was the most recent investigation undertaken by the Commission.

Competitive Neutrality Principles Complaints

The Commission received one formal competitive neutrality complaint in 2007-08. The complaint relates to the fees charged by a local council for its building surveying services, which have the potential to adversely affect the complainant, a private building surveyor. At the time of writing this Annual Report, the investigation of whether the council has contravened the National Competitive Neutrality Principles was continuing.

¹ The *Government Prices Oversight Act 1995* provides for the investigation of the pricing policies of certain Government agencies, Government business enterprises, local government bodies, statutory authorities and State-owned companies that are monopoly or near-monopoly providers of goods and services in Tasmania.

Inquiries

In addition to performing core legislative functions, the Commission may undertake inquiries and consultancy projects at the request of the Government.

During the year, the Commission conducted an assessment of Tasmanian councils' compliance in meeting their obligations for cost recovery as outlined in the Strategic Framework for the Efficient and Sustainable Reform of the Australian Water. The guidelines for cost recovery are set out in the Urban Water and Wastewater Pricing Guidelines, revised in January 2003.

The Review found that there continues to be a generally high level of compliance by Tasmanian councils in both water and wastewater cost recovery. However, while the 2004-05 review determined that there was substantial compliance with the Urban Water Pricing Guidelines, the 2007-08 review showed that of the 27 relevant councils, the number in practical compliance with cost recovery requirements for water services had fallen from 22 to 19. In relation to wastewater services, 23 of the 27 assessed councils were considered to be in practical compliance with the Guidelines, compared with 22 in 2004-05. The Minister released the Commission's final report in February 2008.

In addition to this body of work, the Commission also commenced the first external review of the costs of electricity production and of tariffs on the Bass Strait Islands since 1999. The Draft Report, released in June 2008, provided the Commission's assessment of the efficient cost of supply. It also set out the Commission's proposed tariff package to meet the pricing principles set out in the Terms of Reference. These principles include the objectives of 'affordable electricity consistent with a reasonable household standard of living' and to encourage efficient energy use. The Final Report was provided to the Government in August 2008.



Andrew Reeves
COMMISSIONER

THE COMMISSION

Objectives of the Commission

The Government Prices Oversight Commission is an independent statutory body. It was established following the commencement of the GPO Act on 1 January 1996. The GPO Act was established as part of the Government's commitment to the National Competition Policy (NCP) Agreements to ensure that prices charged by government businesses promote efficient resource allocation, and thus benefit the wider economy. The Commission is charged with the task of overseeing the pricing policies of Government business enterprises (GBEs), agency activities and local government businesses that are monopoly providers of goods and services in Tasmania.

The Functions and Roles of the Commission

The functions of the Commission are established through the GPO Act which provides for:

- investigations into the pricing policies of certain Government agencies, Government business enterprises, local government bodies, statutory authorities and State-owned companies that are monopoly, or near monopoly, providers of services and goods in Tasmania;
- inquiries into matters relating to or affecting the pricing policies of certain Government agencies, Government business enterprises, local government bodies, statutory authorities and State-owned companies, whether or not they are monopoly or near monopoly providers of services and goods;
- investigations into complaints of breaches of the national competition policy competitive neutrality principles; and
- the monitoring of certain prices and activities of particular non-government bodies.

As an independent regulatory body, the Commission does not have a primary role in policy development. However, the Commission does seek to promote, through its papers and reports, discussion of issues that will inform or impact on policies regarding the operations of the monopoly service providers.

Prices Oversight Investigations under Part 3

Under Part 3 of the GPO Act, the Commission is required to investigate the pricing policies of those bodies listed in Schedule 1 of the GPO Act, which include Government business enterprises (GBEs) and local government businesses that are monopoly providers of goods and services in Tasmania. An investigation is initiated upon receipt of the terms of reference issued by the Minister administering the GPO Act. The Treasurer was the administering Minister during the 2007-08 period.

In undertaking an investigation, the Commission is required to take account of:

- the terms of reference that apply to the investigation; and
- specific matters set out in Section 31 of the GPO Act.

At the conclusion of the investigation, the Commission is required to provide a report to the Government recommending maximum prices to apply for the ensuing period.² In essence, the Commission is required to consider and recommend maximum prices based primarily on grounds of economic efficiency. These outcomes do not always accord with the Government's social and economic objectives, and the Government has the opportunity to reflect its policies in the Minister's determination of maximum prices, which is set out in an Order.³

It should be noted that the creation of the Commission was not intended to take away the Government's ability to use prices charged for Government services as instruments of policy, but rather to bring about greater transparency.

To assist it in undertaking its price investigation role, the Commission seeks the expert contributions of persons appointed as Assistant Commissioners and consultants. It also draws upon the experience of other regulators, similar investigations in other jurisdictions, and informed comment from the community and stakeholders.

For information relating to the procedures governing the conduct of major investigations, the various requirements for reports, and the process for setting prices, please see the Commission's *Summary of Investigation Procedures under Parts 3 & 4 of the Government Prices Oversight Act 1995*, available on the Commission's website.

Inquiries under Part 4A

Under Part 4 of the GPO Act, the Minister may direct the Commission to inquire into, and report to the Minister on, a matter relating to or affecting the pricing policies of a prescribed body. An inquiry may be initiated by:

- the Minister (at his/her discretion or at the request of the Commission);
- the relevant Portfolio Minister; or
- a prescribed body.⁴

Before giving a direction, the Minister must first consult with the relevant Portfolio Minister or, if a local government body, the relevant local government body or the Local Government Association

² Amendments to the GPO Act now require that the Commission make recommendations in relation to the Motor Accidents Insurance Board for a 4-year period or, in the case of Metro Tasmania, a 5-year period. It should be noted that subsequent amendments to the GPO Act will remove the three bulk water authorities currently listed in Schedule 1 of the GPO Act.

³ In the case of a local government monopoly business, the Minister responsible for administering the *Local Government Act 1993* is able to issue a determination under the GPO Act.

⁴ 'Prescribed body' is defined under the GPO Act to include: an agency; a Government business enterprise; a statutory authority; a State-owned company; and a local government body.

of Tasmania. However, such a direction cannot be given if the proposed inquiry would interfere with the ability of the Commission to exercise its other functions.

Following completion of the inquiry, a report is to be provided to the Minister and the prescribed body that was the subject of the inquiry.

The Commission is able to conduct the inquiry in such a manner as it considers appropriate, and do all things it considers necessary or convenient for the purposes of the inquiry. The scope of the Commission's discretion includes being able to receive written and oral submissions, consult with any person, and hold conferences and seminars.

Competitive Neutrality Investigations under Part 4B

Under the GPO Act, the Commission is provided with the powers to investigate alleged breaches of the National Competition Policy competitive neutrality principles by State and local government business activities.⁵ The complaint mechanism is only applicable to Tasmanian State and local government businesses and does not extend to investigations into Commonwealth government business activities or private sector businesses.

The prescribed process for making and investigating complaints is contained in Part 4B of the GPO Act.

Following the amendments to the GPO Act in July 2007, the Commission revised and re-issued its *National Competition Policy Competitive Neutrality Principles Complaints Mechanism Guidelines*. The purpose of these Guidelines is to set out the prescribed process and describe the Commission's approach to the conduct of an investigation in accordance with Part 4B of the Act. In summary, the Guidelines set out:

- ⇒ the processes for the review of complaints from persons about alleged breaches of, and non-compliance with, competitive neutrality principles;
- ⇒ the role of the Commission in relation to the review of complaints;
- ⇒ the procedures to be followed by complainants; and
- ⇒ the internal review process required of Government bodies in relation to complaints made against their business activities.

At the completion of an investigation, the Commission is required to forward a copy of its final report, containing a summary of findings and recommendations in relation to each matter, to the relevant Government body, the complainant, the relevant Minister and the Treasurer. The findings of the Commissioner are final.

⁵ Previously, the process for the conduct of an investigation of a competitive neutrality complaint was contained in the Government Prices Oversight Regulations. The 2007 amendments to the GPO Act transferred these requirements into Part 4B of the GPO Act. The competitive neutrality principles (CNPs) are set out in Clause 3 of the CPA. As a general principle, significant State and local government businesses should reflect full Commonwealth and State taxes or tax equivalents, be liable for debt guarantee fees, face the same regulatory framework as their private sector counterparts and earn a commercial return on the capital invested in them.

The Guidelines and other relevant documents are also available from the Commission or its website, <http://www.gpoc.tas.gov.au>.

Composition of the Commission

The Commission for a scheduled price investigation under Part 3 of the GPO Act, consists of the Commissioner and any Assistant Commissioner(s) specifically appointed for a particular investigation. In regard to other matters, the Commission consists of the Commissioner alone.

Mr Andrew Reeves held the position of Commissioner from the date of his inaugural appointment on 1 January 1996 to 1 August 2008. Mr Reeves resigned in July 2008 to take up a position on the board of the Australian Energy Regulator.

Consultation

Consultation is an important component of the Commission's work.

For investigations conducted under Part 3, Assistant Commissioners are appointed for their expertise on the individual matters under investigation. In addition, the Commission draws on business and community knowledge to identify the particular issues in each investigation. Where it is considered appropriate, the Commission will also release a background or issues paper to encourage initial submissions. After consideration of initial submissions and the issues raised, the Commission prepares a draft report containing the Commission's draft proposals. The draft report becomes the focus for further submissions, which are then taken into account in preparing the final report and recommendations.

While the GPO Act provides for the Commission to convene public hearings, the Commission has preferred to meet separately with interested parties. The formality of a public hearing is daunting for some, and the process, while effective in some circumstances for gathering information, gives less opportunity for meaningful exchange than direct consultation with interested parties. Procedural fairness is preserved by requiring complementary written submissions and providing the business under investigation the opportunity to respond to any matter raised.

The Commission publishes all public documents and entity submissions on its website, www.gpoc.tas.gov.au.

The process for the conduct of inquiries and investigations of competitive neutrality complaints does not necessarily require the same level of public consultation. In regards to inquiries, there is no statutory requirement that the Commission publish the terms of reference or prepare a draft report for consultation. However, for both inquiries and competitive neutrality complaint investigations, the GPO Act provides that the Commission has discretion to:

- receive written and oral submissions;
- consult with any person; and
- hold conferences and seminars.

Other Roles and Functions of the Commissioner

The Commissioner was appointed as the independent Regulator on 1 July 1998 under the *Electricity Supply Industry Act 1995* (ESI Act) and the Director of Gas under the *Gas Act 2000* on 16 July 2001. In addition, the Commission was appointed as the “local regulator” on 20 June 2001 under the *Gas Pipelines Access (Tasmania) Regulations 2001* pursuant to the *Gas Pipelines Access (Tasmania) Act 2000*. For administrative purposes, the functions of the two Regulators and the Director of Gas, to date, have been carried out by the Office of the Tasmanian Energy Regulator.

From 9 July 2008, the Commissioner also became the Water and Sewerage Economic Regulator. As a consequence of the Government’s water and sewerage reforms, the Commissioner will no longer be required to undertake an investigation into the pricing policies of bulk water authorities or review councils’ compliance with the Urban Water Pricing Guidelines. However, the Water and Sewerage Economic Regulator will have responsibility for regulating water and sewerage prices and licensing industry participants, as well as monitoring the performance of the sector on an annual basis.

Initially, Economic Regulator will focus on:

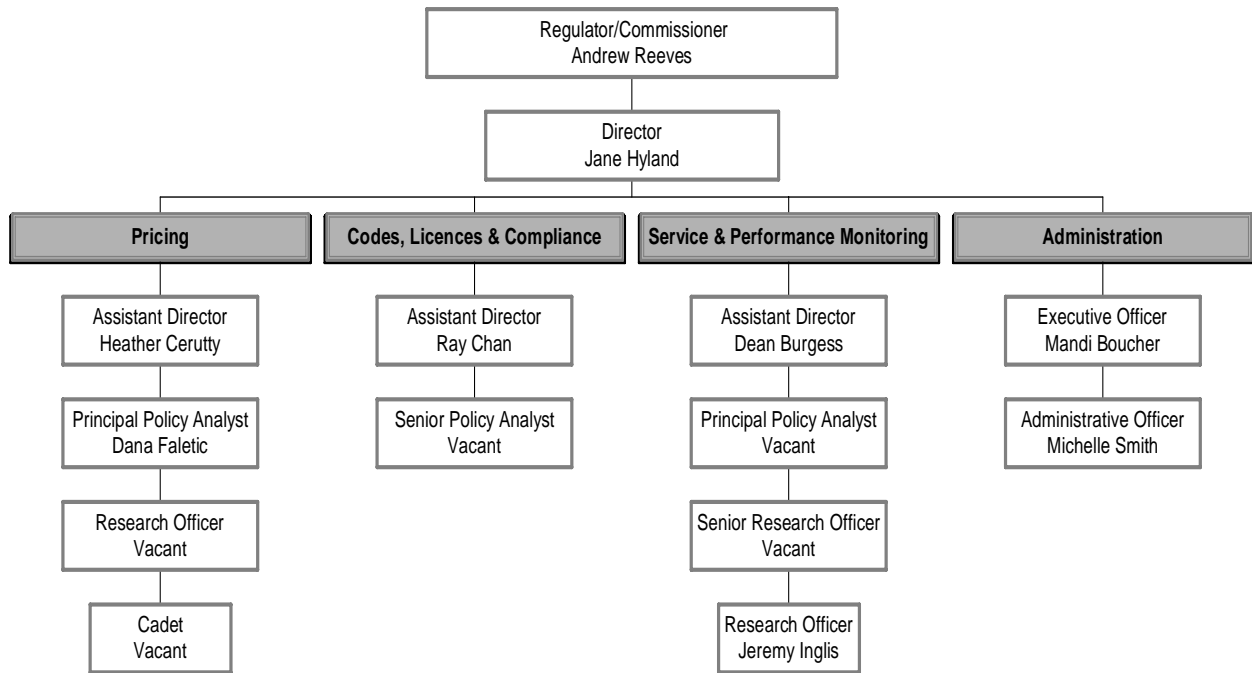
- providing advice to the Government on interim pricing arrangements;
- providing advice on interim licences; and
- preparing a State of the Industry Report and performance reporting guidelines.

While the Commission, Electricity Regulator, Director of Gas and Water and Sewerage Economic Regulator are separate and discrete statutory entities, in practice there is a common set of core skills required. Since the establishment of the independent Regulator, the office of the Commission has been co-located with the Office of the Tasmanian Energy Regulator. This arrangement will continue with the addition of the functions of the Water and Sewerage Economic Regulator from 9 July 2008.

Office staff are employees of the Department of Treasury and Finance and the sharing of resources improves efficiency and experience of these organisations. The Department of Treasury and Finance also provides assistance to the Commission in human resource management, information technology and financial and accounting services.

The structure of the Office as at 30 June 2008 is represented in Figure 1. It is comprised of three functional units: Pricing; Codes, Licences and Compliance; and Service and Performance Monitoring. An administrative unit supports the functional units.

Figure 1: Government Prices Oversight Commission / Office of the Tasmanian Energy Regulator Organisational Chart as at 30 June 2008



Under the *Electricity Supply Industry Act 1995*, the Regulator is required to prepare a separate annual report. The Annual Report of the Office of the Tasmanian Energy Regulator also provides details of the roles and functions of the Director of Gas.

REPORT ON THE PERFORMANCE OF THE COMMISSION'S FUNCTIONS AND POWERS

Pricing Investigations

There were no pricing investigations conducted under Part 3 of the Act in 2007-08.

The last investigation of the pricing policies of the three bulk water authorities- Hobart Water, Esk Water and Cradle Coast Water- concluded with the presentation of the Final Report to the Government in June 2007.

On 31 August 2007, the Government subsequently made a determination, in accordance with section 36 of the GPO Act, of the maximum allowable revenues that may be charged by the three bulk water authorities.

Competitive Neutrality Complaints

The Commission received one formal complaint on 16 June 2008.

The complaint relates to the fees charged by a local council for its building surveying services, which have the potential to adversely affect the complainant, a private building surveyor.. At the time of preparation of the Annual Report, the investigation of whether the council has contravened the National Competitive Neutrality Principles was continuing.

Urban Water and Wastewater Cost Recovery Compliance Review

In February 2008, the Commission completed its biennial review of Tasmanian councils' compliance with urban water pricing guidelines.

This review was conducted to assess the extent of compliance by councils in meeting their obligations for cost recovery as outlined in the *Strategic Framework for the Efficient and Sustainable Reform of the Australian Water*.⁶ The guidelines for cost recovery are set out in the *Urban Water and Wastewater Pricing Guidelines*, as revised in January 2003.

The Guidelines establish the upper and lower limits for cost recovery. The lower limit is the minimum level for business viability at which all operating costs are met and a provision for asset refurbishment or replacement is included, but without allowing a return on capital other than interest costs incurred and dividends paid. The upper limit is the maximum allowable revenue that avoids monopoly rents (ie excessive profits). This allows for efficient operating costs, depreciation

⁶ As endorsed at the February 1994 Council of Australian Governments meeting and embodied in the *Report of the Expert Group on Asset Valuation Methods and Cost Recovery Definitions* (February 1995).

and an appropriate return on assets, above which any excess returns are considered to be monopoly rents.

The terms of reference for the review also required the Commission to consider a number of other issues including asset valuation, cost of asset consumption, cross-subsidies, Community Service Obligations (CSOs), own-use transfers and, where relevant, the appropriateness of two-part pricing structures.

The review found that, based on the returns provided by the councils and their annual reports, the majority of councils were recovering revenues between the upper and lower limits specified in the Guidelines. Further:

- the number of councils (24 out of 28) applying a fair value basis for asset valuation was the same as that in the 2005-06 review;
- only one council reported using the depreciated optimised replaced cost (DORC) method of asset valuation;
- there continues to be a generally high level of compliance by Tasmanian councils in cost recovery of water and waste water services;
- as observed in previous reviews, a significant number of councils have yet to undertake a condition assessment of assets and thus they are not able to calculate the required annuity to properly determine their lower limit requirements;
- only a small number of councils are reporting CSOs or own-usage, giving rise to the potential for consumers to cross-subsidise council consumption; and
- the majority of councils using two-part tariffs were allocating a free water allowance in a way which is consistent with the Guidelines.

In April 2008, the Minister released the final report which is available on the Commission's website.

Bass Strait Islands Electricity Price Inquiry

In December 2007 the Treasurer requested the Commission to undertake an inquiry into electricity prices for the Bass Strait Islands (BSI). The Inquiry covered the electricity generation, distribution and retail services for BSI customers supplied by Hydro Tasmania. The pricing policies of the BSI were last investigated as part of the Tasmanian Energy Regulator's 1999 Investigation into Electricity Supply Industry Pricing Policies.

The Inquiry was conducted under Part 4A of the GPO Act, in accordance with Terms of Reference issued by the Government. Although the Commission was asked to ascertain the efficient cost of supply and recommend a tariff structure to apply on the BSI, the final price to be charged to BSI customers will be determined by the Government subsequent to consideration of the Final Report.

The Commission approached the Inquiry in two phases, with the initial phase assessing the efficient cost of electricity supply on the BSI and the second phase proposing a tariff structure to apply on the BSI, taking account of the pricing principles set out in the Terms of Reference.

The Commission assessed the efficient cost of supply on the BSI, taking into account the cost of:

- the current configuration of generation, distribution and customer services;
- conventional generation (a baseline diesel-only solution); and
- a notional best-fit all-diesel solution.

In accordance with the pricing principles contained in the Terms of Reference, the Draft Report released in June 2008 proposed a tariff package to deliver affordable electricity consistent with a reasonable household standard of living, whilst also encouraging efficient energy use. The Final Report was presented to the Government in August 2008.

Water and Sewerage Regulation

The Commissioner and staff provided input into the development of the regulatory framework for the proposed reform of the Tasmanian water and sewerage sector. In particular, the Commission reviewed and provided comment on the development of legislation, with a particular focus on ensuring that there is sufficient detail and clarity regarding the roles, functions and duties of the Water and Sewerage Economic Regulator under the relevant Acts.

The Commission was also advised that it would be requested by Government to provide advice to the Treasurer and Minister on an interim pricing order. Commission staff will assist the Economic Regulator with the following responsibilities under the Water and Sewerage Industry Act 2008:

- approving and monitoring compliance with asset management plans and other plans where appropriate, with input from other regulators;
- regulating prices in accordance with legislative objectives and government policies;
- establishing a customer service code to ensure that customer service standards are implemented and customer complaints and disputes are adequately addressed;
- administering the service provider operating licence including undertaking an annual reporting process to monitor compliance; and
- reporting annually on industry performance.

At the time of preparation of this Annual Report, the Economic Regulator had received the Terms of Reference from the Minister for an inquiry to inform the development of an interim pricing order. The order will cover the pricing to apply in the Tasmanian water and sewerage industry in the three year transition period from 1 July 2009 until the first formal pricing determination which will take effect from 1 July 2012.

OFFICE ADMINISTRATION

Application of Government Procurement Policies

The Commission complies with the Treasurer's Instructions in the purchase of goods and services.

Human Resource Management and Policies

Staff of the Commission are employees of the Department of Treasury and Finance and are made available to the Commissioner on a full-time basis. Consequently, Office staff are subject to the same human resource management policies and procedures as apply in the Department (refer to the Annual Report of the Department of Treasury and Finance).

Public Interest Disclosures

The Commission is established as a body corporate by Section 9 of the *Government Prices Oversight Act 1995* and is, therefore, a public body for the purposes of the *Public Interest Disclosures Act 2002*. A disclosure of improper conduct or detrimental action by the Commission may be reported to the Ombudsman.

Procedures for reporting disclosures of improper conduct by employees of the Department of Treasury and Finance are available on the Department's website www.treasury.tas.gov.au.

Asset Management and Risk

Major corporate support services for the Office, including the management of assets, are undertaken by the Department of Treasury and Finance. Refer to the Annual Report of the Department of Treasury and Finance for information in this regard.

Pricing Policies

Under Section 23 of the GPO Act, a monopoly provider that is the subject of an investigation is liable for the whole or part of the reasonable expenses incurred by the Commission arising from the conduct and reporting of that investigation. On this basis, the Commission is able to recover from the relevant entity(ies) all reasonable costs, including overheads, associated with the conduct of the investigation.

Freedom of Information Act 1991

The *Freedom of Information Act 1991* (FOI Act) applies to the activities of the Government Prices Oversight Commission. However, where the Commission gives directions prohibiting or restricting the publication of information provided to it, the FOI Act will not apply in respect of that information.

During the 2007-08 reporting period, no requests for information were made of the Commission under the FOI Act.

Publications by the Commission during 2007-08

The following publications were released during the 2007-08 financial year:

Publication	Released
Investigation into the Pricing Policies of Hobart Regional Water Authority, Esk Water Authority, Cradle Coast Water- Final Report	September 2007
National Competition Policy Competitive Neutrality Principles Complaints Mechanism Guidelines	October 2007
Government Prices Oversight Commission Annual Report 2006-2007	October 2007
Draft Report for the Bass Strait Islands Electricity Price Enquiry	June 2008
Final Report for the Bass Strait Islands Electricity Price Enquiry	August 2008

FINANCIAL STATEMENTS

Income Statement for the year ended 30 June 2008

	Notes	2008 Actual \$'000	2007 Actual \$'000
Revenue and other income			
Appropriation revenue – recurrent	1.4(a), 2.1	81	36
Fees and fines	1.4(b), 2.2	146	192
Total revenue and other income		227	228
Expenses			
Employee benefits	1.5(a), 3.1	155	72
Supplies and consumables	1.5(b), 3.2	41	36
Other expenses	1.5(b), 3.3	35	17
Total Expenses		231	125
Net operating surplus (deficit)		(4)	103

This Income Statement should be read in conjunction with the accompanying notes.

Balance Sheet 30 June 2008

	Notes	2008 Actual \$'000	2007 Actual \$'000
Assets			
<i>Financial Assets</i>			
Cash and deposits	1.6(a), 8.1	8	(34)
Receivables	1.6(b), 4.1	...	33
Other assets	1.6(c), 4.2	3	1
Total Assets		11	...
Liabilities			
<i>Financial Liabilities</i>			
Payables	1.7(a), 5.1	4	5
Employee benefits	1.7(b), 5.2	36	21
Other liabilities	1.7(d), 5.3	2	1
Total Liabilities		42	27
Net assets (liabilities)		(31)	(27)
Equity			
Accumulated funds		(31)	(27)
Total equity	7.1	(31)	(27)

This Balance Sheet should be read in conjunction with the accompanying notes.

Cash Flow Statement for the year ended 30 June 2008

	Notes	2008 Actual \$'000 Inflows (Outflows)	2007 Actual \$'000 Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Appropriation receipts - recurrent		81	36
Fees and fines		176	162
Total cash inflows		257	198
Cash outflows			
Employee benefits		(140)	(96)
Supplies and consumables		(38)	(37)
Other cash payments		(37)	(21)
Total cash outflows		(215)	(154)
Net cash from (used by) operating activities	8.2	42	44
Cash flows from investing activities			
Net cash from (used by) investing activities		...	...
Cash flows from financing activities			
Net cash from (used by) financing activities		...	...
Net increase (decrease) in cash held		42	44
Cash and cash equivalents at the beginning of the reporting period		(34)	(78)
Cash and cash equivalents at the end of the reporting period	8.1	8	(34)

This Cash Flow Statement should be read in conjunction with the accompanying notes.

Statement of Recognised Income and Expense for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Net surplus (deficit) for the financial year		(4)	103
Total Recognised Income and Expense for the Financial Year		(4)	103

This Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

Note 1: Significant Accounting Policies

The following summary explains the significant accounting policies that have been adopted in the preparation of this general purpose financial report. Unless otherwise stated, the accounting policies are consistent with those applied in the previous year.

1.1 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- the *Government Prices Oversight Act 1995* and Ministerial Directives under section 40(3) of that Act; and
- Australian Accounting Standards issued by the Australian Accounting Standards Board.

In 2007-08 the transactions of the Government Prices Oversight Commission were funded through the Special Deposits and Trust Fund Account T654 Government Prices Oversight Commission/Energy Regulator Account.

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards. Compliance with AEIFRS may not result in compliance with International Financial Reporting Standards, as AEIFRS includes requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Commission is considered to be not-for-profit and has adopted some accounting policies under AEIFRS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year.

1.2 Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Commission's functional currency.

1.3 Changes in Accounting Policies

a) Impact of new Accounting Standards

In the current year, the Commission has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *AASB 7 Financial Instruments: Disclosures* replaces the presentation requirements of financial instruments in AASB 132 and introduces new financial instrument disclosure requirements. There has been no financial impact on the Financial Statements.

- *AASB 2007-4 Amendments to Australian Accounting Standards arising from Exposure Draft 151 and Other Amendments and Erratum: Proportionate Consolidation.* AASB 2007-4 makes amendments to a number of Australian Accounting Standards to introduce various accounting policy options, delete various disclosures presently required, and to make a number of editorial amendments.

The Commission has not changed any of its current accounting policies on adoption of AASB 2007-4; accordingly, there has been no financial impact to these Financial Statements. However, in the Financial Statements, certain information is no longer required to be disclosed, or has been disclosed in an alternative manner, due to amendments made by AASB 2007-4 to the disclosure requirements of various Accounting Standards.

- *AASB 2007-7 Amendments to Australian Accounting Standards* makes editorial amendments to six Standards. The key change removes the encouragement in AASB 107 *Cash Flow Statements* to adopt a particular format for the Cash Flow Statement. The Commission did not intend to change any of its current accounting policies on adoption of AASB 2007-7; accordingly, there has been no financial impact to these Financial Statements.

b) Impact of new Accounting Standards yet to be applied

The following new standards have been issued by the AASB and are yet to be applied:

- *AASB 2007-6 Amendments to Australian Accounting Standards Arising from AASB 123* – revised standard to be applied in reporting periods on or after 1 January 2009. Eliminates the option of expensing borrowing costs directly attributable to the construction or production of qualifying assets, instead requiring capitalisation. The transitional provisions apply for prospective application. As a result there will be no retrospective financial impact on the 2009 Financial Statements.
- *AASB 2007-8 Amendments to Australian Accounting Standards Arising from AASB 101* - revised standard to be applied in reporting periods on or after 1 January 2009. The Standard will not have a financial impact on the Financial Statements but will require a number of changes in disclosures.
- *AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* – amending Standard to be applied on or after 1 July 2008. The primary focus of this Standard has been on relocating, where necessary, the requirements in AASs 27, 29 and 31, substantively unamended (with some exceptions), into topic based Standards. The Standard will not have a material financial impact on the Financial Statements.
- *AASB 2008-3 Amendments to Accounting Standards arising from AASB 3 and AASB 127* - revised Standard to be applied to annual reporting periods beginning on or after 1 July 2009. The focus of the Standard is to reduce alternatives in accounting for subsidiaries in consolidated financial statements and in accounting for investments in the separate financial

statements of a parent. The Standard will not have a material financial impact on the Financial Statements.

- AASB Interpretation 14 AASB 119 – *the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – this Interpretation is applicable to annual reporting periods beginning on or after 1 January 2008. The interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also gives guidance on when a MFR might give rise to a liability. The Commission has not yet determined the potential effect of the interpretation.

The Commission is yet to determine the actual impact (if any) on the Financial Statements of these changes.

1.4 Income

Income is recognised in the Income Statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

a) Appropriation Revenue

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Commission gains control of the appropriated funds. Except for any amounts identified as carried forward in Note 2.1, control arises in the period of appropriation.

b) Fees and Fines

Income from fees and fines is recognised on an accrual basis where possible, otherwise as it is received.

1.5 Expenses

Expenses are recognised in the Income Statement when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

a) Employee Benefits

Employee benefits include entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

b) Other Expenses

Expenses from ordinary activities are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets and/or an increase in liabilities has occurred and the consumption or loss of future economic benefits can be measured reliably.

1.6 Assets

Assets are recognised in the Balance Sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

a) Cash and Deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Deposits are recognised at amortised cost, being their face value.

b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

c) Other Assets

The Commission records prepaid expenses and accrued revenue at the expected recovery amount.

1.7 Liabilities

Liabilities are recognised in the Balance Sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Commission becomes obliged to make future payments as a result of a purchase of assets or services.

b) Employee Benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2008, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

c) Superannuation

The Commission does not recognise a liability for the accruing superannuation benefits of employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

d) Other Liabilities

Employee On-Costs

On-costs, such as payroll tax and workers' compensation premiums, are recognised when the employment to which they relate has occurred. Employee on-costs are calculated on the value of the expected employee benefits to be settled.

Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. On-costs calculated on the long service leave liability expected to be settled after 12 months are measured as the present value of expected future payments for services provided by employees up to the reporting date.

1.8 Leases

The Commission has entered into a number of operating lease agreements for buildings and office equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

The Commission is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

1.9 Judgements and Assumptions

In the application of Australian Accounting Standards, the Commission is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Commission that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

The Commission has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.10 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

1.11 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards.

1.12 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated.

1.13 Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax (GST).

Income and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST component is recognised as part of the cost of acquisition of the asset or as part of the expense.

Note 2: Income

2.1 Appropriation Revenue

	2008 \$'000	2007 \$'000
Recurrent Appropriation	81	36
Total	81	36

2.2 Fees and Fines

	2008 \$'000	2007 \$'000
Bulk Water Investigation	46	45
Bass Strait Islands tariff review	100	...
Metro price investigation	...	47
Motor Accidents Insurance Board price investigation	...	100
Total	146	192

Note 3: Expenses

3.1 Employee Benefits

	2008 \$'000	2007 \$'000
Wages and salaries	110	79
Annual leave	14	(1)
Long service leave	16	(14)
Sick leave	...	1
Superannuation	15	7
Total	155	72

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account (SPA) held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 11 per cent of salary.

Superannuation expenses relating to the contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, the Commission is also required to pay into the SPA a "gap" payment equivalent to two per cent of salary in respect of employees who are members of the contribution scheme.

3.2 Supplies and Consumables

	2008 \$'000	2007 \$'000
Advertising and promotion	4	4
Communications	3	2
Consultants	18	14
Information technology	3	3
Maintenance and property services	3	3
Training	1	1
Travel and transport	7	5
Other supplies and consumables	2	4
Total	41	36

3.2 Other Expenses

	2008 \$'000	2007 \$'000
Audit fees – financial audit by Tasmanian Audit Office	3	2
Operating lease costs	23	10
Salary on-costs – payroll tax	9	5
Total	35	17

Note 4: Assets

4.1 Receivables

	2008 \$'000	2007 \$'000
Receivables	...	33
Total	...	33
Fees and fines (inclusive of GST)	...	33
Total	...	33

	2008 \$'000	2007 \$'000
Settled within 12 months	...	33
Settled in more than 12 months
Total	...	33

4.2 Other Assets

	2008 \$'000	2007 \$'000
Other current assets		
Prepayments	3	1
Total	3	1
Settled within 12 months	3	1
Settled in more than 12 months	...	...
Total	3	1

Note 5: Liabilities

5.1 Payables

	2008 \$'000	2007 \$'000
Creditors	...	1
Accrued expenses	4	1
Tax liabilities	...	3
Total	4	5
Due within 12 months	4	5
Due in more than 12 months	...	...
Total	4	5

Settlement is usually made within 30 days.

5.2 Employee Benefits

	2008 \$'000	2007 \$'000
Accrued salaries	2	1
Annual leave	10	6
Long service leave	24	14
Total	36	21
Due within 12 months	15	9
Due in more than 12 months	21	12
Total	36	21

5.3 Other Liabilities

	2008 \$'000	2007 \$'000
Other liabilities		
Employee benefits – on-costs	2	1
Total	2	1
Due within 12 months	1	...
Due in more than 12 months	1	1
Total	2	1

Note 6: Commitments and Contingencies

6.1 Schedule of Commitments

	2008 \$'000	2007 \$'000
By Type		
<i>Operating lease commitments</i>		
Buildings – Level 5, 111 Macquarie Street	11	16
Office equipment	3	1
Total Operating Lease Commitments	14	17

	2008 \$'000	2007 \$'000
By Maturity		
<i>Operating lease commitments</i>		
One year or less	12	11
From one to five years	2	6
Total Operating Lease Commitments	14	17

The Commission leases office accommodation under an operating lease. The current lease covers a five year period ending 31 January 2009. Lease rentals are based on negotiated agreements that reflect the current market rent paid for comparable buildings within the precinct. Lease payments are made by monthly instalments in advance and are reviewable to market biennially.

The Commission leases office equipment for a three year lease period, paid in arrears. On expiry of the lease the Commission has the option to return the equipment, purchase at fair market value or renew the lease arrangements at which time all terms are renegotiated.

Note 7: Equity and Movements in Equity

7.1 Reconciliation of Equity

	Accumulated results		Total Equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance At 1 July	(27)	(130)	(27)	(130)
Net surplus/(deficit)	(4)	103	(4)	(103)
Balance At 30 June	(31)	(27)	(31)	(27)

Note that accumulated funds include both contributed capital on formation of the Commission and accumulated surpluses or deficits in subsequent years.

Note 8: Cash Flow Reconciliation

8.1 Cash and Cash Equivalents

Cash and deposits includes the balance of the Special Deposits and Trust Fund Account held by the Commission, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2008 \$'000	2007 \$'000
Special Deposits and Trust Fund Balance		
T654 Government Prices Oversight Commission/Energy Regulator Account	767	119
Total	767	119
Less: Cash balance of the Office of the Tasmanian Energy Regulator	759	153
Cash Balance Attributable to the Government Prices Oversight Commission	8	(34)

8.2 Reconciliation of Operating Surplus (Deficit) to Net Cash from Operating Activities

	2008 \$'000	2007 \$'000
Net operating surplus (deficit)	(4)	103
Decrease (increase) in Receivables	33	(33)
Decrease (increase) in Prepayments	(2)	(1)
Increase (decrease) in Employee entitlements	15	(24)
Increase (decrease) in Payables	(1)	1
Increase (decrease) in Accrued expenses	3	(3)
Increase (decrease) in Tax liabilities	(3)	3
Increase (decrease) in Other liabilities	1	(2)
Net Cash From (Used By) Operating Activities	42	44

Note 9: Financial Instruments

9.1 Risk Exposures

(a) Risk management policies

The Commission has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Commissioner has overall responsibility for the establishment and oversight of the Commission's risk management framework. Risk management policies are established to identify and analyse risks faced by the Commission, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Commission if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<i>Financial Assets</i>		
Cash and deposits	Cash and deposits are recognised at face value. It is a requirement for any changes in deposit strategy to be approved by the Treasurer.	Cash means notes, coins and any deposits held at call with a bank or financial institution.
Receivables	Receivables are recognised at the nominal amounts due, less any provision for impairment. Collectability of debts is reviewed on a monthly basis. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are generally 30 days.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Commission's maximum exposure to credit risk without taking into account of any collateral or other security.

The Commission has no financial assets that are either past due or impaired at 30 June 2008.

(c) **Liquidity risk**

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<i>Financial Liabilities</i>		
Payables	<p>Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Commission becomes obliged to make future payments as a result of a purchase of assets or services.</p> <p>The Commission regularly reviews budgeted cash outflows to ensure that there is sufficient cash to meet all obligations.</p>	Settlement is usually made within 30 days.

The following tables detail the undiscounted cash flows payable by the Commission by remaining contractual maturity for its financial liabilities.

Maturity analysis for financial liabilities

2008	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	4	...	...	...	...	...	4	4
Total	4	...	...	...	...	...	4	4

2007	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Cash and deposits - overdraft	34	...	...	...	...	...	34	34
Payables	5	...	...	...	...	...	5	5
Total	39	...	...	...	...	...	39	39

d) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Commission is exposed to is interest rate risk.

As at 30 June 2008, there is no interest rate exposure on the Commission's activities, as all financial instruments are non interest bearing.

9.2 Categories of Financial Assets and Liabilities

	2008 \$'000	2007 \$'000
Financial assets		
Cash and deposits	8	(34)
Loans and receivables	...	33
Total	8	(1)
Financial liabilities		
Financial liabilities measured at amortised cost	4	5
Total	4	5

9.3 Reclassifications of Financial Assets

The commission has made no reclassifications of any financial assets held for the financial year.

9.4 Net Fair Values of Financial Assets and Liabilities

	2008		2007	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial Assets				
Cash and deposits	8	8	(34)	(34)
Receivables	...	...	33	33
Total Financial Assets	8	8	(1)	(1)

	2008		2007	
	Total	Net	Total	Net
	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities (Recognised)				
Payables	4	4	5	5
Total Financial Liabilities (Recognised)	4	4	5	5

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets are equal to their carrying amounts.

The net fair values of cash and deposits are recognised at amortised cost, being their face value. Receivables are recognised at the nominal amounts due.

Financial Liabilities

The net fair values for payables are approximated by their carrying amounts.

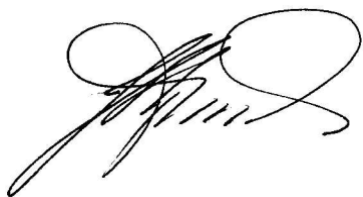
Government Prices Oversight Commission

Certification of Financial Statements

For the period ended 30 June 2008

The accompanying Financial Statements of the Government Prices Oversight Commission have been prepared in compliance with the provisions of the *Government Prices Oversight Act 1995*. The statements are in agreement with the relevant accounts and records so as to present fairly the financial transactions for the year ended 30 June 2008 and the financial position as at 30 June 2008.


At the date of signing I am not aware of any circumstances that would render the particulars included in the Financial Statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'Jane Hyland', with a large, stylized flourish at the end.

Jane Hyland
DELEGATE OF THE COMMISSIONER

15 August 2008

Independent Audit Report



Tasmanian Audit Office

STRIVE | LEAD | EXCEL | TO MAKE A DIFFERENCE

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7 October 2008

Ms J Hyland
Acting Commissioner
Government Prices Oversight Commission
111 Macquarie Street
HOBART TAS

Dear Ms Hyland

GOVERNMENT PRICES OVERSIGHT COMMISSION – AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

The audit of the financial statements for the Government Prices Oversight Commission has been completed. I have issued my audit report on the financial statements, a copy of which is enclosed.

My contractor for this audit advise that there are no matters that need to be raised with you as a result of their work.

Appreciation is expressed for the assistance and co-operation provided during the course of the audit.

Yours sincerely



H M Blake
AUDITOR-GENERAL

Enc.

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INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

GOVERNMENT PRICES OVERSIGHT COMMISSION

Financial Statements for the Year Ended 30 June 2008

Report on the Financial Statements

I have audited the accompanying financial statements of the Government Prices Oversight Commission, which comprises the balance sheet as at 30 June 2008, the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement from the Commissioner.

The Responsibility of the Commissioner for the Financial Statements

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Government Prices Oversight Act 1995*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commissioner's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial statements of the Government Prices Oversight Commission:

- (a) present fairly, in all material respects, the financial position of the Commission as at 30 June 2008, and of its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL
HOBART

7 October 2008

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APPENDIX A

Glossary of Terms

Term	Meaning within the Context of this Report
ACCC	Australian Competition and Consumer Commission
Application Statements	<i>Application of the Competitive Neutrality Principles under National Competition Policy</i> and <i>Application of the National Competition Policy to Local Government</i> , both issued June 1996
CNPs	Competitive Neutrality Principles as defined in Clause 3 of the Competition Principles Agreement and the Application Statements
COAG	Council of Australian Governments
Commission	The Government Prices Oversight Commission unless otherwise specified
CPA	Competition Principles Agreement
CSA	Community Service Activity – a non-commercial activity undertaken by a State-owned corporation under contract with the State Government
CSO	Community Service Obligations (as defined in the GBE Act)
ESI Act	<i>Electricity Supply Industry Act 1995</i>
FCA	Full Cost Attribution (as defined in the <i>Guidelines for Implementing Full Cost Attribution Principles</i> separately issued to Tasmanian Government agencies and Local Government in 1997)
FOI Act	<i>Freedom of Information Act 1991</i>
GBE	Government Business Enterprise, being a wholly owned Government business subject to the GBE Act
GBE Act	<i>Government Business Enterprises Act 1995</i>
GST	The Australian Government's Goods and Services Tax
GPO Act	<i>Government Prices Oversight Act 1995</i>
GPOC	Government Prices Oversight Commission
MAIB	Motor Accidents Insurance Board
Metro	Metro Tasmania Pty Ltd (established in February 1998)
NCP	National Competition Policy
OTTER	Office of the Tasmanian Energy Regulator
The Regulations	<i>Government Prices Oversight Regulations 1998</i>