



Annual Report 2000-01

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Chairperson's Introduction

The Authority is pleased to present its report for the year ended 30 June 2001.

There was a significant increase in the Authority's workload during the year and this placed considerable pressure on both staff and members in ensuring that statutory responsibilities and directions from our Ministers were met on a timely basis.

Major tasks carried out or advanced during the year covered a wide range of issues and activities:

- ◆ The continuing assessment of QR's Draft Access Undertaking.
- ◆ The annual review of the implementation of competition policy by Local Governments.
- ◆ In relation to water supply, the issue of statements concerning the identification of monopoly activities and pricing principles for urban and rural sectors.
- ◆ Examination of specific water supply businesses as to their possible monopoly status and a major study of augmentation, capacity and pricing issues for the Gladstone Area Water Board.
- ◆ Consideration of proposed access arrangements for Queensland gas distribution businesses.
- ◆ The regulation of electricity distribution in Queensland, including the approval of distribution prices for the period 2001-02 to 2004-05.
- ◆ The assessment of complaints in respect of claimed breaches of competitive neutrality requirements by government agencies.

Undoubtedly the highlight of the year was the issue of the Authority's very detailed Draft Determination in respect of QR's Draft Access Undertaking in December 2000 following the lengthy and transparent process required in such matters. After further consultation, the Authority was close to finalising its deliberations by the end of the year and in fact issued its Final Determination in which it refused to approve the Undertaking in July 2001. Further action is in place to achieve an acceptable undertaking as quickly as possible in terms of our legislation.

Again this year the professional competence and commitment of the Authority's management and staff is acknowledged, as is the well considered input of my fellow members of the Authority. Together, these contributions enabled the Authority to carry out its role as reported in detail herein.



R. M. Wylie
Chairperson
31 July 2001

The Authority

Goals and Functions

The Queensland Competition Authority (the Authority) was established in 1997 and arose out of a series of Council of Australian Governments agreements which aimed to forge a national approach to the implementation of competition policy.

The Authority is an independent agency that, within the scope of its enabling legislation, exists to improve the economic wellbeing of Queenslanders by:

- ◆ ensuring that users of essential economic infrastructure pay fair and reasonable prices;
- ◆ promoting competitive markets; and
- ◆ ensuring that, where government competes with the private sector, it does so on fair and reasonable terms.

The Authority seeks to provide a recognised avenue whereby both government and third parties can rely on an independent, objective appraisal of the issues subject to its review. It also seeks to produce sensible, forward-looking solutions and recommendations which are capable of practical implementation and which facilitate compliance within Queensland with the principles of national competition policy.

Responsibilities

In terms of the *Queensland Competition Authority Act 1997* (the QCA Act), the Authority's main responsibilities are:

Monopoly Prices Oversight

"Government owned monopolies should not abuse their market power"

Monopoly prices oversight is a mechanism that seeks to ensure that government monopolies or near monopolies do not charge excessive prices for their products or services. Such monopolies may have the ability to charge excessively because they are not constrained by competitors, because either none exist or those that do are not effective.

Through the prices oversight process, the Authority either investigates the pricing practices of government monopolies or simply monitors the prices charged by them. Which of these particular functions is performed depends on the referral the Authority receives from the Premier and the Treasurer (the Ministers), as the Authority only performs these functions on request from the Ministers.

Competitive Neutrality

“Significant government business activities which compete with the private sector should do so fairly”

Simply stated, the principle of competitive neutrality requires that public sector business activities which are in competition with the private sector should not have a competitive advantage as a result of not being subject to one or more of the following: Commonwealth or State taxes and tax equivalent systems; debt guarantee fees; or the procedural or regulatory requirements of the Commonwealth, State or local government.

The need for competitive neutrality is reinforced by the growth in competition between the public sector and the private sector resulting, in part, from the commercialisation and corporatisation of government business activities.

The principle of competitive neutrality does not extend to competitive advantages arising from factors such as business size, skills, location or customer loyalty.

Third Party Access

“Essential infrastructure should be accessible to all potential users”

Third party access supports competition by enabling competitors (ie “third parties”) to access essential infrastructure which cannot be economically duplicated. Infrastructure which may meet this criteria includes electricity and gas distribution systems, rail tracks and port channels.

In some markets, competition cannot occur until competitors have such access.

Third party access enables competitors to use essential infrastructure on commercial terms so that they can compete in related markets (such as electricity and gas retailing and rail transport).

Other

Under section 10(e) of the QCA Act, the Authority can be directed by the Ministers to examine and report on any matter relevant to the implementation of competition policy. The Authority has received a number of referrals under this provision, with the major one being to recommend the level of payments to councils under the Local Government Financial Incentive Payments Scheme.

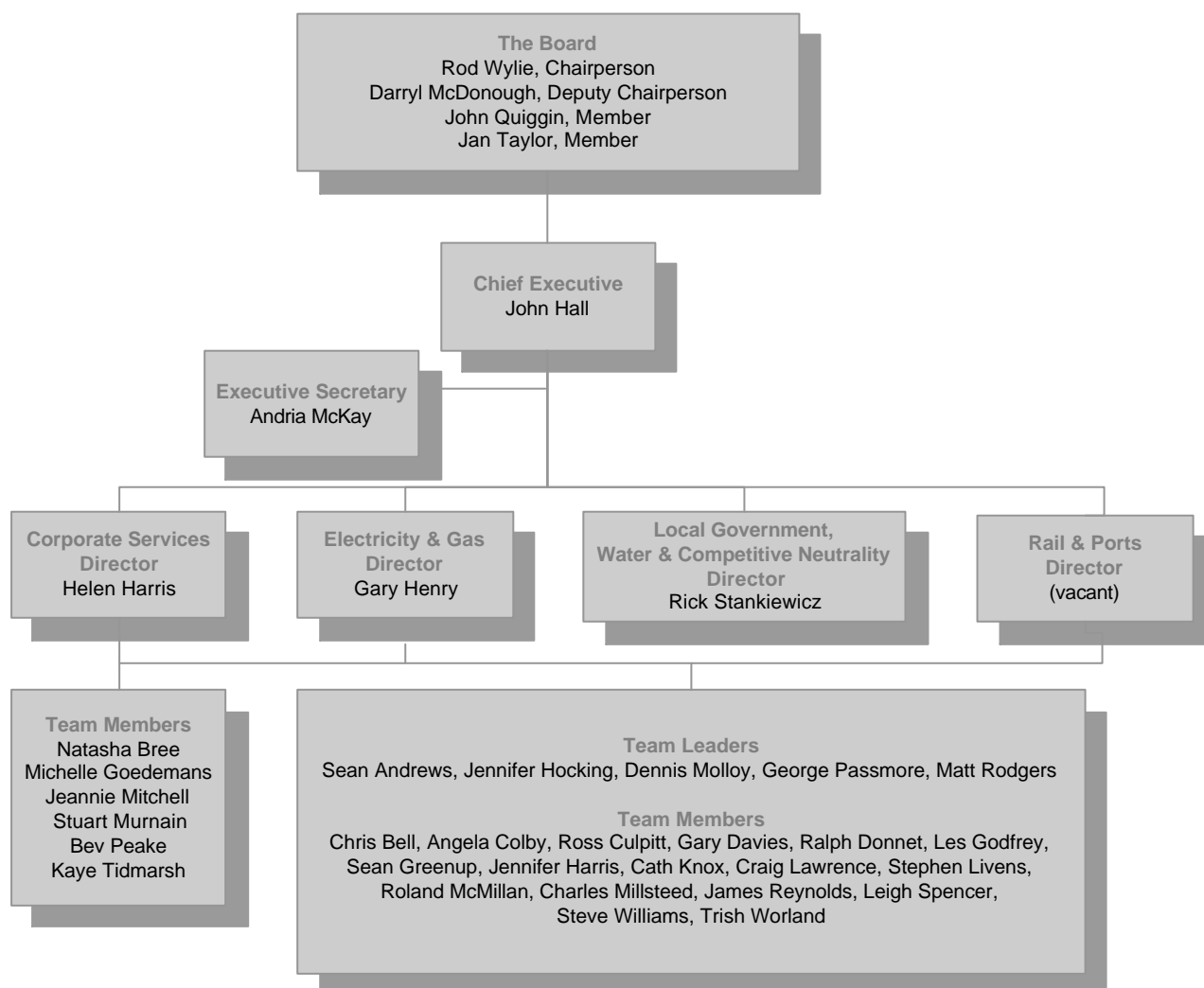
In addition to its responsibilities under the QCA Act, the Authority has responsibilities under other legislation. In this regard, the Authority is the relevant regulator in respect of gas distribution under the Gas Code; the relevant regulator in respect of electricity distribution under the Electricity Code; and has certain responsibilities in respect of market conduct under the *Electricity Act 1994*.

Application

In undertaking its roles, the Authority is currently working within the following areas:

- ◆ Rail
- ◆ Local Government
- ◆ Ports
- ◆ Water
- ◆ Gas
- ◆ Electricity
- ◆ Competitive Neutrality

Organisation Chart as at 30 June 2001



Members of the Authority

Under the QCA Act, the Authority is to consist of at least three members, each of whom may be appointed for a term not exceeding five years. In appointing a member, regard must be had to the desirability of the members collectively having knowledge and understanding of commerce, economics, the interests of consumers and the interests of the Government in government agencies that carry on business activities. There are currently four members, each of whom is appointed until 7 August 2001.

Mr Rod Wylie, OBE BComm BA FCA FAICD

Chairperson – Formerly senior partner of the Queensland practice of Peat Marwick Mitchell & Co Chartered Accountants, Mr Wylie is Chairman of Thiess Pty Ltd and Deputy Chairman of Leighton Holdings Limited. Mr Wylie was Chairman of Pauls Limited for approximately 20 years prior to its takeover and recently retired as a Director of AMP Limited. He is also a former Chairman of the Queensland Branch Council and a former member of the National Council of both the Institute of Chartered Accountants in Australia and the Institute of Directors in Australia.

Dr Darryl McDonough, BBus LLB(Hons) SJD FCPA FAICD

Deputy Chairperson - Dr McDonough is a Brisbane partner of national law firm Clayton Utz, specialising in corporate matters. He is a Director of Bond University Limited, a Trustee of the Brisbane Cricket Ground Trust and immediate past State President of the Australian Institute of Company Directors.

Professor John Quiggin, BA BEc MEc PhD GAICD FASSA

Member - Professor John Quiggin is an Australian Research Council Senior Research Fellow in Economics, currently based at the Australian National University and the Queensland University of Technology. Prior to taking up this appointment, he worked at the Australian Bureau of Agricultural and Resource Economics, the University of Maryland and James Cook University, Townsville. Professor Quiggin is prominent both as a research economist and as a commentator on Australian economic policy.

Ms Jan Taylor, BA LLB

Member - Formerly Queensland's Commissioner for Consumer Affairs, Ms Taylor now manages a consultancy firm providing organisational and community consultation services to government and industry, and is Principal of Tdec Asia Pacific, an export training and development company. As at 30 June, Ms Taylor has been on the Boards of the RACQ and Ports Corporation Queensland, chairs Epilepsy Queensland Inc, and is a Member of the Red Tape Reduction Task Force. Ms Taylor is also the National Credit Union Ombudsman.

Senior Staff

Mr E John Hall, BCom BEcon AAUQ FAICD

Chief Executive - From 1970 to 1990, Mr Hall held a variety of senior positions in the Queensland Treasury, including that of Under Treasurer from 1988 to 1990. From 1990 to 1997, he was firstly Executive Director of major Queensland law firm Feez Ruthning and, upon its merger with national law firm Allen Allen and Hemsley, Queensland Practice Director of the merged firm. Mr Hall joined the Authority in 1997. He is a member of the board of Consolidated Rutile Limited and has held board positions with a variety of Queensland statutory bodies, including Suncorp Insurance and Finance, the Queensland Industry Development Corporation (Deputy Chairman), the Queensland Tourist and Travel Corporation, Queensland Events Corporation (Deputy Chairman), the North Queensland Enterprise Zone and the Workers' Compensation Board.

Ms Helen Harris, BComm GradDipLegStud

Director, Corporate Services - Ms Harris has considerable experience in the finance, information technology, administration, personnel and legal fields. Between 1988 and 1998, she held roles in the areas of genome research, central administration and policy, supercomputer research, international marketing, law and distance education across four different institutions within the university sector. Prior to this, Ms Harris spent some time in the banking sector and on overseas postings.

Mr Gary Henry, BCom (Econ)

Director - Mr Henry commenced his career as a teacher with the NSW Department of Education. He joined the Industries Assistance Commission in 1984 and worked on a range of industry inquiries in both the Econometric and Inquiry Divisions of the Commission. In 1990 he moved to the Northern Territory Treasury where he held a number of senior positions before being appointed Deputy Under Treasurer in 1996. Mr Henry commenced as a Director with the Authority in March 2000.

Mr Euan Morton, BCom LLB (Hons) BEcon (Hons)

Mr Morton, who had been a director since May 1998, ceased employment with the Authority in June 2001.

Mr Rick Stankiewicz, BEcon, MEcon Studs

Director - Mr Stankiewicz has been with the Authority since its inception in July 1997. He is currently responsible for matters related to the water industry, local government implementation of designated competition reforms and the investigation of complaints relating to competitive neutrality issues. Prior to joining the Authority, Mr Stankiewicz was a Director of the Audit Commission Implementation Office, served as an advisor to the Commission of Audit and prior to that was a Director with Queensland Treasury. He has considerable experience in micro-economic reform and industry policy.

The Year in Review

Chart of Statistics

<i>Issues Papers/Request for Comments Papers/Discussion Papers</i>	
Electricity Distribution	6
Gas Distribution	4
Queensland Rail	1
Water	8
<i>Total</i>	<i>19</i>
<i>Submissions Received</i>	
Electricity Distribution	30
Gas Distribution	27
Local Government Financial Incentive Payments Scheme	92
Queensland Rail	13
Water	20
<i>Total</i>	<i>182</i>
<i>Competitive Neutrality Complaints Dealt With</i>	
	3
<i>Reports to Government</i>	
Local Government Financial Incentive Payment Scheme Recommendation	1
Statement of Regulatory Pricing Principles – Dalrymple Bay Coal Terminal	1
Water (Pricing and Monopoly Activities)	6
<i>Total</i>	<i>8</i>

Rail

In January 1999, Queensland Rail (QR) voluntarily submitted to the Authority a Draft Undertaking covering certain services relating to the use of the rail transport infrastructure it owns. Under s136 of the QCA Act, the Authority is required to either approve or refuse to approve any draft undertaking given to it.

In December 2000, the Authority released its Draft Decision on QR's Draft Undertaking. The Authority did so in order to provide QR and interested parties with the opportunity to comment on the preliminary position the Authority had reached regarding the Draft Undertaking. The Authority's preliminary position was not to approve the Draft Undertaking in its current form, with substantive amendment to it being required before approval could be given.

The Authority invited all interested parties to respond to the Draft Decision by 31 March 2001.

At 30 June 2001, the Authority was close to completing its Final Decision.

Local Government

In July 1998, the Authority was directed under s10(e) of the QCA Act to examine and report on the implementation of competition policy reforms by local governments, and to recommend to the Ministers levels of payment under the *Local Government Financial Incentive Payments Scheme* (the Scheme) over a five year period.

Under the Scheme, the State Government has allocated a total of \$141.5 million (in 1994-95 terms) of the competition payments anticipated from the Commonwealth Government to local government, subject to the recommendations of the Authority.

The Scheme Guidelines, the *Local Government Act 1993* and the *Local Government Finance Standard 1994* outline the appropriate reforms for those local governments that choose to participate. The Authority's assessment process addresses both the legislative obligations and the underlying principles of competition reform.

As in the previous year, the Authority:

- ◆ prepared and distributed Information Returns to all Councils;
- ◆ arranged regional workshops, providing Councils with the opportunity to discuss the Authority's assessment process;
- ◆ visited the 17 largest Councils to discuss the particular requirements for large business activities; and
- ◆ reviewed detailed returns from Councils for their relevant business activities.

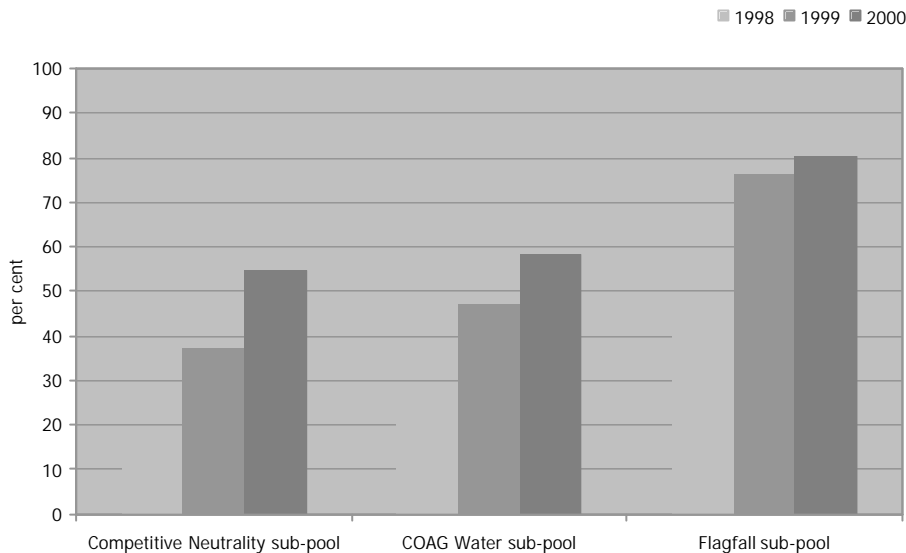
In addition, to assist Councils understand the requirements of the Scheme and further verify compliance, the Authority:

- ◆ after the review of the previous year's performance was completed, visited a further 26 Councils to discuss the requirements of the Scheme and review implementation issues and progress; and
- ◆ extended its involvement in a range of activities such as presentations, workshops and conferences.

The Authority submitted its third report to the Ministers on 28 February 2001. The recommendations contained in the report were accepted by the Ministers. The report indicated that notable progress has been achieved by Councils in respect of reforms related to competitive neutrality and COAG water. In particular, substantial progress has been achieved by many larger Councils and in relation to the application of full cost pricing. Many Councils have now received their full flagfall entitlement.

A comparison of progress in recommended payments in the first three years of the Scheme, as against the maximum possible allocation for each reform category for all Councils, follows.

Cumulative Payment Recommendations



Ports

The Queensland Government has put to tender a long-term lease for the Dalrymple Bay Coal Terminal (DBCT). As part of the tender process, the Government indicated that the port would be subject to economic regulation based on:

- ◆ declaration under Part 5 of the QCA Act of the services provided by DBCT; and
- ◆ a requirement that the lessee submit (through the lessor) an access undertaking to the Authority detailing the negotiation and pricing framework for access.

At the request of the Government, the Authority prepared, for short-listed bidders, a statement outlining the process the Authority adopts in assessing access undertakings.

Staff of the Authority also made presentations on the likely future regulation of DBCT to those bidders. The Authority subsequently responded to written questions submitted by bidders on likely future regulatory arrangements for the terminal.

Water

In response to a Ministers' Direction made in April 1999, the Authority completed and released for consultation in August 2000 a draft statement of the regulatory pricing principles that it considered relevant to its responsibilities in the urban and rural water sectors. Following consultation, a final Statement of Pricing Principles was forwarded to Ministers in December 2000.

Amendments to the QCA Act in May 2000 required the Authority to develop criteria for use by the Ministers in deciding whether to declare a candidate water supply activity to be a monopoly water supply activity. The Authority produced draft criteria for consultation in August 2000, with a final report, *Criteria for the Identification of Monopoly Water Supply Activities*, produced in November 2000.

In September 2000, the Ministers directed the Authority to assess and report on whether certain activities of SunWater and the Mount Isa Water Board (MIWB) met the Authority's criteria for the identification of government monopoly business activities. A draft report was prepared for consultation with SunWater and MIWB directly, the Department of Natural Resources, the Treasury Department, other water suppliers and key industrial, mining, local government and irrigation customers. The final reports were forwarded to the Ministers in December 2000.

In September 2000, the Ministers declared the storage, delivery and water treatment activities of the Gladstone Area Water Board (GAWB) to be government monopoly business activities, and referred the declared activities to the Authority for the following investigations:

- ◆ an initial investigation about the pricing practices relating to the declared activities; and
- ◆ investigations for monitoring the pricing practices relating to the declared activities.

Under Section 24 of the QCA Act, the Authority was also directed to investigate the weighted average cost of capital proposed by the GAWB, appropriate pricing for excess capacity and capacity augmentation and identification and pricing of contributed assets.

Initial consultation with relevant stakeholders was followed by the release of three papers for consultation:

- ◆ a draft paper outlining the projected demand for GAWB's water over a 20 year period, released in March 2001;
- ◆ an issues paper addressing the proposed pricing framework for monopoly pricing oversight of GAWB, released in April 2001; and
- ◆ an issues paper outlining the proposed building blocks for the price determination, also released in April 2001.

By the end of June 2001, the Authority had completed its consultation process in preparation for the release of its draft recommendations on GAWB's pricing practices.

Gas

The *Gas Pipelines Access (Queensland) Act 1998* (the Gas Act) and National Third Party Access Code for Natural Gas Pipeline Systems (the Code) designate the Authority as the relevant regulator for four 'covered' gas distribution networks in Queensland, owned by Allgas Energy Limited (Allgas), Envestra Limited (Envestra), and Dalby and Roma Town Councils. Under the provisions of the Code, network owners were required to lodge gas distribution access arrangements with the Authority. Access arrangements for the Allgas and Envestra systems were submitted to the Authority in October 2000. Envestra submitted an addendum to its access arrangement information on 2 February 2001.

In November 2000, the then Minister for Mines and Energy advised the Authority that, in light of the Code and the National Competition Council's (NCC's) recommendation, he had decided to revoke coverage of the Dalby gas distribution pipeline system. Roma Town Council is also expected to lodge an application for revocation with the NCC in the near future.

In November 2000, Allgas applied to the Authority for a waiver of certain ring-fencing requirements under the Code in respect of marketing arrangements in Toowoomba. Following consideration of the Allgas application, the provisions of the Gas Act, the Code and the submissions received, the Authority determined that the application should be denied.

The Authority released its Draft Decision on the proposed access arrangements for the Allgas and Envestra distribution networks in March 2001. It proposed not to approve the access arrangements as submitted. In preparing the Draft Decision, the Authority considered the access arrangements and access arrangement information provided by the two entities, submissions from interested parties and advice from a number of independent consultants. The Authority is currently preparing its Final Decision on the proposed access arrangements.

In May 2001, the Department of Natural Resources and Mines released its exposure draft of the proposed Petroleum and Gas Bill. Under the proposed Bill, in addition to natural gas, the Authority will be responsible for regulating access to pipelines transporting oil, biogas, coal seam gas, liquefied natural gas, liquefied petroleum gas, tempered liquefied petroleum gas and refined gas. The Bill also provides for the Authority to regulate access to processing plants and storage facilities, if declared by the Treasurer.

Currently, a Bill is before Parliament to amend the existing *Gas Act 1965*, which, if passed, will adjust the contestability timeframe as follows:

<i>Consumers</i>	<i>Current Situation</i>	<i>Proposed</i>
100+ TJ per annum (unchanged)	1 July 2001	1 July 2001
All others	1 September 2001	1 January 2003

Electricity

The Authority's responsibilities with respect to electricity are set out in two separate sets of legislation:

- ◆ the *Electricity – National Scheme (Queensland) Act 1997* gives effect to the National Electricity Code, which provides for the Authority to regulate distribution prices, to prepare ring-fencing guidelines and to undertake several other roles eg. with respect to network connection; and
- ◆ the *Electricity Act 1994* provides that the Authority may prepare and enforce conduct rules, and requires the Authority to monitor standards of service quality if issued by the Treasurer.

The Authority assumed responsibility for the regulation of Queensland electricity distribution prices on 19 December 2000. A number of determinations were made in 2000-01 to establish the necessary regulatory arrangements.

The Final Determination on Electricity Distribution: Ring-fencing Guidelines (September 2000) established guidelines to ensure effective separation between distribution and related businesses in order to promote competition.

The Final Determination on Electricity Distribution: Determination of Prescribed Services (September 2000) defined the scope of Distribution Network Service Provider (DNSP) services that were to be subject to economic regulation by the Authority.

The Draft Determination on Regulation of Electricity Distribution was released in December 2000. In May 2001, the Authority released its Final Determination on Regulation of Electricity Distribution. The Final Determination put in place a process for the approval of distribution prices for 2001-02. These prices were subsequently approved and communicated to customers by the distributors.

The Final Determination detailed the Authority's assessment of the DNSPs' annual aggregate revenue requirements for the four year period from 1 July 2001 to 30 June 2005. In reaching its Final Determination, the Authority considered submissions from the DNSPs and other interested parties in response to the Draft Determination.

Competitive Neutrality

The Authority undertook several investigations into complaints of breaches of the principle of competitive neutrality throughout the year. Investigations involved three complaints against ENERGEX and one against QR.

In two matters involving ENERGEX, the Authority concluded that the complaints did not breach the principle of competitive neutrality as defined under the QCA Act.

In a third matter, brought by Hi-Load Escort Services Pty Ltd, the Authority concluded that certain regulatory arrangements related to public and employee safety allowed ENERGEX to enjoy a competitive advantage over private sector competitors, and that these arrangements breached the principle of competitive neutrality. The Authority submitted recommendations to the relevant Ministers to remedy those breaches. The Ministers have accepted the Authority's recommendations.

The Authority's investigation into the complaint against QR was substantially completed by 30 June 2001.

Corporate Matters

Corporate Governance

The Authority embraces the principles embodied in the concept of corporate governance. Management, under the guidance of the Authority, has implemented an administrative framework which ensures that the Authority is managed in an effective and efficient manner.

A range of policies and procedures has been developed to ensure that assets are safeguarded and that proper financial and accounting records are maintained.

Information and knowledge are regarded as some of the Authority's most valuable assets and, accordingly, emphasis has been placed on the management and protection of this information, as well as the maintenance of confidentiality where appropriate.

Staff are expected to behave in accordance with a code of conduct and the highest ethical standards are expected, all of which are outlined in the Authority's Code of Conduct. The Code of Conduct is distributed to all staff members and, along with all the Authority's policy and procedures documentation, is available on the Authority's intranet site.

Staffing Levels

The number of permanent staff employed by the Authority as at 30 June 2001 was 33. The staffing levels of the Authority are based on the Authority's annual operational plan. In addition to permanent staff, the Authority engages consultants for specialist advice and, if necessary, to meet peak activity demands. The Authority's education and training program is aligned with its performance assessment process.

Implementation of the New Tax System

The implementation of the new tax system on 1 July 2000 required the Authority to amend its accounting systems, policies and procedures to ensure that it was fully prepared. No problems were experienced by the Authority throughout the year in relation to the new tax system.

Implementation of Payroll System

In past years, the Authority has subcontracted its payroll function to an external body. However, as of 1 July 2000, the Authority undertook its own payroll responsibilities. This has also enabled the provision of more detailed and timely information of the Authority's activities especially in relation to budgeting and financial reporting.

Freedom of Information

The Authority is required to adhere to, and supports, the concepts embodied in the Freedom of Information (FOI) legislation. No FOI requests were received during the 2000-01 financial year.

Equal Employment Opportunities

The Authority supports the principles underlying equal employment opportunities and actively ensures that these principles and the principles of anti-discrimination and the avoidance of sexual harassment are adhered to in the Authority's work environment. To the extent practicable, the Authority supports part-time work, flexible working hours and the ability to work from home.

Staff Statistics as at 30 June 2001

	<i>Total Staff</i>	<i>Male</i>	<i>Female</i>	<i>NESB^(a)</i>	<i>A&TSI^(b)</i>
Chief Executive	1	1	-	-	-
Directors	3	2	1	1	-
Technical Staff	22	17	5	-	1
Support Staff	7	1	6	-	-
<i>Total</i>	<i>33</i>	<i>21</i>	<i>12</i>	<i>1</i>	<i>1</i>
Full-time Staff	30	21	9	1	1
Part-time Staff	3	-	3	-	-
Age					
15-24	1	-	1	-	-
25-34	14	9	5	-	1
35-44	9	5	4	-	-
45 +	9	7	2	1	-

(a) *Non English Speaking Background*

(b) *Aboriginal and Torres Strait Islander*

The Year Ahead

Rail

In July 2001, the Authority released its Final Decision on Queensland Rail's (QR's) Draft Undertaking regarding third party access to its rail transport infrastructure.

Following full consideration of all submissions made in respect of the Authority's Draft Decision issued in December 2000, the Authority decided not to approve QR's Draft Undertaking.

While the Authority has decided not to approve the Draft Undertaking submitted by QR, it considers there is a need for an access undertaking to be in place as soon as possible in respect of QR's rail transport infrastructure. This is supported by industry and by the Queensland Government, which indicated a desire for an undertaking to be in place before the end of 2001 if possible.

Consequently, in accordance with s133 of QCA Act, the Authority has issued a notice requiring that QR give to the Authority a draft access undertaking for the services declared under the *Queensland Competition Authority Regulation 1997*. The consequence of issuing this notice is to set in train a series of events that need to be completed within timeframes provided under the *QCA Act*. The Authority considers this to be the most likely way of achieving the earliest possible outcome.

Local Government

The fourth review of Councils' progress in the implementation of competition reforms commenced on 1 August 2001. A report is to be presented to Ministers in February 2002.

Ports

The Authority expects to receive an access undertaking from the lessee of the Dalrymple Bay Coal Terminal following completion of the tender process. This is likely to occur in mid 2002. Once received, the Authority will assess the draft access undertaking in accordance with the relevant provisions of the *QCA Act*, including conducting an extensive consultation process.

Water

The Authority anticipates releasing for comment its draft recommendations on Gladstone Area Water Board's (GAWB's) pricing practices by end September 2001. A final report should be available for the Ministers in late 2001.

The Authority received a Direction from Ministers on 22 June 2001 to assess the bulk water activities of certain Councils to ascertain whether they meet the *Criteria for the Identification of Government Monopoly Business Activities*. It is anticipated that this assessment will be made available to the Ministers by late 2001 following a consultation process with relevant stakeholders.

The Ministers also advised that the retail water activities of the eighteen largest Councils have been declared for the purposes of the monopoly prices oversight provisions of the QCA Act. It is possible, therefore, that some of these may be referred to the Authority for investigation during 2001-02.

Gas

The Authority anticipates releasing its Final Decision on the proposed access arrangements for gas distribution networks in September 2001. The gas distributors will be required to resubmit their access arrangements consistent with this Final Decision.

In accordance with section 2.19 of the Code, the Authority will then assess the resubmitted access arrangements in light of the amendments specified in the Authority's Final Decision. It is anticipated that the final approval process will be completed before the end of 2001.

A number of additional responsibilities under the Code will also be progressed. One of these is the determination of ring-fencing guidelines for gas distribution. The objective of the guidelines will be to assist in creating an environment where service providers and users can be assured that gas distribution is not biased by the vertical integration of distribution and other businesses, whatever that level of integration might be. Other responsibilities include consideration of the approval of any associate contracts and the arbitration of any access disputes that may be brought to the Authority.

Electricity

Over the next year, the focus will be on a number of issues related to the implementation of the Final Determinations on Regulation of Electricity Distribution and Electricity Distribution: Ring-Fencing Guidelines. Establishing compliance and monitoring regimes will be especially important.

The Authority will determine which activities not covered by the revenue cap are to be regulated, the margins that are to apply to these activities for 2001-02, and the treatment of these activities beyond 2001-02. Finalising the cost allocation guidelines that distributors must follow in order to ring-fence the costs associated with delivering prescribed (monopoly) distribution services from the costs of excluded (contestable) distribution and non-distribution activities will also be a priority.

Once prescribed and excluded services are clearly identified and the cost allocation guidelines are finalised, the distributors will be required to submit ring-fencing compliance reports in accordance with the Ring-Fencing Guidelines.

The Authority will also work with the distributors on issues related to the Regulatory Accounting and Information Guidelines in the Final Determination: Regulation of Electricity Distribution, ahead of regulatory reporting in October 2002. Finally, the price approval process will be reviewed to enhance the approval process for 2002-03 prices.

Competitive Neutrality

The investigation into the complaint against Queensland Rail (QR) was completed in July 2001 with a report to the Ministers. While the Authority concluded that certain aspects of QR's pricing breached the principle of competitive neutrality when viewed against the definition of the principle of competitive neutrality prevailing at the time the Authority decided to investigate the complaint, those practices have now ceased.

The Authority has no influence on the number and timing of the complaints it receives, and consequently is unable to estimate the number of investigations that can be reasonably anticipated over the coming year. In three of the four matters investigated last year, breaches of the principle of competitive neutrality could not be sustained under the amendments introduced to the definition of the principle of competitive neutrality in May 1999. Accordingly, the number of complaints is not expected to be significant in 2001-02.

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Financial Statements

Operating Statement

for year ended 30 June 2001

	Notes	2001 \$	2000 \$
REVENUE FROM ORDINARY ACTIVITIES			
Revenue from Operating Activities			
Government Grant		5,500,000	5,000,000
Revenue from Non-Operating Activities			
Interest & Miscellaneous Income		183,476	160,641
Total Revenue from Ordinary Activities		5,683,476	5,160,641
EXPENSES FROM ORDINARY ACTIVITIES			
Members' Fees	3	150,673	149,535
Staff and Related Costs	4	3,206,844	2,458,687
Other Operating Costs	5	2,865,794	1,663,330
Total Expenses from Ordinary Activities		6,223,311	4,271,552
NET PROFIT/(LOSS)		(539,835)	889,089

This statement is to be read in conjunction with the notes to and forming part of the financial statements.

Statement of Financial Position

as at 30 June 2001

	Notes	2001 \$	2000 \$
CURRENT ASSETS			
Cash Assets	6	2,790,393	2,978,376
Receivables	7	0	3,884
Other	8	52,242	40,942
Total current assets		2,842,635	3,023,202
NON CURRENT ASSETS			
Other Financial Assets	8	1,825	3,538
Property, Plant & Equipment	9	1,053,822	985,169
Total non current assets		1,055,647	988,707
Total Assets		3,898,282	4,011,909
CURRENT LIABILITIES			
Payables	10	512,314	172,418
Provisions	11	147,879	103,510
Total current liabilities		660,193	275,928
NON CURRENT LIABILITIES			
Provisions	11	269,284	227,341
Total non current liabilities		269,284	227,341
Total Liabilities		929,477	503,269
Net Assets		2,968,805	3,508,640
EQUITY			
Contributed Equity	12	1,579,027	1,579,027
Retained Profits	13	1,389,778	1,929,613
Total Equity		2,968,805	3,508,640

This statement is to be read in conjunction with the notes to and forming part of the financial statements.

Statement of Cash Flows

for year ended 30 June 2001

	Notes	2001 \$	2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Operating Grant		5,500,000	5,000,000
Interest & Miscellaneous Income		182,232	160,641
GST collected on goods and services provided		1,309	0
GST refunded by ATO		243,159	0
		5,926,700	5,160,641
Outflows:			
Members' Fees		(150,673)	(150,411)
Staff Related Expenses		(3,029,384)	(2,391,025)
Other Operating Costs		(2,386,560)	(1,413,305)
GST paid on acquisitions		(239,308)	0
GST paid to ATO		(513)	0
		(5,806,438)	(3,954,741)
Net cash provided by (used in) operating activities	14(a)	120,262	1,205,900
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from disposal of property, plant and equipment		957	0
Outflows:			
Property, Plant & Equipment		(309,202)	(227,976)
Net cash provided by (used in) investing activities	14(b)	(308,245)	(227,976)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		0	0
Net increase/(decrease) in cash held		(187,983)	977,924
Cash at beginning of reporting period		2,978,376	2,000,452
Cash & Investments at end of reporting period		2,790,393	2,978,376

This statement is to be read in conjunction with the notes to and forming part of the financial statements.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2001

Note 1: Objective

The Queensland Competition Authority (the "Authority") is a statutory body established under the *Queensland Competition Authority Act 1997*. Its aim is to perform specified services associated with national competition policy in Queensland. Broadly, the Authority is responsible for:

- subject to reference or declaration by the Ministers (the Premier and the Treasurer), undertaking prices oversight of monopoly or near monopoly Government business activities;
- receiving and investigating competitive neutrality complaints against significant government and local government business activities;
- accrediting significant government and local government business activities as complying with the principle of competitive neutrality;
- overseeing and arbitrating third party access to infrastructure;
- undertaking such other activities relating to national competition policy as the Ministers may direct.

Note 2: Summary of Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared in accordance with the *Financial Administration and Audit Act 1977* and the Financial Management Standard 1997. The statements have been prepared in accordance with the historical cost convention with the exception of non current physical assets which are valued as outlined in Note 2(d).

As a statutory body under the *Financial Administration and Audit Act 1977*, the Authority is required to prepare general purpose financial statements in accordance with professional Statements of Accounting Concepts, Urgent Issues Group Abstracts and Australian Accounting Standards. Unless otherwise stated, the accounting policies have been consistently applied.

b) Revenue and Expenses

The accrual basis of accounting has been used (i.e. revenues are recognised when earned and expenses recognised when incurred).

Salary and related staff costs include salaries, entitlements, recruitment costs, staff training and other costs. These are recognised on an accrual basis and include relevant on costs.

c) Leasing

Operating leases are those where the risk of ownership is retained by the lessor.

Operating lease costs are charged to the Statement of Financial Performance in the periods in which they are incurred. The Authority also leases motor vehicles which are part of employees' remuneration packages and therefore lease expenses for those vehicles are included with Employee Expenses. The Authority does not have any finance leases.

d) Property, Plant & Equipment

Property, plant & equipment are valued in accordance with the Queensland State Government's policy titled, Non Current Assets Accounting Guidelines for the Queensland Public Sector. Where assets are acquired, they are valued at their cost of acquisition, including all expenses incidental to the purchase and necessary to have the asset ready for use.

Items or components which form an integral part of an asset are recognised as a single asset. The asset recognition threshold has been set at \$300. The revaluation threshold has been set at \$250,000.

Notes to and Forming Part of the Financial Statements (cont'd)
for the year ended 30 June 2001

Depreciation of property, plant and equipment is calculated on a straight line basis based on estimated useful life. The following depreciation rates have been used:

Office equipment:	20% to 33%
Computer equipment:	33%
Furniture & fixtures:	10% to 33%

e) **Employee Entitlements**

Liabilities for annual leave are based on current rates including related on costs.

Liabilities for long service leave are recognised and measured by the use of a shorthand method determined by the Queensland State Actuary as a simple alternative designed to achieve results that are not materially different from those that would have been achieved from a calculation of the present value of expected future payments.

No liabilities are recorded for non-vesting sick leave, as it is expected that the sick leave taken in future reporting periods will not be greater than entitlements which are expected to accrue in those periods. The Authority does not have any vesting sick leave.

f) **Taxation**

The Authority is exempt from the payment of income tax under section 24AQ of the *Income Tax Assessment Act 1936*.

g) **Superannuation**

Contributions to superannuation meet the minimum requirements of the *Superannuation Guarantee (Administration) Act 1992*.

Note 3: Members' Fees

Members' fees are determined by the Governor in Council.

Note 4: Staff and Related Costs

	2001	2000
	\$	\$
Salaries & related costs	2,754,548	2,141,437
Provision for employee entitlements accrued at OCA	121,681	32,440
Provision for employee entitlements assumed from prior service	113,349	26,700
Staff recruitment costs	132,034	161,578
Staff training costs	85,161	90,565
Other staff costs	71	5,967
Total	3,206,844	2,458,687

Note 5: Other Operating Costs

	2001	2000
	\$	\$
Occupancy costs (including operating lease rentals)	348,479	273,920
Specialist services	1,780,797	895,765
Depreciation	232,727	211,527
Information technology costs	55,029	42,906
Travel & accommodation costs	89,310	68,252
Auditor's remuneration	7,550	4,650
Other costs	351,902	166,310
Total	2,865,794	1,663,330

Notes to and Forming Part of the Financial Statements (cont'd)
for the year ended 30 June 2001

Note 6: Cash

Cash assets includes cash at bank, cash on hand and investments with Queensland Treasury Corporation (QTC) which are deposited at call and can be redeemed at short notice at their face value.

The organisation does not have any borrowing or overdraft facilities. The balance in 2000 represented the net effect of un-presented cheques, which were covered by cash transfers before their presentation.

	2001	2000
Balance	\$	\$
Cash at bank	109,427	(117,403)
Cash on hand	300	0
QTC investment	2,680,666	3,095,779
Total	2,790,393	2,978,376
	2001	2000
Effective rates of interest		
Cash at bank	4.00%	4.75%
Investment	5.95%	6.42%

Note 7: Receivables

These amounts are recorded at face value and have a short maturity. The Authority is not exposed to any known credit risk.

	2001	2000
Note 8: Other		
Current	\$	\$
Prepayments	50,998	40,942
Accrued income	1,244	0
Total	52,242	40,942
Non current		
Prepayments	1,825	3,538
Total	1,825	3,538

Notes to and Forming Part of the Financial Statements (cont'd)
for the year ended 30 June 2001

Note 9: Property, Plant & Equipment	2001	2000
	\$	\$
Leasehold improvements	18,009	24,146
Less: Accumulated depreciation	(8,785)	(3,365)
	9,224	20,781
Office equipment	161,199	151,804
Less: Accumulated depreciation	(97,565)	(64,786)
	63,634	87,018
Computer equipment	298,727	288,965
Less: Accumulated depreciation	(222,917)	(151,494)
	75,810	137,471
Furniture & fittings	1,225,999	950,140
Less: Accumulated depreciation	(320,845)	(210,241)
	905,154	739,899
Total Property, Plant & Equipment	1,053,822	985,169
Note 10: Payables	2001	2000
	\$	\$
Audit fees payable	6,850	4,600
Trade creditors	388,259	0
Accrued expenses	117,205	167,818
Total	512,314	172,418
Note 11: Provisions	2001	2000
Current	\$	\$
Employee entitlements accrued at the Authority	130,120	79,423
Employee entitlements related to prior public service employment	17,759	24,087
Total	147,879	103,510
Non Current		
Employee entitlements accrued at the Authority	65,240	53,579
Employee entitlements related to prior public service employment	204,044	173,762
Total	269,284	227,341
Note 12: Contributed Equity	2001	2000
	\$	\$
Establishment grant	1,559,000	1,559,000
Contributed assets	20,027	20,027
Total	1,579,027	1,579,027
Note 13: Retained Profits/(Accumulated Losses)	2001	2000
	\$	\$
Accumulated operating surplus at beginning of reporting period	1,929,613	1,040,524
Operating surplus for current reporting period	(539,835)	889,089
Accumulated operating surplus at end of reporting period	1,389,778	1,929,613

Notes to and Forming Part of the Financial Statements (cont'd)
for the year ended 30 June 2001

Note 14: Notes to the Statement of Cash Flow		2001	2000
a)	<i>Reconciliation of operating surplus to net cash provided by ordinary activities</i>	\$	\$
	Operating surplus/(deficit)	(539,835)	889,089
	Add depreciation expense	232,728	211,527
	Add loss on disposal of property, plant and equipment	728	0
	<i>Changes in assets and liabilities</i>		
	Decrease/(increase) in receivables	3,883	(3,883)
	Decrease/(increase) in prepaid expenses	(8,343)	(6,077)
	Increase in employee entitlements	86,312	59,140
	Increase in creditors and accruals	344,789	56,104
	Net cash provided by operating activities	120,262	1,205,900
b)	<i>Reconciliation of increase in property, plant & equipment to net cash used in investing activities</i>		
	Property, plant & equipment (net)	(68,653)	(22,586)
	Add increase in accumulated depreciation	(220,226)	(211,527)
	Add original cost of disposals	(14,186)	0
	Less proceeds from disposals	957	0
	<i>Changes in assets & liabilities</i>		
	Increase/(decrease) in creditors and accruals	(6,137)	6,137
	Net cash used in investing activities	(308,245)	(227,976)
c)	For the purposes of this statement, cash includes cash at bank, cash on hand and investments. Cash at the end of the year as shown in the cash flows equals the cash and investments as disclosed in the balance sheet.		
d)	The Authority has no unused credit, standby credit or loan facilities.		

Note 15: Operating Lease Commitments

The offices occupied by the Authority are subject to three separate operating leases which expire on February 15, 2003.

	2001	2000
Future operating lease rentals not provided for in the financial statements are payable as follows:	\$	\$
Not later than one year	323,427	303,364
Later than one year but not later than two years	203,743	323,427
Later than two years but not later than five years	0	203,743
Later than five years	0	0
Total commitments	527,170	830,534
Rental expense included in the determination of the operating result	292,875	228,553

Note 16: The Authority has no known Contingent Liabilities not disclosed elsewhere in the Notes.

Certificate of the Queensland Competition Authority

The foregoing financial statements have been prepared pursuant to section 46F of the *Financial Administration and Audit Act 1977* and other prescribed requirements. We certify that -

- (a) the statements together with the other information and notes to and forming part thereof are in agreement with the accounts of the Authority; and
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the statements have been drawn up so as to present a true and fair view of the transactions and cash flows of the Authority for the period 1 July 2000 to 30 June 2001, and of the financial position as at 30 June 2001.



RM Wylie
Chairperson
31 July 2001



EJ Hall
Chief Executive
31 July 2001

Independent Audit Report

The Chairperson and Members of the Authority

Scope

I have audited the general purpose financial statements of the Queensland Competition Authority prepared by the statutory authority for the year ended 30 June 2001 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the Chairperson and person responsible for financial administration.

The Authority is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its cash flows.

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

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act*, I certify that I have received all the information and explanations I have required and, in my opinion:

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of Queensland Competition Authority for the financial year 1 July 2000 to 30 June 2001 and of the financial position as at the end of that year.

.....
Peter Notthingham
Audit Manager
(as Delegate of the Auditor-General)



Queensland Audit Office
Brisbane

Appendices

1. List of Declared Significant Business Activities

For the Authority to be able to investigate a potential breach of the principle of competitive neutrality by a State government agency, a complaint must be directed against a government activity which has been “declared” to be a significant business activity by gazette notice. Below is a list of declared significant business activities. In these cases, all the business activities of the organisations referred to are declared to be significant business activities. The list is current at 30 June 2001.

Significant Declared Business Activity	Relevant Government Agency
AUSTA Energy Corporation	AUSTA Energy Corporation
Bundaberg Port Authority	Bundaberg Port Authority
C S Energy	C S Energy
Cairns Port Authority	Cairns Port Authority
CITEC	Department of Public Works and Housing
DPI Forestry	Department of Primary Industries
Energex Limited (1)	Energex Limited
Energex Retail Pty Limited (2)	Energex Retail Pty Limited (3)
Ergon Energy Corporation Limited (4)	Ergon Energy Corporation Limited (5)
Ergon Energy Pty Ltd (6)	Ergon Energy Corporation Limited (7)
Gladstone Area Water Board	Gladstone Area Water Board
Gladstone Port Authority	Gladstone Port Authority
Golden Casket Lottery Corporation Limited	Golden Casket Lottery Corporation Limited
GOPRINT	Department of Public Works and Housing
Mackay Port Authority	Mackay Port Authority
Mount Isa Water Board	Mount Isa Water Board
Plant Hire Service	Department of Main Roads
Port of Brisbane Corporation	Port of Brisbane Corporation
Ports Corporation of Queensland	Ports Corporation of Queensland
Project Services	Department of Public Works and Housing
Queensland Electricity Transmission Corporation	Queensland Electricity Transmission Corporation
Queensland Investment Corporation	Queensland Investment Corporation
Queensland Property Management	Department of Public Works and Housing
Queensland Rail	Queensland Rail

Significant Declared Business Activity	Relevant Government Agency
Queensland Transitional Power Trading Corporation	Queensland Transmission and Supply Corporation
Road Transport Construction Service	Department of Main Roads
Rockhampton Port Authority	Rockhampton Port Authority
Sales and Distribution	Department of Public Works and Housing
Stanwell Corporation	Stanwell Corporation
SunWater (8)	Department of Natural Resources
Tarong Energy Corporation	Tarong Energy Corporation
Townsville Port Authority	Townsville Port Authority

Notes

1. Formerly called South East Queensland Electricity Corporation Limited.
2. Formerly called Southern Electricity Retail Corporation Pty Limited.
3. Energex Retail Pty Limited is a wholly-owned subsidiary of Energex Limited.
4. The following entities were merged to form Ergon Energy Corporation Limited by a scheme of arrangement, effective on 30 June 1999:
 - (a) Capricornia Electricity Corporation Limited
 - (b) Far North Queensland Electricity Corporation Limited
 - (c) Mackay Electricity Corporation Limited
 - (d) South West Queensland Electricity Corporation Limited
 - (e) Wide Bay-Burnett Electricity Corporation Limited
 - (f) North Queensland Electricity Corporation Limited.
5. Ergon Energy Corporation Limited was declared to be a Government Owned Corporation effective on 30 June 1999 under the *Government Owned Corporations (Ergon Corporatisation) Regulation 1999*.
6. The business activities of Northern Electricity Retail Corporation Pty Ltd were assumed by Central Electricity Retail Corporation Pty Ltd under the *Government Owned Corporations (CERC and NERC Restructure) Regulation 1998*, effective on 3 April 1998. The name of Central Electricity Retail Corporation Pty Ltd was subsequently changed to Ergon Energy Pty Ltd.
7. Ergon Energy Pty Limited is wholly-owned subsidiary of Ergon Energy Corporation Limited.
8. As a result of the corporatisation of State Water Projects on 1 October 2000, the business activities of State Water Projects were transferred to the new corporatised entity called SunWater.

2. List of Local Government Nominations of Authority to act as Competitive Neutrality Referee

Under the *Local Government Act 1993*, councils may resolve to appoint the Authority as their referee for the hearing of competitive neutrality complaints against specified local government business activities. Below is a list of the Councils which have appointed the Authority as their competitive neutrality referee for various business activities. The list is current as at 30 June 2001.

Local Government	Business Activity
Barcaldine Shire Council	Roads
Belyando Shire Council	Roads
Blackall Shire Council	Roads
Broadsound Shire Council	Roads
Caloundra City Council	Water and Sewerage
Cambooya Shire Council	Roads
Chinchilla Shire Council	Roads
Cooloola Shire Council	Roads
Crows Nest Shire Council	Roads
Dalrymple Shire Council	Roads
Duaringa Shire Council	Roads
Gladstone City Council	Roads
Hervey Bay City Council	Roads Water and Sewerage
Livingstone Shire Council	Roads
Logan City Council	Water and Sewerage Waste
Mackay City Council	Roads Water and Sewerage
Mareeba Shire Council	Roads
Mount Isa City Council	Roads
Murilla Shire Council	Roads
Noosa Shire Council	Water and Sewerage
Paroo Shire Council	Roads
Pine Rivers Shire Council	Water and Sewerage
Redland Shire Council	Roads Water and Sewerage Waste
Rockhampton City Council	Roads Water and Sewerage
Rosalie Shire Council	Roads
Thuringowa City Council	Roads Water and Sewerage
Townsville City Council	Roads Water and Sewerage Waste Services

3. Staff List

as at 30 June 2001

Team Leaders

Sean Andrews BBus(Eco/Fin) MBA
Jennifer Hocking BEconHons
Dennis Molloy BCom BEconHons
George Passmore BAgEconHons MAgEcon
Matt Rodgers BEcon GradDipEconomics

Technical

Chris Bell BEcon
Angela Colby BA BEcon GradDipAppEcon
Ross Culpitt BEcon
Gary Davies BCom MAppEcon
Ralph Donnet BAgEcon GradDipFinMgt
Les Godfrey BE BEcon MBA(Adv) MFM FIEAust CPEng ASA
Sean Greenup BEcon
Jennifer Harris BA(Econ/Polit.) MA(Econ-Hons)
Cath Knox BA BEcon
Craig Lawrence BEcon MmgEcon
Stephen Livens BBus
Roland McMillan BEcon
Charles Millsted BEconHons
James Reynolds BEcon MBA
Leigh Spencer BEconHons
Steve Williams BEcon MFM GradDipEconometrics ASIA
Trish Worland BA MEcon

Support

Natasha Bree, Receptionist
Michelle Goedemans, Administrative Support Officer
Andria McKay, Executive Secretary
Jeannie Mitchell, Office Assistant
Stuart Murnain MCP, IT Officer
Bev Peake, Librarian
Kaye Tidmarsh BBus(Acc), Finance Manager

4. Legislative Provisions

The Authority's legislative responsibilities can be found in:

- ◆ *The Queensland Competition Authority Act 1997*
- ◆ *The Local Government Act 1993*
- ◆ *The Electricity Act 1994*
- ◆ *The Electricity – National Scheme (Queensland) Act 1997*
- ◆ *The Gas Pipelines Access (Queensland) Act 1998*

5. Publications

During 2000-01, the Authority released the following publications. Printed copies of public reports are available from the Authority's office or in PDF format from the Authority's website at www.qca.org.au.

Public Reports

<i>Release Date</i>	<i>Title</i>
July 2000	<i>Issues Paper</i> – Electricity: Distribution Pricing Principles
August 2000	Draft Statement of Regulatory Pricing Principles – Urban Water sector
September 2000	<i>Final Determination</i> – Electricity Distribution: Determination of Prescribed Services
September 2000	<i>Final Determination</i> – Electricity: Ring-fencing Guidelines
September 2000	<i>Issues Paper</i> – Electricity Distribution: Service Quality
September 2000	<i>Draft for Comment</i> – Criteria for the Identification of Monopoly Water Supply Activities
October 2000	<i>Draft for Comment</i> – Draft Statement of Regulatory Pricing Principles – Non-urban Water sector
November 2000	<i>Issues Paper</i> – Access Arrangements for Queensland Gas Distribution Networks
November 2000	<i>Final</i> – Criteria for the Identification of Monopoly Water Supply Activities
December 2000	Complaint by a private electrical contractor against ENERGEX
December 2000	Complaint by QES against ENERGEX
December 2000	<i>Draft Determination</i> – Regulation of Electricity Distribution
December 2000	<i>Draft Decision</i> – QR's Draft Undertaking
December 2000	Review of the Toowoomba City Council Water and Sewerage Business Activity
February 2001	<i>Draft Decision</i> – Application for Waiver of Ring-fencing Arrangements by Allgas Energy Limited

Public Reports (cont'd)

<i>Release Date</i>	<i>Title</i>
March 2001	Complaint by Brisbane Hi-Load Escort Services Pty Ltd Against ENERGEX
March 2001	<i>Final Decision</i> – Application for Waiver of Ring-fencing Arrangements by Allgas Energy Ltd
March 2001	<i>Draft Decision</i> – Proposed Access Arrangements for Gas Distribution Networks – Allgas and Envestra
March 2001	<i>Draft for Comment</i> – Gladstone Area Water Board – Projected Demand for Water from 2000-01 to 2019-20
April 2001	<i>Issues Paper</i> – Gladstone Area Water Board – Elements of the Pricing Framework
April 2001	<i>Issues Paper</i> – Gladstone Area Water Board – Framework for the Pricing of Monopoly Business Activities
May 2001	<i>Final Determination</i> – Regulation of Electricity Distribution

Reports to Government

<i>Release Date</i>	<i>Title</i>
November 2000	<i>Working Paper</i> – Assessment of Whether Mount Isa Water Board's Management and Distribution of Bulk Water Activity is a Monopoly Business
November 2000	<i>Working Paper</i> – Assessment of Whether SunWater's Water Supply Activities are Government Monopoly Business Activities
December 2000	<i>Progress Report</i> – Gladstone Area Water Board – Issues for Pricing Investigation
December 2000	Government Monopoly Business Activities – SunWater
December 2000	Government Monopoly Business Activities – Mt Isa Water Board
December 2000	Statement of Regulatory Pricing Principles for the Water Sector
February 2001	Statement of Regulatory Pricing Principles – Dalrymple Bay Coal Terminal
February 2001	<i>Recommendations for Payments for Local Government Reforms 1999-2000</i> Government Competition Policy Financial Incentive Payments Scheme for the year ended 31 July 2000

6. Consultants

Total expenditure on consultants during 2000-01 was \$1,780,797 which is within budget.

<i>Consultants by Category in 2000-01</i>	<i>\$</i>
Management	8,975
Finance/Accounting	63,100
Professional/Technical	1,708,722
<i>Total</i>	<i>1,780,797</i>

<i>Consultancies Awarded in 2000-01 by Value</i>	<i>No. of Consultants</i>
Less than \$10,000	22
\$10,001 - \$100,000	14
More than \$100,000	2
<i>Total</i>	<i>38</i>

7. Other Issues

Overseas Visits

No overseas travel was undertaken by the Authority during 2000-01.

Meetings of the Authority

Seventeen meetings of the Authority were held during 2000-01.

Mr Wylie was unable to attend the meeting on 8 February due to ill health. Apologies were received from Ms Taylor who was unable to attend the meeting on 30 April.

<i>2000</i>	<i>2001</i>
13 July	8 February
26 July*	8 March
15 August	14 March*
6 September	5 April
12 October	30 April*
9 November	17 May
4 December*	7 June*
7 December	14 June
12 December	

**out of session or special meetings*

Details of Annual Report Production

300 copies of this report have been printed at an average cost of \$2.50 per copy. Extra copies may be obtained from the Authority's office. A copy of this report is available in PDF format on the Authority's website at www.qca.org.au.

8. Contact Details

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