

Western Australian Gas Disputes Arbitrator



Annual Report 2001

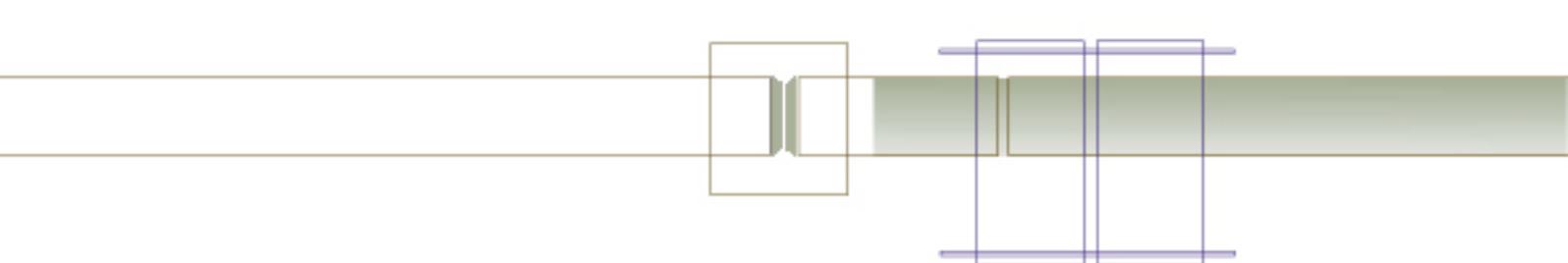
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The position of Gas Disputes Arbitrator is established by the *Gas Pipelines Access (Western Australia) Act 1998*.

The Arbitrator adjudicates when a prospective user of a gas pipeline disputes the terms, conditions or charges set by the service provider.

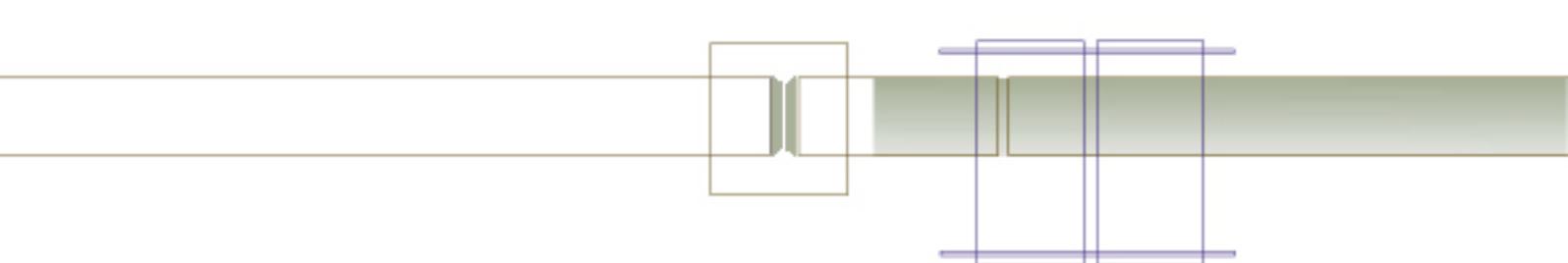
The Arbitrator also provides administrative support to the Western Australian Gas Review Board that, on application, reviews decisions on pipeline access.

This Annual Report covers the activities of the Gas Disputes Arbitrator and the Gas Review Board.

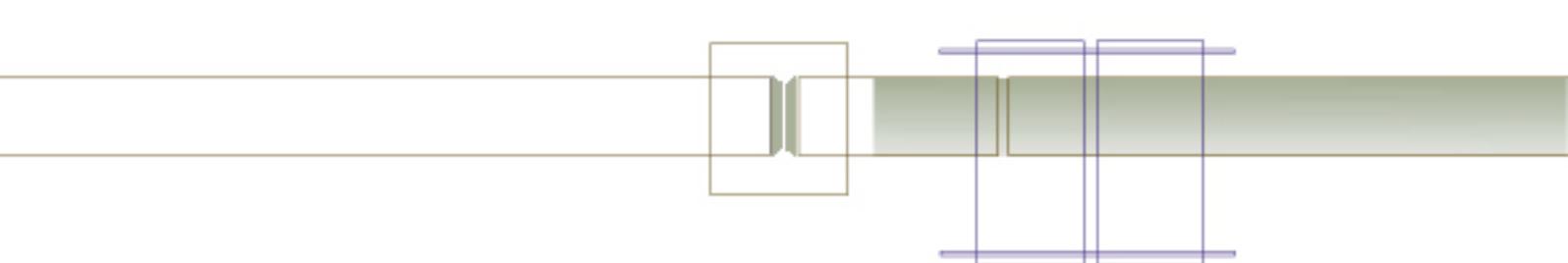


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TRANSMITTAL LETTER

Hon Eric Ripper MLA
Minister for Energy

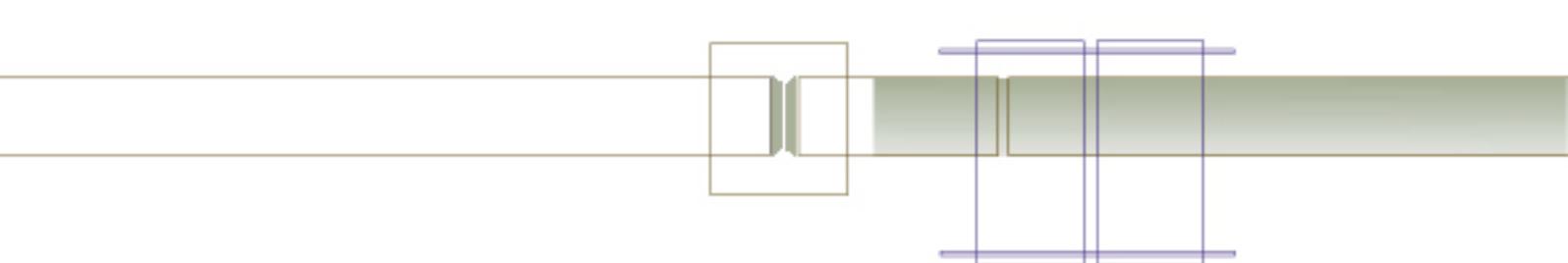
In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, I hereby submit my Annual Report for the year ended 30 June 2001 for your information and presentation to Parliament.

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985* and Treasurer's Instructions.



LAURIE JAMES
GAS DISPUTES ARBITRATOR

31 August 2001



THE ARBITRATOR'S OVERVIEW



Since my appointment to the position of Arbitrator in September 1999, my activities have been largely confined to ensuring that procedures are in place to address disputes that fall within the jurisdiction of the Arbitrator under the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code). In addition, my activities extend to ensuring that services are available to the Gas Review Board in the event that a review of any decision occurs.

The Arbitrator may be called upon to adjudicate as to the terms, conditions and/or charges that should apply when there is a dispute between someone who wishes to have access to a gas pipeline and the owner or operator of that pipeline. There are now two approved Access Arrangements in place, namely the Mid-West and South-West Gas Distribution Systems and the Parmelia Pipeline. To date there have been no disputes submitted to the Arbitrator. However, appropriate arrangements remain in place to resolve disputes where this is provided for by the legislation.

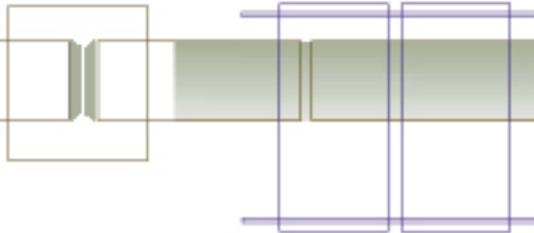
The Arbitrator is also required to provide staff and support to the Gas Review Board, which is able to review decisions by the Minister for Energy, the Independent Gas Pipelines Access Regulator or the Coordinator of Energy. The Board, which is only established when required, operates as a tribunal chaired by a legal practitioner and includes two persons from a panel of experts as members. Should more than one appeal be concurrent, the Board may exist as more than one tribunal. The Governor has appointed panels of legal practitioners and experts from which the Board may be drawn.

While there were no disputes in 2000/2001, I was required to provide administrative support to the Western Australian Gas Review Board which was constituted to hear two appeals brought by the distribution and trading businesses of AlintaGas against the Coordinator of Energy. The administrative support was organised through the Office of Gas Access Regulation (*OffGAR*).

I greatly appreciate the support I have received to date from *OffGAR* and, through them, from the Office of Energy.



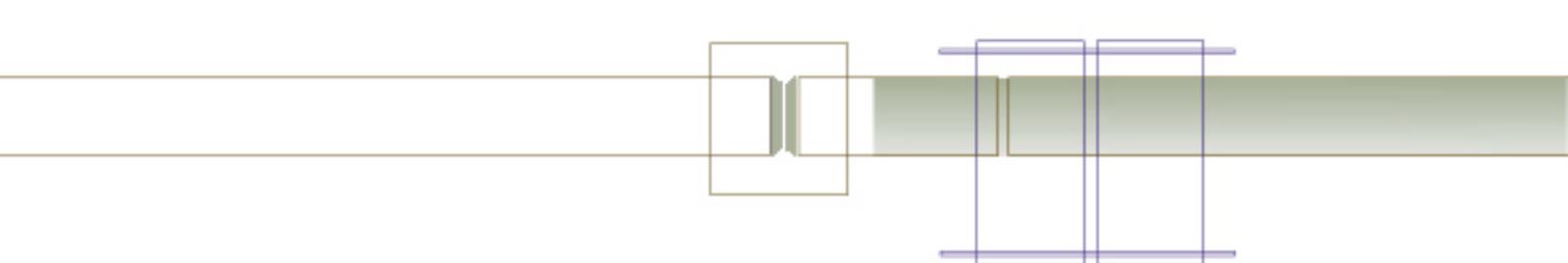
LAURIE JAMES
GAS DISPUTES ARBITRATOR



HIGHLIGHTS

During the year:

- No disputes were referred to the Arbitrator.
- Two applications for review, by AlintaGas against the Coordinator of Energy, were heard and determined by the Gas Review Board.
- The Arbitrator provided administrative support to the Gas Review Board.
- Panels of legal practitioners and experts, from which to draw members of the Gas Review Board, remained in place.



PROFILE

MISSION

The mission of the Gas Disputes Arbitrator is to promote free and fair trade in gas by seeking the effective and efficient regulation of access to pipelines wholly located in Western Australia at the lowest practical regulatory cost.

The Arbitrator addresses this through seeking the effective resolution of disputes and provision for review of decisions at the lowest practical cost.

HISTORY AND ORGANISATION

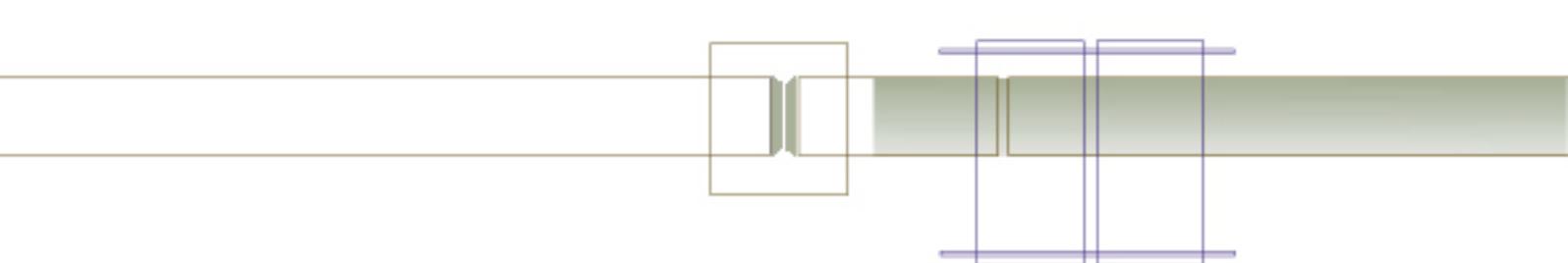
The office of the Gas Disputes Arbitrator (the Arbitrator) was established in February 1999. Mr Laurie James was appointed to the position of Arbitrator in September 1999 for a period of three years.

The Arbitrator has no supporting organisation. However, the Arbitrator may make use of staff of other government departments and agencies, other than Western Power and the Gas Corporation. In practice, the Arbitrator has drawn on the staff of the Office of Gas Access Regulation (*OffGAR*) in this way.

KEY FUNCTIONS AND ACTIVITIES

The Arbitrator has the role of hearing and determining disputes in relation to the provision and purchase of gas transportation services for certain natural gas pipelines in Western Australia. The role of the Arbitrator is part of a broader regulatory regime established under the *Gas Pipelines Access (Western Australia) Act 1998* that also establishes the office of the Western Australian Independent Gas Pipelines Access Regulator.

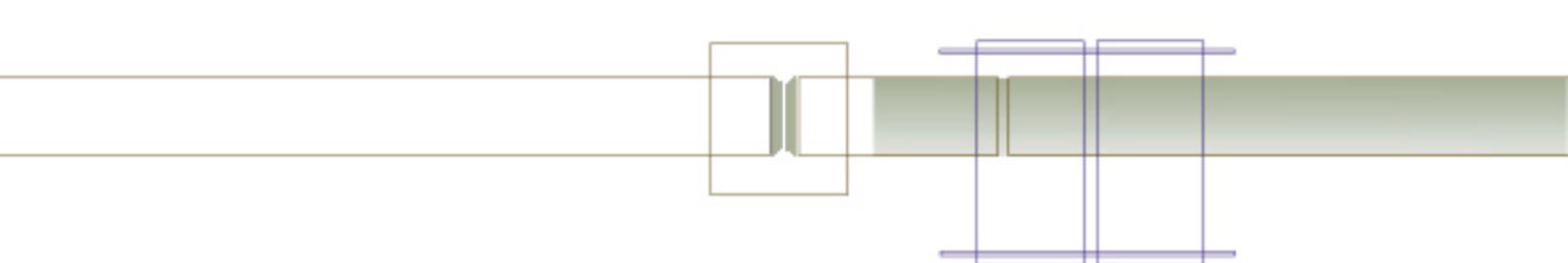
The purpose of regulation is to ensure that the operators of pipelines covered under the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code), provide gas transportation services on terms and conditions and at prices that are fair and reasonable. Successful regulation prevents pipeline operators exploiting their monopoly status in the provision of gas transportation services while ensuring that the owners of gas pipelines have the necessary economic incentives to provide pipeline services and undertake investment to develop the pipeline infrastructure of the State. As a result, regulation supports competition amongst suppliers of natural gas to Western Australian businesses and households and facilitates access of businesses and households to natural gas as a source of energy.



The activities of the Arbitrator are undertaken within a national regulatory framework that ensures consistency in regulation across all Australian states. The national regulatory framework is established by uniform legislation enacted by Australian governments, and which is referred to as the *Gas Pipelines Access Law*. This law includes the Code that sets out the regulatory regime.

The main function of the Arbitrator is to hear and determine disputes between prospective users of the pipelines and operators of gas pipelines to which the Code applies, and in relation to the terms and conditions for gas transportation services.

The Arbitrator also has a role of providing staff, services and support to meet the requirements of the Gas Review Board which functions as an appeals body under the Code and has a review function under the *Energy Coordination Act 1994*.



TERMINOLOGY AND ABBREVIATIONS

A number of terms and commonly used abbreviations have specific meanings within the regulatory framework for natural gas pipelines and in relation to the activities of the Arbitrator. To assist in the reading of this Annual Report, these terms and abbreviations are defined as follows.

Terminology

Access Arrangement: a documented arrangement for access to a natural gas pipeline or gas distribution network setting out the general policies of the service provider in relation to the provision of pipeline services, the terms and conditions for a set of standard or “reference” services, and the prices (reference tariffs) for these services.

Code: the *National Third Party Access Code for Natural Gas Pipeline Systems*, as contained in schedule 2 of the *Gas Pipelines Access (Western Australia) Act 1998*.

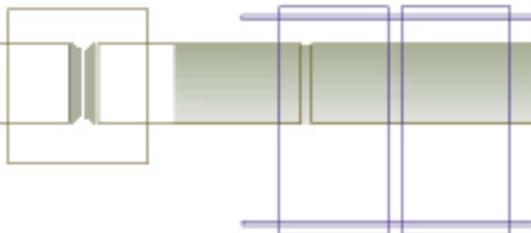
Covered Pipeline: a pipeline or part of a pipeline that is subject to regulation under the provisions of the Code.

Distribution System: a system or network of gas pipelines established for the transportation of gas typically from a high-pressure gas transmission pipeline to locations of gas consumption.

Transmission Pipeline: a gas pipeline used for the transportation of gas typically between a location of gas supply or production to the general location of gas use, but not typically to end users of gas with the exception of very large users of gas that may take gas delivery directly from transmission pipelines.

Abbreviations

OffGAR: the Office of Gas Access Regulation



REPORT ON OPERATIONS

ENABLING LEGISLATION

The office of the Gas Disputes Arbitrator is established under Section 62 of the *Gas Pipelines Access (Western Australia) Act 1998*. The Arbitrator is appointed by the Governor.

Section 75 of the Act specifies that the Arbitrator is independent of direction or control by the Crown or any Minister or officer of the Crown in the performance of the Arbitrator's functions. The Minister can only direct the Arbitrator in respect of general policies to be followed by the Arbitrator in matters of administration, including financial administration, and may not constrain the Arbitrator with respect to the performance of the Arbitrator's functions.

The Act makes the *Gas Pipelines Access Law* (included as Schedules 1 and 2 of the Act) a law of Western Australia. The *Gas Pipelines Access Law* is the uniform legislation enacted by Australian governments for the regulation of access to gas pipelines and includes the Code. The Code establishes the regulatory regime. Section 6 of the Code specifies many of the functions of the Arbitrator.

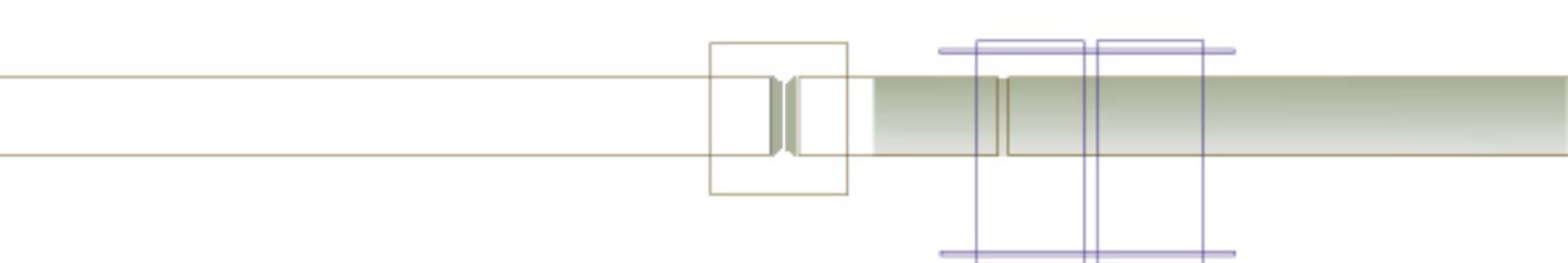
The *Gas Pipelines Access (Western Australia) Act 1998* also enables the Arbitrator to undertake functions (relating to access and pricing) in the transitional role of Gas Referee under regulations made under Section 100 of the *Gas Corporation Act 1994* and Section 51 of the *Dampier to Bunbury Pipeline Act 1997*. The Arbitrator's transitional role of Gas Referee under Section 100 of the *Gas Corporation Act 1994* ceased on 18 July 2000 when the Independent Gas Pipelines Access Regulator approved the Access Arrangement for the AlintaGas Mid-West and South-West Gas Distribution Systems.

Section 50(1) of the *Gas Pipelines Access (Western Australia) Act 1998* establishes the Gas Review Board as an appeals body. The Gas Review Board constitutes:

- a presiding member, chosen by the Attorney General from a panel of legal practitioners; and
- two experts, chosen by the presiding member from a panel of experts.

The Board may be separately constituted to hear and determine different appeals. Section 56 of the Act requires the Arbitrator to provide the Board with its requirements for staff, services and support.

The *Gas Pipelines Access (Western Australia) (Funding) Regulations 1999*, gazetted in January 2000 under the *Gas Pipelines Access (Western Australia) Act 1998*, provide for costs incurred in connection with the performance of the functions of the Gas Review Board to be recovered from the parties to a hearing before the Board. The recovery of costs occurs through the office of the Arbitrator.



The National Third Party Access Code for Natural Gas Pipeline Systems

The Code was agreed by all Australian governments in 1997. It is included as a Schedule of the *Gas Pipelines Access (Western Australia) Act 1998*. Its aims include:

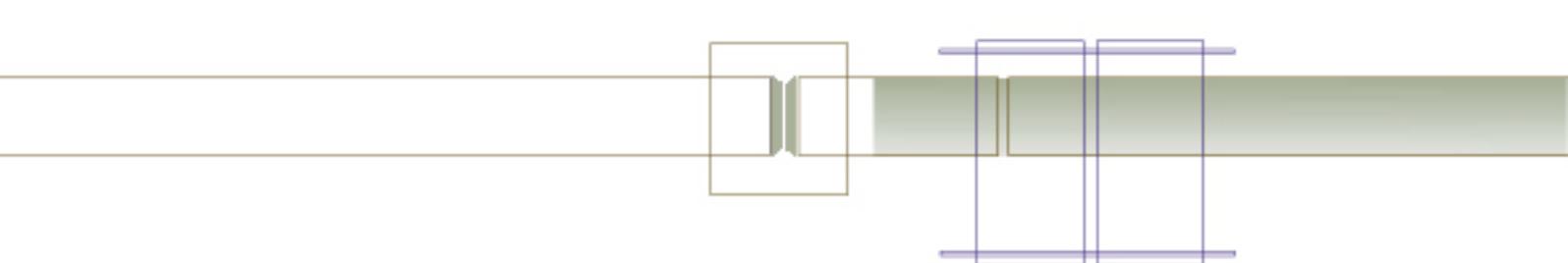
- facilitating the development and operation of a national market for natural gas;
- providing rights of access to natural gas pipelines on conditions that are fair and reasonable for their owners and to those wishing to use pipeline services;
- promoting a competitive market for natural gas in which customers may choose suppliers, including producers, retailers and traders;
- preventing abuse of monopoly power; and
- providing for resolution of disputes.

The decision on whether a Western Australian pipeline system should be covered by the Code lies with the Western Australian Minister for Energy on the recommendation of the National Competition Council.

Core provisions of the Code include:

- enabling access to gas pipelines on fair and reasonable commercial terms and conditions;
- establishing reference tariffs for standard (reference) services, using a uniform process and established principles. Reference tariffs apply unless the service provider and user agree on other arrangements;
- ensuring that sufficient information is provided to users for them to judge the fairness of the tariff;
- facilitating the trading of unused pipeline capacity and providing a fair basis for making new capacity available;
- promoting competition in upstream (exploration and production) and downstream (retail and trading) gas markets;
- ensuring the monopoly component of a pipeline business is ring fenced from components of the business operating in competitive markets; and
- providing for dispute resolution and appeal mechanisms.

Section 6 of the Code establishes a mechanism whereby disputes between prospective users and providers of pipeline services, about the terms and conditions of service provision, can be submitted to the Arbitrator for arbitration. This part of the Code sets out the rules relating to notification of a dispute, withdrawal and termination of a dispute, the nature of the arbitration decision to be made and certain guidelines and restrictions the Arbitrator must follow in arriving at a decision.



RESPONSIBLE MINISTER

The Minister responsible for the administration of the *Gas Pipelines Access (Western Australia) Act 1998* is the Hon. Eric Ripper MLA, Minister for Energy.

IMPACTING LEGISLATION

The following written laws impact on the Arbitrator.

Anti-Corruption Commission Act 1988;

Disability Services Act 1993;

Electoral Act 1907;

Energy Co-ordination Act 1994;

Equal Opportunity Act 1984;

Financial Administration and Audit Act 1985;

Industrial Relations Act 1979;

Library Board of Western Australia Act 1951;

Minimum Conditions of Employment Act 1993;

Occupational Safety and Health Act 1984;

Public and Bank Holidays Act 1972;

Public Sector Management Act 1994;

Salaries and Allowances Act 1975;

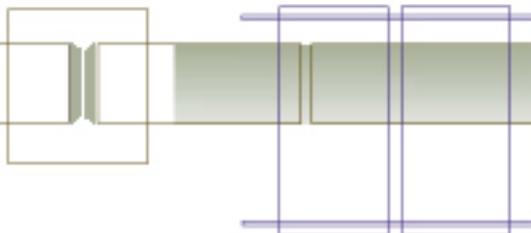
Superannuation and Family Benefits Act 1938;

Workers' Compensation and Rehabilitation Act 1981; and

Workplace Agreement Act 1993.

In some cases, provisions of the *Gas Pipelines Access (Western Australia) Act 1998* may affect application of the above legislation.

The *Freedom of Information Act 1992* has effect on the Arbitrator only in relation to administrative functions.



OUTCOMES and OUTPUTS

Outcomes: The desired outcomes for the Arbitrator are the efficient and effective:

- resolution of disputes;
- reviews of decisions; and
- a readiness to address any matters relating to the Arbitrator's functions in respect of pipelines oversighted by the Arbitrator.

Outputs: The outputs for the Arbitrator are arbitration of disputes, reviews by the Gas Review Board of specified decisions and the oversighting of pipelines covered by the Code. The disputes resolved by the Arbitrator are between prospective users of gas pipeline services and gas pipeline service providers. The reviews by the Gas Review Board are of specified decisions made by the Minister for Energy, the Regulator or the Coordinator of Energy.

Effectiveness: The effectiveness of adequate resolution of disputes, the review of decisions and the oversighting of pipelines can be assessed by reference to surveys of interested parties.

ACTIVITIES

Covered Pipelines

The Arbitrator's functions relate to natural gas pipelines that are wholly located in Western Australia and that are covered by the Code. At 30 June 2001, there were six covered pipelines in Western Australia at locations indicated in Figure 1.

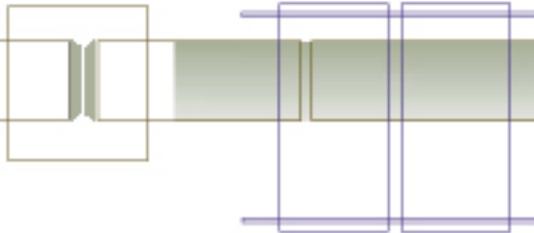
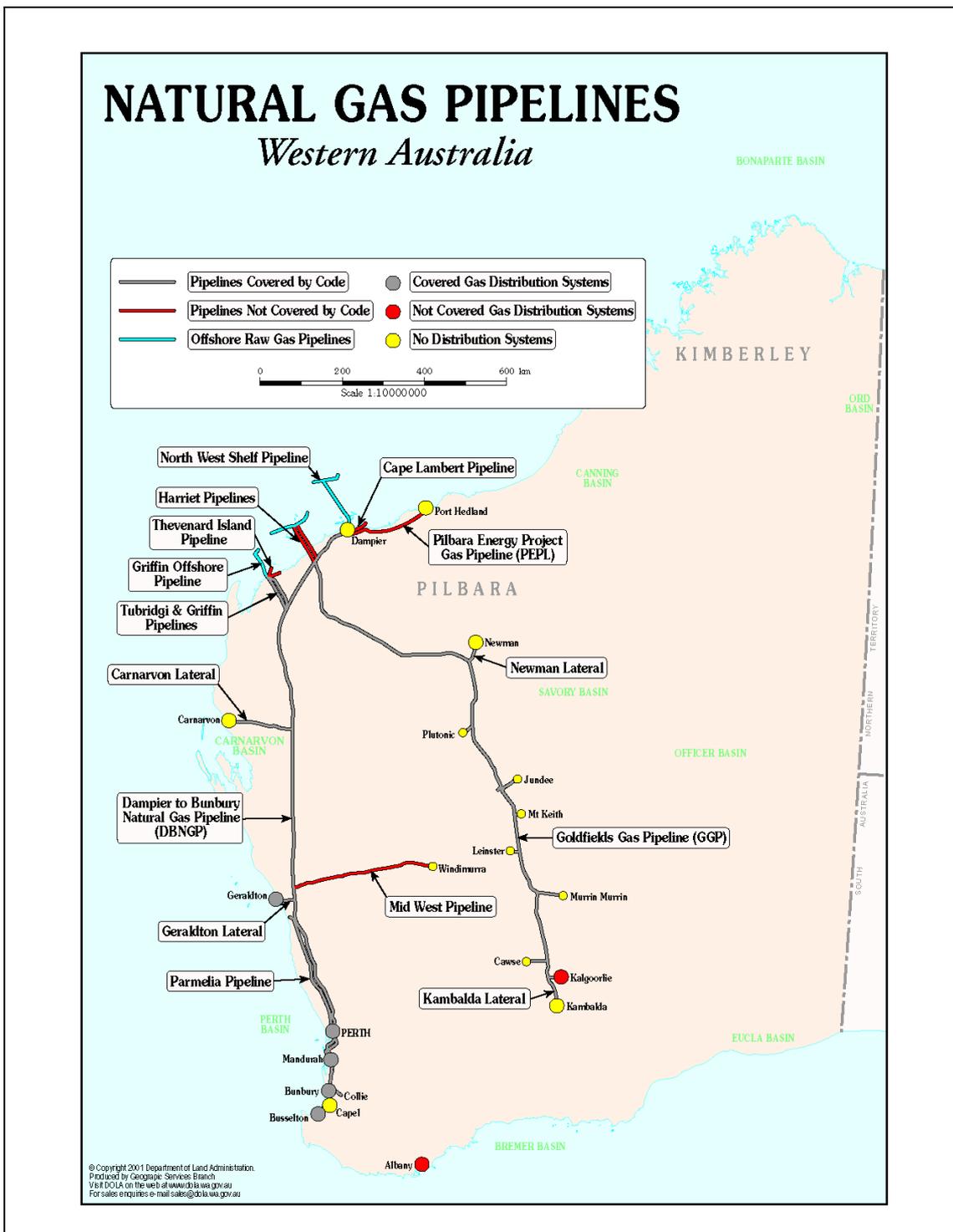
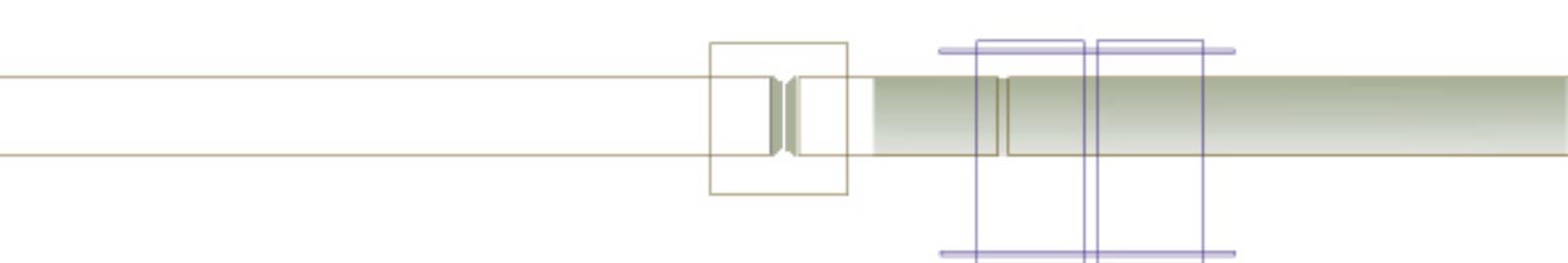


Figure 1
PIPELINE MAP





Arbitration Proceedings

No disputes were referred to the Arbitrator during 2000/2001.

Gas Review Board Proceedings

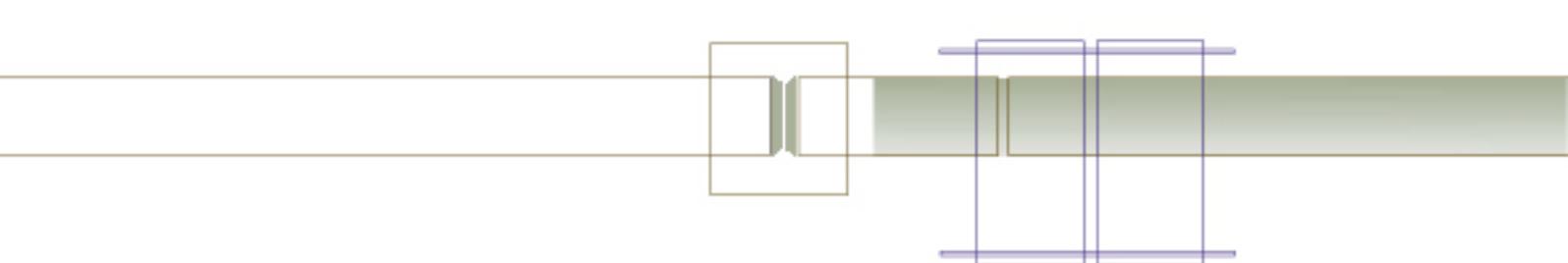
During the year, the Gas Review Board heard two applications for review – Appeals 1 and 2 of 2000. As required by the *Gas Pipelines Access (Western Australia) Act 1998*, administrative support to the Board was provided through the Arbitrator.

The applications for review made to the Gas Review Board were both by component businesses of AlintaGas (AlintaGas Networks Pty Ltd and AlintaGas Sales Pty Ltd) against the Coordinator of Energy. The applications for review related to conditions attached to licences issued by the Coordinator of Energy to the AlintaGas companies for the purposes of authorising the companies to engage in the distribution and trading of gas.

The Gas Review Board was constituted for the purpose of hearing these applications. The Attorney General appointed Mr C. K. S. Merriam from the Panel of Legal Practitioners to be the presiding member. Mr Merriam appointed Mr D. Kirk-Burnnand and Mr J. G. Kuehne from the Panel of Experts to constitute the Board.

The nature of the appeals brought by AlintaGas is summarised as follows.

- Under the *Energy Coordination Act 1994*, licences are required from the Coordinator of Energy to distribute or trade in gas.
- On 1 July 2000, the Coordinator of Energy issued three gas distribution licences (GDL1, GDL2 and GDL3) to AlintaGas Networks Pty Ltd and three gas trading licences (GTL1, GTL2 and GTL3) to AlintaGas Sales Pty Ltd.
- Conditions attached to the gas distribution licences included, amongst other things, requirements in respect of third party access to the distribution systems, requirements in respect of compliance with technical guidelines for the design and planning of gas distribution systems, and requirements to indemnify the State against certain claims.
- On 14 July 2000, AlintaGas Networks Pty Ltd and AlintaGas Sales Pty Ltd applied for review of the inclusion and/or wording of these licence conditions.
- Appeal 1 related to the distribution licence conditions on third party access, technical guidelines and indemnification. Appeal 2 related to the trading licence conditions on indemnification. Appeals 1 and 2 were considered together by the Gas Review Board.



The Crown Solicitor, acting for the Coordinator of Energy, initially sought dismissal of the applications for review on the grounds that they were out of time (but did not proceed on this ground) and that the applications specified no grounds for review.

The Board heard this preliminary matter on 6 October 2000 and concluded that:

- There is no requirement for grounds of review to be specified in the applications.
- Non-specification of the grounds for review did not make the applications vexatious.
- The applications had been made within time.
- The jurisdiction of the Board had been properly invoked.

Accordingly, the Board proceeded with the review. The hearings were on 9 November 2000. The Board's determination was delivered on 11 December 2000.

The Board affirmed that the Coordinator of Energy had the power to include conditions in relation to third party access in the three gas distribution licences and that it was appropriate to include the clauses in relation to third party access and technical guidelines in the licences in their current terms. Orders under Appeal 1 of 2000 were issued accordingly, affirming the inclusion of the relevant clauses.

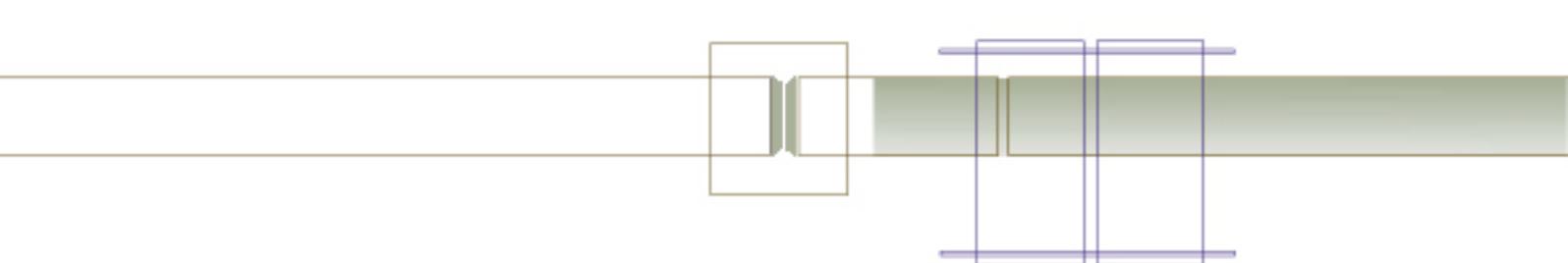
The Board determined that it was appropriate to include clauses in the three distribution licences and the three trading licences that provide indemnification of the State against certain claims, but that the following condition should be added to the clauses (which are similarly worded in each licence) at the end:

"provided that, subject to the provisions of any other relevant Act, such indemnity shall not apply in circumstances where the State, its servants, agents or contractors are negligent in carrying out work for the licensee pursuant to this licence."

Orders under Appeals 1 and 2 were issued accordingly, requiring the immediate inclusion of this extra wording in the six licences.

In respect of the initial applications to dismiss the reviews on the grounds that they were out of time and did not state grounds for appeal, the Board ordered the Coordinator of Energy to pay the costs incurred by AlintaGas Networks Pty Ltd and AlintaGas Sales Pty Ltd. These costs were to be agreed or determined by the presiding member of the Board on the basis of the Supreme Court Scale.

The Board's aggregate costs and expenses for Appeals 1 and 2 together were determined as \$79,188.70. AlintaGas Networks Pty Ltd and AlintaGas Sales Pty Ltd were required to pay half of these costs between them. The Coordinator of Energy was required to pay the other half.



The decision of the Gas Review Board in respect of Appeals 1 and 2 is available on the OffGAR website – www.offgar.wa.gov.au/review.cfm

ORGANISATIONAL STRUCTURE

The position of Arbitrator is held by Mr Laurie James.

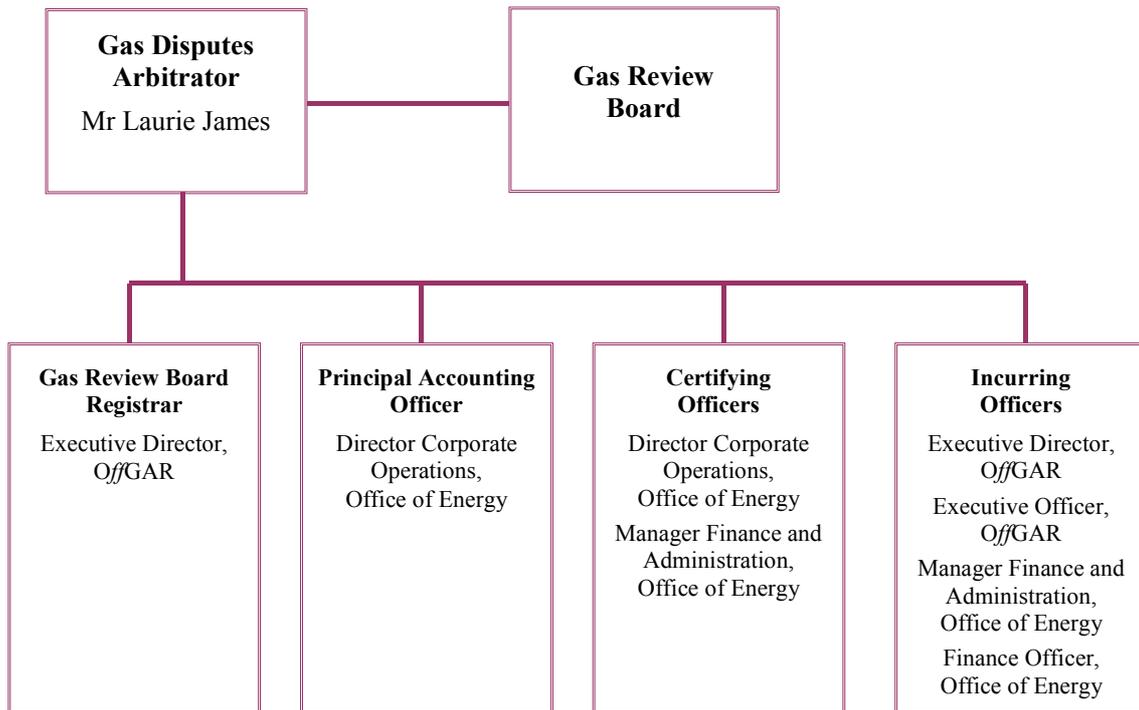
The Arbitrator has no supporting organisation. However, the Arbitrator may make use of staff of other government departments and agencies, other than Western Power and the Gas Corporation. In practice, the Arbitrator has drawn on the staff of the Office of Gas Access Regulation (OffGAR) for secretariat support. OffGAR is the public sector body that provides support to the Independent Gas Pipelines Access Regulator whose position, like that of the Arbitrator, is established by the *Gas Pipelines Access (Western Australia) Act 1998*. If a conflict of interest were to arise from using OffGAR staff, the Arbitrator is able to obtain support elsewhere.

The Arbitrator may also, by instrument, delegate the performance of some functions to a person who is, in the Arbitrator's opinion, competent to perform these functions. The Executive Director of OffGAR has been delegated to the position of Registrar of the Western Australian Gas Review Board. In accordance with Treasurer's Instructions, the Arbitrator has also appointed a Principal Accounting Officer, Certifying Officers and Incurring Officers. The persons appointed are employees of either OffGAR or the Office of Energy.

The organisational structure for the Arbitrator and the Gas Review Board as at 30 June 2001 is shown in Figure 2.

Figure 2

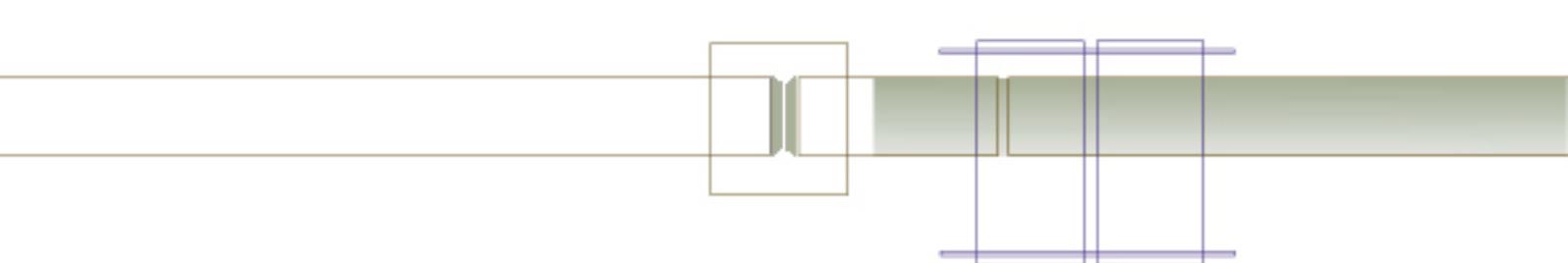
**ORGANISATIONAL STRUCTURE, DELEGATIONS AND APPOINTMENTS
at 30 June 2001**



SENIOR OFFICERS

Mr Laurie James, Gas Disputes Arbitrator

Mr Laurie James was appointed to the position, part-time, on 10 September 1999. Mr James is a Supreme Court barrister and solicitor and chairman of the Western Australian law firm Kott Gunning. He was chairman of the Western Australian Chapter of the Institute of Arbitrators and Mediators Australia between 1990 and 1997. He was also senior vice president of the Law Society of Western Australia from 1995 to 1996 and is currently convenor of its Public Purposes Trust Review Committee.



GAS REVIEW BOARD PANELS

The Gas Review Board is to constitute:

- a presiding member, chosen by the Attorney General from a panel of legal practitioners; and
- two experts, chosen by the presiding member from a panel of experts.

The Board may be separately constituted to review separate decisions.

The Governor appointed a panel of legal practitioners and a panel of experts on 4 April 2000 for a period of five years. The panels are:

Panel of Legal Practitioners

Mr Stewart Bogle
Mr Jon Carson
Mr Chris Humphry
Mr Charles Kennedy Scott Merriam
Mr Rohan Skea
Mr Chris Stevenson

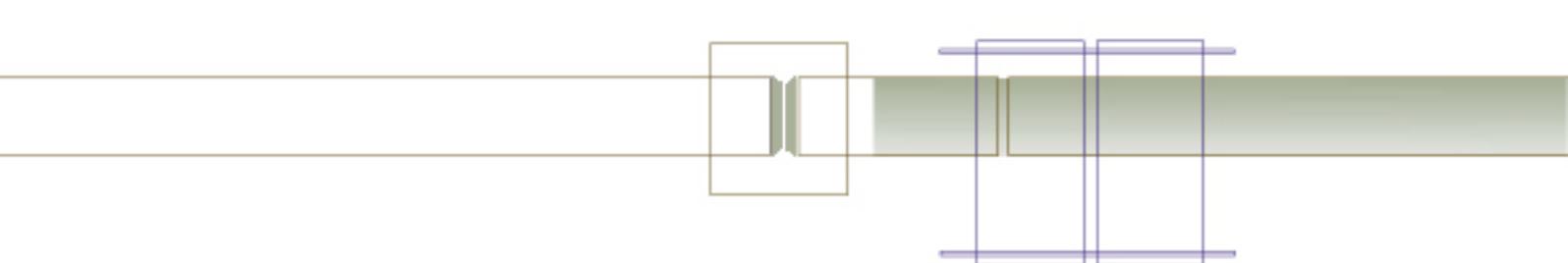
Panel of Experts

Mr Malcolm Clark
Mr Barry Ellis
Mr Andy Gilmour
Mr Ken Hodgkin
Mr Stuart Hohnen
Mr Dennis Kirk-Burnnand
Mr John Kuehne
Mr Murray Meaton
Mr Garry O'Meally
Mr David Pack
Mr Ashley Renney
Mr Michael Soltyk

CODE OF CONDUCT

All public sector officers providing services to the Arbitrator are bound by the Western Australian Public Sector Code of Ethics.

OffGAR has established a Code of Conduct that applies to all employees, including those employees providing services to the Arbitrator. The Code of Conduct provides for the ethical principles of justice, respect for persons and responsible care, and



affirms that OffGAR believes and upholds the values of teamwork, leadership, research and development, and encouragement.

HUMAN RESOURCE POLICIES

The Arbitrator does not employ staff. Officers of other public service agencies providing services to the Arbitrator are employed in accordance with the human resource policies of the employing agencies.

CONSULTANTS

Section 81 of the *Gas Pipelines Access (Western Australia) Act 1998* provides for the Arbitrator to engage consultants.

Expenditure on consultancies during 2000/2001 is summarised in Table 1.

Table 1
EXPENDITURE ON CONSULTANTS
for the year ended 30 June 2001

Value of Consultancy	Number of Consultancies Commissioned	Expenditure in 2000-2001
Up to \$50,000	2	\$5,100
TOTAL	2	\$5,100

Note: These consultancies were in connection with work done by the Gas Review Board.

FUNDING

The activities of the Arbitrator, other than those directly associated with the hearing of arbitrations by the Arbitrator and reviews undertaken by the Gas Review Board, are funded by charges payable by the operators of covered pipelines in accordance with provisions of the *Gas Pipelines Access (Western Australia) (Funding) Regulations 1999* (gazetted 14 January 2000).

Payments to the Arbitrator by operators of covered pipelines comprise standing charges determined in accordance with Regulation 3 of the *Gas Pipelines Access (Western Australia) (Funding) Regulations 1999*. Standing charges are levied on operators of pipelines in respect of costs incurred by the Arbitrator that are not

directly attributable to activities in respect of particular pipeline systems. The pipeline operators that are liable for standing charges and the percentage allocations of costs between these pipeline operators are set out in Schedule 1 of the *Gas Pipelines Access (Western Australia) (Funding) Regulations 1999*. The Independent Gas Pipelines Access Regulator collects the standing charges on behalf of the Arbitrator.

The total amounts of standing charges paid by pipeline operators in respect of the costs of the Arbitrator in the year ending 30 June 2001 are indicated in Table 2.

Table 2
CHARGES PAID BY PIPELINE OPERATORS
for the year ended 30 June 2001

Service Provider	Standing Charges
AlintaGas	\$5,960.08
CMS Gas Transmission of Australia	\$1,568.86
Epic Energy (WA) Nominees Pty Ltd	\$14,369.01
Goldfields Gas Transmission	\$5,313.61
SAGASCO SE Inc.	\$1,147.17
Southern Cross Pipelines Pty Ltd	\$970.64
Total	\$29,329.37

Note: Figures based on actual payments received from pipeline operators by the Regulator and transferred to the Arbitrator.

Standing charges are assessed in arrears for each pipeline operator. In accordance with Regulation 4 of the *Gas Pipelines Access (Western Australia) (Funding) Regulations 1999*, standing charges are assessed at the end of each calendar quarter.

In 1999/2000, the Arbitrator was funded by an amount of \$30,000 made available from a Treasurer's Advance to the Regulator for the operations of the Arbitrator prior to the Funding Regulations being put in place. A further \$40,000 was made available to the Arbitrator from a Treasurer's Advance at the start of the 2000/2001 year. This advance was subsequently repaid to Treasury by an appropriation from Treasury through an administered item in the Office of Energy's budget. The appropriation for the full repayment of this Treasurer's Advance covered the expenditure incurred prior

to the gazettal of the Funding Regulations in January 2000 and the working capital required to cover the delay in the assessment and payment of standing charges.

A Treasurer's Advance of \$100,000 was also paid to the Arbitrator during the year to meet the costs of the Gas Review Board. These moneys were repaid to the Treasurer prior to the end of the financial year following the recovery of costs from the parties to the reviews.

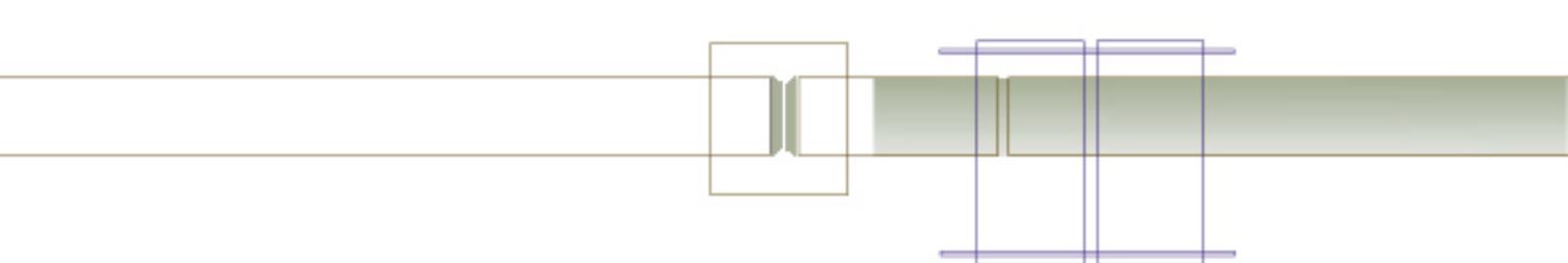
Section 30 of Schedule 1 of the *Gas Pipelines Access (Western Australia) Act 1998* makes provision for the Arbitrator to recover costs incurred in arbitration of an access dispute. As there were no access disputes referred to the Arbitrator in 2000/2001, no such costs were incurred.

The *Gas Pipelines Access (Western Australia) (Funding) Regulations 1999* enable the Arbitrator to recover the cost and expenses of the Gas Review Board in connection with the hearing and determination of proceedings before it. Regulation 9 provides for the Board to fix an amount that represents the costs and expenses incurred by the Board in connection with the hearing and determination of particular proceedings before it, and to assign costs to the parties to the relevant proceedings. The amounts paid under the regulations for the costs and expenses of the Gas Review Board during 2000/2001 are shown in Table 3.

Table 3

**COSTS RECOVERED IN RESPECT OF PROCEEDINGS OF THE
GAS REVIEW BOARD
for the year ended 30 June 2001**

Party to Proceedings	Costs Recovered
AlintaGas	\$39,594.35
Coordinator of Energy	\$39,594.35
Total	\$79,188.70



COMPLIANCE

The Arbitrator has no supporting organisation as such. Details of compliance relate solely to the office of the Arbitrator.

SHARES IN SUBSIDIARY BODIES

Treasurer's Instruction 903 requires details of shares in any subsidiary body of the agency held as a nominee or held beneficially by a Senior Officer of the agency. There are no such shares.

INTEREST IN EXISTING OR PROPOSED CONTRACTS

Treasurer's Instruction 903 requires particulars of any interest in any existing or proposed contract which a Senior Officer, or a firm of which a Senior Officer is a member, or an entity in which a Senior Officer has a substantial financial interest, has made with the agency or any related or affiliated body. There are no such interests.

ELECTORAL ACT DISCLOSURE REQUIREMENTS

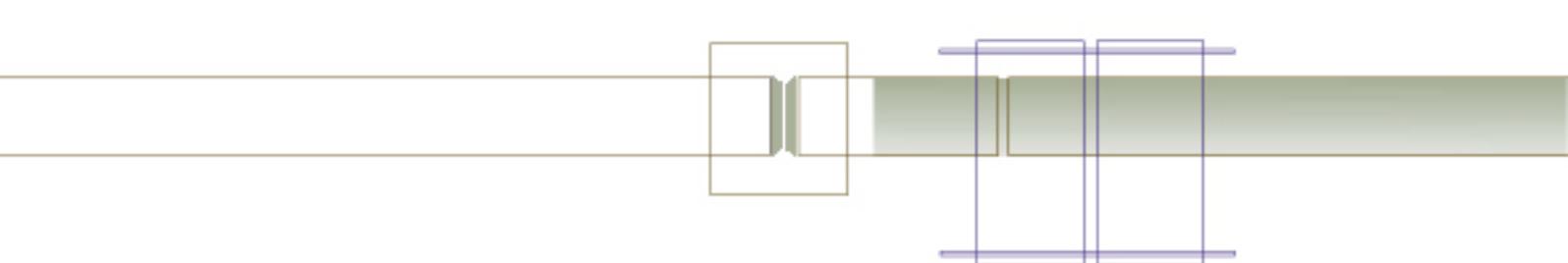
Section 175ZE of the *Electoral Act 1907* requires public agencies to include a statement in their Annual Reports detailing all the expenditure incurred by or on behalf of the public agencies during the reporting period in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising agencies.

No expenditure under Section 175ZE of the *Electoral Act 1907* was incurred by the Arbitrator during the period 1 July 2000 to 30 June 2001.

DIRECTIONS GIVEN

Section 75(2) of the *Gas Pipelines Access (Western Australia) Act 1998* provides for the Minister to give directions in writing to the Arbitrator in relation to general policies to be followed by the Arbitrator in matters of administration, including financial administration. The text of any such direction is required to be included in the Arbitrator's Annual Report.

No directions under Section 75(2) of the *Gas Pipelines Access (Western Australia) Act 1998* were given to the Arbitrator during the year.



PERFORMANCE MEASURES

Treasurer's Instruction 904 requires information to be provided on the quantity, quality, timeliness and cost of the agency's outputs.

Quantity

The formal outputs of the Arbitrator are the number of disputes resolved, the number of reviews undertaken and the number of pipelines or pipeline systems oversighted by the Arbitrator in the financial year. There were no applications for arbitration during the 2000/2001 financial year. The Arbitrator provided personnel services, facilities and support to the Gas Review Board for two applications for review that were heard and determined during the year.

Quality

This is measured by the proportion of clients who are satisfied/very satisfied with the arbitration or review processes implemented. As there were no arbitration proceedings and only two reviews by the Gas Review Board, it is not possible to establish a quality measure for the functions of the Arbitrator.

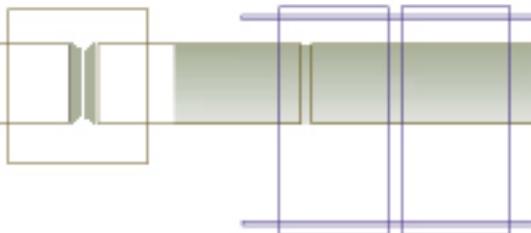
The success and quality of the reviews undertaken, as well as the Arbitrator's support of the Gas Review Board, is supported by the parties to the reviews having accepted the outcome, which has been fully implemented, and all costs of the Board having been recovered from the parties to the reviews.

As a further means of assessment of the effectiveness of the Arbitrator in achieving the desired outcomes, interviews were conducted with representatives of the two parties to the review. The purpose of the interviews was to ascertain the degree of satisfaction with the process and administration of the Gas Review Board, which takes account of the Arbitrator's responsibilities, rather than the determinations of the Board, which lie outside the control of the Arbitrator.

Representatives of the parties to the review were asked to indicate their degree of satisfaction with three aspects of the administration process of the Gas Review Board:

- the adequacy of information dissemination and the extent to which the party was kept fully informed about the process;
- the helpfulness, timeliness and overall service of staff supporting the Gas Review Board; and
- overall satisfaction with the administrative process.

Both parties indicated they were satisfied with the administration of the review process.



Timeliness

This is measured by the percentage of outputs completed within standard time. The applications for the two reviews by the Gas Review Board were received on 14 July 2000. The reviews were conducted together and determinations delivered by the Board on 11 December 2000, a period of 150 days since the application. This complies with the Gas Pipelines Access Law whereby the appeals body must make its determination on the review within 90 days after receiving the application for review, but the appeals body has the ability to extend, or further extend, the period by a period of 30 days if it considers that the matter cannot be dealt with properly without the extension.

Cost

This is measured by the average cost for resolving disputes, reviewing decisions and by the average cost per equivalent pipeline oversighted by the Arbitrator.

Costs were incurred during the year in relation to:

- overhead costs of the Arbitrator; and
- costs of the Gas Review Board for the hearing of two reviews.

Two performance indicators for the cost of outputs are presented in Table 4. These are the average overhead (indirect) cost of the Arbitrator for each Western Australian pipeline covered by the Code, and the average cost of the two reviews undertaken by the Gas Review Board. Comparable measures exist for the previous reporting period only in respect of the average overhead cost of the Arbitrator per covered pipeline. The average cost of the Arbitrator per equivalent pipeline exceeded the target.

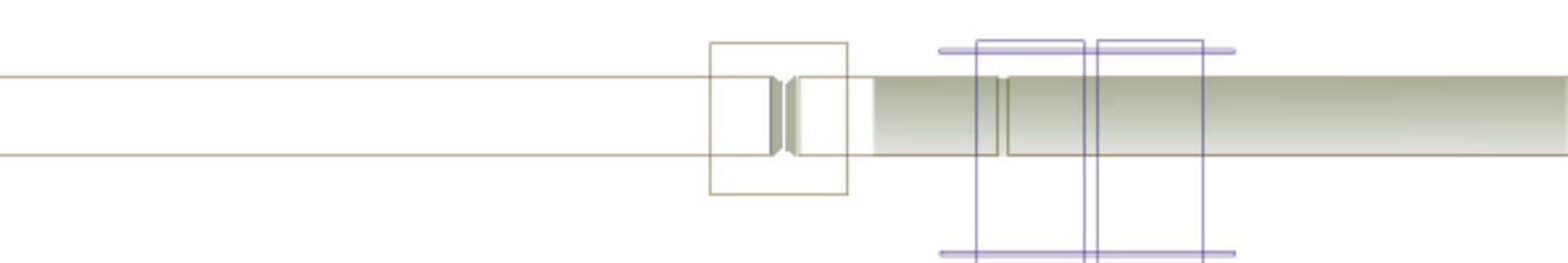
Table 4
COST MEASURES

Measure	2000/2001		1999/2000	
	Target	Actual	Target	Actual
Average cost ¹ per equivalent ² covered pipeline oversighted ³	\$7,000	\$8,100	\$4,600	\$3,700
Average cost ¹ of reviews heard by the Gas Review Board	n/a	\$39,594	n/a	n/a

n/a not applicable

Notes:

1. Financial figures based on actual expenditure for the reporting period.
2. The concept of equivalent units of output is used recognising that pipelines may be covered by the Code for part of the year only.
3. Average overhead (indirect) cost per covered pipeline and equivalent covered pipeline oversighted.



PUBLICATIONS

The following public documents were issued by the Arbitrator and the Gas Review Board:

[Annual Report 1999/2000 \(1480 KB\)](#)

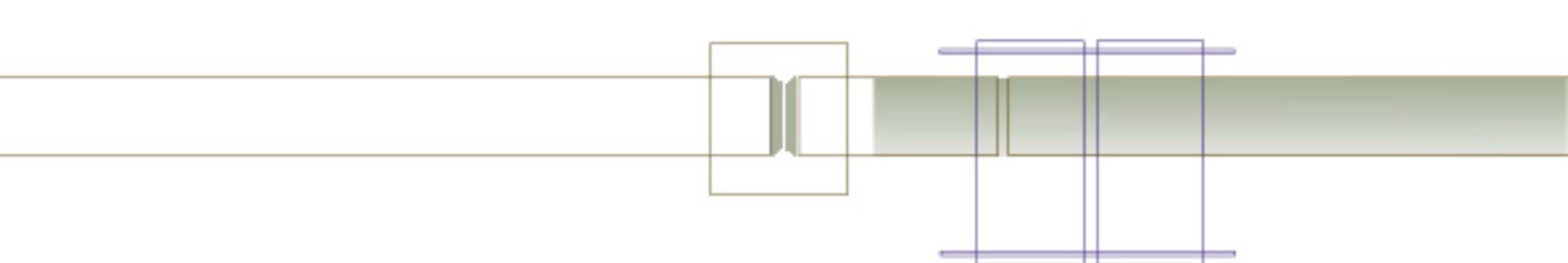
[Preliminary Decision and Reasons in Appeals 1 and 2 of 2000 \(29 KB\)](#)

[Determination and Reasons in Appeals 1 and 2 of 2000 \(127 KB\)](#)

All publications have been placed on the web site of the Office of Gas Access Regulation and are available for downloading.

BOARDS AND COMMITTEES

The Arbitrator did not participate on Boards or Committees during the year.



KEY PERFORMANCE INDICATORS

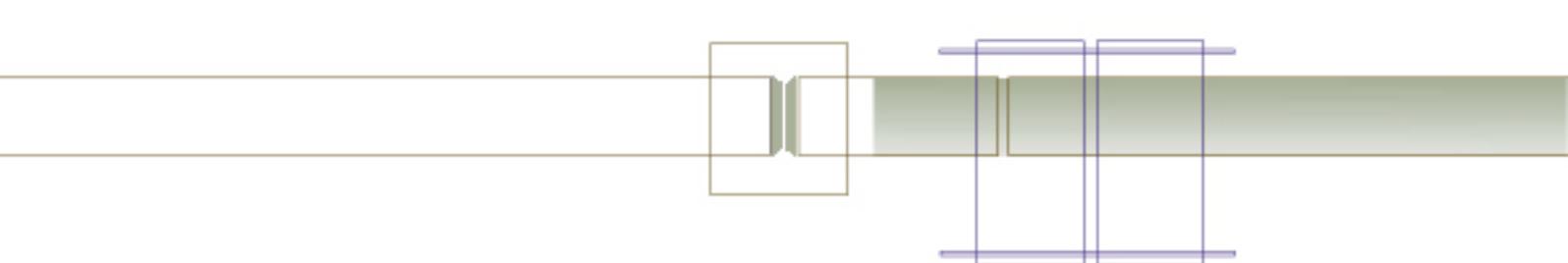
STATEMENT OF CERTIFICATION

I hereby certify that the accompanying performance indicators are based on proper records and fairly represent the performance of the Western Australian Gas Disputes Arbitrator for the year ended 30 June 2001.



LAURIE JAMES
GAS DISPUTES ARBITRATOR

31 August 2001



OPINION OF THE AUDITOR GENERAL

To the Parliament of Western Australia

WESTERN AUSTRALIAN GAS DISPUTES ARBITRATOR PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the key effectiveness and efficiency performance indicators of the Western Australian Gas Disputes Arbitrator for the year ended June 30, 2001 under the provisions of the *Financial Administration and Audit Act 1985*.

The Arbitrator is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Arbitrator's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

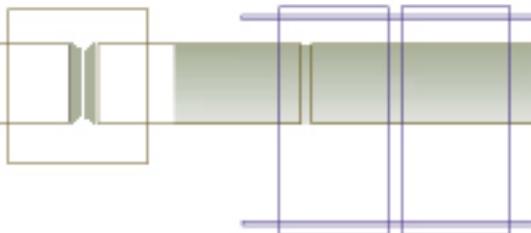
The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Western Australian Gas Disputes Arbitrator are relevant and appropriate for assisting users to assess the Arbitrator's performance and fairly represent the indicated performance for the year ended June 30, 2001.



K O O'NEIL
ACTING AUDITOR GENERAL
November 23, 2001



INDICATORS FOR 2000/2001

Effectiveness

Desired outcome	Percentage of interested parties satisfied or very satisfied with:	Percentage 2000/01	Percentage 1999/00
To provide for the resolution of disputes.	The administration of arbitration processes	n/a ¹ (no arbitrations)	n/a (no arbitrations)
To provide rights of access to natural gas pipelines on conditions that are fair and reasonable for pipeline service providers and users of pipeline services.	The administration of review processes	100% ²	n/a (no reviews)

n/a not applicable

Notes for Effectiveness Indicators:

1. There were no arbitrations during the year.
2. The success and quality of two reviews of decisions undertaken by the Gas Review Board, and particularly the Arbitrator's support of the Gas Review Board, is evident by the parties to the reviews having accepted the outcomes of the reviews, which have been fully implemented, and all costs of the Board having been recovered from the parties to the reviews. See explanatory notes below.

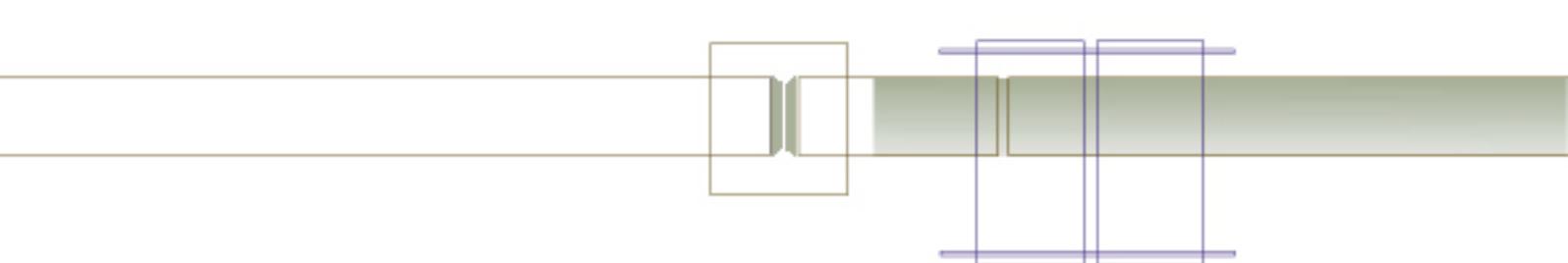
Efficiency

Output	Performance Indicator	Value 2000/01	Value 1999/00
Arbitration of disputes	Cost per dispute	n/a ¹ (no disputes)	\$0 (no disputes)
Review of decisions	Cost per review	\$39,594	\$0 (no reviews)
Oversighting of gas pipelines located in Western Australia that are covered by the Code	Cost per equivalent pipeline oversighted ²	\$8,050	\$3,670 ³

n/a not applicable

Notes for Efficiency Indicators:

1. An average cost of arbitration per dispute cannot be determined as there were no disputes heard in 2000/2001.
2. There were six covered pipelines for the entire duration of the reporting period.
3. The costs for the financial year 1999/00 reflect the Arbitrator operating for only part of the year, having been appointed in September 1999.



Explanatory Notes on Key Performance Indicators

The Arbitrator's key performance indicators are taken from objectives set out in the enabling legislation, which is the *Gas Pipelines Access (Western Australia) Act 1998*. The Preamble to this legislation states:

“The Commonwealth, the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania, the Northern Territory and the Australian Capital Territory agreed in November 1997 to the enactment of legislation in the Commonwealth and those States and Territories so that a uniform national framework applies for third party access to all gas pipelines that —

- (a) facilitates the development and operation of a national market for natural gas; and
- (b) prevents abuse of monopoly power; and
- (c) promotes a competitive market for natural gas in which customers may choose suppliers, including producers, retailers and traders; and
- (d) provides rights of access to natural gas pipelines on conditions that are fair and reasonable for the owners and operators of gas transmission and distribution pipelines and persons wishing to use the services of those pipelines; and
- (e) provides for resolution of disputes.”

These objectives are set at a national level. However, gas pipelines in Western Australia do not currently extend beyond this State.

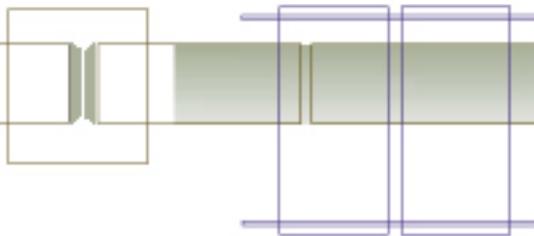
The desired outcomes for the Arbitrator were determined to be as follows:

- to provide for the resolution of disputes; and
- to provide rights of access to natural gas pipelines on conditions that are fair and reasonable for pipeline service providers and users of pipeline services.

Three outputs are identified for the Arbitrator as follows:

- | | |
|----------|---|
| Output 1 | Arbitration of disputes |
| Output 2 | Review of decisions |
| Output 3 | Oversighting of gas pipelines located in Western Australia that are covered by the Code |

The specific services provided by the Arbitrator during the reporting year have been discussed under the section “[Report on Operations](#)” of this report.



Effectiveness Indicators

As there were no arbitration proceedings during the year, it is not possible to quantify effectiveness measures for the services of the Arbitrator.

However, as indicated in footnote 2 in the table on effectiveness above, the success of the Arbitrator's support of the Gas Review Board is evident by the parties to two reviews having accepted the outcomes of those reviews.

As a further means of assessment of the effectiveness of the Arbitrator in achieving the legislated desired outcomes, interviews were conducted with representatives of the two parties to the reviews. The purpose of the interviews was to ascertain the degree of satisfaction with the process and administration of the Gas Review Board, which takes account of the Arbitrator's responsibilities rather than the determinations of the Board. The focus of the interviews on process and administration was therefore necessary since determinations by the Board lie outside the control of the Arbitrator.

Representatives of the parties to the reviews were asked to indicate their degree of satisfaction with three aspects of administration of the Gas Review Board:

- the adequacy of information dissemination and the extent to which the party was kept fully informed about the process;
- the helpfulness, timeliness and overall service of staff acting for the Gas Review Board; and
- overall satisfaction with the administrative process.

Both parties indicated they were satisfied with the administration of the Gas Review Board.

Efficiency Indicators

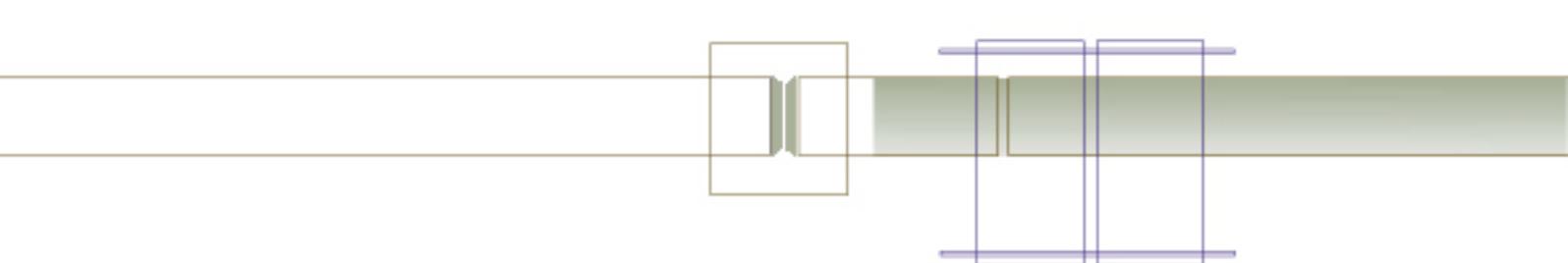
The efficiency indicators for the Arbitrator are:

- | | |
|----------|--|
| Output 1 | Cost per dispute |
| Output 2 | Cost per review |
| Output 3 | Cost per equivalent gas pipeline oversighted |

As there were no disputes to arbitrate in the 2000/2001 financial year, the cost per dispute is zero. The same situation applied in the previous financial year.

The cost per review for the 2000/2001 financial year is \$39,594. There were two reviews during the year, the costs of which were fully met by the parties to the reviews. There were no reviews in the previous financial year.

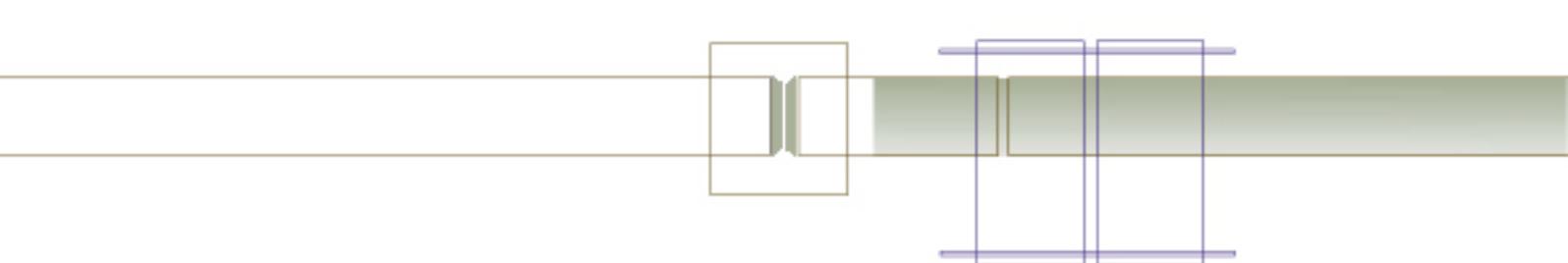
The cost per equivalent gas pipeline oversighted for the 2000/2001 financial year was \$8,050 as compared with \$3,670 in the previous financial year. The increase in unit



costs reflects the Arbitrator operating for only part of the 1999/2000 financial year, having been appointed in September 1999.

The concept of equivalent units of output is used recognising that one or more pipelines may be covered by the Code for only part of the year.

The cost per equivalent output is derived from the financial reporting system that generates the financial statements of this report.



FINANCIAL STATEMENTS

STATEMENT OF CERTIFICATION

I hereby certify that the accompanying financial statements of the Western Australian Gas Disputes Arbitrator have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2001 and the financial position as at 30 June 2001.

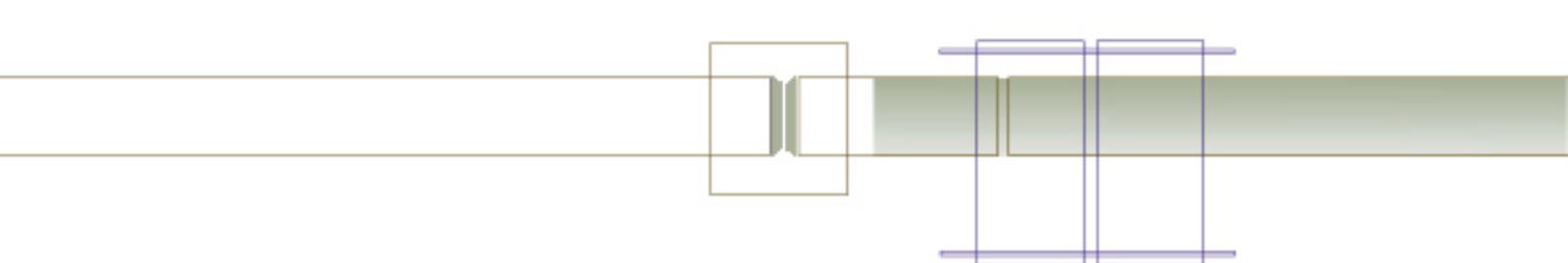
At the date of signing we are not aware of any circumstances, which would render the particulars included in the financial statements misleading or inaccurate.



LAURIE JAMES
ACCOUNTABLE AUTHORITY
28 August 2001



GEOFF GILBERT
PRINCIPAL ACCOUNTING OFFICER
24 August 2001



OPINION OF THE AUDITOR GENERAL

To the Parliament of Western Australia

WESTERN AUSTRALIAN GAS DISPUTES ARBITRATOR FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the accounts and financial statements of the Western Australian Gas Disputes Arbitrator for the year ended June 30, 2001 under the provision of the *Financial Administration and Audit Act 1985*.

The Arbitrator is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Arbitrator.

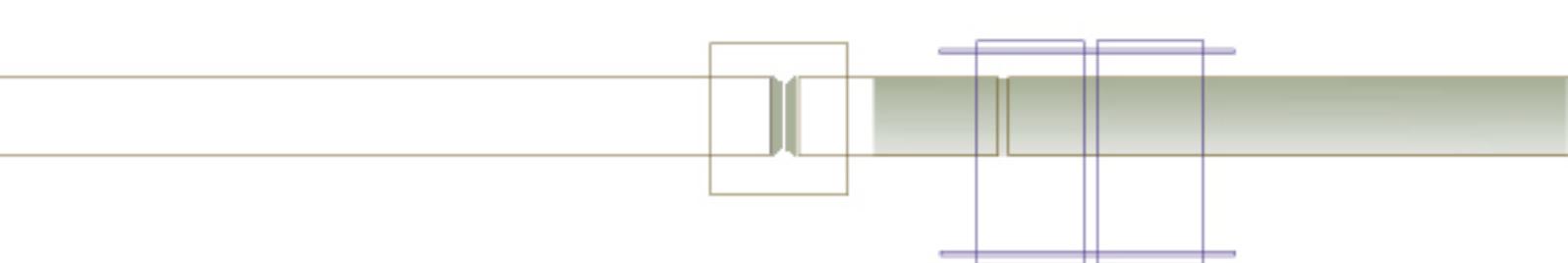
My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Arbitrator to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement 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 Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Arbitrator's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the Western Australian Gas Disputes Arbitrator provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the



financial position of the Arbitrator at June 30, 2001 and the results of its operations and its cash flows for the year then ended.



K O O'NEIL
ACTING AUDITOR GENERAL
November 23, 2001

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2001

	NOTE	2000/01 \$'000	1999/00 \$'000
COST OF SERVICES			
Expenses from Ordinary Activities			
Salaries	2	85	20
Superannuation	3	2	1
Administration expenses	4	38	4
<i>Total Cost of Services</i>		125	25
Revenues from Ordinary Activities			
Recoup of costs		109	8
Interest on account balances		4	0
<i>Total Revenues from Ordinary Activities</i>	5	113	8
<i>Net Cost of Services</i>	13	12	17
REVENUES FROM GOVERNMENT			
Treasurer's Advances	6	0	22
Resources received free of charge	7	2	2
Liabilities assumed by other Agencies	8	40	0
<i>Total Revenues from Government</i>		42	24
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS		30	7

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2001

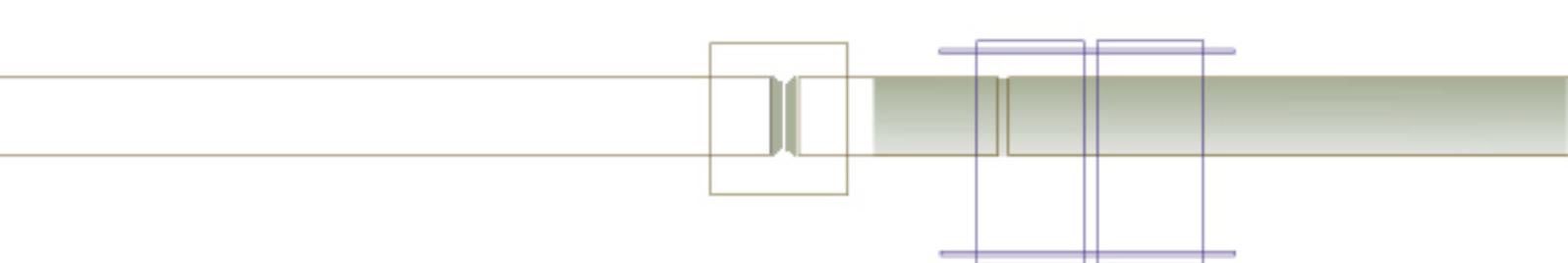
		2000/01	1999/00
	NOTE	\$'000	\$'000
CURRENT ASSETS			
Cash assets	9	41	8
<i>Total Current Assets</i>		41	8
<i>Total Assets</i>		41	8
 CURRENT LIABILITIES			
Payables	10	3	0
Other liabilities	11	1	1
<i>Total Current Liabilities</i>		4	1
<i>Total Liabilities</i>		4	1
 EQUITY			
Accumulated surplus	12	37	7
<i>Total Equity</i>		37	7
<i>Total Liabilities and Equity</i>		41	8

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2001

	NOTE	2000/01 \$'000	1999/00 \$'000
CASH FLOWS FROM GOVERNMENT			
Treasurer's Advances	6	0	22
Liabilities assumed by other Agencies	8	40	0
<i>Net Cash Provided by Government</i>		40	22
 Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Salaries and related costs		(85)	(20)
Administration		(35)	(2)
Receipts			
Recoup of costs and interest on account balances		113	8
<i>Net Cash Used in Operating Activities</i>	13	(7)	(14)
<i>Net Increase / (Decrease) in Cash Held</i>		33	8
<i>Cash Assets at the Beginning of the Financial Year</i>		8	0
<i>Cash Assets at the End of the Financial Year</i>	9	41	8

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2001

1 Statement of Accounting Policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year:

a) General

- i) The financial statements are prepared in accordance with the *Financial Administration and Audit Act 1985*.
- ii) Subject to the exceptions noted in these accounting policies, the financial statements have been drawn up on the basis of historical cost principles.
- iii) The accrual basis of accounting is being applied.
- iv) The financial statements constitute a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act 1985* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and, where practicable, the resulting financial effect are disclosed in individual notes to these financial statements.

b) Valuation of Non-Current Assets

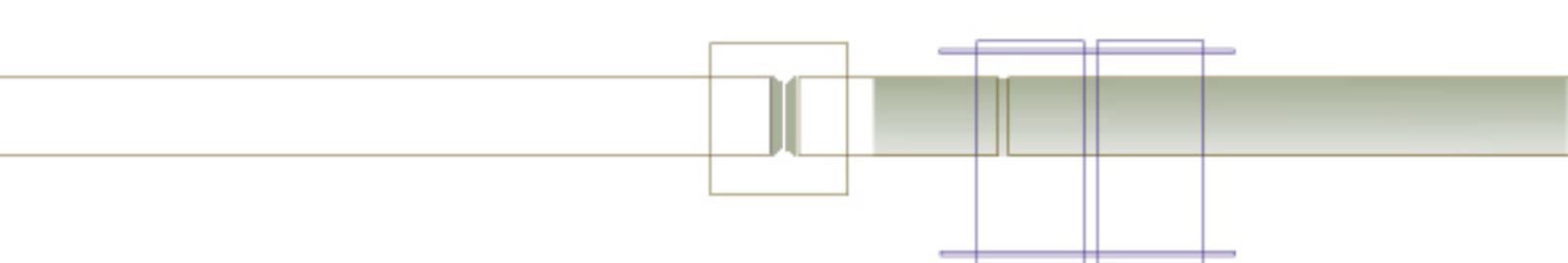
The Authority holds no non-current fixed assets.

c) Leased Assets

The Authority has not entered into any operating lease arrangements for office accommodation, vehicles or any other assets.

d) Depreciation (and Amortisation) of Non-Current Assets

The Authority holds no non-current fixed assets. Therefore, no policy is applicable to depreciation or amortisation of assets.



NOTES TO THE FINANCIAL STATEMENTS (cont.)

30 June 2001

e) Employee Entitlements

i) Annual and Long Service Leave

The Authority has no annual or long service leave entitlement.

ii) Superannuation

At the reporting date, the Arbitrator was ineligible to contribute to the Superannuation and Family Benefits Act scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. The Arbitrator has an amount included as part of a retainer, which is deducted from each payment and remitted to a complying fund. The Government has no unfunded superannuation liability in respect of the Arbitrator.

f) Revenue

The costs of the Authority's operations are recoupable. These and other revenues are fully described in the operating statement.

g) Funding

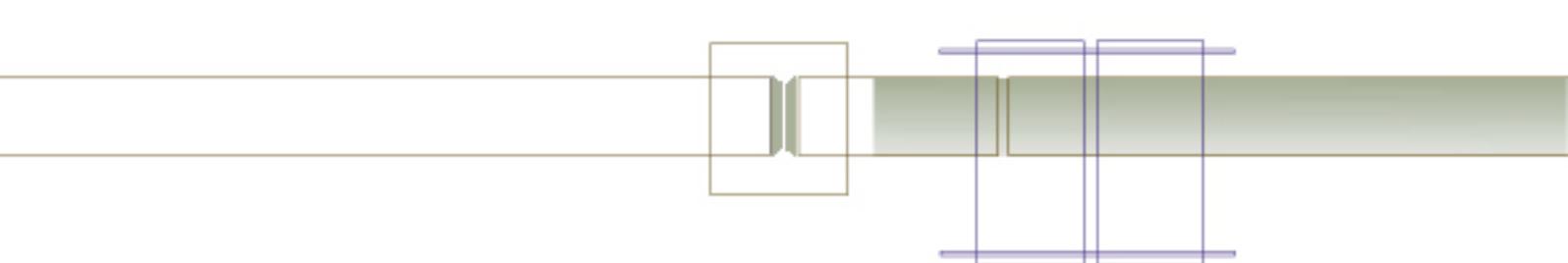
Funding of the Authority for the year ended 30 June 2001 was provided through regulation providing for recovery of the costs of operations from pipeline owners in Western Australia or parties in dispute. Repayment of a Treasurer's Advance was facilitated through an administered appropriation to the Office of Energy, who extinguished the Treasurer's Advance on behalf of the Authority. This had previously been recognised as liabilities (Borrowings) in the Statement of Financial Position.

h) Receivables, Payables, Accrued Salaries and Borrowings

The Authority reports no receivables at 30 June 2001. If there were receivables, they would be recognised at the amounts receivable as they would normally be due for settlement no more than 30 days from the date of recognition.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for the financial year does not coincide with the end of the financial year.

Payables, including accruals not yet billed, are recognised when the Arbitrator became obliged to make future payments as a result of a purchase of assets or services. Payables would generally be settled within 30 days.



NOTES TO THE FINANCIAL STATEMENTS (cont.)
30 June 2001

i) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

j) Net Fair Values of Financial Assets and Liabilities

Net fair values of financial instruments are determined on the following bases:

- * Monetary financial assets and liabilities not traded in an organised financial market – cost basis carrying amounts of accounts receivable, accounts payable and accruals (which approximates net market value);
- * Fixed rate borrowings and leave liabilities – current risk adjusted market rates.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

30 June 2001

	2000/01	1999/00
	\$'000	\$'000
2 Salaries		
Salaries paid:		
Arbitrator	25	20
Western Australian Gas Review Board	60	0
	85	20
3 Superannuation		
Total expense for the year	2	1
4 Administration Expenses		
Expenses incurred during the year:		
Arbitrator	20	4
Western Australian Gas Review Board	18	0
	38	4
Administration expenses include travel, communication, services and contracts and asset maintenance costs		
5 User Charges and Fees		
Recoup of costs - Arbitrator	31	8
Interest on account balances	4	0
Recoup of costs - Western Australian Gas Review Board	78	0
	113	8
6 Treasurer's Advances		
Repayment of Treasurer's Advances	(140)	0
Treasurer's Advance - Western Australian Gas Review Board	100	0
Treasurer's Advance - Arbitrator's operations	40	22
	0	22
7 Resources Received Free of Charge		
Resources received free of charge has been determined on the basis of the following information provided by agencies:		
Office of the Auditor General - audit services	2	2
	2	2
8 Liabilities Assumed by Other Agencies		
Office of Energy - Treasurer's Advance liability extinguished	40	0
	40	0

NOTES TO THE FINANCIAL STATEMENTS (cont.)

30 June 2001

	2000/01 \$'000	1999/00 \$'000
9 Cash Assets		
Operating account	41	8
	41	8
10 Payables		
Amounts payable for goods and services received	3	0
	3	0
The carrying amount of accounts payable approximates their net fair values.		
11 Other Liabilities		
Accrued salaries owing for the 6 working days from 21 June to 30 June 2001 (2000: 6 working days)	1	1
	1	1
Accrued Salaries are settled within a few working days of the financial year. The carrying amount of accrued salaries is equivalent to the net fair value.		
12 Accumulated Surplus		
Opening balance	7	0
Change in the net assets resulting from operations	30	7
Closing balance	37	7
Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community.		
13 Reconciliation of Net Cash used in Operating Activities to Net Cost of Services		
Net cash used in operating activities	(7)	(14)
Decrease/(Increase) in accrued salaries	(1)	(1)
Decrease/(Increase) in payables	(2)	0
Resources received free of charge	(2)	(2)
Net cost of services	(12)	(17)

For the purposes of the Statement of Cash Flows, 'cash' has been deemed to include cash on hand, Trust Fund balances and amounts held in suspense.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

30 June 2001

	2000/01	1999/00
	\$'000	\$'000
14 Reconciliation of Cash		
Cash assets	41	8
	41	8

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments. Cash at the beginning of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

15 Remuneration and Retirement Benefits of Senior Officers of the Accountable Authority

The number of Senior Officers whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, who fall within the following bands is:

	Number of Senior Officers	
	2000/01	1999/00
20,000 - 30,000	1	1
	\$'000	\$'000
The total remuneration of senior officers is:	25	20

Retirement Benefits of Senior Officers

The following amounts in respect of retirement benefits for senior officers were paid or became payable for the financial year:

	2000/01	1999/00
	\$'000	\$'000
Contributions to Superannuation Schemes other than Gold State or West State (GESB) Schemes	1	1

NOTES TO THE FINANCIAL STATEMENTS (cont.)
30 June 2001

16 Additional Financial Instruments Disclosures

a) Interest Rate Risk Exposure

The Authority's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:

	2001				2000			
	Weighted average effective interest rate %	Floating interest rate \$'000	Non interest bearing \$'000	Total \$'000	Weighted average effective interest rate %	Floating interest rate \$'000	Non interest bearing \$'000	Total \$'000
<u>Assets</u>								
Cash Resources	5.63	41	0	41	5.85	8	0	8
Total Financial Assets		41	0	41		8	0	8
<u>Liabilities</u>								
Accrued salaries	N/A	0	1	1	N/A	0	1	1
Payables	N/A	0	3	3		0	0	0
Total Financial Liabilities		0	4	4		0	1	1
Net Financial Assets		<u>41</u>	<u>(4)</u>	<u>37</u>		<u>8</u>	<u>(1)</u>	<u>7</u>

b) Credit Risk

All financial assets are unsecured. Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the Authority's maximum exposure to credit risk in relation to those assets.

c) Net Fair Value of Financial Instruments

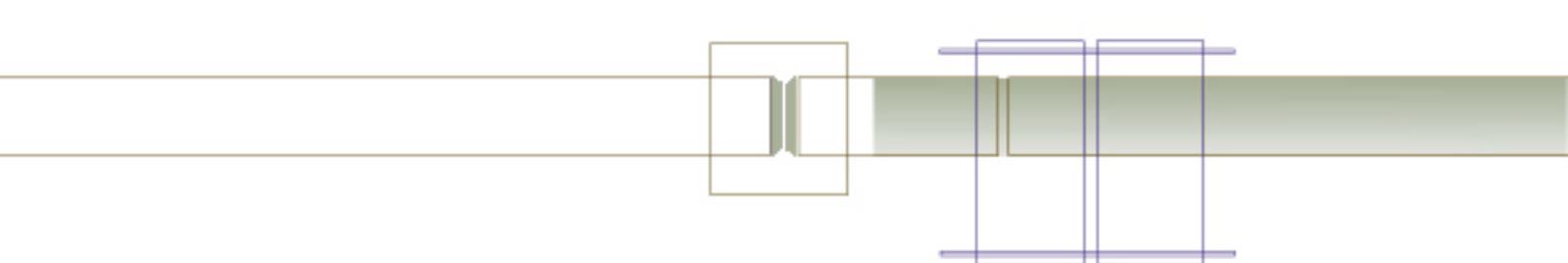
The carrying amounts of cash at bank, accounts receivable, accrued salaries and employee entitlements are considered to reflect their net fair value.

17 Contingent Liabilities

The Authority has no contingent liabilities as at 30 June 2001.

18 Events Occurring after Reporting Date

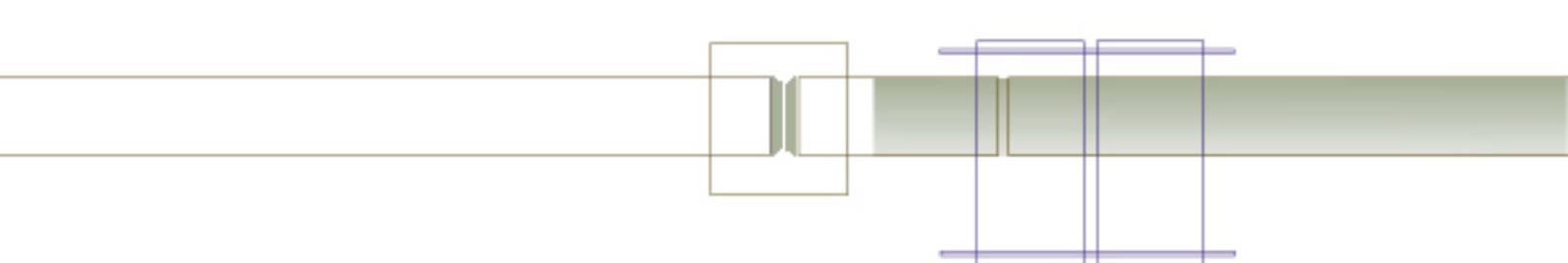
The Authority is unaware of any event occurring after reporting date that would materially affect the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (cont.)
30 June 2001

19 Segment Information

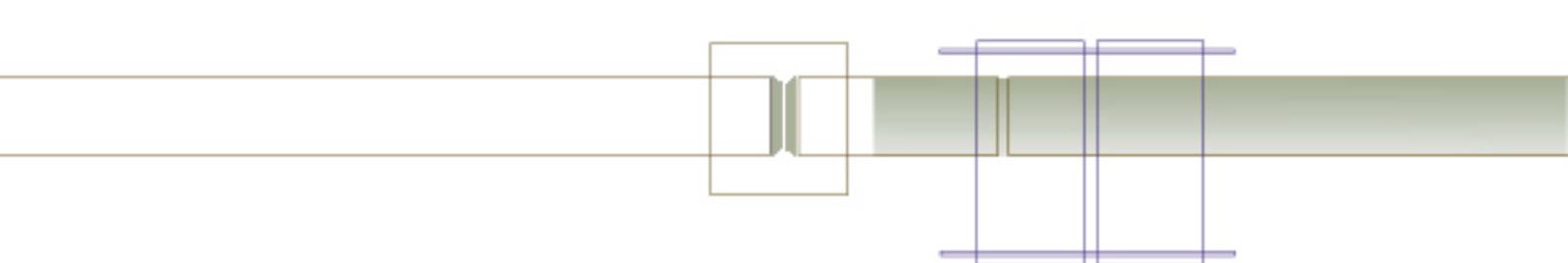
The Authority operates within a single industry segment, being the Energy sector in Western Australia.



ANNUAL ESTIMATES 2001/02

	Estimate 2001/02 \$'000
OPERATING EXPENSES	
Staff Costs	
Total Remuneration including on-costs	27
Administration Costs	
Total Administration	13
<i>Total Annual Estimates</i>	40

The Annual Estimates for 2001/02 do not form part of the financial statements submitted for audit.



CONTACT DETAILS

Gas Disputes Arbitrator

can be contacted through:

Office of Gas Access Regulation
Level 6, Governor Stirling Tower
197 St George's Terrace
PERTH WA 6000

Postal address:

GPO Box 8469
PERTH BUSINESS CENTRE WA 6849

Telephone:

National (08) 9213 1900
International +61 8 9213 1900

Facsimile:

National (08) 9213 1999
International +61 8 9213 1999

Email:

enquiry@offgar.wa.gov.au

Website:

<http://www.offgar.wa.gov.au/>