



# Electricity Supply Industry Expert Panel

**Statement of Approach**

**December 2010**

## 1. Purpose

The purpose of this *Statement of Approach* is for the Electricity Supply Industry Expert Panel (the Panel) to articulate to interested parties its understanding of its Terms of Reference, explain key elements of the Panel's anticipated approach in undertaking its Review and to provide guidance on the planned major milestones for the Review. The Panel is seeking wide input from stakeholders on these matters via submissions, which should be lodged by 10 February 2011.

The *Statement of Approach* does not seek to explore specific issues that are relevant to the Review and it does not seek submissions on the same – this will be done in the first quarter of 2011 through the release of an Issues Paper and a further round of consultation.

Rather, this paper explains the Panel's interpretation of the objectives and boundaries of the Review. Submissions and feedback are encouraged regarding how the Panel has interpreted its mission, as articulated in the Terms of Reference, or to raise additional areas of interest that the Panel has not canvassed in the paper, but are relevant to the Terms of Reference.

## 2. The Panel's Terms of Reference and Establishment

In June 2010, the Tasmanian Government announced that it would establish an independent expert panel to conduct an investigation into, and provide guidance to Parliament on, the current position and future development of Tasmania's electricity industry.

In October 2010, the Electricity Industry Supply Industry Expert Panel Bill was introduced to Parliament to provide a legislative foundation for the establishment of the Panel and this Review. Alongside the legislation, the Government tabled the Terms of Reference for the Review, and both were debated by Parliament.

The Bill came into law on 28 October 2010, and the Governor appointed the Panel members on 8 November 2010.

The Terms of Reference for the Review (see Attachment 1) require the Panel to investigate and report on:

- ▶ the efficiency and effectiveness of the Tasmanian energy industry;
- ▶ the primary factors that have driven changes in electricity prices in Tasmania, including the impact of major infrastructure decisions;
- ▶ the financial position of the three state-owned electricity businesses;
- ▶ the implication of national developments and Tasmanian-specific circumstances on the future of electricity prices;

- ▶ actions that would guide and inform the development of a Tasmanian Energy Strategy; and
- ▶ the advice that was provided to the State Government by the senior management or Directors of Aurora Energy from 1 October 2009 to 16 June 2010.

The Panel is independent and not subject to direction or control by the Tasmanian Government. It has been provided extensive information gathering powers to enable it to address its Terms of Reference.

### 3. Background and Context

The Tasmanian energy sector has progressed through a substantial evolution over the past 20 years. Prior to the mid 1990s, the Hydro Electric Commission (HEC) had responsibility for developing, operating and regulating the electricity sector. Electricity was the dominant energy source for industry and residential purposes, as there was no large-scale reticulation of gas. Electricity prices for customers were set by the HEC or Government (depending on the customer size).

Since the late 1990s, Tasmania's energy sector has experienced major structural, governance, regulatory and investment changes, including:

- ▶ the corporatisation of the HEC, which transferred the regulatory responsibilities that it previously had to Government (eg. setting of standards, licensing and the transparent and arms-length review of price setting);
- ▶ the disaggregation of the HEC into generation, transmission and distribution-retail sectors and the formation of Hydro Tasmania (generation), Transend Networks Pty Ltd (transmission) and Aurora Energy Pty Ltd (distribution-retail);
- ▶ the establishment of independent regulatory arrangements for determining price controls, which removed Government from the function of setting electricity prices;
- ▶ the phased introduction of customer choice in their electricity retailer (retail contestability), such that by 1 July 2011 medium and large electricity users will be contestable;
- ▶ the development of Basslink, electrically connecting Tasmania with the mainland;
- ▶ the development of natural gas transmission across Bass Strait and its distribution and reticulation across much of the State;
- ▶ the adoption of the National Electricity Market (NEM) arrangements in Tasmania to provide the platform for the development of wholesale and retail competition in the electricity sector;
- ▶ considerable investment in the electricity transmission and distribution networks, which has had a major impact on electricity prices for all customers<sup>1</sup>;
- ▶ the development of large-scale gas fired electricity generation; and
- ▶ a prolonged period of low water inflows into the hydro generation system and a reassessment of the sustainable capacity of the hydro system.

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<sup>1</sup> For example, the Tasmanian Economic Regulator noted that 37 per cent of the 2010 increase in prices for non-contestable is due to network charges, see OTTER's Final Report October 2010.

The thrust of the reforms elements has been to overcome energy constraints and to provide for greater levels of competition and choice. For example, in 2001, the Government noted that:

*The reforms outlined in this document herald a new era for Tasmania. The security of Tasmania's energy supply will be significantly enhanced, and energy users will have more flexibility in their energy choices. The Tasmanian economy will once again be unimpeded by energy constraints and there will be a solid foundation for economic growth.*<sup>2</sup>

In recent times, electricity prices in Tasmania have been increasing, which is an experience common to other Australian jurisdictions. The rate of change in Tasmanian electricity prices the past couple of years has been much higher than that over the previous 20 years. Recent decisions by the Tasmanian Economic Regulator will see this trend continue<sup>3</sup>.

Regardless of the cause of price rises, concerns have been expressed about the ability of some sections of the Tasmanian community to manage their household budgets to accommodate cost of living increases, including higher energy costs<sup>4</sup>.

- The Panel understands that one in three Tasmanian households relies on income support payments as their primary source of income, and this section of the community is particularly vulnerable to rising energy costs.
- Energy costs and reliability are also significant issues for many Tasmanian businesses, and more broadly, reliability of supply, efficiency of use and nationally competitive energy prices are important in maintaining the competitiveness of the Tasmanian economy.

From a social, environmental and economic viewpoint it is vital that the community has confidence in the sector's ability to deliver efficient outcomes. These considerations underpin some of the current concerns about the direction of electricity prices in Tasmania.

From early interactions with some stakeholders, and reviewing the public debate, the Panel can see that there is a wide variety of views about what is driving the price of electricity in Tasmania, notwithstanding that prices for non-contestable customers are set through an independent and highly transparent process.

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<sup>2</sup> Meeting Tasmania's Energy Needs for the 21<sup>st</sup> Century: A Competitive Future, Department of Treasury and Finance January 2001, p.ii.

<sup>3</sup> The Regulator estimated that increases of 8.8 per cent for tariff customers would be necessary from 1 December 2010, and increases of 8.5 per cent and 8.7 per cent (including inflation) in the following two years to meet the costs of supplying electricity to customers. The increase on 1 December 2010 is on top of the six per cent increase due to increased network charges that was passed through to customers on 1 July 2010.

<sup>4</sup> For example, "Tasmania is facing a crisis in the affordability of electricity... Rising prices are already causing financial crisis for some Tasmanians and the problem will only grow along with the cost of electricity", see *Making Electricity Affordable: A Four Point Action Plan*, TasCOSS and Anglicare Tasmania, 2010.

## 4. The Panel's Interpretation of the Scope of the Review

In the broad, the Panel has interpreted the Terms of Reference for its Review as requiring it to investigate and report on:

- ▶ how and why the Tasmanian electricity sector is delivering the pricing and other outcomes that are currently being experienced, and how these outcomes compare with elsewhere in Australia; and
- ▶ looking forward, what policy, regulatory, governance and structural reform options should be considered to underpin the efficiency of the sector in the future and how should these be evaluated and prioritised?

One of the central purposes of this Review is for the Panel to investigate and report on the efficiency and effectiveness of the sector, and hence, the drivers of electricity prices – to separate the material from immaterial. For example:

- ▶ how have the expectations of the reform process matched observed outcomes;
- ▶ to what extent has electricity wholesale and retail market competition and independent regulation of network services imposed discipline on electricity costs and prices and the extent of potential improvements in these areas;
- ▶ how do the Basslink financial arrangements impact on Tasmanian electricity prices; and
- ▶ how efficient and effective are the Tasmanian electricity businesses compared with similar businesses, and to what extent is there scope for potential improvements?

The Terms of Reference require the Panel to examine “major infrastructure development decisions” in the context of price increases. The Panel has taken this reference to encompass Basslink, the adoption of the NEM arrangements in Tasmania, the acquisition of the Tamar Valley Power Station by Aurora Energy and the future of the Bell Bay Power Station.

In examining price increases, the Panel is keen to identify the causes and to assess the justification for, and efficiency of, those increase as well as the nature of the benefits that electricity users have received in return for higher prices. For example, given the substantial increase in network-related costs over recent years, the Panel will seek to establish the nature and magnitude of the service reliability and other benefits delivered to customers.

While the Terms of Reference steer the Panel towards examining the issues pertaining to non-contestable customers, the Panel feels it important to review the experience of larger customers that have had the opportunity to choose their electricity retailer.

The Panel is keen to understand the level of competition at the retail level in the contestable market, the factors that drive it, and the opportunities to increase it. The Panel will seek to understand the differences and similarities in the outcomes between non-contestable and contestable customers. The Panel will consider a broad range of issues in this context, including the size and structure of the demand and supply side of the industry in Tasmania, the capacity for viable entry of new participants and the effectiveness and implications of the current regulatory and governance arrangements within the sector.

The Terms of Reference ask the Panel to investigate and report on the financial position of Hydro Tasmania, Transend Networks and Aurora Energy. In considering this requirement, the Panel will examine the trends in financial performance and what has driven these changes. The Panel will take a portfolio perspective, as well as exploring the financial details of each of the three entities. A key issue will be the effectiveness of the current governance frameworks and the implications of decisions made through them on the performance of the businesses, and for the sector more broadly. Another important aspect will be the influence of dividend policy on the financial position and sustainability of the businesses.

Finally, The Terms of Reference require the Panel to investigate the advice that was provided to Government by Aurora Energy from October 2009 to June 2010. The Panel notes that the Auditor General has recently published his findings on these issues in his *Special Report 94: Election promise: five per cent price cap on electricity prices*. The Panel will consider the Auditor General's findings before deciding whether further investigation is warranted.

The Terms of Reference make several references to the energy sector (as distinct from the electricity sector), and, therefore, a key issue the Panel has considered is the breadth of the Review – is it energy or electricity? Considering the circumstances that have precipitated the review, and reviewing the Parliamentary debate on the legislation, the Panel's current view is that the Review is principally about electricity, and will include a consideration of the wider energy sector, particularly gas, as it relates to electricity (eg. interfuel competition and as a fuel source of electricity generation).

## ***Looking Forward***

Examining all of the above issues provides a solid foundation for documenting and assessing the current status of the industry as a basis for consider future reform options, which is the second primary purpose of the Review (see Terms of Reference 7). In this regard, the Panel has interpreted its challenge as:

*identifying opportunities for structural, governance and regulatory reform that will provide greater confidence that costs and prices within the electricity sector are efficient whilst maintaining the objectives of a safe, secure, reliable and sustainable electricity sector.*

Through interactions with interested parties, and by reviewing actual market and commercial outcomes, the Panel will come to a view on the effectiveness of competition in and operation of the wholesale electricity market in Tasmania and the effectiveness of competition in the retail market.

The Panel will explore potential changes to the competitive market, regulatory and governance arrangements that apply to the Tasmanian electricity businesses that could result in improvements to competition, cost efficiencies and the energy security and reliability performance of the industry, thereby improving the price/service outcomes for Tasmanians.

The potential reunification of the transmission and distribution networks (owned by Transend and Aurora, respectively) has received some discussion in Tasmania. The Panel anticipates exploring the costs and benefits of this restructuring opportunity to provide Parliament with the evidence that it needs to potentially consider this reform opportunity.

The Panel will examine demand side options and the role that energy efficiency could play in both meeting the demand/supply balance and to assist business and households manage the cost pressures arising from increasing energy prices.

Finally, having reviewed the decision making process around major investment development decisions, such as the Basslink and the acquisition of the Tamar Valley Power Station, the Panel will consider the potential for improvements to governance arrangements for the government-owned businesses to enhance the transparency, accountability and public confidence in the stewardship of the electricity sector.

Looking broadly, the review is about:

*The implications of the current structure and governance arrangements, not ownership per se* – the Panel will draw out some of the implications of the current governance arrangements for the performance of the electricity sector and policy settings and, where appropriate, identify modifications that may be expected to improve performance and outcomes.



*The implications of current regulatory frameworks, not revisiting specific regulatory decisions* – the Panel will start from the perspective of the design of the regulatory framework, the incentives that it provides and the behaviours that it drives and consider if there are alternative mechanisms that could lead to more efficient outcomes without jeopardising other objectives such as security of supply or reliability.

*The outworkings of previous decisions, not recasting history* – the Panel will examine the basis on which decisions were made, including the processes that were gone through in reaching those decisions and the objectives and outcomes that were anticipated in making them. The Panel will gather empirical evidence to assess the extent to which these objectives have been achieved and the nature and scope of unanticipated benefits and costs of those decision.

*Identifying trade-offs and implications, not passing judgement* - the Panel considers its role to be more focused on highlight the implications, tradeoffs and consequences of energy policy issues and decisions, rather than necessarily passing judgement on specific matters.

In summary, the Panel interprets its Terms of Reference to broadly task it to:

- ▶ review the major developments in the energy sector over the past 15 years, along with the broader context, to explain how and why the Tasmanian electricity sector is delivering the pricing and other outcomes that are currently being experienced; and
- ▶ to consider regulatory, governance and structural reform options that could enhance the efficiency of price outcomes in Tasmania without jeopardising other key objectives such as security of supply, reliability or the financial sustainability of the sector.

## 5. How the Panel will approach the Review

The Panel is broadly aware that the Tasmanian energy sector is quite different from that which exists in other Australian jurisdictions. It believes that listening to industry participants and stakeholders will be central to the development of a comprehensive understanding of the similarities and differences of the Tasmanian context with that of elsewhere. This is particularly important in the early stages of its deliberations, as well as when it is formulating potential reform options.

Engagement and open dialogue will be vital for the success of the review.

The Panel's governing legislation requires it to provide several opportunities for public involvement in the Review process. The Panel is of the view that a high level of engagement is critical to the success of its processes, and in developing recommendations that have some degree of consensus of support. In this context, the Panel will encourage widespread participation and consultation in its deliberations. The Panel will be seeking:

- Feedback on this *Statement of Approach* to ensure that there is a common understanding of the objectives and boundaries of the Review;
- Face-to-face input from interest parties through a series of public hearings that will be held across the State in the issue identification process (see below);
- Submissions on issues relevant to the Terms of Reference, guided by the Panel's Issues Paper;
- Comment on the Draft Report, which will be released widely for information and feedback, through participation at a potential public hearing (should there be sufficient interest); and
- Submissions on the Panel's Draft Report, which the Panel must consider before finalising its report for Parliament.

The Panel, principally through its Secretariat, expects to have close interactions with key industry stakeholders throughout the Review process. This will assist in both understanding and interpreting the history, and, importantly, in considering the forward-looking reform options.

The Panel will listen to opinions of interested parties, as this provides key contextual information and an understanding of why parties hold particular views. However, the Panel will put substantially more weight on, and be more persuaded by, facts and evidence. The Panel will seek opportunities to test evidence presented to it. Given the context of this Review, the Panel is convinced that its work must be founded upon solid empirical evidence if it is to achieve its joint objectives of explaining Tasmania's current energy circumstances and developing well grounded recommendations for reform.

The Panel has a preference for, as much as possible, keeping information in the public domain, recognising that this assists in building confidence in its processes. There will be issues arising throughout the Review on which there will be opposing views from different stakeholders. The Panel believes that there is strength in the transparency of debate, and will have a preference to make the central arguments of stakeholders public, even if all of the detail cannot be revealed as widely. Nonetheless, there will be many circumstances where information and detailed discussions must be kept in-confidence to protect commercial interests, and the Panel is very alert to this.

As the Review progresses, the Panel expects that a large number of issues will be presented that have a bearing on the broad themes relevant to the Terms of Reference. The Panel will have to make decisions on which issues should receive priority with regard to resourcing, investigation and resolution. The Panel's current thinking is that decisions makers will be better served by it considering a limited number of key issues deeply, rather than a broad range of issues at a higher level. The primary criteria that the Panel will have regard to in determining the priority of an issue are:

- ▶ its relevance to the Terms of Reference;
- ▶ its materiality in explaining how and why the Tasmanian electricity sector is delivering the pricing and other outcomes that are currently being experienced; and/or
- ▶ its materiality in potentially changing incentives, behaviour and decisions that will provide confidence that pricing and investment outcomes are efficient and effective.

The Panel expects to make extensive use of the internet as its primary means of communication and has established a website – [www.electricity.tas.gov.au](http://www.electricity.tas.gov.au)

Information papers, updates as well as its major Draft and Final Reports will be released via the internet (they will also be made available in printed form). The Panel is currently exploring opportunities to creatively use the functionality of the internet to encourage participating in its processes. The Panel will continue to use the printed media to alert interested parties to major developments, such as the holding of hearings and the release of major reports.

While the Panel has been provided strong information gathering powers (see Section 11 and 13 of the Act), the Panel's preference is work cooperatively with stakeholders to develop productive relationships and a common purpose.

## 6. Review Phases

The Panel has identified a 5-phase process to complete the Review:

- ▶ context setting;
- ▶ issues identification;
- ▶ issues development;
- ▶ preliminary findings; and
- ▶ final findings.

The Panel anticipates releasing a number of Information Papers during the Review that would address aspects of the Terms of Reference. For example, the Panel considers that Terms of Reference 1 (the efficiency and effectiveness of the industry), 2 (what is driving price increases) and 3 (the competitiveness of Tasmanian electricity prices) can be all addressed in the first half of the Review period and documented outside the Draft and Final Reports. In this way, the Panel is aiming to address some of the Terms of Reference on an accelerated timetable, and others in a timeframe that allows adequate investigation and discussion prior to the formulation of recommendations.

The Panel's current broad road map for the Review is detailed in the Table 1 on the following page.

The Terms of Reference require the Panel to produce its final report in August 2011. The Panel is currently reviewing the timeframe required to thoroughly address the issues in a way that allows appropriate involvement and engagement with all stakeholders. The Panel will discuss the feasibility of the current timetable with the Government once it has fully explored this, including considered the feedback on this *Statement of Approach*.

**Table 1:** Review Road Map

Phase	Output	Consultation/input
<p><b>1. Context setting</b></p> <p>Settling the parameters of the Review.</p>	<p>Statement of Approach</p> <ul style="list-style-type: none"> <li>• Released in December 2010</li> <li>• Widespread input</li> </ul>	<p>Key stakeholder meetings – partially completed</p> <p>Submissions on Statement of Approach</p>
<p><b>2. Issues identification</b></p> <p>Having settled the boundaries of the Review, articulating the key issues relevant to each of the major themes.</p>	<p>Issues papers</p> <ul style="list-style-type: none"> <li>• Released progressively.</li> <li>• Widespread input</li> </ul>	<p>Public Forums (likely regionally based) to allow interest parties to raise issues prior to close of submissions.</p> <p>Public Submissions following the Public Forum</p> <p>Key stakeholder meetings.</p>
<p><b>3. Issues development/ resolution</b></p> <p>Focussed work programs on material issues.</p> <p>Analytical framework for considering issues and development empirical and other evidence to explore options and support conclusions.</p> <p>Address some factual elements of Terms of Reference ahead of Draft Report.</p>	<p>Panel Papers on specific issues.</p> <p>Release of Information Papers on specific subject matter (eg. what has been driving electricity prices)</p>	<p>Extensive engagement with key stakeholders on issues.</p> <p>Potential stakeholder workshops on specific issues.</p> <p>Feedback on Information Papers</p>
<p><b>4. Draft Findings</b></p> <p>Address factual aspects of Terms of Reference not already covered in Information Papers and principally focus on reform options.</p>	<p>Draft Report</p> <ul style="list-style-type: none"> <li>• Widespread input</li> </ul>	<p>Potential Public Hearing 3-4 weeks after release of Draft Report and submissions on the draft report 2 weeks after Hearing.</p>
<p><b>5. Final Findings</b></p> <p>Refinement of concepts from Draft Report, based on input from submissions and hearing.</p>	<p>Final Report</p>	<p>Nil.</p>

## 7. Opportunity for input

The Panel seeks your input and feedback on the way in which it has interpreted its Terms of Reference and drawn the boundaries for the Review, having regard to its Terms of Reference.

- ▶ Are there broad areas of interest that the Panel should consider addressing that it has not identified in this Statement of Approach?
- ▶ Are there matters that will have a bearing on the proposed timetable that the Panel should be aware of in readjusting the timeframes for the Review?
- ▶ Is the broad approach outlined in Section 5 (eg. consultation, the holding hearings, release of issues papers) workable and acceptable?
- ▶ Do you have views on the ways in which the Panel could consider communicating with interested parties?

The Panel welcomes submissions on these and related matters. Submissions should be made by 10 February 2011 and can be lodged:

- ▶ Electronically, via email at [contact@electricity.tas.gov.au](mailto:contact@electricity.tas.gov.au); or
- ▶ Physically, by post to: Submissions, Electricity Review, PO Box 123 Hobart TAS 7001.

As noted, at this time the Panel is not seeking input on specific issues that are relevant to the broad themes identified as being relevant to the Terms of Reference. The identification, development and resolution of issues will be the principal focus of the second phase of the Panel's work program, commencing in the first quarter of 2011, which will include several opportunities for public input.

# Attachment 1: The Panel's Terms of Reference<sup>5</sup>

## BACKGROUND

Electricity is a utility service that is essential to the Tasmanian community. It is a key influence on the cost of living and significant factor in driving the competitiveness of Tasmanian businesses and industry.

The past decade has seen significant change in the Tasmanian energy industry. There have been many major reforms including the establishment of three Government owned energy businesses, the introduction of alternative energy sources such as gas and wind power and the joining of the National Electricity Market through the Basslink cable.

Electricity prices around Australia have risen considerably in recent years and these price increases have also been experienced in Tasmania. Tasmania's electricity prices are determined by the Economic Regulator and all indications are that prices will continue to rise in the future.

The Government is committed to ensuring that the cost of living impact of electricity prices is kept to a minimum while ensuring that the sustainability and viability of the Tasmanian energy industry is never compromised.

The Government considers that a key point in the ongoing energy reform process has been reached. It is therefore important that an independent assessment of the industry now be undertaken to assess its current status, energy mix, the assumptions that underpin it and to provide guidance for ongoing development.

## ESTABLISHMENT OF EXPERT PANEL

The Government will establish an Expert Panel to undertake this assessment.

The Expert Panel shall comprise three independent members with strong expertise in the energy industry.

One member shall be designated Chair of the panel.

Suitable candidates for the Expert Panel will be identified through the established Government Business Board selection process that includes the use of an executive search organisation. The composition of the Expert Panel will be determined and approved by Cabinet.

The Expert Panel will:

- Provide the opportunity for interested parties to make initial submissions;
- Hold public hearings and also have the discretion to hold hearings in camera as deemed appropriate;
- Prepare a draft report that is to be made available for public comment;
- Advise the Government in the event that it considers that it requires additional powers and resources to complete its task;
- Be provided with appropriate secretariat support and able to seek other expert support as required; and
- Have a budget allocation of \$3 million.

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<sup>5</sup> As presented by the Government to Parliament in October 2010.

## **TERMS OF REFERENCE**

The Expert Panel shall investigate and report on:

1. The current efficiency and effectiveness of the Tasmanian energy industry with particular reference to the existing regulatory framework and the cost and operation of the energy industry elsewhere in Australia.
2. The primary factors that have driven recent increases in non-contestable electricity prices in Tasmania including the impact of major infrastructure development decisions.
3. The competitiveness of non-contestable electricity prices in Tasmania compared with those in other states.
4. The financial position of the state-owned energy businesses: Transend Networks, Hydro Tasmania and Aurora Energy.
5. The impact of interaction between the three state-owned businesses on the effective operation of the Tasmanian energy industry and Tasmanian energy prices.
6. Having regards to trends in electricity prices and market developments at the national level and Tasmanian-specific circumstances, the implications of Tasmania's market and regulatory arrangement for electricity tariffs over the coming years.
7. Actions that would guide and inform the development of a Tasmanian Energy Strategy particularly in relation to the Government's primary objectives of minimising the impact on the cost of living in Tasmania and ensuring Tasmania's long term energy sustainability and security.
8. The advice that was provided to the State Government by the senior management or Directors of Aurora Energy from 1 October 2009 to 16 June 2010 inclusive.
9. Any other matters that the Expert Panel considers are relevant to the above matters.

## **INFORMATION TO BE PROVIDED TO THE EXPERT PANEL**

For the purposes of Term of Reference 8, the Expert Panel may be provided, in confidence, with:

- a copy of the PricewaterhouseCoopers report into the structure of the Tasmanian Electricity Supply Industry; and
- a copy of all correspondence from Aurora Energy to its Shareholder Ministers, including briefing notes, from 1 October 2009 to 16 June 2010.

In relation to Term of Reference 8, Aurora Energy's Directors, Chairman and senior management are to give evidence before the Expert Panel, if required.

## **KEY DELIVERABLES AND TIMEFRAME**

The Expert Panel shall:

- Prepare and publish a draft report that will be available for public comment; and
- Prepare and publish a final report by 31 August 2011.

The Panel may publicly release an Interim Report in relation to Term of Reference 8.

Any Reports released by the Panel shall be tabled in both Houses of Parliament.