

# **INDEPENDENT COMPETITION AND REGULATORY COMMISSION**

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## **Objectives**

The Independent Competition and Regulatory Commission (the Commission) has responsibilities for a broad range of regulatory and utility administrative issues under the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act) and the *Utilities Act 2000* (Utilities Act) to:

- promote effective competition in the interests of consumers;
- facilitate an appropriate balance between efficiency, environmental and social considerations;
- ensure non-discriminatory access to monopoly and near-monopoly infrastructure;
- encourage the provision of safe, reliable, efficient and high quality utility services at reasonable prices;
- minimise the potential for misuse of monopoly power in the provision of utility services and promote competition in the provision of utility services;
- encourage long-term investment, growth and employment in utility services; and
- protect the interests of consumers.

The ICRC Act also provides that the Commission be the complaints body for Competitive Neutrality Complaints, a specific role embedded in the National Competition Policy obligations undertaken by the Territory, and advise the Government on government regulated activities.

## **2006-07 Priorities**

The strategic and operational issues to be pursued in 2006-07 include:

- regulating prices for utilities, including resetting regulated fares for Taxi services;
- overseeing the pricing arrangements for retail electricity;
- publishing discussion papers on a range of water and wastewater related issues as initial steps in the process of determining water and wastewater prices for the period commencing 1 July 2008;
- reporting on compliance with Greenhouse Gas Abatement Scheme in the ACT; and
- reporting on utility compliance and performance under the Utilities Act.

## Independent Competition and Regulatory Commission Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
1,086	Taxes Fees and Fines	1,570	1,623	3	1,662	1,702	1,744
473	User Charges - Non ACT Government	0	0	-	0	0	0
885	User Charges - ACT Government	859	804	-6	816	821	840
14	Interest	33	14	-58	46	47	47
<b>2,458</b>	<b>Total Revenue</b>	<b>2,462</b>	<b>2,441</b>	<b>-1</b>	<b>2,524</b>	<b>2,570</b>	<b>2,631</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2,458</b>	<b>Total Income</b>	<b>2,462</b>	<b>2,441</b>	<b>-1</b>	<b>2,524</b>	<b>2,570</b>	<b>2,631</b>
<b>Expenses</b>							
768	Employee Expenses	702	709	1	718	725	734
110	Superannuation Expenses	90	145	61	147	149	150
1,588	Supplies and Services	1,552	1,591	3	1,624	1,667	1,709
13	Depreciation and Amortisation	13	13	-	13	13	13
0	Other Expenses	196	0	-100	0	0	0
<b>2,479</b>	<b>Total Ordinary Expenses</b>	<b>2,553</b>	<b>2,458</b>	<b>-4</b>	<b>2,502</b>	<b>2,554</b>	<b>2,606</b>
<b>-21</b>	<b>Operating Result</b>	<b>-91</b>	<b>-17</b>	<b>81</b>	<b>22</b>	<b>16</b>	<b>25</b>

**Independent Competition and Regulatory Commission  
Balance Sheet**

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
	<b>Current Assets</b>						
496	Cash	869	863	-1	896	930	974
719	Receivables	21	21	-	21	21	21
<b>1,215</b>	<b>Total Current Assets</b>	<b>890</b>	<b>884</b>	<b>-1</b>	<b>917</b>	<b>951</b>	<b>995</b>
	<b>Non Current Assets</b>						
65	Property, Plant and Equipment	65	52	-20	39	26	13
<b>65</b>	<b>Total Non Current Assets</b>	<b>65</b>	<b>52</b>	<b>-20</b>	<b>39</b>	<b>26</b>	<b>13</b>
<b>1,280</b>	<b>TOTAL ASSETS</b>	<b>955</b>	<b>936</b>	<b>-2</b>	<b>956</b>	<b>977</b>	<b>1,008</b>
	<b>Current Liabilities</b>						
360	Payables	127	119	-6	111	110	110
90	Employee Benefits	71	71	-	71	71	71
<b>450</b>	<b>Total Current Liabilities</b>	<b>198</b>	<b>190</b>	<b>-4</b>	<b>182</b>	<b>181</b>	<b>181</b>
	<b>Non Current Liabilities</b>						
98	Employee Benefits	182	188	3	194	200	206
<b>98</b>	<b>Total Non Current Liabilities</b>	<b>182</b>	<b>188</b>	<b>3</b>	<b>194</b>	<b>200</b>	<b>206</b>
<b>548</b>	<b>TOTAL LIABILITIES</b>	<b>380</b>	<b>378</b>	<b>-1</b>	<b>376</b>	<b>381</b>	<b>387</b>
<b>732</b>	<b>NET ASSETS</b>	<b>575</b>	<b>558</b>	<b>-3</b>	<b>580</b>	<b>596</b>	<b>621</b>
	<b>REPRESENTED BY FUNDS EMPLOYED</b>						
732	Accumulated Funds	575	558	-3	580	596	621
<b>732</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>575</b>	<b>558</b>	<b>-3</b>	<b>580</b>	<b>596</b>	<b>621</b>

**Independent Competition and Regulatory Commission  
Cash Flow Statement**

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
1,086	Taxes, Fees and Fines	1,374	1,623	18	1,662	1,702	1,744
1,358	User Charges	859	804	-6	816	821	840
14	Interest Received	33	14	-58	46	47	47
83	Other Revenue	83	81	-2	83	83	86
<b>2,541</b>	<b>Operating Receipts</b>	<b>2,349</b>	<b>2,522</b>	<b>7</b>	<b>2,607</b>	<b>2,653</b>	<b>2,717</b>
<b>Payments</b>							
872	Related to Employees	776	848	9	859	869	878
1,581	Related to Supplies and Services	1,585	1,584	..	1,617	1,652	1,694
98	Other	98	96	-2	98	98	101
<b>2,551</b>	<b>Operating Payments</b>	<b>2,459</b>	<b>2,528</b>	<b>3</b>	<b>2,574</b>	<b>2,619</b>	<b>2,673</b>
<b>-10</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-110</b>	<b>-6</b>	<b>95</b>	<b>33</b>	<b>34</b>	<b>44</b>
<b>-10</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>-110</b>	<b>-6</b>	<b>95</b>	<b>33</b>	<b>34</b>	<b>44</b>
<b>506</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>979</b>	<b>869</b>	<b>-11</b>	<b>863</b>	<b>896</b>	<b>930</b>
<b>496</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>869</b>	<b>863</b>	<b>-1</b>	<b>896</b>	<b>930</b>	<b>974</b>

## Independent Competition and Regulatory Commission Statement of Changes in Equity

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
753	<b>Opening Balance</b>	666	575	-14	558	580	596
	<b>Accumulated Funds</b>						
-21	Operating Result for the Period	-91	-17	81	22	16	25
	<b>Reserves</b>						
-21	<b>Total Income And Expense For The Period</b>	-91	-17	81	22	16	25
	<b>Transactions Involving Equity Holders Affecting Accumulated Funds</b>						
732	<b>Closing Balance</b>	575	558	-3	580	596	621

### Notes to the Budget Statements

Significant variations are as follows:

#### *Operating statement*

- taxes fees and fines: the increase of \$0.484 million in the 2005-06 estimated outcome from the original budget is due mainly to a reclassification of revenue from user charges – non ACT Government;
- user charges – non ACT Government: the decrease of \$0.473 million in the 2005-06 estimated outcome from the original budget is due to the reclassification of revenue as noted above;
- employee and superannuation expenses:
  - the decrease of \$0.086 million in the 2005-06 estimated outcome from the original budget is due to lower than expected staff levels; and
  - the increase of \$0.062 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to higher notional superannuation contribution rates.
- other expenses: the increase of \$0.196 million in the 2005-06 estimated outcome from the original budget and the decrease of \$0.196 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the recognition of licence fee rebates in 2005-06.

#### *Balance Sheet*

- cash: the increase of \$0.373 million in the 2005-06 estimated outcome from the original budget reflects a higher level of cash held from 2004-05;

- receivables: the decrease of \$0.698 million in the 2005-06 estimated outcome from the original budget is due to a revision to the anticipated levels of receivables;
- payables: the decrease of \$0.233 million in the 2005-06 estimated outcome from the original budget is due to a projected reduction in the levels of outstanding liabilities; and
- employee benefits: the increase of \$0.065 million in the 2005-06 estimated outcome from the original budget is due to increases arising from the certified agreement and a change to reflect the correct accounting for employee benefits.