

INDEPENDENT COMPETITION AND REGULATORY COMMISSION

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), the *Utilities Act 2000* (Utilities Act) and the *Electricity (Greenhouse Gas Emissions) Act 2004*.

Section 7 of the ICRC Act defines the Commission's objectives as:

- promoting effective competition in the interests of consumers;
- facilitating an appropriate balance between efficiency and environmental and social considerations; and
- ensuring non-discriminatory access to monopoly and near-monopoly infrastructure.

Under the ICRC Act, the Commission is the complaints body for Competitive Neutrality Complaints, a role defined in the National Competition Policy, and advises the Government on 'government regulated' activities.

Section 3 of the Utilities Act defines the Commission's objectives as:

- encouraging the provision of safe, reliable, efficient and high quality utility services at reasonable prices;
- minimising the potential for misuse of monopoly power in the provision of utility services and promoting competition in the provision of utility services;
- encouraging long-term investment, growth and employment in utility services; and
- protecting the interests of consumers.

2007-08 Priorities

The strategic and operational issues to be pursued in 2007-08 include:

- overseeing the pricing arrangements for retail electricity;
- consulting widely on issues involved in, and leading to, the determination of prices for water and wastewater services for the period commencing 1 July 2008;
- determining electricity sector benchmarks for, and reporting on compliance with, the Greenhouse Gas Abatement Scheme in the ACT; and
- reporting on utility compliance and performance under the Utilities Act.

Estimated Employment Level

	2006-07 Est. Outcome	2007-08 Budget
Staffing (FTE)	3	6

Independent Competition and Regulatory Commission Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
Income							
Revenue							
1,623	Taxes Fees and Fines	1,623	1,090	-33	1,107	1,124	1,099
804	User Charges - ACT Government	810	839	4	860	887	893
14	Interest	14	46	229	47	47	47
2,441	Total Revenue	2,447	1,975	-19	2,014	2,058	2,039
Gains							
0	Total Gains	0	0	-	0	0	0
2,441	Total Income	2,447	1,975	-19	2,014	2,058	2,039
Expenses							
709	Employee Expenses	723	742	3	761	772	773
145	Superannuation Expenses	146	151	3	155	157	157
1,591	Supplies and Services	1,591	1,054	-34	1,075	1,092	1,072
13	Depreciation and Amortisation	13	13	-	13	13	13
2,458	Total Ordinary Expenses	2,473	1,960	-21	2,004	2,034	2,015
-17	Operating Result	-26	15	158	10	24	24

Independent Competition and Regulatory Commission Balance Sheet

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
Current Assets							
863	Cash and Cash Equivalents	763	796	4	830	874	918
21	Receivables	227	227	-	227	227	227
884	Total Current Assets	990	1,023	3	1,057	1,101	1,145
Non Current Assets							
52	Property, Plant and Equipment	52	39	-25	26	13	0
52	Total Non Current Assets	52	39	-25	26	13	0
936	TOTAL ASSETS	1,042	1,062	2	1,083	1,114	1,145
Current Liabilities							
119	Payables	382	374	-2	373	373	373
71	Employee Benefits	233	239	3	244	245	245
0	Income Tax Payable	2	2	-	2	2	2
190	Total Current Liabilities	617	615	..	619	620	620
Non Current Liabilities							
188	Employee Benefits	6	13	117	20	26	33
188	Total Non Current Liabilities	6	13	117	20	26	33
378	TOTAL LIABILITIES	623	628	1	639	646	653
558	NET ASSETS	419	434	4	444	468	492
REPRESENTED BY FUNDS EMPLOYED							
558	Accumulated Funds	419	434	4	444	468	492
558	TOTAL FUNDS EMPLOYED	419	434	4	444	468	492

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

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
1,623	Taxes, Fees and Fines	1,623	1,090	-33	1,107	1,124	1,099
804	User Charges	810	839	4	860	887	893
14	Interest Received	14	46	229	47	47	47
81	Other Revenue	81	83	2	83	86	86
2,522	Operating Receipts	2,528	2,058	-19	2,097	2,144	2,125
Payments							
848	Related to Employees	854	880	3	905	922	923
1,584	Related to Supplies and Services	1,584	1,047	-34	1,060	1,077	1,057
96	Other	96	98	2	98	101	101
2,528	Operating Payments	2,534	2,025	-20	2,063	2,100	2,081
-6	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-6	33	650	34	44	44
-6	NET INCREASE/(DECREASE) IN CASH HELD	-6	33	650	34	44	44
869	CASH AT BEGINNING OF REPORTING PERIOD	769	763	-1	796	830	874
863	CASH AT THE END OF THE REPORTING PERIOD	763	796	4	830	874	918

Independent Competition and Regulatory Commission Statement of Changes in Equity

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
575	Opening Balance	445	419	-6	434	444	468
	Accumulated Funds						
-17	Operating Result for the Period	-26	15	158	10	24	24
	Reserves						
-17	Total Income And Expense For The Period	-26	15	158	10	24	24
	Transactions Involving Equity Holders Affecting Accumulated Funds						
558	Closing Balance	419	434	4	444	468	492

Notes to the financial statements

Significant variations are as follows:

Operating Statement

- taxes, fees and fines: the decrease of \$0.533 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the decrease in anticipated utility licence fee revenue as responsibilities for electricity and gas network regulation transfers to the national energy regulatory body commencing in September 2007.
- interest: the increase of \$0.032 million in the 2007-08 Budget estimate from the 2006-07 estimated outcome is mainly attributable to larger than expected cash reserves on hand during the year, due to the bringing forward of invoicing of debtors.
- supplies and services expenses: the decrease of \$0.537 million in the 2007-08 Budget estimate from the 2006-07 estimated outcome is due to lower levels of activity in utility licence monitoring and compliance for energy services, as responsibilities for electricity and gas network regulation transfer to the national energy regulatory body commencing in September 2007.

Balance Sheet

- receivables: the increase of \$0.206 million in the 2006-07 estimated outcome from the original budget is largely due to the increase in cost recoveries in relation to the water and wastewater price review.
- payables: the increase of \$0.263 million in the 2006-07 estimated outcome from the original budget is largely due to the increased cost of external consultants engaged in the water and wastewater price review.

- current employee benefits: the increase of \$0.162 million in the 2006-07 estimated outcome from the original budget largely relates to the ACT Accounting Policy requirement to classify all annual leave and unconditional long service leave as current employee benefits. The change in policy is attributable to advice received regarding the interpretation of the Australian Accounting Standards.
- non current employee benefits: the decrease of \$0.182 million in the 2006-07 estimated outcome from the original budget relates to the ACT Accounting Policy requirement to classify all annual leave and unconditional long service leave as current employee benefits. The change in policy is attributable to advice received regarding the interpretation of the Australian Accounting Standards.

