

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) and the *Utilities Act 2000* (Utilities Act).

Section 7 of the ICRC Act sets out the Commission's objectives, which are to:

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

The Commission is the complaints body for Competitive Neutrality Complaints, a specific role embedded in the National Competition Policy obligations undertaken by the Territory, and advises the Government on government regulated activities.

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

- to encourage the provision of safe, reliable, efficient and high quality utility services at reasonable prices;
- to minimise the potential for misuse of monopoly power in the provision of utility services and promote competition in the provision of utility services;
- to encourage long-term investment, growth and employment in utility services; and
- to protect the interests of consumers.

2005-06 Highlights

The strategic and operational issues to be pursued in 2005-06 include:

- regulating prices for utilities, including resetting regulated fares for transport utilities (rebalancing taxi services in accordance with the existing price direction and determining a new direction for ACTION bus fares);
- investigating incentive mechanisms for energy and water utilities and providing advice on water pricing and regulation;
- initiating the compliance reporting process for the Greenhouse Gas Abatement Scheme in the ACT;
- continuing to develop the quality and usefulness of compliance reporting for energy and water utility services; and
- developing appropriate regulatory arrangements for greenfields electricity network infrastructure.

Independent Competition and Regulatory Commission Operating Statement

2004-05 Budget \$'000		2004-05 Est.Outcome \$'000	2005-06 Budget \$'000	Var %	2006-07 Estimate \$'000	2007-08 Estimate \$'000	2008-09 Estimate \$'000
Income							
Revenue							
1 025	Taxes Fees and Fines	1 025	1 086	6	1 112	1 139	1 166
463	User Charges - Non ACT Government	463	473	2	485	497	509
869	User Charges - ACT Government	869	885	2	911	932	939
14	Interest	14	14	-	14	46	47
2 371	Total Revenue	2 371	2 458	4	2 522	2 614	2 661
Gains							
0	Total Gains	0	0	-	0	0	0
2 371	Total Income	2 371	2 458	4	2 522	2 614	2 661
Expenses							
713	Employee Expenses	713	768	8	780	790	800
101	Superannuation Expenses	101	110	9	113	115	116
1 561	Supplies and Services	1 561	1 588	2	1 633	1 674	1 716
13	Depreciation and Amortisation	13	13	-	13	13	13
2 388	Total Ordinary Expenses	2 388	2 479	4	2 539	2 592	2 645
-17	Operating Result	-17	-21	-24	-17	22	16

Independent Competition and Regulatory Commission Balance Sheet

Budget as at 30/6/05 \$'000		Est.Outcome as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000	Var %	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000
	Current Assets						
454	Cash	506	496	-2	490	523	550
419	Receivables	719	719	-	719	719	719
873	Total Current Assets	1 225	1 215	-1	1 209	1 242	1 269
	Non Current Assets						
78	Property, Plant and Equipment	78	65	-17	52	39	26
78	Total Non Current Assets	78	65	-17	52	39	26
951	TOTAL ASSETS	1 303	1 280	-2	1 261	1 281	1 295
	Current Liabilities						
305	Payables	368	360	-2	352	344	336
63	Employee Benefits	90	90	-	90	90	90
368	Total Current Liabilities	458	450	-2	442	434	426
	Non Current Liabilities						
84	Employee Benefits	92	98	7	104	110	116
84	Total Non Current Liabilities	92	98	7	104	110	116
452	TOTAL LIABILITIES	550	548	..	546	544	542
499	NET ASSETS	753	732	-3	715	737	753
	REPRESENTED BY FUNDS EMPLOYED						
499	Accumulated Funds	753	732	-3	715	737	753
499	TOTAL FUNDS EMPLOYED	753	732	-3	715	737	753

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

2004-05 Budget \$'000		2004-05 Est.Outcome \$'000	2005-06 Budget \$'000	Var %	2006-07 Estimate \$'000	2007-08 Estimate \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
1 025	Taxes, Fees and Fines	1 025	1 086	6	1 112	1 139	1 166
1 330	User Charges	1 332	1 358	2	1 396	1 429	1 448
14	Interest Received	14	14	-	14	46	47
83	Other Revenue	83	83	-	85	87	87
2 452	Operating Receipts	2 454	2 541	4	2 607	2 701	2 748
Payments							
808	Related to Employees	808	872	8	887	899	910
1 552	Related to Supplies and Services	1 554	1 581	2	1 626	1 667	1 709
98	Other	98	98	-	100	102	102
2 458	Operating Payments	2 460	2 551	4	2 613	2 668	2 721
-6	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-6	-10	-67	-6	33	27
-6	NET INCREASE/(DECREASE) IN CASH HELD	-6	-10	-67	-6	33	27
460	CASH AT BEGINNING OF REPORTING PERIOD	512	506	-1	496	490	523
454	CASH AT THE END OF THE REPORTING PERIOD	506	496	-2	490	523	550

Independent Competition and Regulatory Commission Statement of Changes in Equity

Budget as at 30/6/05 \$'000		Est.Outcome as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000	Var %	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000
516	Opening Balance	770	753	-2	732	715	737
	Accumulated Funds						
-17	Operating Result for the Period	-17	-21	-24	-17	22	16
	Reserves						
-17	Total Income And Expense For The Period	-17	-21	-24	-17	22	16
	Transactions Involving Equity Holders Affecting Accumulated Funds						
499	Closing Balance	753	732	-3	715	737	753

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- taxes, fees and fines: the increase of \$0.061m in the 2005-06 Budget from the 2004-05 estimated outcome relates to a projected increase in cost recovery for regulatory activities. Under the *Utilities Act 2000* license fees are determined to meet the costs of operating the Commission, the Essential Services Consumer Council and the Technical Regulator annually; and
- employee expenses and superannuation: the increase of \$0.064m in the 2005-06 Budget from the 2004-05 estimated outcome relates to increases in the certified agreement, and growth of the Commission to meet regulatory activity;

Balance Sheet

- current assets: the increase of \$0.352m in the 2004-05 estimated outcome from the original budget primarily relates to a flow on effect from the 2003-04 audited outcome that identified that the Commission held a higher level of receivables than originally budgeted; and
- current liabilities: the increase of \$0.090m in the 2004-05 estimated outcome from the 2004-05 original budget relates to a flow-on effect from the 2003-04 audited outcome (\$0.063m), which identified a higher level of payables than originally budgeted, and increased employee entitlements associated with the certified agreement and staffing growth (\$0.027m).

