

# **INDEPENDENT COMPETITION AND REGULATORY COMMISSION**

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## **Objectives**

The Independent Competition and Regulatory Commission (ICRC) has responsibility for a broad range of regulatory issues under the *Independent Competition and Regulatory Commission Act 1997 (ICRC Act)* and the *Utilities Act 2000*.

Under the requirements of the *ICRC Act*, the ICRC is 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.

Under the requirements of the *Utilities Act 2000*, the ICRC is to: 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.

## **2001-02 Highlights**

The strategic and operational issues to be pursued in 2001-02 include:

- determining a regulated tariff for the retail gas market;
- investigating and reporting on the competitiveness and efficiency of the market for petroleum products in the ACT;
- participating in the development of a nationally consistent regulatory accounting and benchmarking database for regulators in all jurisdictions in Australia;
- establishing an effective community consultative mechanism for the ICRC;
- determining regulated prices for ACTION services for the period 2002-05; and
- commencing a review of the industry codes of practice under the *Utilities Act*.

**Independent Competition and Regulatory Commission  
Statement Of Financial Performance**

<b>2000-01 Budget \$'000</b>		<b>2000-01 Est.Outcome \$'000</b>	<b>2001-02 Budget \$'000</b>	<b>Var %</b>	<b>2002-03 Estimate \$'000</b>	<b>2003-04 Estimate \$'000</b>	<b>2004-05 Estimate \$'000</b>
<b>Revenue</b>							
0	Taxes Fees and Fines	0	500	#	1 000	1 000	1 025
250	User Charges - Non ACT Government	32	450	#	450	450	461
600	User Charges - ACT Government	595	650	9	850	850	870
0	Interest	3	0	-100	0	0	0
0	Other Revenue	7	0	-100	0	0	0
<b>850</b>	<b>Total Ordinary Revenue</b>	<b>637</b>	<b>1 600</b>	<b>151</b>	<b>2 300</b>	<b>2 300</b>	<b>2 356</b>
<b>Expenses</b>							
180	Employee Expenses	200	380	90	380	380	385
30	Superannuation Expenses	18	64	256	64	64	65
632	Administrative Expenses	416	848	104	1 248	1 248	1 279
8	Depreciation and Amortisation	0	0	-	0	0	0
0	Other Expenses	0	300	#	600	600	615
<b>850</b>	<b>Total Ordinary Expenses</b>	<b>634</b>	<b>1 592</b>	<b>151</b>	<b>2 292</b>	<b>2 292</b>	<b>2 344</b>
<b>0</b>	<b>Operating Result</b>	<b>3</b>	<b>8</b>	<b>167</b>	<b>8</b>	<b>8</b>	<b>12</b>
<b>0</b>	<b>Total Equity From Start of Period</b>	<b>0</b>	<b>3</b>	<b>#</b>	<b>11</b>	<b>19</b>	<b>27</b>
<b>0</b>	<b>Total Equity At The End of Period</b>	<b>3</b>	<b>11</b>	<b>267</b>	<b>19</b>	<b>27</b>	<b>39</b>

## Independent Competition and Regulatory Commission Statement Of Financial Position

Budget as at 30/6/01 \$'000		Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000
	<b>Current Assets</b>						
35	Cash	112	118	5	124	130	140
45	Receivables	59	134	129	205	205	205
0	Other	1	1	-	1	1	1
<b>80</b>	<b>Total Current Assets</b>	<b>172</b>	<b>253</b>	<b>47</b>	<b>330</b>	<b>336</b>	<b>346</b>
	<b>Non Current Assets</b>						
35	Property, Plant and Equipment	0	0	-	0	0	0
<b>35</b>	<b>Total Non Current Assets</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>115</b>	<b>TOTAL ASSETS</b>	<b>172</b>	<b>253</b>	<b>47</b>	<b>330</b>	<b>336</b>	<b>346</b>
	<b>Current Liabilities</b>						
115	Creditors	91	158	74	221	213	205
0	Employee Entitlements	25	25	-	25	25	25
<b>115</b>	<b>Total Current Liabilities</b>	<b>116</b>	<b>183</b>	<b>58</b>	<b>246</b>	<b>238</b>	<b>230</b>
	<b>Non Current Liabilities</b>						
0	Employee Entitlements	51	57	12	63	69	75
0	Other	2	2	-	2	2	2
<b>0</b>	<b>Total Non Current Liabilities</b>	<b>53</b>	<b>59</b>	<b>11</b>	<b>65</b>	<b>71</b>	<b>77</b>
<b>115</b>	<b>TOTAL LIABILITIES</b>	<b>169</b>	<b>242</b>	<b>43</b>	<b>311</b>	<b>309</b>	<b>307</b>
<b>0</b>	<b>NET ASSETS</b>	<b>3</b>	<b>11</b>	<b>400</b>	<b>19</b>	<b>27</b>	<b>39</b>
	<b>REPRESENTED BY FUNDS EMPLOYED</b>						
0	Accumulated Funds	3	11	267	19	27	39
<b>0</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>3</b>	<b>11</b>	<b>267</b>	<b>19</b>	<b>27</b>	<b>39</b>

**Independent Competition and Regulatory Commission  
Cashflow Statement**

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
35	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	0	112	#	118	124	130
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Taxes, Fees and Fines	0	450	#	950	1 000	1 025
842	User Charges	627	1 075	71	1 278	1 300	1 331
0	Interest Received	3	0	-100	0	0	0
0	Other Revenue	16	48	200	78	82	83
<b>842</b>	<b>Operating Receipts</b>	<b>646</b>	<b>1 573</b>	<b>143</b>	<b>2 306</b>	<b>2 382</b>	<b>2 439</b>
	<b>Payments</b>						
210	Related to Employees	142	438	208	438	438	444
632	Related to Administration	377	1 081	187	1 784	1 856	1 887
0	Other	15	48	220	78	82	98
<b>842</b>	<b>Operating Payments</b>	<b>534</b>	<b>1 567</b>	<b>193</b>	<b>2 300</b>	<b>2 376</b>	<b>2 429</b>
<b>0</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>112</b>	<b>6</b>	<b>-95</b>	<b>6</b>	<b>6</b>	<b>10</b>
<b>0</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>112</b>	<b>6</b>	<b>-95</b>	<b>6</b>	<b>6</b>	<b>10</b>
35	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	112	118	5	124	130	140

## Notes to the Budget Statements

Significant variations are as follows:

### *Statement of Financial Performance*

- taxes, fees and fines: the increase of \$0.5m in 2001-02 from the 2000-01 estimated outcome reflects a half year of utility licence fees, for the period 1 January 2001 to 30 June 2001 (the legislation came into effect on 1 January 2000). These fees are invoiced and paid in the following year. The forward estimates reflect full year licence fee collection;
- user charges – non-ACT Government: the decrease of \$0.218m in 2000-01 from the original budget is due to the latter incorporating two inquiries that had been expected to be conducted (at a cost of \$0.125m per inquiry). No inquiries eventuated, however the Commission did earn revenue from consultancy services to the ACCC. The 2001-02 budget includes an estimate of three inquiries at a cost of \$0.150m per inquiry; and
- user charges – ACT Government: the increase of \$0.055m in 2001-02 from the 2000-01 estimated outcome reflects an increase in the price of reports on regulatory issues which arise. Revenue from Government is required to meet the cost of these references. In 2001-02, the Commission anticipates inquiries into ACTION and Taxi service pricing;
- employee expenses: the increase of \$0.180m in 2001-02 from the 2000-01 estimated outcome is due to the expected increase in inquiries to be conducted. Employee expenses will generally be variable from budget to estimated outcome due to the volatility of the Commission's workload.

### *Statement of Financial Position*

- receivables: the increase of \$0.076m in 2001-02 from the 2000-01 estimated outcome is related to the increase in expected inquiries. The Commission usually operates by acquiring the services of external experts, the costs for which are invoiced to clients.

