

**PROGRAMME 9 — NATIONAL COMPETITION
COUNCIL**

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Objectives

To promote microeconomic reform in the community by undertaking research and providing advice to all governments on competition policy matters.

To recommend on applications for declaration of access to services provided by nationally significant infrastructure and the certification of access regimes under Part 111A of the *Trade Practices Act 1974*.

To assess progress with agreed competition policy reforms, and to recommend to the Commonwealth prior to July 1997, July 1999 and July 2001 whether the conditions for national competition policy payments to the States and Territories have been met.

To recommend on whether State and Territory government businesses should be declared for prices surveillance by the ACCC, and to report on the costs and benefits of legislation reliant on Section 51 of the *Trade Practices Act 1974*.

Table 4.2: How the Programme is Resourced; Reconciliation of Appropriations to the Programme and Summary of Underlying Outlays

	1997-98 Budget (i) \$'000	1997-98 Revised Approp (ii) \$'000	1997-98 Estimated Outcome \$'000	1998-99 Budget \$'000	Variation (iii) %
ANNUAL APPROPRIATIONS					
<i>Appropriation Bill No. 1</i>					
Division 676 - National Competition Council					
1. Running Costs	2,710	2,984	2,984	2,582	-13
Annotated Appropriations (Section 31 of the <i>FMA Act 1997</i>)	20	20	20	21	5
	2,730	3,004	3,004	2,603	-13
Total Appropriation Bill No. 1	2,730	3,004	3,004	2,603	-13
Total Appropriation Bill No. 2	-	-	-	-	-
TOTAL ANNUAL APPROPRIATIONS	2,730	3,004	3,004	2,603	-13
TOTAL SPECIAL APPROPRIATIONS	-	-	-	-	-
TOTAL APPROPRIATIONS	2,730	3,004	3,004	2,603	-13

Table 4.2: How the Programme is Resourced; Reconciliation of Appropriations to the Programme and Summary of Underlying Outlays (continued)

	1997-98 Budget (i) \$'000	1997-98 Revised Approp (ii) \$'000	1997-98 Estimated Outcome \$'000	1998-99 Budget \$'000	Variation (iii) %
Less annotated appropriations	20	na	20	21	5
Less other adjustments	-	na	21	-	-100
TOTAL ADJUSTMENTS	20	na	41	21	-49
TOTAL UNDERLYING OUTLAYS	2,710	na	2,963	2,582	-13
Staff years	19	na	19	19	0

- (i) As presented in 1997-98 Budget documentation (May 1997 — adjusted, where necessary, to reflect underlying outlays).
(ii) 1997-98 Revised Approp figures amended to include Additional Estimates, Advance to the Minister for Finance, running cost borrowings savings and other revisions.
(iii) Variation percentage = ((1998-99 Budget less 1997-98 Estimated Outcome)/1997-98 Estimated Outcome).

Programme Variation

The following table shows changes of more than 5 per cent in the underlying outlays of the Programme in 1998-99.

Table 4.3: Variations to Programme Underlying Outlays 1997-98 to 1998-99

	Amount of Variation (+ or -) \$'000	Total \$'000
1997-98 Estimated Underlying Outlays (i)		2,963
Running Costs		
Borrow forward of funding from 1998-99 due to reorganisation of priorities	-260	
Net effect of price indexation, efficiency dividend, carryovers and internal transfers	-121	
Total Variations		-381
1998-99 Budget Underlying Outlays (ii)		2,582

- (i) The 1997-98 figure appears in column 3 in Table 4.2 above.
(ii) The 1998-99 Budget figure appears in Column 4 in Table 4.2 above.

Performance of the Programme in 1996-97 and 1997-98

The Council's 1996-97 Annual Report outlined and explained all of the Council's areas of responsibility. Its 1997-98 Annual Report will report on its activities in each of these areas during 1997-98.

Performance Forecasts for 1998-99

It is expected that the workload of the Council will continue to increase in 1998-99 with a greater focus on the need to maintain the momentum of reform.

- Assessment of the implementation of reform will involve, finalising the outstanding items from the first tranche, ongoing monitoring and commencing the second tranche assessment, due by end June 1999.
- Certification and declaration activity is likely to continue with some increase in 1998 due to the Council's role in assessing the effectiveness of State Gas Access Regimes as part of the national process of reform in Australia's Gas Industry.
- It is also likely that new projects will be added to the Council's work programme.
- The Council will adopt two new roles in the ongoing supervision of national gas and electricity markets.
- The dissemination of information on the need for and benefits of Competition Policy Reform will continue to be important. The Council will update several of its newsletters and the Internet page and produce some new publications.

The operation of the National Competition Council is scheduled to be evaluated and reviewed by 6 November 2000.