

NATIONAL COMPETITION COUNCIL

Section 1: Overview, Appropriations and Budget Measures Summary

OVERVIEW

The role of the National Competition Council (NCC) is to implement and monitor National Competition Policy and related reforms embedded in informal agreements and frameworks developed and agreed to by all Australian governments. Its responsibilities include the promotion and public awareness of government competition reform agendas, recommending the 'declaration' of access to infrastructure under Part IIIA of the *Trade Practices Act 1974*, and assessing whether States and Territories have made satisfactory progress towards competition policy reform.

The NCC vision is to provide professional consultancy services to governments and to continually seek creative solutions for reform, competition and progress performance review that will result in greater economic growth, less unemployment, better social outcomes and the better use of resources for all Australians. The above vision is embodied in the Council's mission: 'To help raise the living standards of the Australian community by ensuring that conditions for competition prevail throughout the economy that promote growth, innovation and productivity'.

APPROPRIATIONS

Total appropriations for the NCC in the 1999-2000 Budget are \$3.1 million (see Table 1.1).

National Competition Council — Appropriations 1999-2000

Table 1.1: Appropriations (\$'000)

Outcomes	Administered Expenses				Price of Outputs					Total Appropriations (e)	Total Estimated Expenses
	Special Appropriations (a)	Annual Appropriations		Total Administered Appropriations	Total Price of Outputs(c)	Revenue from Other Sources(d)	Revenue from Government (Appropriations)				
		Bill 1	Bill 2 (SPPs & NAOs) (b)				Special	Annual Bill 1	Total		
		(A)					(B)	(C)	(D= A+ B+ C)	(E)	(F)
Outcome 1 — The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community	-	-	-	-	3,101	30	-	3,071	3,071	3,071	3,101
Total	-	-	-	-	3,101	30	-	3,071	3,071	3,071	3,101
Bill 2 Administered Capital(b)										-	
Bill 2 Agency Equity Injections and Loans(b)										-	
Total appropriations										3,071	

(a) Estimated expenses from individual Special Appropriations are shown in Appendix 2.

(b) Under the proposed Appropriation Structure, Bill 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), Administered Capital and Agency Capital via Agency Injections and Loans.

(c) Refer to Budget Statement of Revenue and Expenses for Application of Agency Revenue (see Table 3.1).

(d) Other Revenue includes other revenue from Government (eg resources free of charge) and revenue from other sources (eg sales of goods and services).

(e) Links from Appropriations to Budget Financial Statements include Budget Statement of Revenue and Expenses (see Table 3.1); and Capital Budget (see Tables 3.4 & 3.5).

Part C: Agency Budget Statements — NCC

BUDGET MEASURES — AUSTRALIAN COMPETITION AND CONSUMER COMMISSION SUMMARY

Table 1.2: Summary of Budget Measures in the 1999-2000 Budget

Measure	Outcome	Output Groups Affected	Appropriations (\$'000) 1999-00			Appropriations (\$'000) 2000-01			Appropriations (\$'000) 2001-02			Appropriations (\$'000) 2002-03		
			Admin expenses	Agency Outputs	Total	Admin Expenses	Agency Outputs	Total	Admin Expenses	Agency Outputs	Total	Admin Expenses	Agency Outputs	Total
Additional legal funding for matters relating to Part IIIA of the <i>Trade Practices Act 1974</i> — Expense	1	1.1	-	-	-	-	150	150	-	-	-	-	150	150

Note: Administered revenue measures are not attributed to agencies and are reported in *Budget Paper No. 2*.

ADMINISTERED CAPITAL AND EQUITY INJECTIONS AND LOANS

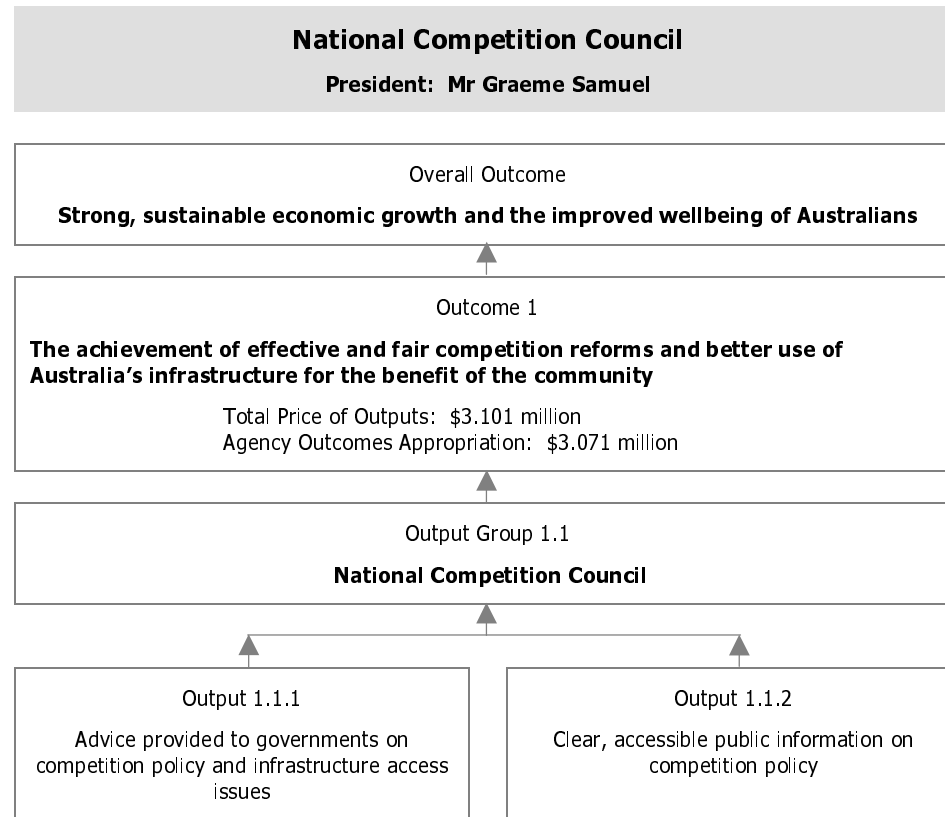
The NCC does not have an appropriation for an equity injection or loan or appropriations for administered capital in 1999-2000.

Section 2: Outcomes and Outputs Information

OUTCOMES AND OUTPUT GROUPS

The map on the following page shows the relationship between Government outcomes and the contributing outputs for the National Competition Council. Financial detail for Outcome 1 by output appears in Table 2.2 while non-financial information for Outcome 1 appears in Table 2.3.

Part C: Agency Budget Statements — NCC



OUTCOME 1

The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community.

Table 2.1 shows the relationship between the programme structure for 1998-99 and the new outcome structure for the 1999-2000 Budget for Outcome 1.

Table 2.1: Relationship between Programme and Outcome Structure for Outcome 1

Programme Management Budgeting	Accrual Budgeting
Programme 9 — National Competition Council To promote microeconomic reform in the community by undertaking research and advice to all governments on competition policy matters	Outcome 1 The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community
Sub-programmes No sub-programmes	Output Groups Output Group 1.1 — National Competition Council
Appropriations for Programme 9	Appropriations for Outcome 1
Appropriation Bill 1 Running costs, including Section 31 receipts (676-1)	Output Group 1.1 Outcome 1 Appropriation Bill 1 Agency Outputs

MEASURES IN THE 1999-2000 BUDGET

Additional Legal Funding for Matters Relating to Part IIIA of the *Trades Practices Act 1974* — Expense

Budget Measure Purpose

This proposal will enable the National Competition Council (NCC) to meet the costs of additional legal obligations associated with Part IIIA of the *Trade Practices Act 1974*.

Part IIIA provides a regime for granting businesses access to significant infrastructure facilities or 'services' that would be uneconomical to duplicate. Under Part IIIA, the NCC may recommend that a particular service be 'declared'. If the Minister accepts an NCC recommendation and 'declares a service', access to the 'service' is negotiated privately, or is subject to arbitration. These decisions are appealable to the Australian Competition Tribunal. The Tribunal may require the NCC to provide it information, reports, or other assistance as requested.

RESOURCES FOR OUTCOME 1

Table 2.2 shows how the 1998-99 appropriation and programming structure relates to total resourcing for Outcome 1.

Table 2.2: Total Resources for Outcome 1

	Estimated Actual	Estimated Actual	Budget
	1998-99 CASH \$'000	1998-99 ACCRUAL \$'000	1999-00 \$'000
Price of Agency Outputs			
Output Group 1.1 — National Competition Council			
Output 1.1.1 — Advice provided to governments on competition policy and infrastructure access issues	2,650	2,650	2,821
Output 1.1.2 — Clear, accessible public information on competition policy	225	225	250
Appropriation Structure 1998-99 (a)			
Programme 9 — National Competition Council			
Subtotal Output Group 1.1	2,875	2,875	3,071
Revenue from Government (Appropriation) for Agency Outputs	2,875	2,875	3,071
Revenue from Other Sources	121	121	30
Total Price of Outputs	2,875	2,875	3,101
Total for Outcome 1	2,996	2,996	3,101
		1998-99	1999-00
Staff Years (Number)		21	21

(a) See Table 2.1 for details.

CONTRIBUTION OF OUTPUTS TO OUTCOME 1

The provision of advice to governments on information policy and infrastructure access issues, and the provision of public information on competition policy, are basic to the formulation of goals and strategies for achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.3: Performance Information 1999-2000

Performance Information for Agency Outputs

Output Group 1.1 — National Competition Council

Output 1.1.1 — Advice provided to governments on competition policy and infrastructure access issues	Policy and legislative advice meet criteria as to quality, accuracy and timeliness. Advice and recommendations to the Commonwealth on compliance take into account all relevant considerations and meet Ministers' needs. Advice to governments and the Australian Competition Tribunal on access to essential infrastructure services, and reviews requested by governments, is effective and timely.
Output 1.1.2 — Clear, accessible public information on competition policy	Publications such as Annual Report and publications are comprehensive and meet deadlines, and information provided is effective in promoting understanding of the market and the public of competition reform policy and processes.

Evaluations

An evaluation activity programme that relates to this outcome is being developed and the results will be shown in the NCC's Annual Report.

Competitive Tendering and Contracting

The NCC is currently 'testing' the market for a number of services including:

- the provision of financial and accounting services;
- the provision of data base management and mailing functions;
- personnel and payroll functions; and
- computer maintenance.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the National Competition Council's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenue and Expenses (Budget Operating Statement)

This statement provides a picture of the expected financial results for NCC by identifying full accrual expenses and revenues, which highlights whether NCC is operating at a sustainable level.

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

This statement shows the financial position of NCC. It enables decision-makers to track the management of NCC's assets and liabilities.

Budget Cash Flow Statement

This statement identifies expected cash flows from operating activities, investing activities and financing activities.

Capital Budget

This statement shows all proposed capital expenditure funded through the Budget as appropriations or from internal sources.

Non-financial Assets — Summary of Movement

This statement shows the movement in NCC's non-financial assets over the Budget year 1999-2000.

Table 3.1: Budget Statement of Revenue and Expenses

	Estimated Actual	Estimated			
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Revenue and Expenses					
Revenue					
Revenue from government					
Ordinary annual appropriations (net appropriations)	2,875	3,071	3,092	2,971	3,028
Other services	-	11	11	11	11
Revenue from other sources					
Sales of goods and services	121	30	30	31	32
Total Revenue	2,996	3,112	3,133	3,013	3,071
Expenses					
Employees	1,620	1,892	1,899	1,778	1,823
Depreciation and amortisation	112	112	112	112	112
Other costs of providing goods and services	1,253	1,097	1,111	1,112	1,125
Other	11	11	11	11	11
Total Expenses	2,996	3,112	3,133	3,013	3,071
Operating Result before Capital User Charge	-	-	-	-	-
Capital User Charge	11	11	11	11	11
Transfers and Dividends	-	-	-	-	-
Accumulated Results at Year End	92	91	91	91	91
Net contribution to government	-	-	-	-	-

Note: The NCC does not have any Administered items.

Table 3.2: Budget Statement of Assets and Liabilities

	Estimated Actual	Estimated			
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Assets and Liabilities					
Debt					
Total Debt	-	-	-	-	-
Provisions and Payables					
Employees	394	426	458	488	519
Suppliers	45	42	43	43	43
Other	14	14	14	14	14
Total Provisions and Payables	453	482	515	455	576
Equity					
Accumulated results	91	91	91	91	91
Total Equity	91	91	91	91	91
Total Liabilities and Equity	544	573	606	546	667
Financial Assets					
Cash	189	233	281	326	373
Receivables	2	2	3	3	3
Other	23	23	23	23	23
Total Financial Assets	214	258	307	352	399
Non-financial Assets					
Land and buildings	195	195	195	195	195
Infrastructure, plant and equipment	128	113	98	83	68
Intangibles	6	6	6	6	6
Total Non-financial Assets	329	314	299	284	269
Total Assets	543	572	606	636	668

Note: The NCC does not have any Administered items.

Table 3.3: Budget Cash Flow Statement

	Estimated Actual	Estimated			
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	2,875	3,071	3,092	2,971	3,078
Sales of goods and services	176	29	30	30	30
Total Cash Received	3,051	3,100	3,122	3,002	3,008
Cash Used					
Employees	1,592	1,860	1,867	1,748	1,792
Suppliers	1,174	1,099	1,110	1,112	1,125
Total Cash Used	2,766	2,959	2,977	2,860	2,917
Net Cash from Operating Activities	285	141	145	142	91
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	97	97	97	97	97
Total Cash Received	97	97	97	97	97
Cash Used					
Total Cash Used	-	-	-	-	-
Net Cash from Investing Activities	-	-	-	-	-
Financing Activities					
Cash Received					
Total Cash Received	-	-	-	-	-
Cash Used					
Total Cash Used	-	-	-	-	-
Net Cash from Financing Activities	-	-	-	-	-
Net increase/decrease in cash held	188	44	48	45	(6)
Add cash as at 1 July	500	189	233	281	326
Cash as at 30 June	189	233	281	326	372

Note: The NCC does not have any Administered items.

CAPITAL BUDGET

The NCC does not have a capital budget (and Table 3.4 is accordingly not included).

Part C: Agency Budget Statements — NCC

Table 3.5: Non-financial Assets — Summary of Movement
Budget Year 1999-2000

	Land	Buildings	Total Land and Buildings	Other Infrastructure, Plant and Equipment	Total Infrastructure, Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Value							
As at 1 July 1999 (opening)	-	195	195	113	113	6	314
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
As at 30 June 2000	-	-	-	-	-	-	-
Accumulated Depreciation							
As at 1 July 1999 (opening)	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Charge for the reporting period	-	-	-	-	-	-	-
Other movements	-	-	-	15	15	-	15
As at 30 June 2000	-	-	-	-	-	-	-
Net Book Value as at 30 June 2000 (Closing Book Value)	-	195	195	98	98	6	299
Net Book Value as at 1 July 1999 (Opening Book Value)	-	195	195	113	113	6	314
Total Additions							
	Land	Buildings	Total Land and Buildings	Other Infrastructure, Plant and Equipment	Total Infrastructure, Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Self funded	-	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-