NATIONAL COMPETITION COUNCIL

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The role of the National Competition Council (NCC) is to oversight and assist the implementation of National Competition Policy and related reforms outlined in frameworks developed and agreed by all Australian governments. Its responsibilities include assisting public awareness of competition reform agendas, recommending on the design and coverage of infrastructure access regimes 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 that through constructive engagement with governments it will work towards completing the reform program originally envisaged in April 1995. The NCC's second broad goal is to help the community to become better attuned to the scope and potential outcomes of competition reform. This approach will enable increased competition to be introduced where it 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

The total appropriations for the NCC in the 2001-02 Budget are $3.6 million (see Table 1.1 on the following page).

National Competition Council — appropriations 2001-02

Table 1.1: Appropriations and other revenue

Outcome	Agency (price of outputs) ($'000)					Administered ($'000)				($'000)
	Revenue from Government (appropriations)			Revenue from other sources	Price of outputs[3]	Annual appropriations		Special approps	Total administered appropriations	Total appropriations
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs)[2]			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
Outcome 1 - The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community			(C1)[1]		(E1)[1]					
	3,603	-	3,603	31	3,634	-	-	-	-	3,603
			*99%	1%	100%					
Total	3,603	- (K1)[1]	3,603	31	3,634	-	-	-	-	3,603
Agency capital (equity injections and loans)										-
Administered capital										-
Total appropriations										3,603

(1) C1 and E1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1.
(2) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and agency capital via agency injections and loans.
(3) Refer to Table 3.1 for application of agency revenue.
* Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.

BUDGET MEASURES — NATIONAL COMPETITION COUNCIL SUMMARY

Table 1.2: Summary of measures in the 2001-02 Budget

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 ($'000)			Appropriations estimate 2002-03 ($'000)			Appropriations estimate 2003-04 ($'000)			Appropriations estimate 2004-05 ($'000)		
			Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total
Continued funding for legal matters relating to Part IIIA of the *Trade Practices Act 1974*	1	1.1	-	300	300	-	300	300	-	300	300	-	300	300
National Competition Policy communication and education	1	1.1	-	200	200	-	200	200	-	200	200	-	200	200

ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS

The NCC does not have an appropriation for an equity injection or loan or appropriations for administered capital in 2001-02.

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 (NCC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

Chart 6: Outcomes and output groups

National Competition Council

President: Mr Graeme Samuel

Overall outcome

Strong, sustainable economic growth and the improved wellbeing of Australians

Outcome 1

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

Total price of outputs: $3.6 million
Agency outcomes appropriation: $3.6 million

Output Group 1.1

National Competition Council

Output 1.1.1

Advice provided to governments on competition policy and infrastructure access issues

Output 1.1.2

Clear, accessible public information on competition policy

CHANGES TO OUTCOMES AND OUTPUTS

There is no change in outcomes or outputs from the previous year.

OUTCOME 1 — DESCRIPTION

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

Measures affecting Outcome 1

Continued funding for legal matters relating to Part IIIA of the Trade Practices Act 1974

The Government has provided $1.2 million over four years to the National Competition Council to fund any legal proceedings relating to recommendations by the Council on the coverage of access arrangements under Part IIIA of the *Trade Practices Act 1974*.

National Competition Policy communication and education

The Government has extended the funding for the National Competition Council's communication and education programme by $0.8 million over four years. The measure will fund community information papers, participation and promotion at industry and education conferences and the production of other briefing and information related to competition policy.

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1 including revenue from government (appropriation), revenue from other sources and the total price of outputs.

Table 2.1: Total resources for Outcome 1

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000
Agency appropriations		
Output Group 1.1 National Competition Council		
Output 1.1.1 Advice provided to governments on competition policy and infrastructure access issues	3,080	3,403
Output 1.1.2 Clear, accessible public information on competition policy	200	200
Total revenue from government (appropriations)	3,280	(C1)[1] 3,603
Contributing to price of agency outputs	95%	99%
Revenue from other sources		
Output Group 1.1 National Competition Council		
Output 1.1.1 Advice provided to governments on competition policy and infrastructure access issues	166	31
Output 1.1.2 Clear, accessible public information on competition policy	-	-
Total revenue from other sources	166	31
Total price from agency outputs		
(Total revenue from government and from other sources)	3,446	(E1)[1] 3,634
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered expenses)	3,446	3,634

	2000-01	2001-02
Average staffing level (number)	21	21

(1) C1 and E1 — see Table 1.1

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The NCC pursues goals and strategies that allow it to provide advice to governments on competition policy and infrastructure access and public information on competition policy. Further, these goals and strategies work towards the achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community.

Table 2.2: Performance information for Outcome 1

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	Advice and recommendations meet criteria as to quality, accuracy and timeliness.
	Advice and recommendations take into account all relevant considerations and meet Ministers' needs.
	Recommendations to governments and representations to the Australian Competition Tribunal on access to essential infrastructure services, and reviews requested by governments, are effective and timely.
Output 1.1.2 — Clear, accessible public information on competition policy	Publications and explanatory material, including the Annual Report are comprehensive and meet deadlines, and information provided is effective in promoting understanding of competition reform policy and processes.

Evaluations

An evaluation programme that relates to this outcome is currently being undertaken by government and results will be shown in the NCC's Annual Report.

Competitive tendering and contracting

The NCC is currently 'testing' the market for the provision of an interactive website.

Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the National Competition Council (NCC)'s 2001-02 Annual Report and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

The budgeted financial statements have been prepared in accordance with the Goods and Services Tax (GST) accounting guidelines of the Urgent Issues Group (UIG) of the Australian Accounting Standards Board. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable and that cash flows and accounts payable and receivable be reported gross. Appropriations are thus net of recoverable GST amounts.

AGENCY STATEMENTS

Budgeted agency statement of financial performance

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.

Budgeted agency statement of financial position

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

Budgeted agency statement of cash flows

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

Agency capital budget statement

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

Agency non-financial assets — summary of movement

This statement shows the movement in NCC's non-financial assets over the Budget year 2001-02.

Table 3.1: Budgeted agency statement of financial performance
for the period ended 30 June

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
Revenues from ordinary activities		(K1)[1]			
Revenue from government	3,280	3,603	3,558	3,620	3,651
Sale of goods and services	138	8	9	9	9
Interest	28	23	23	24	25
Other	-	-	-	-	-
Total revenues from ordinary activities	3,446	3,634	3,590	3,653	3,685
Expenses from ordinary activities (excluding borrowing cost expense)					
Employees	1,878	1,933	2,031	2,132	2,239
Suppliers	1,448	1,594	1,554	1,476	1,401
Depreciation and amortisation	120	107	5	17	17
Other	-	-	-	28	28
Total expenses from ordinary activities (excluding borrowing cost expense)	3,446	3,634	3,590	3,653	3,685
Borrowing cost expense	-	-	-	-	-
Net surplus or deficit from ordinary activities	-	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	-	-	-	-	-
Capital use charge	-	-	-	-	-
Net surplus or deficit after capital use charge	-	-	-	-	-

1. K1 — see Table 1.1

Table 3.2: Budgeted agency statement of financial position
as at 30 June

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
ASSETS					
Financial assets					
Cash	300	463	457	405	248
Receivables - other	96	-	-	-	-
Receivables - GST clearing	12	12	12	13	13
Investments	300	300	300	300	300
Total financial assets	708	775	770	718	561
Non-financial assets					
Land and buildings	342	492	492	492	492
Infrastucture, plant and equipment	344	344	394	394	394
Accumulated depreciation	-589	-696	-700	-717	-734
Intangibles	10	10	10	10	10
Total non-financial assets	107	150	196	179	162
Total assets	814	925	965	896	722
LIABILITIES					
Provisions and payables					
Employees	485	485	486	487	487
Suppliers	70	71	72	74	75
Total provisions and payables	555	556	558	561	562
Total liabilities	555	556	558	561	562
EQUITY					
Profits plus accumulated at start	-20	-20	-20	-20	-20
Accumulated surpluses or deficits	279	389	428	356	180
Total equity	259	369	408	336	160
Current liabilities	-	-	-	-	-
Non-current liabilities	555	556	558	561	562
Current assets	708	775	770	718	561
Non-current assets	107	150	196	179	162

Table 3.3: Budgeted agency statement of cash flows
for the period ended 30 June

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	3,280	3,603	3,558	3,620	3,651
Sale of goods and services	138	8	9	9	9
Interest	28	23	23	24	28
Total cash received	3,446	3,634	3,590	3,653	3,688
Cash used					
Employees	1,897	1,933	2,031	2,132	2,239
Suppliers	1,466	1,387	1,516	1,545	1,579
Total cash used	3,363	3,320	3,546	3,705	3,845
Net cash from operating activities	83	314	44	-52	-157
INVESTING ACTIVITIES					
Cash received					
Other	200	-	-	-	-
Total cash received	200	-	-	-	-
Cash used					
Purchase of property, plant and equipment	29	150	50	-	-
Total cash used	29	150	50	-	-
Net cash from investing activities	171	-150	-50	-	-
Net increase in cash held	254	164	-6	-52	-157
Cash at beginning of reporting period	45	300	463	457	405
Cash at end of reporting period	300	463	457	405	248

Table 3.4: Agency capital budget statement

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
Purchase of non-current assets					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	29	150	50	-	-
Total	29	150	50	-	-

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2001-02)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
GROSS VALUE								
As at 1 July 2001 (opening)	-	342	342	-	344	344	-	686
Additions	-	150	150	-	-	-	-	150
Disposals	-	-	-	-	-	-	-	-
As at 30 June 2002 (closing)	-	492	492	-	344	344	-	836
ACCUMULATED DEPRECIATION								
As at 1 July 2001 (opening)	-	306	306	-	283	283	-	589
Disposals	-	-	-	-	-	-	-	-
Charge for the reporting period	-	55	55	-	51	51	-	107
As at 30 June 2002 (closing)	-	361	361	-	335	335	-	696
Net book value As at 30 June 2002 (closing book value)	-	131	131	-	9	9	-	140
Net book value As at 1 July 2001 (opening book value)	-	37	37	-	60	60	-	97
TOTAL ADDITIONS								
Self funded	-	150	150	-	-	-	-	150
Total	-	150	150	-	-	-	-	150

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention.

Appendix 1

Non-appropriation agency revenue

	Estimated revenue 2000-01 $'000	Estimated revenue 2001-02 $'000
Non appropriation agency revenue		
Sale of goods and services	138	8
Interest	28	23
Total non-appropriation agency revenue	166	31