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 also include assisting public awareness of governments' 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 the Commonwealth, States and Territories have made satisfactory progress towards their commitments to competition policy reform.

Through constructive engagement with governments the NCC works towards completing the reform program agreed in April 1995. The NCC also helps the community to become better attuned to the scope and potential favourable outcomes of competition reform. This approach facilitates 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 the benefit of all Australians. This 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 appropriation for the NCC in the 2002-03 Budget is $3.6 million. Table 1.1 on the following page provides this detail.

National Competition Council — appropriations 2002-03

Table 1.1: Appropriations and other revenue ($'000)

Outcome	Agency (price of outputs) ($'000)					Administered ($'000)				($'000)
	Revenue from government (appropriations)			Revenue from other sources[3]	Price of outputs[2]	Annual appropriations ($'000)		Special appropriations	Total administered appropriations	Total appropriations
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs)			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
			(C1)[1]		(E1)[1]					
Outcome 1 — The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community	3,604	-	3,604	32	3,636	-	-	-	-	3,604
			99%	1%	100%					
Total	3,604	-	(K1)[1] 3,604	32	3,636	-	-	-	-	3,604
								Agency capital (equity injections and loans)		-
								Administered capital		-
								Total appropriations		3,604

1. References C1 and E1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1, Budgeted Statement of Financial Performance.
2. Refer to Budgeted Statement of Financial Performance in Table 3.1 for application of agency revenue.
3. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services). Non-appropriated agency revenues are detailed in Appendix 1.

Note: Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.

EQUITY INJECTIONS AND LOANS

The NCC does not have an appropriation for an equity injection or loan in the 2002-03 Budget.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

Map 2 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.

Map 2: 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 infrastructure 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 to the outcome 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

There are no measures for the NCC in the 2002-03 Budget.

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2002-03 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 ($'000)

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000
Agency appropriations		
Output Group 1.1 - National Competition Council		
Output 1.1.1 - Advice provided to governments on competion policy and infrastructure access issues	3,403	3,404
Output 1.1.2 - Clear, accessible public information on competition policy	200	200
Total revenue from government (appropriations)	3,634	(C1)[1] 3,604
Contributing to price of agency outputs	99%	99%
Revenue from other sources		
Other	31	32
Total revenue from other sources	31	32
Total price from agency outputs (Total revenue from government and from other sources)	3,634	3,636
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	3,634	(E1)[1] 3,636

	2001-02	2002-03
Average staffing level (number)	21	21

(1) C1 and E1 show the links back to 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. 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.

PERFORMANCE INFORMATION FOR OUTCOME 1

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 of robustness, quality 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 responses to 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 and the Council's website are comprehensive and meet deadlines, and information provided is effective in promoting understanding of competition reform, policy and processes.

EVALUATIONS

Internal, informal monitoring of the NCC's performance and output is undertaken on a continuous basis.

Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the NCC's 2001-02 Annual Report and form the basis for the Council's 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 FINANCIAL STATEMENTS

Budgeted agency statement of financial performance

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

Budgeted agency statement of financial position

This statement shows the financial position of the NCC. It enables decision-makers to track the management of the 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 2002-03.

Table 3.1: Budgeted Agency Statement of Financial Performance
for the period ended 30 June

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
Revenues from ordinary activities					
Revenue from government	3,603	(K1)[1] 3,604	3,674	3,716	3,794
Sales of goods and services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Other	31	32	32	33	33
Total revenues from ordinary activities	3,634	3,636	3,706	3,749	3,827
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	1,943	2,005	2,054	2,069	2,115
Suppliers	1,553	1,570	1,593	1,622	1,655
Grants	-	-	-	-	-
Depreciation and amortisation	59	61	59	58	57
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	3,555	3,636	3,706	3,749	3,827
Borrowing costs expense	-	-	-	-	-
Net surplus or deficit from ordinary activities	79	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	-	-	-	-	-
Capital use charge	-	-	-	-	-
Net surplus or deficit after capital use charge	-	-	-	-	-

(1) K1 — shows the link back to Table 1.1.

Table 3.2: Budgeted Agency Statement of Financial Position
as at 30 June

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
ASSETS					
Financial assets					
Cash	45	79	133	146	159
Receivables	10	10	10	10	10
Investments	197	117	117	117	117
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	252	206	260	273	286
Non-financial assets					
Land and buildings	20	87	28	5	-
Infrastucture, plant and equipment	21	-	5	15	7
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	
Other	26	26	26	26	26
Total non-financial assets	67	113	59	46	33
Total assets	319	319	319	319	319
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Employees	481	481	481	481	481
Suppliers	35	35	35	35	35
Grants	-	-	-	-	-
Other	-	-	-	-	-
Total provisions and payables	516	516	516	516	516
Total liabilities	516	516	516	516	516
EQUITY					
Capital	-	-	-	-	-
Reserves	-	-	-	-	-
Accumulated surpluses or deficits	(197)	(197)	(197)	(197)	(197)
Total equity	(197)	(197)	(197)	(197)	(197)
Current liabilities	35	35	35	35	35
Non-current liabilities	481	481	481	481	481
Current assets	252	206	260	273	286
Non-current assets	67	113	59	46	33

Table 3.3: Budgeted Agency Statement of Cash Flows
for the period ended 30 June

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	3,604	3,604	3,674	3,716	3,794
Interest	10	10	11	11	12
Other	184	21	21	22	22
Total cash received	3,798	3,635	3,706	3,749	3,828
Cash used					
Employees	1,981	2,005	2,053	2,069	2,115
Suppliers	1,850	1,569	1,594	1,622	1,656
Total cash used	3,831	3,574	3,647	3,691	3,771
Net cash from operating activities	(33)	61	59	58	57
INVESTING ACTIVITIES					
Cash used					
Purchases of property, plant and equipment	-	107	5	45	45
Total cash used	-	107	5	45	45
Net cash from investing activities	-	(107)	(5)	(45)	(45)
FINANCING ACTIVITIES					
Net increase (decrease) in cash held	(33)	(46)	54	13	12
Cash at the beginning of the reporting period*	275	242	196	250	263
Cash at the end of the reporting period*	242	196	250	263	275

* Includes cash and investments.

Table 3.4: Agency Capital Budget Statement

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by agency resources	-	107	5	45	45
Total	-	107	5	45	45

Table 3.5: Agency Non-financial Assets — Summary of Movement (Budget year 2002-03)

	Land	Buildings	Total land and buidings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the start of year	-	20	20	-	21	21	-	41
Additions	-	107	107	-	-	-	-	107
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(40)	(40)	-	(21)	(21)	-	(61)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	87	87	-	-	-	-	87
Total additions								
Self funded	-	107	-	-	-	-	-	107
Appropriations	-	-	-	-	-	-	-	-
Total	-	107	-	-	-	-	-	107

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: RECEIPTS FROM INDEPENDENT SOURCES

Receipts from independent sources

	Estimated revenue 2001-02 $'000	Estimated revenue 2002-03 $'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Sales of goods and services	20	21
Interest	11	11
Total non-appropriation agency revenue	31	32