AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08* (page 83).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets	To bring about greater competitiveness in every sector of the economy	Output Group 1.1 Australian Competition and Consumer Commission

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08 $'000	2008-09 $'000	2009-10 $'000	2010-11 $'000
Outcome 1				
Expense measures				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(301)	(607)	(919)
Election Commitment Savings: 2 per cent Efficiency Dividend	(524)	(2,407)	(2,432)	(2,455)
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements	5,917	6,829	6,105	6,083
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements *(related capital)*	1,073	-	-	-

Note: These figures represent the impact on the fiscal balance.

Table 1.3: Additional estimates and variations to outcomes — other variations

The ACCC does not have any other variations to Outcome 1.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 $'000			2008-09 $'000			2009-10 $'000			2010-11 $'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense measures														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1	-	-	-	-	(301)	(301)	-	(607)	(607)	-	(919)	(919)
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1.1	-	(524)	(524)	-	(2,407)	(2,407)	-	(2,432)	(2,432)	-	(2,455)	(2,455)
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements	1	1.1	-	5,917	5,917	-	6,829	6,829	-	6,105	6,105	-	6,083	6,083
Total expense measures			-	5,393	5,393	-	4,121	4,121	-	3,066	3,066	-	2,709	2,709
Related capital														
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements	1	1.1	-	1,073	1,073	-	-	-	-	-	-	-	-	-
Total of all measures			-	6,466	6,466	-	4,121	4,121	-	3,066	3,066	-	2,709	2,709

Note: These figures represent the impact on the fiscal balance.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available $'000	2007-08 budget $'000	2007-08 revised $'000	Additional estimates[1] $'000	Reduced estimates $'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets	107,518	113,805	119,358	5,553	-
Total	107,518	113,805	119,358	5,553	-

1. This figure represents the impact on appropriations.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available $'000	2007-08 budget $'000	2007-08 revised $'000	Additional estimates[1] $'000	Reduced estimates $'000
Non-operating					
Equity injections	3,958	-	1,073	1,073	-
Total	3,958	-	1,073	1,073	-

1. This figure represents the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets	606	638	32
Total	606	638	32

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used

The ACCC has not made any changes to other receipts available to be used since the *Portfolio Budget Statements 2007-08.*

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

The ACCC does not have any special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

The ACCC has not made any change to special account flows since the *Portfolio Budget Statements 2007-08.*

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcome and output groups' lists the outcome statement and output group for the Australian Competition and Consumer Commission (ACCC).

The ACCC has not made any changes to its outcome or outputs since the *Portfolio Budget Statements 2007-08.*

Figure 2: Contributions to outcome and outputs

Australian Competition and Consumer Commission

Chairperson: Mr Graeme Samuel

Outcome 1

To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets

Total resources: $119.9 million
Departmental appropriation: $119.4 million

Output Group 1.1

Australian Competition and Consumer Commission

Output 1.1.1	Output 1.1.2
Compliance with competition, fair trading and consumer protection laws and appropriate remedies when the law is not followed	Competitive market structures and informed behaviour
Total resources: $69.1 million	Total resources: $50.8 million

Revised performance information — 2007-08

There has been no change to ACCC's performance information since the *Portfolio Budget Statements 2007-08.*

Section 3: Budgeted financial statements

The budgeted financial statements contain estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, and the Australian Equivalents to International Financial Reporting Standards (AEIFRS), as well as specific guidelines issued by the Department of Finance and Deregulation. The statements show the planned financial performance for the 2007-08 Budget year and each of the forward years from 2008-09 to 2010-11. The statements also include the actual for 2006-07 for comparative purposes.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Australian Competition and Consumer Commission's (ACCC) budgeted financial statements, as reflected in the budgeted departmental financial statements for 2007-08, is provided below.

Departmental

Income Statement

The ACCC is budgeting for a break even result for 2007-08. The actual operating result for 2006-07 was an operating surplus of $5.0 million.

Operating revenues

Total revenue in 2007-08 is estimated to be $119.9 million, an increase since the *Portfolio Budget Statements 2007-08* of $5.6 million. The increase is primarily as a result of measures as outlined in Table 1.2 and Table 1.4.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

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

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity — summary of movement

This statement shows the movement in the residual interest in assets after the deduction of liabilities.

Departmental capital budget statement

This statement shows all proposed capital expenditure funded from capital appropriation or from internal resources.

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows the movement in the ACCC's non-financial assets over the 2006-07 Budget year.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the revenue and expenses administered on behalf of the Government. It also discloses administered revenues transferred to the Official Public Account.

Schedule of budgeted assets and liabilities administered on behalf of government

This schedule shows the assets and liabilities administered on behalf of the Government.

Schedule of budgeted administered cash flows

The schedule shows cash flows administered on behalf of the Government.

Schedule of administered capital budget

The ACCC does not have any administered capital.

Schedule of administered property, plant, equipment and intangibles — summary of movement

The ACCC does not have any administered property, plant, equipment or intangible assets.

BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2006-07 $'000	Revised budget 2007-08 $'000	Forward estimate 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000
INCOME					
Revenue					
Revenues from Government	107,518	119,358	124,621	124,848	125,618
Goods and services	499	575	575	575	575
Total revenue	108,017	119,933	125,196	125,423	126,193
Gains					
Net gains from sale of assets	13	-	-	-	-
Other	75	-	-	-	-
Total gains	88	-	-	-	-
Total income	108,105	119,933	125,196	125,423	126,193
EXPENSE					
Employees	53,336	65,346	66,700	66,566	67,032
Suppliers	47,961	51,158	55,067	55,428	55,707
Depreciation and amortisation	1,663	3,429	3,429	3,429	3,454
Write-down of assets and impairment of assets	24	-	-	-	-
Net losses from sale of assets	86	-	-	-	-
Other	-	-	-	-	-
Total expenses	103,070	119,933	125,196	125,423	126,193
Net surplus or (deficit) attributable to the Australian Government	5,035	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2006-07 $'000	Revised budget 2007-08 $'000	Forward estimate 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,008	1,624	1,624	1,624	1,624
Receivables	55,626	51,665	52,594	53,523	53,683
Total financial assets	56,634	53,289	54,218	55,147	55,307
Non-financial assets					
Land and buildings	4,626	6,291	4,879	3,467	2,030
Infrastructure, plant and equipment	3,559	3,009	4,267	5,434	6,870
Intangibles	534	566	560	645	486
Inventories	75	118	118	118	118
Other non-financial assets	749	663	663	663	663
Total non-financial assets	9,543	10,647	10,487	10,327	10,167
Total assets	66,177	63,936	64,705	65,474	65,474
LIABILITIES					
Payables					
Suppliers	4,883	2,491	2,466	2,441	2,441
Other payables	1,597	596	596	596	596
Total payables	6,480	3,087	3,062	3,037	3,037
Provisions					
Employees	13,778	13,857	14,651	15,445	15,445
Other provisions	1,857	1,857	1,857	1,857	1,857
Total provisions	15,635	15,714	16,508	17,302	17,302
Total liabilities	22,115	18,801	19,570	20,339	20,339
EQUITY					
Contributed equity	33,025	34,098	34,098	34,098	34,098
Reserves	968	968	968	968	968
Retained surpluses or accumulated deficits	10,069	10,069	10,069	10,069	10,069
Total equity	44,062	45,135	45,135	45,135	45,135
Current assets	57,421	53,952	54,881	55,810	55,970
Non-current assets	8,756	9,984	9,824	9,664	9,504
Current liabilities	17,724	10,944	11,316	11,688	11,688
Non-current liabilities	4,391	7,857	8,254	8,651	8,651

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2006-07 $'000	Revised budget 2007-08 $'000	Forward estimate 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	629	500	500	500	500
Appropriations	100,344	119,358	124,621	124,848	125,617
Net GST received	4,036	-	-	-	-
Total cash received	105,009	119,858	125,121	125,348	126,117
Cash used					
Employees	51,974	64,555	66,600	61,295	61,760
Suppliers	50,977	51,183	55,092	60,624	60,903
Total cash used	102,951	115,738	121,692	121,919	122,663
Net cash from or (used by) operating activities	2,058	4,120	3,429	3,429	3,454
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	38	-	-	-	-
Total cash received	38	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,165	4,577	3,429	3,429	3,454
Other cash used	562	-	-	-	-
Total cash used	3,727	4,577	3,429	3,429	3,454
Net cash from or (used by) investing activities	(3,689)	(4,577)	(3,429)	(3,429)	(3,454)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,040	1,073	-	-	-
Total cash received	1,040	1,073	-	-	-
Net cash from or (used by) financing activities	1,040	1,073	-		
Net increase or (decrease) in cash held	(591)	616	-	-	-
Cash at the beginning of the reporting period	1,599	1,008	1,624	1,624	1,624
Cash at the end of the reporting period	1,008	1,624	1,624	1,624	1,624

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	$'000	$'000	$'000	$'000	$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	10,069	968	-	33,025	44,062
Adjustment for changes in accounting policies					
Adjusted opening balance	10,069	968	-	33,025	44,062
Income and expense					
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Transactions with owners					
Contribution by owners					
Appropriation (equity injection)				1,073	1,073
Sub-total transactions with owners	-	-	-	1,073	1,073
Estimated closing balance as at 30 June 2008	10,069	968	-	34,098	45,135

Table 3.5: Departmental capital budget statement

	Actual 2006-07	Revised budget 2007-08	Forward estimate 2008-09	Forward estimate 2009-10	Forward estimate 2010-11
	$'000	$'000	$'000	$'000	$'000
CAPITAL APPROPRIATIONS					
Total equity injections	1,040	1,073	-	-	-
Total capital appropriations	1,040	1,073	-	-	-
Represented by:					
Purchase of non-financial assets	1,040	1,073	-	-	-
Total represented by	1,040	1,073	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,040	1,073	-	-	-
Funded internally by departmental resources	2,687	3,504	3,429	3,429	3,454
Total	3,727	4,577	3,429	3,429	3,454

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2007									
Gross book value	-	-	6,094	-	5,524	-	2,058	-	13,676
Accumulated depreciation	-	-	(1,469)	-	(1,966)	-	(1,523)	-	(4,958)
Opening net book value	-	-	4,625	-	3,558	-	535	-	8,718
Additions:									
by purchase	-	-	3,078	-	1,335	-	164	-	4,577
Depreciation/amortisation expense	-	-	(1,412)	-	(1,884)	-	(133)	-	(3,429)
As at 30 June 2008									
Gross book value	-	-	9,172	-	6,859	-	2,222	-	18,253
Accumulated depreciation	-	-	(2,881)	-	(3,850)	-	(1,656)	-	(8,387)
Estimated closing net book value	-	-	6,291	-	3,009	-	566	-	9,866

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2006-07 $'000	Budget estimate 2007-08 $'000	Forward estimate 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	23,433	10,000	10,000	10,000	10,000
Total taxation	23,433	10,000	10,000	10,000	10,000
Total revenues administered on behalf of Government	23,433	10,000	10,000	10,000	10,000
Total income administered on behalf of Government	23,433	10,000	10,000	10,000	10,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write down and impairment of assets	5,414	-	-	-	-
Total expenses administered on behalf of Government	5,414	-	-	-	-

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2006-07 $'000	Revised budget 2007-08 $'000	Forward estimate 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	5	5	5	5	5
Receivables	2,497	4,334	4,334	4,334	4,334
Total financial assets	2,502	4,339	4,339	4,339	4,339
Total assets administered on behalf of Government	2,502	4,339	4,339	4,339	4,339

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2006-07 $'000	Revised budget 2007-08 $'000	Forward estimate 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000
OPERATING ACTIVITIES					
Cash received					
Other	19,856	10,000	10,000	10,000	10,000
Total cash received	19,856	10,000	10,000	10,000	10,000
Cash used					
Other	19,852	10,000	10,000	10,000	10,000
Total cash used	19,852	10,000	10,000	10,000	10,000
Net cash from operating activities	4	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	1	5	5	5	5
Cash at end of reporting period	5	5	5	5	5

Table 3.10: Schedule of administered capital budget

The ACCC does not have any administered capital.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

The ACCC does not have any administered property, plant, equipment or intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Accounting policy

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Equivalents to International Financial Reporting Standards (AEIFRS);
- other authoritative pronouncements of the Australian Accounting Standards Board; and
- the Consensus Views of the Urgent Issues Group.

Departmental and administered items

Agency assets, liabilities revenues and expenses are those items that are controlled by the ACCC that are used by the ACCC in producing its outputs and include:

- computers, plant and equipment, and building fitout used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outputs; and
- employee, supplier and depreciation expenses incurred in providing agency outputs.

Administered items are those items incurred in providing programs that are controlled by the Government and managed, or oversighted, by the ACCC on behalf of the Government. Administered revenues include fees and fines.

Departmental revenue

Revenue from Government represents the purchase of outputs from the ACCC by the Government and is recognised to the extent that it has been received into the ACCC's bank account.

Revenue from other sources, representing sales from goods and services, is recognised at the time that it is imposed on customers.

Departmental expenses — employees

Payments and net increases in entitlements to employees for services rendered in the financial year.

Departmental expenses — suppliers

Payments to suppliers for goods and services used in providing agency outputs.

Departmental expenses — depreciation and amortisation

Depreciable property plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life, using the straight-line calculation method.

Departmental assets — financial assets

The primary financial asset relates to receivables. Financial assets are used to fund the ACCC's capital program, employee entitlements, creditors and to provide working capital.

Departmental assets — non-financial assets

These items represent future benefits that the ACCC will consume in producing outputs. The reported value represents the purchase paid less depreciation incurred to date in using the asset.

Departmental liabilities — provisions and payables

Provision has been made for the ACCC's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave. No provision has been made for sick leave because the level of sick leave is less on average than the amount which employees are entitled to each year.

Provision has also been made for unpaid expenses as at balance date.