AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Competition and Consumer Commission (ACCC) from that outlined in the *Portfolio Budget Statements 2009-10* (pages 91-93).

The ACCC is seeking an additional $1.8 million in departmental outputs through Appropriation Bill (No. 3) 2009-10. This relates to $2.5 million for the Telecommunications regulatory reform — competition and consumer safeguards measure (refer page 164 of the *Mid-Year Economic and Fiscal Outlook 2009-10*) and is offset by a reduction of $0.7 million for the whole-of-government departmental efficiencies measure (refer page 166 of the *Mid-Year Economic and Fiscal Outlook 2009-10*).

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Australian Competition and Consumer Commission resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

		Estimate as at Budget +	Proposed additional estimates =	Total estimate at Additional Estimates	Actual available appropriation
		2009-10	2009-10	2009-10	2008-09
		$'000	$'000	$'000	$'000
Ordinary annual services					
Departmental appropriation					
Prior year departmental appropriation		24,619	-	24,619	-
Departmental appropriation		137,165	1,765 [1]	138,930	130,231
Receipts from other sources (s31)		500	-	500	500
Total ordinary annual services	**A**	**162,284**	**1,765**	**164,049**	**130,731**
Other services					
Departmental non-operating					
Prior year amounts available		28,794	-	28,794	-
Equity injections		61	-	61	5,943
Previous years' outputs		2,324	-	2,324	1,999
Total other services	**B**	**31,179**	**-**	**31,179**	**7,942**
Total available annual appropriations		**193,463**	**1,765**	**195,228**	**138,673**
Special accounts					
Opening balance		-	-	-	52
Total special account	**C**	**-**	**-**	**-**	**52**
Total net resourcing for ACCC (A+B+C)		**193,463**	**1,765**	**195,228**	**138,725**

1. Appropriation Bill (No. 3) 2009-10.

Third party drawdowns from and on behalf of other agencies

	Estimate at budget	Estimate at Additional Estimates
	2009-10	2008-09
	$'000	$'000
Payments made on behalf of the National Competition Council (NCC)	2,825	2,825

Note: the ACCC provides financial services to the NCC and has drawdown access to manage the NCC's finances.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget.

Table 1.2: Agency measures since Budget

	Program	2009-10 $'000	2010-11 $'000	2011-12 $'000	2012-13 $'000
Expense measures					
Telecommunications regulatory reform - competition and consumer safeguards	1.1	2,454	904	-	-
Whole-of-government departmental efficiencies	1.1	(689)	(1,372)	(1,347)	(1,367)
Total expense measures		**1,765**	**(468)**	**(1,347)**	**(1,367)**

Note: Further details of these measures can be found in the *Mid-Year Economic and Fiscal Outlook 2009-10*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the changes to the resourcing for the ACCC at Additional Estimates, by outcome.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

	Program impacted	2009-10 $'000	2010-11 $'000	2011-12 $'000	2012-13 $'000
Outcome 1					
Increase in estimates (departmental)					
Telecommunications regulatory reform - competition and consumer safeguards	1.1	2,454	904	-	-
Decrease in estimates (departmental)					
Whole-of-government departmental efficiencies	1.1	(689)	(1,372)	(1,347)	(1,367)
Net impact on estimates for Outcome 1 (departmental)		**1,765**	**(468)**	**(1,347)**	**(1,367)**

Table 1.4: Additional estimates and variations to outcomes from other variations

The ACCC does not have any other variations since the 2009-10 Budget that affect additional estimates.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the ACCC through Appropriation Bill No. 3. There are no additional estimates sought for the ACCC through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

	2008-09 available $'000	2009-10 Budget $'000	2009-10 revised $'000	Additional estimates $'000	Reduced estimates $'000
DEPARTMENTAL PROGRAMS					
Outcome 1					
Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services	130,231	137,165	138,930	2,454	(689)
Total	**130,231**	**137,165**	**138,930**	**2,454**	**(689)**

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes, outcome strategy or performance information for the ACCC from that included in the *Portfolio Budget Statements 2009-10* (pages 96-102).

Table 2.1 Budgeted expenses and resources for Outcome 1

Outcome 1: Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services	2008-09 Actual expenses $'000	2009-10 Revised estimated expenses $'000
Program 1.1: Australian Competition and Consumer Commission		
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	130,231	138,930
Revenues from independent sources (section 31)	1,310	500
Expenses not requiring appropriation in the Budget year	3,072	2,112
Total expenses for Outcome 1	134,613	141,542

	2008-09	2009-10
Average staffing level (number)	695	738

Program 1.1: Australian Competition and Consumer Commission

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program 1.1 expenses

	2008-09 Actual $'000	2009-10 Revised budget $'000	2010-011 Forward year 1 $'000	2011-12 Forward year 2 $'000	2012-13 Forward year 3 $'000
Annual departmental expenses:					
Departmental items	134,613	141,542	135,952	132,034	133,647
Total departmental expenses	**134,613**	**141,542**	**135,952**	**132,034**	**133,647**

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

There has been no change to special account flows from that included in the *Portfolio Budget Statements 2009-10*. The corresponding table in the *Portfolio Budget Statements 2009-10* is Table 3.1.2 on page 103.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Changes to the budgeted financial statements since the 2009-10 Budget predominantly relate to Budget measures as outlined in Table 1.2.

3.2.2 Budgeted financial statements

Departmental financial statements

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
EXPENSES					
Employee benefits	72,338	77,036	76,493	74,634	75,442
Supplier	58,635	61,063	55,994	53,932	54,736
Depreciation and amortisation	2,986	3,443	3,465	3,468	3,469
Write-down and impairment of assets	82	-	-	-	-
Other	572	-	-	-	-
Total expenses	134,613	141,542	135,952	132,034	133,647
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	508	500	500	500	500
Other revenue	802	-	-	-	-
Total revenue	1,310	500	500	500	500
Gains					
Sale of assets	6	-	-	-	-
Other gains	755	2,112	75	75	75
Total gains	761	2,112	75	75	75
Total own-source income	2,071	2,612	575	575	575
Net cost of (contribution by) services	132,542	138,930	135,377	131,459	133,072
Appropriation revenue	132,555	138,930	135,377	131,459	133,072
Surplus (deficit) attributable to the Australian Government	13	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
ASSETS					
Financial assets					
Cash and equivalents	1,783	1,783	1,783	1,783	1,783
Trade and other receivables	57,028	57,028	57,028	57,028	57,028
Total financial assets	58,811	58,811	58,811	58,811	58,811
Non-financial assets					
Land and buildings	9,561	9,510	9,510	9,510	9,510
Infrastructure, plant and equipment	6,075	6,518	6,518	6,518	6,518
Inventories	28	28	28	28	28
Intangibles	1,145	814	854	909	969
Other	1,304	1,304	1,304	1,304	1,304
Total non-financial assets	18,113	18,174	18,214	18,269	18,329
Total assets	76,924	76,985	77,025	77,080	77,140
LIABILITIES					
Provisions					
Employees	19,604	19,604	19,604	19,604	19,604
Other	5,081	5,081	5,081	5,081	5,081
Total provisions	24,685	24,685	24,685	24,685	24,685
Payables					
Suppliers	5,472	5,472	5,472	5,472	5,472
Other	3,205	3,205	3,205	3,205	3,205
Total payables	8,677	8,677	8,677	8,677	8,677
Total liabilities	33,362	33,362	33,362	33,362	33,362
Net assets	43,562	43,623	43,663	43,718	43,778
EQUITY					
Contributed equity	40,041	40,102	40,142	40,197	40,257
Reserves	3,538	3,538	3,538	3,538	3,538
Retained surpluses or accumulated deficits	(17)	(17)	(17)	(17)	(17)
Total equity	43,562	43,623	43,663	43,718	43,778
Current assets	60,143	60,115	60,115	60,115	60,115
Non-current assets	16,781	16,870	16,910	16,965	17,025
Current liabilities	25,993	25,076	25,076	25,076	25,076
Non-current liabilities	7,369	8,286	8,286	8,286	8,286

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	476	2,537	500	500	500
Appropriations	131,252	138,930	135,377	131,459	133,072
GST	5,755	-	-	-	-
Other	882	-	-	-	-
Total cash received	138,365	141,467	135,877	131,959	133,572
Cash used					
Employees	68,850	77,830	76,493	74,634	75,442
Suppliers	63,181	60,194	55,919	53,857	54,661
Other	2,455	-	-	-	-
Total cash used	134,486	138,024	132,412	128,491	130,103
Net cash from or (used by) operating activities	3,879	3,443	3,465	3,468	3,469
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	7	-	-	-	-
Total cash received	7	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,962	3,504	3,505	3,523	3,529
Total cash used	3,962	3,504	3,505	3,523	3,529
Net cash from or (used by) investing activities	(3,955)	(3,504)	(3,505)	(3,523)	(3,529)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	691	61	40	55	60
Total cash received	691	61	40	55	60
Net cash from or (used by) financing activities	691	61	40	55	60
Net increase or (decrease) in cash held	615	-	-	-	-
Cash at the beginning of the reporting period	1,168	1,783	1,783	1,783	1,783
Cash at the end of the reporting period	1,783	1,783	1,783	1,783	1,783

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	$'000	$'000	$'000	$'000	$'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	(17)	3,538	-	40,041	43,562
Opening balance	(17)	3,538	-	40,041	43,562
Transactions with owners					
Contribution by owners					
appropriation (equity injection)	-	-	-	61	61
Subtotal transactions with owners	-	-	-	61	61
Estimated closing balance as at 30 June 2010	(17)	3,538	-	40,102	43,623

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2008-09	2009-10	2010-11	2011-12	2012-13
	$'000	$'000	$'000	$'000	$'000
CAPITAL APPROPRIATIONS					
Total equity injections	5,943	61	40	55	60
Previous years' outputs	2,948	2,324	-	-	-
Total capital appropriations	8,891	2,385	40	55	60
Represented by:					
Purchase of non-financial assets	3,962	61	40	55	60
Other	2,948	2,324	-	-	-
Total represented by	6,910	2,385	40	55	60
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	691	61	40	55	60
Funded internally from departmental resources	3,271	3,443	3,465	3,468	3,469
TOTAL	3,962	3,504	3,505	3,523	3,529

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2009-10)

	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	$'000	$'000	$'000	$'000
As at 1 July 2009				
Gross book value	9,561	6,091	3,505	19,157
less Accumulated depreciation/amortisation	-	16	2,360	2,376
Opening net book balance	9,561	6,075	1,145	16,781
Asset movements				
Additions	800	2,643	61	3,504
less Depreciation/amortisation expense	851	2,200	392	3,443
Total asset movements	(51)	443	(331)	61
As at 30 June 2010				
Gross book value	10,361	8,734	3,566	22,661
less Accumulated depreciation/amortisation	851	2,216	2,752	5,819
Closing net book balance	9,510	6,518	814	16,842

Prepared on Australian Accounting Standards basis.

Schedule of administered activity

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2008-09	Revised budget 2009-10	Forward estimate 2010-11	Forward estimate 2011-12	Forward estimate 2012-13
	$'000	$'000	$'000	$'000	$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Fees and fines	45,183	10,000	10,000	10,000	10,000
Total revenues administered on behalf of Government	45,183	10,000	10,000	10,000	10,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write down and impairment of assets	229	-	-	-	-
Total expenses administered on behalf of Government	229	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	29	29	29	29	29
Receivables	4,071	4,071	4,071	4,071	4,071
Total assets administered on behalf of Government	4,100	4,100	4,100	4,100	4,100

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
OPERATING ACTIVITIES					
Cash received					
Fees	46,869	10,000	10,000	10,000	10,000
Total cash received	46,869	10,000	10,000	10,000	10,000
Cash used					
Other	46,991	10,000	10,000	10,000	10,000
Total cash used	46,991	10,000	10,000	10,000	10,000
Net cash from or (used by) operating activities	(122)	-	-	-	-
Net increase or (decrease) in cash held	(122)	-	-	-	-
Cash at beginning of reporting period	151	29	29	29	29
Cash at end of reporting period	29	29	29	29	29

Prepared on Australian Accounting Standards basis.

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 Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Departmental and administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled and used by the ACCC in producing its program 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 the departmental program; and
- employee, supplier and depreciation expenses incurred in providing agency program.

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 programs.

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. The liability includes unpaid annual leave and long service leave.

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