

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Competition and Consumer Commission (ACCC) is an independent Commonwealth statutory authority whose role is to enforce the *Competition and Consumer Act 2010* (CCA) and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.

The Australian Energy Regulator (AER) regulates energy markets and networks under national legislation and rules. The AER has an independent Board.

The ACCC and AER share staff, resources and facilities.

The roles of the ACCC and AER should be seen in the context of the thinking that underpins National Competition Policy – that competition provides the best incentive for businesses to become more efficient, innovative and flexible and to operate in the long term interests of consumers. Together the ACCC and AER champion strong, efficient and effective markets.

The ACCC is selective in the matters it investigates and the sectors in which it engages in education and market analysis. The ACCC's role is to focus on those circumstances that will, or have the potential to harm the competitive process or result in widespread consumer detriment. The ACCC therefore exercises discretion to direct resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its compliance and enforcement priorities. These priorities are set out in the ACCC Compliance and Enforcement Policy. This year's areas of focus include:

- consumer issues in new car retailing, including responses by retailers and manufacturers to consumer guarantee claims, and other matters identified in the ACCC's 2017 New Car Retailing Industry Report;
- consumer issues in the provision of broadband services, including addressing misleading speed claims and statements made during the transition to the NBN;
- systemic issues involving large or national traders avoiding or misrepresenting consumer guarantee rights;
- competition issues in the financial services sector;

- competition and consumer issues in the provision of energy as an essential service, including matters identified in the ACCC's retail electricity pricing inquiry and the ACCC's wholesale gas inquiry;
- competition and consumer issues concerning the use of digital platforms, algorithms and consumer data, with a focus on emerging markets and matters identified by the ACCC's digital platforms inquiry;
- ensuring small business receives the protections of industry codes and the unfair contract terms law, with a focus on Franchising Code of Conduct issues involving large or national franchisors;
- conduct that may contravene the new misuse of market power provisions and concerted practice provisions of the CCA;
- competition and consumer issues in the agriculture sector, with a focus on the dairy inquiry, Horticultural Code of Conduct enforcement, and analysis of the viticulture industry; and
- competition issues in the commercial construction sector.

There are some forms of conduct that are so detrimental to consumer welfare and the competitive process that the ACCC will always regard them as a priority. These enduring priorities include:

- cartel conduct causing detriment in Australia;
- anti-competitive agreements and practices, and the misuse of market power;
- product safety issues which have the potential to cause serious harm to consumers;
- conduct impacting Indigenous Australians; and
- conduct impacting vulnerable and disadvantaged consumers.

While the ACCC prioritises matters that fall within the current priority areas, it will always retain capacity to pursue other matters that meet its priority factors. These priority factors are outlined in the ACCC Compliance and Enforcement Policy. The ACCC will also continue important residual work in areas previously identified as priority areas.

The ACCC's product safety priorities for 2018 include:

- the compulsory recall of vehicles with Takata airbags;
- improving the safety of quad bikes;

- the Infinity electrical cables recall;
- reducing the risk for children from button batteries, baby walkers and toppling furniture;
- improving the safety of products supplied over the internet;
- checking whether businesses are complying with compulsory safety standards and bans including for toys, bunk beds, prams and strollers, decorative burners and corded blinds; and
- working towards the introduction of a General Safety Provision in the Australian Consumer Law.

The ACCC will continue to assess and review mergers via the informal clearance process to prevent structural changes that substantially lessen competition, with a particular focus on concentrated markets and proposed acquisitions arising through privatisation of public sector assets.

The ACCC will continue to assess and make decisions about applications for authorisation and notification of certain anti-competitive conduct. Additionally, the ACCC has resumed the role of first instance decision maker for merger authorisation applications. In doing so the ACCC will evaluate whether the proposed merger, arrangements or conduct may result in a net public benefit or, where relevant, may be unlikely to substantially lessen competition, and therefore warrant exemption from the CCA.

The ACCC determines prices and access terms and conditions for some nationally significant monopoly infrastructure services, and monitors and enforces compliance with industry-specific laws for industries including communications, bulk water, postal services and rail (energy sector regulation is undertaken by the AER).

The ACCC also monitors other markets (such as major airports, container stevedoring, wheat ports and fuel) where there is limited competition or high consumer concern to provide information about the operation of the relevant market.

Fostering efficient infrastructure provision through industry-specific regulation and access conditions – under the umbrella of the long term interest of consumers – is the major focus of the economic regulatory role. Access conditions that promote competition in upstream and downstream markets can increase the efficiency and productivity of the overall economy. The ACCC's economic regulation priorities for 2018-19 include:

- undertaking access, pricing and regulatory coverage assessments across key infrastructure sectors;

- promoting competition and efficiency in sectors undergoing major reform and/or transitioning to new market structures, including communications and water markets;
- enforcing and promoting compliance with industry-specific compliance regimes in telecommunications and water; and
- advocating for appropriate regulation of monopoly infrastructure, including in areas where there are efficiency concerns independent of competition concerns.

In 2018-19 the ACCC will also continue to focus on markets where additional measures and analysis are required to deliver efficient and competitive outcomes. This includes undertaking a number of prices inquiries, industry analysis and reporting activities covering a broad range of sectors, including digital platforms, gas, financial services, private health insurance, and residential insurance in Northern Australia. The ACCC will also focus on its proposed new role in relation to the new Consumer Data Right, which will allow customers to access and transfer data between service providers, thereby enhancing competition and consumer choice.

The AER works to make all Australian energy consumers better off, now and in the future. This purpose drives the agency's diverse work program, informed by both the technological, behavioural and systemic changes taking place in the energy sector and the requirements of the energy market laws and rules. The energy laws' objective of promoting efficient investment in, and operation and use of, energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security' guides the AER's priorities and work program.

For 2018-19, the AER's focus will include:

- Contributing our expertise and insight to inform energy policy development processes and working in partnership with the Council of Australian Governments Energy Council, Energy Security Board and other market institutions to advance energy market reforms.
- Delivering network regulation to promote efficient investment in energy network services that customers value, including through:
 - setting the revenues of electricity networks and covered gas pipelines in all jurisdictions except Western Australia
 - continuing to develop the regulatory framework so that it is fit for purpose, able to meet future challenges and works in the interests of consumers by:
 - o working alongside the Australian Energy Markets Commission to review the economic regulatory framework for electricity networks so it is robust, flexible and continues to support the efficient operation of the energy market

- exploring ways to improve engagement, and identify opportunities for regulatory innovation as part of the 'New Reg' project: Towards consumer-centric energy network regulation
 - finalising the Rate of Return guideline under an expanded consultation process to better enable stakeholders to understand issues and contribute views
 - undertaking a review of the approach to estimating tax for energy networks to address differences in the tax allowances set by the AER and tax payments made to the ATO by networks
- continuing to implement reforms in network pricing to improve greater consumer choice and more efficient network investment, and compliance with ring-fencing arrangements that support competition in new energy services
- Building consumer confidence in retail energy markets by:
 - redeveloping our price comparator website, Energy Made Easy, to make it easier for consumers to compare options and make informed choices
 - working alongside the ACCC to address issues identified in the retail electricity pricing inquiry report and with retailers to deliver the commitments agreed with the Government to improve how the market works for customers
 - actively promoting industry compliance with regulatory obligations—focusing on retailers' requirements to provide hardship assistance and simple, easy-to-understand pricing information—as well as taking appropriate enforcement action
 - continuing to evolve the regulatory regime to accommodate innovative products and services while maintaining appropriate consumer protections
 - providing clear and useful information about energy business performance, customer rights and protections
- Promoting efficient wholesale energy markets by:
 - contributing to the development of the National Energy Guarantee which aims to integrate energy and climate change policy to deliver a lower emissions, reliable power system with enough electricity available when needed, at the lowest possible price
 - publishing our first biennial report on the effectiveness of competition in the National Electricity Market, including reporting on any features that may be detrimental to efficiency or competition, by December 2018
 - contribute to the development of gas market reforms including improvements to information on the Bulletin Board, new capacity trading and day ahead auction arrangements

- investigating, monitoring and reporting on activity in wholesale gas and electricity markets, including major incidents, high price events
- promoting compliance with the gas and electricity market rules and taking enforcement action where necessary.

The ACCC and AER work directly and indirectly to achieve a shared outcome, outlined in section 2.1 below. Both will use strategic communication and undertake an active program of managed partnerships with other organisations to deliver outcomes that impact favourably on competition and consumer welfare.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	19,258	32,677
Departmental appropriation (c)	197,951	209,983
s74 Retained revenue receipts (d)	3,488	4,308
Departmental capital budget (e)	1,968	2,534
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	9,578	11,100
Equity injection	11,100	1,100
Total departmental annual appropriations	243,343	261,702
Total departmental resourcing	243,343	261,702
Administered		
Special appropriations (g)	20	20
Total administered special appropriations	20	20
Total administered resourcing	20	20
Total resourcing for the ACCC	243,363	261,722
	2017-18	2018-19
Average staffing level (number)	868	909
Third party payments from and on behalf of the National Competition Council (NCC)		
	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Payments made on behalf of the NCC (as disclosed in the NCC's resource statement)	1,992	1,990
Receipts received from the NCC for the provision of services (disclosed above in s74 Retained revenue receipts section above)	850	850

Prepared on a resourcing (that is, appropriations available) basis.

Note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19.

(b) Excludes departmental capital budget (DCB).

(c) Estimated retained revenue receipts under section 74 of the PGPA Act.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Appropriation Bill (No. 2) 2018-19.

(f) Excludes \$11.6m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(g) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.

(h) The above Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, for example, annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

Budget measures in Table 1.2 relating to the Australian Competition and Consumer Commission are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Expense measures						
Commercial Construction Unit - extension						
Departmental expenses	1.1	-	-	2,004	-	-
Total		-	-	2,004	-	-
Compulsory Recall of Vehicles with Takata Airbags						
Departmental expenses	1.1	-	3,732	2,504	2,367	-
Total		-	3,732	2,504	2,367	-
National Consumer Data Right						
Departmental expenses	1.1	-	4,618	5,142	4,920	4,953
Total		-	4,618	5,142	4,920	4,953
Total expense measures						
Departmental		-	8,350	9,650	7,287	4,953
Total		-	8,350	9,650	7,287	4,953
Capital measures						
National Consumer Data Right						
Departmental capital	1.1	-	577	-	-	-
Total		-	577	-	-	-
Total capital measures						
Departmental		-	577	-	-	-
Total		-	577	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for the Australian Competition and Consumer Commission can be found at: www.accc.gov.au/publications/corporate-plan-priorities

The most recent annual performance statement can be found in the Annual Report at: www.accc.gov.au/annualreports

2.1 BUDGETED EXPENSES AND PERFORMANCE 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.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	150,269	152,660	144,370	139,234	134,845
s74 Retained revenue receipts (a)	3,953	3,953	3,153	2,253	2,253
Expenses not requiring appropriation in the Budget year (b)	4,772	4,766	4,813	4,764	4,762
Departmental total	158,994	161,379	152,336	146,251	141,860
Total expenses for program 1.1	158,994	161,379	152,336	146,251	141,860
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	47,682	57,323	54,750	52,336	52,780
Departmental total	47,682	57,323	54,750	52,336	52,780
Total expenses for program 1.2	47,682	57,323	54,750	52,336	52,780

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	197,951	209,983	199,120	191,570	187,625
s74 Retained revenue receipts (a)	3,953	3,953	3,153	2,253	2,253
Expenses not requiring appropriation in the Budget year (b)	4,772	4,766	4,813	4,764	4,762
Departmental total	206,676	218,702	207,086	198,587	194,640
Total expenses for Outcome 1	206,676	218,702	207,086	198,587	194,640

	2017-18	2018-19
Average staffing level (number)	868	909

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing 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.	
Program 1.1 – Australian Competition and Consumer Commission	
To achieve compliance with the <i>Competition and Consumer Act 2010</i> and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.	
Delivery	<p>The ACCC achieves Outcome 1 by:</p> <ol style="list-style-type: none"> 1. Maintaining and promoting competition through: <ul style="list-style-type: none"> • delivering outcomes to address harm to consumers and businesses resulting from anti-competitive conduct focusing in particular on the ACCC’s identified priorities; • assessing mergers to prevent structural changes that substantially lessen competition; and • making decisions on authorisation, notification and certification trademark applications in the public interest. 2. Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and small business through: <ul style="list-style-type: none"> • delivering outcomes to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law focusing in particular on the ACCC’s identified priorities; • enhancing the effectiveness of the ACCC’s compliance and enforcement initiatives through partnerships; • identifying and addressing the risk of serious injury and death from safety hazards in consumer products; • supporting a vibrant small business sector; and • empowering consumers by increasing their awareness of their rights under the Australian Consumer Law. 3. Promoting the economically efficient operation of, use of, and investment in infrastructure; and identifying market failure through: <ul style="list-style-type: none"> • delivering network regulation that promotes competition in the long-term interests of end-users; • providing industry monitoring reports to Government in relation to highly concentrated, newly deregulated or emerging markets; and • improving the efficient operation of markets by enforcing industry-specific competition and market rules. 4. Undertaking market studies and inquiries to support competition, consumer and regulatory outcomes.

Performance information		
Performance criteria	Forecast result against 2017-18 target	2018-19 and forward year targets
Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted)	Expect to achieve target of 8	6
Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment	Expect to exceed target of 80%	80%
Percentage of authorisation applications assessed within statutory timeframes	Expect to meet target of 100%	100%
Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued)	Expect to exceed target of 40	40
Number of detailed assessments of emerging product safety hazards	On track to meet target of 20	20
Number of small business Infocentre contacts served	Expect to exceed target of 12,000	12,000
Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)	Expect to meet target of 150,000	200,000
Number of major regulatory decisions	Will complete only 1 major decision, (target was 2)	4
Number of annual monitoring reports	Expect to achieve target of 6	7
Number of reports on monitoring of unleaded petroleum products	Expect to exceed target of 4 with 5 reports	6
Number of reports on broadband markets	N/A	8
Number of completed markets studies and inquiries	N/A	4
Purpose	The ACCC and the AER work in close coordination to achieve our common purpose: making markets work for consumers, now and in the future. The ACCC enforces the <i>Competition and Consumer Act 2010</i> and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.	

The above program is linked to the Department of Health (Program 5.1 – Protect the Health and Safety of the Community through Regulation) and the Department of Industry, Innovation and Science (Program 2 – Growing Business Investment and Improving Business Capability).

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.		
Program 1.2 - Australian Energy Regulator		
The AER's priorities and work program are guided by the objectives of national energy legislation and rules. The common objective through the legislation is to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of end users of energy with respect to price, quality, safety, reliability and security.		
Delivery	<p>The AER achieves Outcome 1 by:</p> <ul style="list-style-type: none"> • monitoring electricity and gas markets to ensure energy businesses comply with the legislation and rules, and taking enforcement action where necessary • setting the amount of revenue that network businesses can recover from customers for using these networks and promoting efficient pricing structures • regulating retail energy markets in Queensland, New South Wales, South Australia, Tasmania (electricity only) and the Australian Capital Territory • operating Energy Made Easy, a price comparison website and providing other information for energy consumers, and • publishing information on energy markets, including the annual State of the energy market report, and reports on effective competition to assist stakeholders and the wider community. 	
Performance information		
Performance criteria	Forecast result against 2017-18 target	2018-19 and forward year targets
Number of completed revenue decisions for electricity networks and gas pipelines	Will achieve target of 8	7 in 2018-19 5 in 2019-20 8 in 2020-21
Number of annual benchmarking reports on electricity networks	Achieved target of 1	1
Percentage of disputes resolved within legislated timeframes, including on network access and connections, and regulatory investment tests	Expect to achieve target of 100%	100%
Number of electricity distribution annual pricing (tariff) proposals and annual gas tariff variations approved	Achieved target of 24 (14 for electricity and 10 for gas)	22 (14 electricity and 8 gas)
Number of annual reports on compliance in, and performance of, retail energy markets	Achieved target of 2	2
Percentage of authorisation and exemption applications to sell energy assessed within 12 weeks of receiving required information	Unlikely to achieve target of 100%	100%
Percentage of new and amended retailer hardship policies assessed within 12 weeks of receiving required information	Expect to achieve target of 100%	100%
Percentage of offers published on the AER's Energy Made Easy price comparator website within two business days of receipt from retailers	Will achieve target of 100%	100%
Number of targeted reviews of compliance with the national energy rules	Expect to achieve target of 4	4
Number of quarterly reports on compliance in wholesale electricity and gas markets	Expect to achieve target of 4	4

Performance information		
Performance criteria	Forecast result against 2017-18 target	2018-19 and forward year targets
Number of audits completed of systems for energy businesses that are critical to market efficiency and energy security	Expect to achieve target of 2	1
Percentage of reports on wholesale electricity market high price events and significant price variations in spot gas markets activity published within statutory timeframes	Expect to achieve target of 100%	100%
Number of reports on effective competition in the wholesale electricity market	Will achieve target of 1	1
Purpose	The AER regulates energy markets and networks under national legislation and rules, which aim to promote efficient investment in, and operation and use of, energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security.	

The above program is linked to the Department of the Environment and Energy (Program 4.1 – Energy).

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between agency resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Operating revenues

Total appropriation revenue for 2018-19 is estimated to be \$210.0 million. This has increased from \$200.8 million as reported in the *2017-18 Portfolio Additional Estimates Statements*. The increase is due to additional funding received for several new policy proposals, including Compulsory Recall of Vehicles with Takata Airbags, Commercial Construction Unit – Extension and National Consumer Data Right. Refer to Table 1.2 for funding details.

Operating expenses

Total expenses in 2018-19 are estimated to be \$218.7 million. This has increased from \$208.4 million as reported in the *2017-18 Portfolio Additional Estimates Statements*. The increase is largely due to expenditure from new policy proposals as summarised in Table 1.2.

Operating capital

Total capital budget in 2018-19 is estimated to be \$2.5 million. This has increased from \$2.0 million as reported in the *2017-18 Portfolio Additional Estimates Statements*. The increase is due to additional capital budget approved for the new policy proposal for National Consumer Data Right. Refer to Table 1.2 for funding details.

Departmental Balance Sheet

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.

Non-financial assets

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

Departmental liabilities — provisions and payables

Provisions and payables include:

- employee entitlements arising from services rendered by employees. The liability includes unpaid annual leave and long service leave;
- rent straight-line adjustments and lease incentives;
- make good liability and onerous lease provisions for office accommodation; and
- unpaid expenses as at balance date.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	119,973	126,266	119,278	115,047	112,325
Suppliers	81,979	87,740	83,056	78,828	77,596
Depreciation and amortisation (a)	4,678	4,672	4,719	4,670	4,668
Finance costs	46	24	33	42	51
Total expenses	206,676	218,702	207,086	198,587	194,640
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,953	3,953	3,153	2,253	2,253
Total own-source revenue	3,953	3,953	3,153	2,253	2,253
Gains					
Other	94	94	94	94	94
Total gains	94	94	94	94	94
Total own-source income	4,047	4,047	3,247	2,347	2,347
Net (cost of)/contribution by services	(202,629)	(214,655)	(203,839)	(196,240)	(192,293)
Revenue from Government	197,951	209,983	199,120	191,570	187,625
Surplus/(deficit) attributable to the Australian Government	(4,678)	(4,672)	(4,719)	(4,670)	(4,668)

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	4,678	4,672	4,719	4,670	4,668
Total comprehensive income/(loss) - as per the statement of comprehensive income	(4,678)	(4,672)	(4,719)	(4,670)	(4,668)

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,616	1,616	1,616	1,616	1,616
Trade and other receivables	44,254	42,384	38,906	36,332	34,468
Total financial assets	45,870	44,000	40,522	37,948	36,084
Non-financial assets					
Land and buildings	13,670	11,731	9,782	7,826	6,477
Property, plant and equipment	3,041	3,146	3,653	4,329	4,154
Intangibles	3,288	3,584	2,867	2,050	1,490
Other non-financial assets	2,572	2,572	2,572	2,572	2,572
Total non-financial assets	22,571	21,033	18,874	16,777	14,693
Total assets	68,441	65,033	59,396	54,725	50,777
LIABILITIES					
Payables					
Suppliers	9,493	9,953	9,537	9,264	9,308
Other payables	20,123	18,317	17,414	15,896	14,177
Total payables	29,616	28,270	26,951	25,160	23,485
Provisions					
Employee provisions	35,195	34,713	32,414	31,481	31,134
Other provisions	3,730	3,188	2,828	2,478	2,136
Total provisions	38,925	37,901	35,242	33,959	33,270
Total liabilities	68,541	66,171	62,193	59,119	56,755
Net assets	(100)	(1,138)	(2,797)	(4,394)	(5,978)
EQUITY*					
Parent entity interest					
Contributed equity	88,079	91,713	94,773	97,846	100,930
Reserves	4,086	4,086	4,086	4,086	4,086
Retained surplus (accumulated deficit)	(92,265)	(96,937)	(101,656)	(106,326)	(110,994)
Total equity	(100)	(1,138)	(2,797)	(4,394)	(5,978)

*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(92,265)	4,086	88,079	(100)
Adjusted opening balance	(92,265)	4,086	88,079	(100)
Comprehensive income				
Surplus/(deficit) for the period	(4,672)	-	-	(4,672)
Total comprehensive income	(4,672)	-	-	(4,672)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	1,100	1,100
Departmental Capital Budget (DCB)	-	-	2,534	2,534
Sub-total transactions with owners	-	-	3,634	3,634
Estimated closing balance as at 30 June 2019	(96,937)	4,086	91,713	(1,138)
Closing balance attributable to the Australian Government	(96,937)	4,086	91,713	(1,138)

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	188,114	216,161	206,026	196,582	191,927
Sale of goods and rendering of services	3,953	3,953	3,153	2,253	2,253
Net GST received	8,517	8,458	8,059	7,770	7,731
Total cash received	200,584	228,572	217,238	206,605	201,911
Cash used					
Employees	116,816	126,710	120,343	115,419	112,720
Suppliers	75,963	89,596	85,908	81,478	79,522
Net GST paid	8,517	8,458	8,059	7,770	7,731
s74 Retained revenue receipts transferred to OPA	3,488	4,308	3,428	2,438	2,438
Total cash used	204,784	229,072	217,738	207,105	202,411
Net cash from/(used by) operating activities	(4,200)	(500)	(500)	(500)	(500)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	8,868	3,134	2,560	2,573	2,584
Total cash used	8,868	3,134	2,560	2,573	2,584
Net cash from/(used by) investing activities	(8,868)	(3,134)	(2,560)	(2,573)	(2,584)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	13,068	3,634	3,060	3,073	3,084
Total cash received	13,068	3,634	3,060	3,073	3,084
Net cash from/(used by) financing activities	13,068	3,634	3,060	3,073	3,084
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,616	1,616	1,616	1,616	1,616
Cash and cash equivalents at the end of the reporting period	1,616	1,616	1,616	1,616	1,616

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,968	2,534	1,960	1,973	1,984
Equity injections - Bill 2	11,100	1,100	1,100	1,100	1,100
Total new capital appropriations	13,068	3,634	3,060	3,073	3,084
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	2,568	3,134	2,560	2,573	2,584
<i>Other Items</i>	10,500	500	500	500	500
Total items	13,068	3,634	3,060	3,073	3,084
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	600	600	600	600	600
Funded by capital appropriation - DCB (b)	1,968	2,534	1,960	1,973	1,984
Funded internally from departmental resources (c)	6,300	-	-	-	-
TOTAL	8,868	3,134	2,560	2,573	2,584
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	8,868	3,134	2,560	2,573	2,584
Total cash used to acquire assets	8,868	3,134	2,560	2,573	2,584

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(c) Includes assets funded by a lease incentive from a new accommodation lease.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2018				
Gross book value	21,345	7,161	14,530	43,036
Accumulated depreciation/ amortisation and impairment	(7,675)	(4,120)	(11,242)	(23,037)
Opening net book balance	13,670	3,041	3,288	19,999
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	102	1,493	1,539	3,134
Total additions	102	1,493	1,539	3,134
Other movements				
Depreciation/amortisation expense	(2,041)	(1,388)	(1,243)	(4,672)
Total other movements	(2,041)	(1,388)	(1,243)	(4,672)
As at 30 June 2019				
Gross book value	21,447	8,654	16,069	46,170
Accumulated depreciation/ amortisation and impairment	(9,716)	(5,508)	(12,485)	(27,709)
Closing net book balance	11,731	3,146	3,584	18,461

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	40,000	40,000	40,000	40,000	40,000
Total non-taxation revenue	40,000	40,000	40,000	40,000	40,000
Total own-source revenue administered on behalf of Government	40,000	40,000	40,000	40,000	40,000
Total own-sourced income administered on behalf of Government	40,000	40,000	40,000	40,000	40,000
Net cost of/(contribution by) services	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Surplus/(deficit)	40,000	40,000	40,000	40,000	40,000

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1	1	1	1	1
Taxation receivables	6,848	6,848	6,848	6,848	6,848
Total financial assets	6,849	6,849	6,849	6,849	6,849
Total assets administered on behalf of Government	6,849	6,849	6,849	6,849	6,849
Net assets/(liabilities)	6,849	6,849	6,849	6,849	6,849

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	40,000	40,000	40,000	40,000	40,000
Total cash received	40,000	40,000	40,000	40,000	40,000
Net cash from/(used by) operating activities	40,000	40,000	40,000	40,000	40,000
Net increase/(decrease) in cash held	40,000	40,000	40,000	40,000	40,000
Cash and cash equivalents at beginning of reporting period	1	1	1	1	1
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Total cash to Official Public Account	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Cash and cash equivalents at end of reporting period	1	1	1	1	1

Prepared on Australian Accounting Standards basis.

