

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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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 from that outlined in the *Portfolio Budget Statements 2011-12* (pages 83-84).

The Australian Competition and Consumer Commission is seeking an additional \$2.2 million in departmental outputs through Appropriation Bill (No. 3) 2011-12 for the Clean Energy Future – Compliance measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2011-12* (page 287).

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 2011-12 as at Additional Estimates February 2012

	Estimates as at Budget 2011-12 \$'000	+	Proposed Additional Estimates 2011-12 \$'000	=	Total estimate at Additional Estimates 2011-12 \$'000	Total available appropriation 2010-11 \$'000
Ordinary annual services						
Departmental						
Prior year departmental carried forward	21,449		-		21,449	-
Departmental appropriation ²	152,085		2,198	¹	154,283	147,304
Receipts from other sources (s31)	500		-		500	3,823
Total ordinary annual services	A		2,198		176,232	151,127
Other services						
Departmental non-operating						
Equity injections	24,834		-		24,834	40
Total other services	B		-		24,834	40
Total available annual appropriations (A+B)			2,198		201,066	151,167
Special accounts						
Opening balance	52		-		52	-
Non-appropriation receipts to special accounts	-		-		-	100
Total special account	C		-		52	100
Total net resourcing for ACCC (A+B+C)			2,198		201,118	151,267

1. Appropriation Bill (No. 3) 2011-12

2. Includes \$2.5 million in 2011-12 for the departmental capital budget (also refer to Table 3.2.5).

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2011-12 Budget.

Table 1.2: Agency measures since Budget

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures					
Clean Energy Future - Compliance	1.1	2,198	4,381	4,107	2,127

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2011-12 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2011-12 Budget

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Outcome 1					
Increase in estimates (departmental)					
Clean Energy Future - Compliance	1.1	2,198	4,381	4,107	2,127
Net impact on estimates for Outcome 1 (departmental)					
		2,198	4,381	4,107	2,127

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

The Australian Competition and Consumer Commission do not have any other variations since the 2011-12 Budget that affect Appropriation Bills No. 3 and No. 4.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the Australian Competition and Consumer Commission through Appropriation Bill No. 3. There are no additional estimates sought for the Australian Competition and Consumer Commission through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2011-12

	2010-11 available \$'000	2011-12 budget \$'000	2011-12 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	147,304	152,085	154,283	2,198	-
Total	147,304	152,085	154,283	2,198	-

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Australian Competition and Consumer Commission from that included in the *Portfolio Budget Statements 2011-12* (pages 86-87).

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	2010-11 Actual \$'000	2011-12 Revised estimated resources \$'000
Program 1.1: Australian Competition and Consumer Commission		
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	141,342	151,275
Revenues from independent sources (s31)	1,176	575
Expenses not requiring appropriation in the Budget year	9,340	3,468
Total for Program 1.1	151,858	155,318
	2010-11	2011-12
Average staffing level (number)	778	824

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 2011-12*.

Table 2.2: Program expenses

	2010-11 Actuals \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	151,858	155,318	150,161	146,856	145,185
Total departmental expenses	151,858	155,318	150,161	146,856	145,185

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 that affect Appropriation Bills No. 3 and No. 4.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Australian Competition and Consumer Commission is budgeting for a departmental breakeven operating result for 2011-12 after adjusting for non-appropriated expenses of depreciation and amortisation.

The Australian Competition and Consumer Commission has a sound financial position and currently has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

3.2.2 Budgeted financial statements tables

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
EXPENSES					
Employee benefits	81,586	90,191	90,450	88,353	88,042
Supplier	65,352	61,659	56,242	55,034	53,674
Depreciation and amortisation	4,836	3,468	3,469	3,469	3,469
Finance costs	61	-	-	-	-
Net losses from sale	23	-	-	-	-
Total expenses	151,858	155,318	150,161	146,856	145,185
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	1,069	500	500	500	500
Total revenue	1,069	500	500	500	500
Gains					
Other gains	107	75	75	75	75
Total gains	107	75	75	75	75
Total own-source income	1,176	575	575	575	575
Net cost of (contribution by) services	150,682	154,743	149,586	146,281	144,610
Appropriation revenue	141,342	151,275	146,117	142,812	141,141
Surplus (deficit) attributable to the Australian Government	(9,340)	(3,468)	(3,469)	(3,469)	(3,469)
Note: Reconciliation of operating result attributable to the agency					
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Operating result attributable to the Australian Government	(9,340)	(3,468)	(3,469)	(3,469)	(3,469)
Plus non-appropriated expenses depreciation and amortisation expenses	4,836	3,468	3,469	3,469	3,469
Operating result attributable to the ACCC	(4,504)	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS					
Financial assets					
Cash and equivalents	1,626	2,126	2,126	2,126	2,126
Trade and other receivables	51,867	51,367	51,367	51,367	51,367
Total financial assets	53,493	53,493	53,493	53,493	53,493
Non-financial assets					
Land and buildings	14,236	12,821	11,435	10,074	9,633
Infrastructure, plant and equipment	7,678	8,093	7,965	7,829	6,287
Intangibles	2,029	2,124	2,231	2,338	2,724
Other	1,341	1,341	1,341	1,341	1,341
Total non-financial assets	25,284	24,379	22,972	21,582	19,985
Total assets	78,777	77,872	76,465	75,075	73,478
LIABILITIES					
Provisions					
Employees	20,063	20,063	20,063	20,063	20,063
Other	1,407	1,407	1,407	1,407	1,407
Total provisions	21,470	21,470	21,470	21,470	21,470
Payables					
Suppliers	7,236	7,236	7,236	7,236	7,236
Other	11,816	11,816	11,816	11,816	11,816
Total payables	19,052	19,052	19,052	19,052	19,052
Total liabilities	40,522	40,522	40,522	40,522	40,522
Net assets	38,255	37,350	35,943	34,553	32,956
EQUITY					
Parent entity interest					
Contributed equity	42,642	45,205	47,287	49,386	51,258
Reserves	3,538	3,538	3,538	3,538	3,538
Retained surpluses or accumulated deficits	(7,925)	(11,393)	(14,882)	(18,371)	(21,840)
Total parent entity interest	38,255	37,350	35,943	34,553	32,956
Current assets	54,164	54,164	54,164	54,164	54,164
Non-current assets	24,614	23,709	22,302	20,912	19,315
Current liabilities	19,052	19,052	19,052	19,052	19,052
Non-current liabilities	21,470	21,470	21,470	21,470	21,470

Prepared on Australian Accounting Standards basis.

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	741	500	500	500	500
Appropriations	146,411	151,775	146,117	142,812	141,141
Other	6,637	-	-	-	-
Total cash received	153,789	152,275	146,617	143,312	141,641
Cash used					
Employees	82,862	90,191	90,450	88,353	88,042
Suppliers	66,548	61,584	56,167	54,959	53,599
Other	788	-	-	-	-
Total cash used	150,198	151,775	146,617	143,312	141,641
Net cash from or (used by) operating activities	3,591	500	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	5,868	2,563	2,082	2,099	2,057
Total cash used	5,868	2,563	2,082	2,099	2,057
Net cash from or (used by) investing activities	(5,868)	(2,563)	(2,082)	(2,099)	(2,057)
FINANCING ACTIVITIES					
Cash received					
Appropriations - capital	2,500	2,563	2,082	2,099	2,057
Total cash received	2,500	2,563	2,082	2,099	2,057
Net cash from or (used by) financing activities	2,500	2,563	2,082	2,099	2,057
Net increase or (decrease) in cash held	223	500	-	-	-
Cash at the beginning of the reporting period	1,403	1,626	2,126	2,126	2,126
Cash at the end of the reporting period	1,626	2,126	2,126	2,126	2,126

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2011-12)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2011					
Balance carried forward from previous period	(7,925)	3,538	-	42,642	38,255
Adjusted opening balance	(7,925)	3,538	-	42,642	38,255
Comprehensive income					
Surplus (deficit) for the period	(3,468)	-	-	-	(3,468)
Total comprehensive income recognised directly in equity	(3,468)	-	-	-	(3,468)
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (departmental capital budget)	-	-	-	2,563	2,563
Sub-total transactions with owners	-	-	-	2,563	2,563
Estimated closing balance as at 30 June 2012	(11,393)	3,538	-	45,205	37,350

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill1 - DCB	2,500	2,508	2,022	2,039	2,057
Equity injections - Bill 2	40	55	60	60	-
Total capital appropriations	2,540	2,563	2,082	2,099	2,057
Represented by:					
Purchase of non-financial assets	2,540	2,563	2,082	2,099	2,057
Total represented by	2,540	2,563	2,082	2,099	2,057
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	2,500	2,508	2,022	2,039	2,057
Funded by capital appropriation	40	55	60	60	-
Total	2,540	2,563	2,082	2,099	2,057
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,540	2,563	2,082	2,099	2,057
Total cash used to acquire assets	2,540	2,563	2,082	2,099	2,057

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2011-12)

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2011				
Gross book value	17,146	10,802	6,425	34,373
less Accumulated depreciation/ amortisation	(2,910)	(3,124)	(4,396)	(10,430)
Opening net book balance	14,236	7,678	2,029	23,943
Asset movements				
Additions	22	2,287	254	2,563
less Depreciation/amortisation expense	(1,437)	(1,872)	(159)	(3,468)
Total asset movements	(1,415)	415	95	(905)
As at 30 June 2012				
Gross book value	17,168	13,089	6,679	36,936
less Accumulated depreciation/ amortisation	(4,347)	(4,996)	(4,555)	(13,898)
Closing net book balance	12,821	8,093	2,124	23,038

Prepared on Australian Accounting Standards basis.

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Fees and fines	43,412	10,000	10,000	10,000	10,000
Total non-taxation	43,412	10,000	10,000	10,000	10,000
Total revenues administered on behalf of Government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Other	68	-	-	-	-
Total expenses administered on behalf of Government	68	-	-	-	-

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 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	18	18	18	18	18
Receivables	8,943	8,943	8,943	8,943	8,943
Total financial assets	8,961	8,961	8,961	8,961	8,961
Total assets administered on behalf of Government	8,961	8,961	8,961	8,961	8,961

Prepared on Australian Accounting Standards basis.

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

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	57,175	10,000	10,000	10,000	10,000
Total cash received	57,175	10,000	10,000	10,000	10,000
Cash used					
Other	57,218	10,000	10,000	10,000	10,000
Total cash used	57,218	10,000	10,000	10,000	10,000
Net cash from or (used by) operating activities	(43)	-	-	-	-
Net increase or (decrease) in cash held	(43)	-	-	-	-
Cash at beginning of reporting period	61	18	18	18	18
Cash at end of reporting period	18	18	18	18	18

Prepared on Australian Accounting Standards basis.

3.2.4 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 by the ACCC that are 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.