

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Entity overview and resources	81
1.1 Strategic direction statement	81
1.2 Entity resource statement	84
1.3 Budget measures.....	86
Section 2: Outcomes and planned performance	87
2.1 Budgeted expenses and performance for Outcome 1	88
Section 3: Budgeted financial statements	96
3.1 Budgeted financial statements.....	96
3.2. Budgeted financial statements tables	97

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, consumer protection, 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 are founded on the principle 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. Competition is a positive force that promotes economic growth and job creation.

It falls to the ACCC to determine which competition, consumer, fair trading, and product safety matters it investigates, although it also receives directions on market studies and inquiries and industry monitoring from the Minister. The ACCC's role is to focus on those matters that have the potential to harm the competitive process or result in widespread consumer detriment.

The ACCC directs its resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its competition, consumer protection and fair trading priorities, as set out in the ACCC Compliance and Enforcement Policy.

The ACCC also annually updates its product safety priorities so as to identify and address the risk of serious injury and death from unsafe consumer products.

The ACCC will continue to assess and review mergers via the informal clearance process to prevent changes in market structures that would substantially lessen competition. It will also continue to assess conduct and agreements that may breach relevant competition laws but which should be authorised because there is expected to be a net public benefit.

The ACCC will continue to focus on its role in relation to implementing and enforcing the Consumer Data Right, which provides consumers with more access to and control of their personal data, to promote competition across the economy.

The ACCC is the national regulator of natural monopoly infrastructure services in communication, postal services and rail industries, and has specific regulatory roles in relation to bulk water and bulk wheat port facilities. The ACCC also has a role in enforcing industry-specific competition and market rules in some infrastructure-based markets, such as retail electricity. Promoting efficient infrastructure provision through industry-specific regulation and access conditions is a major focus of the ACCC's economic regulatory role.

The ACCC also monitors other sectors (such as major airports, container stevedoring, petrol and communications) where there is limited competition or high consumer concern to provide information to governments and the public about the operation of the relevant markets.

In 2021-22 the ACCC will continue to focus on markets characterised by a lack of transparency or insufficient competition which inhibit efficient market outcomes. This includes undertaking inquiries, industry analysis and reporting activities covering a broad range of sectors, including gas and electricity, digital platforms, domestic aviation, agriculture, financial services and private health insurance.

When undertaking all of these key activities the ACCC will continue to engage extensively with a wide range of stakeholders to:

- achieve outcomes that enhance the welfare of all Australians, and
- minimise the regulatory burden for businesses without compromising its statutory responsibilities to promote competition and protect consumers.

The ACCC also seeks to contribute to the continuous improvement of regulatory frameworks to deliver on our purpose to *make markets work for consumers, now and in the future*.

The AER exists so that energy consumers are better off, now and in the future. The AER regulates wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions mostly relate to energy markets in eastern and southern Australia. We place consumers at the heart of our work, and are focused on ensuring a secure, reliable and affordable energy future for Australia.

In December 2020 the AER finalised and launched its Strategic Plan 2020-2025. The outcomes sought are grounded in the former Council of Australian Government (COAG) Strategic Energy Plan. To achieve these outcomes the AER has four objectives:

Australian Competition and Consumer Commission Budget Statements

- protect vulnerable consumers, while enabling consumers to participate in energy markets
- effectively regulate competitive markets primarily through monitoring and reporting, and enforcement and compliance
- deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services
- use our expertise to inform debate about Australia's energy future and support the energy transition.

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 2021-22 as at Budget May 2021

	2020-21 <i>Estimated actual</i> \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	50,764	81,195
Departmental appropriation (b)(c)	267,036	286,646
s74 External Revenue (d)	2,331	2,113
Departmental capital budget (e)	32,286	31,872
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available	1,100	-
Equity injection	36,200	1,100
Total departmental annual appropriations	389,717	402,926
Total departmental resourcing	389,717	402,926
Administered		
Special appropriations (g)	20	20
Total administered resourcing (h)	20	20
Total resourcing for the ACCC	389,737	402,946
	2020-21	2021-22
Average staffing level (number)	1,170	1,235

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

Third party payments from and on behalf of the National Competition Council (NCC)

	<i>2020-21 Estimated actual \$'000</i>	2021-22 Estimate \$'000
Payments made on behalf of the NCC (as disclosed in the NCCs resource statement)	1,701	1,731
Receipts received from the NCC for the provision of services (disclosed above in s74 External Revenue section above)	850	850

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

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

- (a) Appropriation Bill (No. 1) 2021-22.
- (b) Excludes departmental capital budget (DCB).
- (c) Includes transfers of appropriation to the Department of the Treasury under section 75 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) as a result of a transfer of function authority.
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) 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'.
- (f) Appropriation Bill (No. 2) 2021-22.
- (g) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.
- (h) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on 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, e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the ACCC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Australian Competition and Consumer Commission 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	
Payment measures						
Australian Energy Regulator - increased roles and responsibilities						
Departmental payment	1.2	-	11,850	11,870	-	-
Commonwealth's Deregulation Agenda						
Departmental payment	1.2	-	1,673	1,472	-	-
Digital Economy Strategy						
Departmental payment	1.1	-	43,422	32,755	1,811	1,811
Departmental payment	1.2	-	1,512	1,219	-	-
Motor Vehicle Service and Repair Information Sharing Scheme						
Departmental payment	1.2	-	-	-	-	-
Total payment measures		-	58,457	47,316	1,811	1,811

Prepared on a Government Finance Statistics (Underlying Cash) 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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the ACCC can be found at: (<http://www.accc.gov.au/publications/corporate-plan-priorities>)

The most recent annual performance statement can be found at: (<http://www.accc.gov.au/annualreports>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks

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 Outcom1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	202,649	210,360	194,498	177,843	170,775
s74 External Revenue (a)	1,599	1,335	575	1,372	1,362
Expenses not requiring appropriation in the Budget year (b)	11,326	10,060	9,837	9,263	8,388
Departmental total	215,574	221,755	204,910	188,478	180,525
Total expenses for Program 1.1	215,574	221,755	204,910	188,478	180,525
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	64,387	76,286	78,175	64,011	64,259
Departmental total	64,387	76,286	78,175	64,011	64,259
Total expenses for Program 1.2	64,387	76,286	78,175	64,011	64,259

Australian Competition and Consumer Commission Budget Statements

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	267,036	286,646	272,673	241,854	235,034
s74 External Revenue (a)	1,599	1,335	575	1,372	1,362
Expenses not requiring appropriation in the Budget year (b)	11,326	10,060	9,837	9,263	8,388
Departmental total	279,961	298,041	283,085	252,489	244,784
Total expenses for Outcome 1	279,961	298,041	283,085	252,489	244,784
<hr/>					
	2020-21	2021-22			
Average staffing level (number)	1,170	1,235			

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(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, audit fees and Litigation Contingency Fund payments funded from equity.

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 2021-22 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks</p>	
<p>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.</p>	
<p>Delivery</p>	<p>The ACCC achieves Outcome 1 by using its resources to undertake the following key activities to achieve its seven strategic objectives:</p> <ol style="list-style-type: none"> 1. Address anti-competitive conduct and promote competition <ul style="list-style-type: none"> • Initiate compliance and enforcement actions to address harm to consumers and businesses resulting from anti-competitive conduct • Make decisions on authorisation, notification and certification trademark applications in the public interest • Undertake market studies and inquiries to contribute to improved market outcomes 2. Prevent anti-competitive mergers <ul style="list-style-type: none"> • Assess mergers to prevent changes in market structures that substantially lessen competition 3. Improve market outcomes by reducing information asymmetries <ul style="list-style-type: none"> • Facilitate the enabling technology solutions for the Consumer Data Right, and support participants. including testing and on-boarding • Accredited Consumer Data Right data recipients • Promote compliance with and enforce the Consumer Data Right rules and standards 4. Protect consumers and businesses from misleading and deceptive conduct and promote fair trading <ul style="list-style-type: none"> • Initiate compliance and enforcement actions to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law and Industry Codes • Empower small businesses by increasing awareness of their rights under the Australian Consumer Law and Industry Codes • Empower consumers by increasing awareness of their rights under the Australian Consumer Law 5. Protect consumers from unsafe products <ul style="list-style-type: none"> • Identify safety hazards in consumer products and prioritise the risks that may result in serious injury and death • Address the highest priority risks of serious injury and death arising from safety hazards in consumer products through regulation, education, compliance and enforcement actions

Australian Competition and Consumer Commission Budget Statements

	<p>6. Regulate monopoly infrastructure and monitor concentrated markets in the long term interests of consumers</p> <ul style="list-style-type: none"> • Formulate regulatory decisions that promote the long-term interests of end-users and consumers • Provide industry monitoring reports to government in relation to highly concentrated or emerging markets • Improve the efficient operation of markets by enforcing industry-specific competition and market rules <p>7. Improve our own systems, capabilities and ways of working</p> <ul style="list-style-type: none"> • Support our people to develop and meet their full potential; and facilitate a diverse, respectful and inclusive culture • Modernise our ICT and improve the reliability, flexibility and security of our business and data systems • Adapt our ways of working to allow resources to be used flexibly to meet changing priorities and to adopt innovative practises commensurate with the level of risk • Further develop our standing as a world-class independent regulator through external engagement and internal collaboration to support robust and transparent decision making that is responsive to complex challenges and demands 	
Performance information		
Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Target for 2021-22
2020-21	<p>Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)</p> <p>Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment</p> <p>Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)</p> <p>Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)</p> <p>Number of initial and in depth investigations of emerging product safety hazards</p> <p>Number of small business Infocentre contacts served</p> <p>Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)</p> <p>Number of major regulatory decisions</p> <p>Number of annual monitoring reports</p> <p>Number of reports on monitoring of unleaded petroleum products</p> <p>Number of reports on broadband markets</p> <p>Number of completed markets studies and inquiries</p>	<p>4 - 6</p> <p>Will exceed target of 80%</p> <p>100%</p> <p>35+</p> <p>10</p> <p>Expect to be just less than target of 12 000</p> <p>Will exceed target of 200 000</p> <p>5</p> <p>6</p> <p>5</p> <p>10</p> <p>4</p>
Performance information		

Australian Competition and Consumer Commission Budget Statements

Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Target for 2021-22
2021-22	<p>Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)</p> <p>Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment</p> <p>Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)</p> <p>Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)</p> <p>Number of small business Infocentre contacts served</p> <p>Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)</p> <p>Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation ports and stevedoring sectors)</p>	<p>6+</p> <p>80%</p> <p>100%</p> <p>40+</p> <p>8 000</p> <p>200 000</p> <p>22</p>
2022-23 and beyond	As per 2021-22	
Purpose	<p>The ACCC's purpose is to make markets work for consumers, now and in the future.</p> <p>The ACCC enforces the CCA and a range of additional legislation, promoting competition, fair trading, consumer protection and regulating national infrastructure for the benefit of all Australians.</p>	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

The above program is linked to the Department of Health (Program 1.8 - Health Protection, Emergency Response and Regulation) and the Department of Industry, Science, Energy and Resources (Program 1.2 - Growing innovative and competitive businesses, industries and regions and Program 3.1 - Supporting reliable, secure and affordable energy).

Table 2.2: Performance criteria for Outcome 1 (continued)

<p>Program 1.2 - Australian Energy Regulator</p> <p>The AER's priorities and work program are guided by the objectives of national energy legislation and rules and the five core outcomes for the energy system established by the COAG Energy Council's Strategic Plan. 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.</p>		
<p>Delivery</p>	<p>The AER achieves Outcome 1 by:</p> <ul style="list-style-type: none"> Wholesale energy market regulation: monitoring, investigating and enforcing compliance with national energy legislation and rules in wholesale electricity and gas markets. We monitor participant bidding and rebidding, market dispatch and prices, network constraints and outages, demand forecasts and forecasts of production and capacity. We also report on market activity. Energy networks regulation: regulating electricity networks and natural gas pipelines by setting the maximum amount of revenue they can earn, with reference to factors including projected demand, age of infrastructure, operating and financial costs, and network reliability and safety standards. Retail energy market regulation: regulating retail electricity and gas markets in jurisdictions that have commenced the National Energy Retail Law: Tasmania (for electricity customers only), the Australian Capital Territory, South Australia, New South Wales and Queensland. Consumer protection: empowering consumers to make informed choices about their energy supplier, including through a price comparison website, Energy Made Easy, setting the Default Market Offer to protect consumers from high prices and encourage participation in the market, approving retailer policies to assist customers facing financial hardship, and operating a retailer of last resort scheme if a retailer fails. Policy and advocacy: advocating for improvements to energy laws across participating jurisdictions, as well as positive changes to the behaviour of energy businesses and consumers. This includes simplifying the retail market regulatory framework to encourage effective competition and reduce cost to serve. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria ^(a)</p>	<p>Expected Achievement 2020-21 / Targets for 2021-22</p>
<p>2020-21</p>	<p>Proportion of stakeholder survey respondents that Strongly Agree / Agree with the statements:</p> <ul style="list-style-type: none"> The AER supports and protects energy consumers, particularly those in vulnerable circumstances The AER demonstrates a sound knowledge and understanding of energy consumers The AER equips consumers to participate effectively, and protects those who are unable to safeguard their own interests <p>Number of people completing their search on Energy Made Easy (EME)</p>	<p>Survey results due May 2021</p> <p>Survey results due May 2021</p> <p>N/A^(b)</p> <p>Expect to achieve target of > 2019-20 number (698,737)</p>
<p>Performance information</p>		

Australian Competition and Consumer Commission Budget Statements

Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Targets for 2021-22
	<p>Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information</p> <p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information ^(b)</p> <p>Percentage of market reports published within agreed/statutory timeframes:</p> <ul style="list-style-type: none"> • Weekly Wholesale Markets • Quarterly Retail & Wholesale Market Performance • Annual Retail Markets • Annual Retail Compliance • Annual State of the Energy Market • Biennial Wholesale Electricity Market • High Price Events. <p>Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes</p> <p>Number of completed revenue decisions for electricity networks and gas pipelines</p>	<p>100%</p> <p>90 – 99%</p> <p>Expect to achieve the target of 100%</p> <p>100%</p> <p>8</p>
2021-22	<p>Proportion of stakeholder survey respondents that agree with the statements:</p> <ul style="list-style-type: none"> • The AER supports and protects energy consumers, particularly those in vulnerable circumstances • The AER demonstrates a sound knowledge and understanding of energy consumers <p>Number of people completing their plan search on Energy Made Easy (EME)</p> <p>Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information</p> <p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information</p> <p>Percentage of market reports published within agreed/statutory timeframes:</p> <ul style="list-style-type: none"> • Weekly Wholesale Markets • Quarterly Retail & Wholesale Market Performance • Annual Retail Markets • Annual Retail Compliance • Annual State of the Energy Market • Biennial Wholesale Electricity Market • High Price Events. 	<p>> 2021 stakeholder survey result</p> <p>> 2021 stakeholder survey result</p> <p>> 2020-21 result</p> <p>100%</p> <p>100%</p> <p>100%</p>
Performance information		

Australian Competition and Consumer Commission Budget Statements

Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Targets for 2021-22
	Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes	100%
2022-23 and beyond	As per 2021-22	
Purposes	The AER exists so that energy consumers are better off, now and in the future. The AER is striving to be a high high-performing regulator that is independent, open and accountable; builds trust in Australia's energy system; takes considered risks; ensures the regime is fit for purpose; and engages actively with stakeholders.	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

(b) This question was not asked in the 2021 AER stakeholder survey. This indicator will not be used in future.

The above program is linked to the Department of Industry, Science, Energy and Resources (Program 3.1 – Supporting reliable, secure and affordable energy).

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 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

The entity resource statement is prepared on a cash basis and provides a view of cash/appropriations resources available to the ACCC whilst the financial statements are prepared on an accrual basis.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Total appropriation revenue for 2021-22 is estimated to be \$286.7 million. This has increased from \$251.9 million as reported in the 2020-21 Portfolio Additional Estimates Statements (PAES). The total capital budget for 2021-22, which exists to cover the purchase of non-financial assets, is estimated to be \$32.5m. This has increased from \$10.3m as reported in the 2020-21 PAES. The increases in operating and capital funding are primarily due to the new budget measures reported under Table 1.2.

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

Non-financial assets 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. Buildings largely represent the recognition of the ACCC's long-term office accommodation leases under *AASB 16-Leases*.

Provisions and payables include:

- employee entitlements arising from services rendered by employees. The liability includes unpaid annual leave and long service leave;
- long-term office accommodation lease liabilities under *AASB16 – Leases*; 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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	156,039	165,219	157,447	141,474	137,466
Suppliers	99,559	108,816	101,348	86,979	83,282
Depreciation and amortisation (a)	23,419	23,195	23,375	23,341	23,341
Finance costs	944	811	915	695	695
Total expenses	279,961	298,041	283,085	252,489	244,784
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,532	1,277	526	1,333	1,333
Sublease interest income	67	58	49	39	29
Total own-source revenue	1,599	1,335	575	1,372	1,362
Gains					
Other	115	115	115	115	115
Total gains	115	115	115	115	115
Total own-source income	1,714	1,450	690	1,487	1,477
Net (cost of)/contribution by services	(278,247)	(296,591)	(282,395)	(251,002)	(243,307)
Revenue from Government	267,036	286,646	272,673	241,854	235,034
Surplus/(deficit) attributable to the Australian Government	(11,211)	(9,945)	(9,722)	(9,148)	(8,273)

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

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(732)	(778)	(825)	(875)	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	10,427	9,967	9,370	9,355	9,355
plus: depreciation/amortisation expenses for ROU (b)	12,992	13,228	14,005	13,986	13,986
less: principal repayments on leased assets (b)	12,940	14,028	14,478	15,068	15,068
Total comprehensive income/(loss) - as per the statement of comprehensive income	(11,211)	(9,945)	(9,722)	(9,148)	(8,273)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were 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.
- (b) Applies leases under AASB 16 Leases.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,164	1,164	1,164	1,164	1,164
Trade and other receivables	80,031	76,470	72,563	72,188	72,688
Total financial assets	81,195	77,634	73,727	73,352	73,852
Non-financial assets					
Land and buildings	82,878	69,872	78,120	61,751	45,998
Property, plant and equipment	6,196	5,440	7,370	9,075	9,645
Intangibles	38,856	62,391	81,387	85,242	86,958
Other non-financial assets	1,627	1,627	1,627	1,627	1,627
Total non-financial assets	129,557	139,330	168,504	157,695	144,228
Total assets	210,752	216,964	242,231	231,047	218,080
LIABILITIES					
Payables					
Suppliers	17,163	16,989	16,432	16,432	16,432
Other payables	7,714	4,848	4,848	4,848	4,848
Total payables	24,877	21,837	21,280	21,280	21,280
Interest bearing liabilities					
Leases	78,163	64,631	75,038	59,970	44,902
Total interest bearing liabilities	78,163	64,631	75,038	59,970	44,902
Provisions					
Employee provisions	47,089	47,188	44,163	44,163	44,163
Other provisions	4,373	4,031	4,031	4,031	4,031
Total provisions	51,462	51,219	48,194	48,194	48,194
Total liabilities	154,502	137,687	144,512	129,444	114,376
Net assets	56,250	79,277	97,719	101,603	103,704
EQUITY*					
Parent entity interest					
Contributed equity	183,471	216,443	244,607	257,639	268,013
Reserves	4,198	4,198	4,198	4,198	4,198
Retained surplus (accumulated deficit)	(131,419)	(141,364)	(151,086)	(160,234)	(168,507)
Total equity	56,250	79,277	97,719	101,603	103,704

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	(131,419)	4,198	183,471	56,250
Adjusted opening balance	(131,419)	4,198	183,471	56,250
Comprehensive income				
Surplus/(deficit) for the period	(9,945)	-	-	(9,945)
Total comprehensive income	(9,945)	-	-	(9,945)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	1,100	1,100
Departmental Capital Budget (DCB)	-	-	31,872	31,872
Sub-total transactions with owners	-	-	32,972	32,972
Estimated closing balance as at 30 June 2022	(141,364)	4,198	216,443	79,277
Closing balance attributable to the Australian Government	(141,364)	4,198	216,443	79,277

Prepared on Australian Accounting Standards basis

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	275,994	300,808	285,768	251,354	244,534
Sale of goods and rendering of services	2,331	2,113	1,400	2,247	1,362
Net GST received	9,170	8,910	8,513	8,000	7,783
Other	185	185	-	-	-
Total cash received	287,680	312,016	295,681	261,601	253,679
Cash used					
Employees	155,937	165,518	160,472	141,474	137,466
Suppliers	102,061	110,939	101,850	86,864	83,167
Net GST paid	9,355	9,095	8,513	8,000	7,783
s74 External Revenue transferred to the OPA	11,879	11,379	10,013	10,000	10,000
Other	17,108	1,557	855	695	695
Total cash used	296,340	298,488	281,703	247,033	239,111
Net cash from/(used by) operating activities	(8,660)	13,528	13,978	14,568	14,568
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	32,886	32,472	27,664	12,532	9,874
Total cash used	32,886	32,472	27,664	12,532	9,874
Net cash from/(used by) investing activities	(32,886)	(32,472)	(27,664)	(12,532)	(9,874)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	54,486	32,972	28,164	13,032	10,374
Total cash received	54,486	32,972	28,164	13,032	10,374
Cash used					
Principal payments on lease liability	12,940	14,028	14,478	15,068	15,068
Total cash used	12,940	14,028	14,478	15,068	15,068
Net cash from/(used by) financing activities	41,546	18,944	13,686	(2,036)	(4,694)
Net increase/(decrease) in cash held					
Cash and cash equivalents at the beginning of the reporting period	1,164	1,164	1,164	1,164	1,164
Cash and cash equivalents at the end of the reporting period	1,164	1,164	1,164	1,164	1,164

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	32,286	31,872	27,064	11,932	9,274
Equity injections - Bill 2	36,200	1,100	1,100	1,100	1,100
Total new capital appropriations	68,486	32,972	28,164	13,032	10,374
Provided for:					
<i>Purchase of non-financial assets</i>	32,886	32,472	27,664	12,532	9,874
<i>Other Items</i>	35,600	500	500	500	500
Total items	68,486	32,972	28,164	13,032	10,374
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	600	600	600	600	600
Funded by capital appropriation - DCB (b)	32,286	31,872	27,064	11,932	9,274
TOTAL	32,886	32,472	27,664	12,532	9,874
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	32,886	32,472	27,664	12,532	9,874
Total cash used to acquire assets	32,886	32,472	27,664	12,532	9,874

Prepared on Australian Accounting Standards basis.

(a) Includes current Bill 2 appropriations.

(b) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	27,656	11,035	49,636	88,327
Gross book value - ROU assets	89,089	-	-	89,089
Accumulated depreciation/ amortisation and impairment	(9,181)	(4,839)	(10,780)	(24,800)
Accumulated depreciation/amortisation and impairment - ROU assets	(24,686)	-	-	(24,686)
Opening net book balance	82,878	6,196	38,856	127,930
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	600	600
By purchase - appropriation ordinary annual services (b)	3,402	871	27,599	31,872
By purchase - appropriation ordinary annual services - ROU assets	496	-	-	496
Total additions	3,898	871	28,199	32,968
Other movements				
Depreciation/amortisation expense	(3,676)	(1,627)	(4,664)	(9,967)
Depreciation/amortisation on ROU assets	(13,228)	-	-	(13,228)
Total other movements	(16,904)	(1,627)	(4,664)	(23,195)
As at 30 June 2022				
Gross book value	31,058	11,906	77,835	120,799
Gross book value - ROU assets	89,585	-	-	89,585
Accumulated depreciation/ amortisation and impairment	(12,857)	(6,466)	(15,444)	(34,767)
Accumulated depreciation/amortisation and impairment - ROU assets	(37,914)	-	-	(37,914)
Closing net book balance	69,872	5,440	62,391	137,703

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021-22 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Impairment and repayment of fees and fines	-	-	-	-	-
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fines and costs	80,000	104,028	120,724	137,498	137,478
Total non-taxation revenue	80,000	104,028	120,724	137,498	137,478
Total own-source revenue administered on behalf of Government	80,000	104,028	120,724	137,498	137,478
Total own-sourced income administered on behalf of Government	80,000	104,028	120,724	137,498	137,478
Net (cost of)/contribution by services	(80,000)	(104,028)	(120,724)	(137,498)	(137,478)
Surplus/(deficit)	80,000	104,028	120,724	137,498	137,478

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	500	500	500	500	500
Trade and other receivables	37,553	37,553	37,553	37,553	37,553
Total financial assets	38,053	38,053	38,053	38,053	38,053
Total assets administered on behalf of Government	38,053	38,053	38,053	38,053	38,053
Net assets/(liabilities)	38,053	38,053	38,053	38,053	38,053

Prepared on Australian Accounting Standards basis.

Australian Competition and Consumer Commission Budget Statements

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fines and costs	80,000	104,028	120,724	137,498	137,478
Total cash received	80,000	104,028	120,724	137,498	137,478
Net cash from/(used by) operating activities	80,000	104,028	120,724	137,498	137,478
Net increase/(decrease) in cash held	80,000	104,028	120,724	137,498	137,478
Cash and cash equivalents at beginning of reporting period	500	500	500	500	500
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(80,000)	(104,028)	(120,724)	(137,498)	(137,478)
Total cash to Official Public Account	(80,000)	(104,028)	(120,724)	(137,498)	(137,478)
Cash and cash equivalents at end of reporting period	500	500	500	500	500

Prepared on Australian Accounting Standards basis.

