

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Agency overview and resources

1.1 Strategic direction statement

The Australian Competition and Consumer Commission (ACCC) is an independent statutory authority which enforces compliance with the *Competition and Consumer Act 2010* (CCA) and performs functions under other Commonwealth legislation and State and Territory competition policy reform Acts.

The Australian Energy Regulator (AER), which is part of the ACCC, regulates the national energy market.

The ACCC's outcome is: lawful competition, consumer protection, and regulation of national infrastructure markets and services, including enforcement, education, price monitoring and determining the terms of access to infrastructure services.

In performing its role, the ACCC is alert to market conduct that may impact adversely on competition and consumers, including where there is widespread consumer detriment.

The ACCC's regulatory role will continue to reflect the view that competition provides the best incentive for firms and institutions to become more efficient, innovative and flexible.

1.2 Agency resource statement

Table 1.1 shows the total resources for the ACCC.

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2012-13 as at Budget May 2012

	Estimate of prior year amounts + available in 2012-13 \$'000	Proposed at Budget 2012-13 \$'000	=	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services					
Departmental					
Prior year departmental appropriation	1,645 ⁴	-		1,645	-
Departmental appropriation ⁶	-	152,949 ¹		152,949	154,283
Receipts from other sources (s31)	-	500 ³		500	500
Total ordinary annual services	A 1,645	153,449		155,094	154,783
Other services					
Departmental non-operating					
Equity injections	21,300 ⁴	60 ²		21,360	55
Total other services	B 21,300	60		21,360	55
Total available annual appropriations (A+B)	22,945	153,509		176,454	154,838
Special accounts					
Opening balance ⁵	54	-		54	54
Non-appropriation receipts to special accounts	-	-		-	-
Total special accounts	C 54	-		54	54
Total net resourcing for ACCC (A+B+C)	22,999	153,509		176,508	154,892

1. Appropriation Bill (No. 1) 2012-13.

2. Appropriation Bill (No. 2) 2012-13.

3. Receipts received under section 31 of the *Financial Management and Accountability Act 1997*.

4. Estimated adjusted balance carried from previous year for annual appropriations.

5. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.2.

6. Includes \$2.0 million in 2012-13 for the Departmental Capital Budget (also refer to Table 3.2.5).

Third party payments from and on behalf of other agencies

	2011-12 \$'000	2012-13 \$'000
Payments made on behalf of the National Competition Council (NCC)	2,850	2,787

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

1.3 Budget measures

Budget measures relating to ACCC are detailed in Budget Paper No. 2, *Budget Measures 2012-13* and are summarised below.

Table 1.2: Australian Competition and Consumer Commission 2012-13 Budget measures

		2011-12	2012-13	2013-14	2014-15	2015-16
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures						
Australian Competition and Consumer Commission - additional legal expense funding	1.1	-	4,250	-	-	-
Petrol Commissioner and formal monitoring of petrol prices - continuation	1.1	-	850	850	-	-
Total expense measures		-	5,100	850	-	-

Prepared on a Government finance statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 Outcomes and performance information

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the budget and forward years.

The ACCC's outcome is described below, specifying the strategy, program objective, program deliverables and program key performance indicators used to assess and monitor the performance of the ACCC.

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

Outcome 1 strategy

To achieve its outcome, the strategies the ACCC will pursue are:

- promote vigorous, lawful competition and informed markets;
- encourage fair trading, protection of consumers and product safety; and
- regulate bottleneck monopoly industries to promote efficiency and infrastructure investment, increase competition in markets depending on that infrastructure and promote the interests of end-users.

In support of these strategies, the ACCC will undertake the following actions:

- deter, detect, pursue and stop anti-competitive conduct;
- assess mergers efficiently and take action where a merger presents competition concerns;
- deliver consistent, informed and efficient authorisation and notification decisions to ensure competition laws do not prevent arrangements that are in the public interest;

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- minimise harm to businesses from unfair trading practices and take enforcement action where needed;
- deliver increased consumer welfare through the Australian Consumer Law;
- minimise harm to consumers from unsafe consumer products and services;
- provide robust and independent regulation of natural monopoly markets;
- monitor and advise on industries where market structures are changing; and
- monitor prices and quality of specified goods and services to assess and advise on the effect of market conditions.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1.

Table 2.1: Budgeted expenses 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	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Australian Competition and Consumer Commission		
Departmental expenses		
Departmental appropriation	151,275	150,931
Revenues from independent sources (s31)	500	500
Expenses not requiring appropriation in budget year	20,543	3,544
Total expenses for Outcome 1	172,318	154,975
	2011-12	2012-13
Average staffing level (number)	800	745

Contributions to Outcome 1

Program 1.1: Australian Competition and Consumer Commission

Program objectives

The ACCC program objective is to enforce compliance with the CCA and associated legislation, to bring greater competitiveness, fair trading, consumer protection and product safety to the Australian economy, working on the fundamental principle that this benefits consumers, business and the wider community.

The ACCC promotes compliance with federal competition, fair trading, consumer protection and product safety laws.

The ACCC and AER regulate markets where there is limited competition – for example communications (ACCC), transport (ACCC) and energy markets (AER and ACCC).

Program expenses

There are no significant changes to estimates across the forward years.

Table 2.2: Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual departmental expenses					
Departmental items	172,318	154,975	147,427	144,909	144,197
Total departmental expenses	172,318	154,975	147,427	144,909	144,197

Program deliverables

To promote compliance with federal competition, fair trading, consumer protection and product safety laws, and to regulate markets where there is limited competition, the ACCC will deliver:

- timely and effective identification, investigation and action responses to address instances of anti-competitive conduct:
 - effective remedies achieved through court action;
 - effective remedies achieved through non-court action; and
 - effective education and communication about anti-competitive conduct.
- mergers assessed within statutory and organisational timeframes;
- action taken to address competition issues as a result of public or confidential merger reviews;
- media and industry monitoring identifies relevant merger intelligence activity;
- authorisation and notification decisions made within statutory timeframes;
- collective bargaining notification decisions made within statutory timeframes;
- timely and effective identification and investigation of unfair business to business areas, to determine and action responses most likely to address unfairness in line with the Competition and Consumer Act;

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- collective bargaining notification decisions affecting small business made within statutory timeframes;
- fair trading outcomes achieved through enforcement of mandatory codes of conduct;
- effective education and communication to inform businesses about their rights and obligations under the Competition and Consumer Act;
- timely and effective identification, investigation and action responses to breaches of the Australian Consumer Law;
 - Enforcement outcomes achieved through court action;
 - Non-court based remedies used; and
 - Effective education and communications to inform consumers about their rights and responsibilities under the Australian Consumer Law.
- timely identification and responses to product safety hazards;
- product safety activities to effectively assess and address product safety hazards;
- effective education and communication to reduce product safety related injury and maximise industry compliance;
- reasonable access terms and conditions (including prices) determined for nationally significant infrastructure services in a timely and transparent manner after appropriate consultation with stakeholders;
- industry-specific laws (technical, pro-competitive, consumer protection) monitored and enforced in a transparent and consistent way;
- prices and quality of goods and services monitored and reported on to provide relevant information to the community about the effects of market conditions;
- relevant information disseminated to assist stakeholders in understanding the regulatory frameworks and the structure and operation of infrastructure markets so that they can more effectively engage in the regulatory process;
- timely advice provided to governments and policy agencies on how efficient regulatory outcomes and competitive, well-functioning markets can be achieved;
- enhanced use of data analysis and intelligence to inform our regulatory approaches and interventions; and

- collaboration and partnerships with international and domestic regulators and stakeholders.

Program 1.1 Key Performance Indicators

In order to assess the effectiveness of the ACCC in delivering its objectives, the ACCC has the following key performance indicators:

- obtain positive outcomes from an expected 25 court cases and an expected 40 court enforceable undertakings in matters relating to competition, fair trading and consumer protection;
- monitor media and industry on a daily basis for possible Mergers and Acquisition reviews;
- assessment of mergers within statutory and organisational timelines and in accordance with published guidelines;
- publication on accc.gov.au of all public merger decisions;
- authorisation and notification decisions within statutory and organisational timeframes and promptly communicated;
- collective bargaining notification decisions within statutory timeframes and communicated promptly;
- websites that are accessible and a source of relevant and up-to-date information;
- make regulatory determinations within statutory timeframes;
- make price notification decisions within statutory timeframes;
- make arbitration determinations within statutory timeframes;
- make access undertaking decisions and access determinations within statutory timeframes;
- establish initial access arrangements for the NBN;
- review of declarations of declared services under the telecommunications access regime within statutory timeframes;
- inform relevant stakeholders in relation to ACCC functions under Part IIIA of the Competition and Consumer Act;
- compliance with statutory reporting requirements to the Minister for Broadband, Communications and the Digital Economy (including annual reports on

telecommunications competitive safeguards and retail prices, and Telstra's compliance with the retail price control arrangements);

- provide annual monitoring report to the Minister for Sustainability, Environment, Water, Populations and Culture on compliance with water rules in the Murray Darling Basin;
- complete Petrol Monitoring Report in order to provide to the Minister on an annual basis;
- publish weekly electricity and gas reports and wholesale market high-price event reports in accordance with statutory timelines; publish State of the Energy Market Report;
- publish Australia Post Cross-subsidy Report on an annual basis;
- provide Container Stevedoring Monitoring Report to Treasurer on an annual basis;
- publish Price Monitoring and Quality of Service Report for five major airports on an annual basis;
- timely and accessible regulatory reports, determinations, and issues papers; and
- assistance to parliamentary inquiries and government agencies to develop policies and processes.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2012-13. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations, program expenses and special accounts.

3.1 Explanatory tables

3.1.1 Movement of administered funds between years

The ACCC does not have any movement of administered funds between years.

3.1.2 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* (FMA Act) or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the ACCC.

Special public moneys are held by the ACCC in a trustee capacity. The trust moneys are a result of court orders of which payments to the beneficiaries are pending. These moneys are temporarily held for the benefit of a person or entity other than the Australian Government. This special account is departmental in nature and is governed by section 20 of the FMA Act.

Table 3.1.2: Estimates of special account cash flows and balances

		Opening balance 2012-13 2011-12	Receipts 2012-13 2011-12	Payments 2012-13 2011-12	Adjustments 2012-13 2011-12	Closing balance 2012-13 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys Account	1	54	-	-	-	54
		54	-	-	-	54
Total special accounts						
2012-13 Budget estimate		54	-	-	-	54
Total special accounts 2011-12 estimated actual		54	-	-	-	54

3.1.3 Australian Government Indigenous Expenditure

The ACCC does not have any Australian Government Indigenous Expenditure.

3.2 Budgeted financial statements

The budgeted financial statements contain estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, as well as specific guidelines issued by the Department of Finance and Deregulation. The statements show the planned financial performance for the 2012-13 budget year and estimated actual for 2011-12 for comparative purposes.

3.2.1 Differences in agency resourcing and financial statements

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

3.2.2 Analysis of budgeted financial statements

Departmental

Comprehensive income statement

The ACCC is budgeting for an approved operating loss of \$17.0 million for 2011-12 and break-even results for the forward estimates. This operating loss is a result of higher than anticipated legal expenditure, investment in IT, and accessing the Litigation Contingency Fund as per the approved process. These results will occur after adding back non-appropriated depreciation and amortisation expenses under the net cash appropriation arrangements, which began in the 2010-11 Budget.

Operating revenues

Total appropriation revenue for 2012-13 is estimated to be \$152.9 million. This figure includes \$2.0 million for Departmental Capital Budget funding under the new appropriation framework arrangements.

Operating expenses

Total expenses in 2012-13 are estimated to be \$155.0 million. This is a decrease of \$17.3 million from the 2011-12 estimated actual. This decrease is primarily attributable to the increased expenditure in 2011-12, as outlined above.

Balance sheet

The ACCC's budgeted net asset position of \$18.9 million represents a decrease of \$1.4 million from the 2011-12 estimated actual. This is the difference between the ACCC depreciation charge and funding for capital acquisitions.

The total assets are expected to be \$59.5 million, a decrease of \$1.4 million from 2010-11 primarily as a result of a decrease in value of non-financial assets.

The ACCC's primary liability continues to be accrued employee leave entitlements of \$20.0 million.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
EXPENSES					
Employee benefits	90,191	90,940	88,847	87,861	88,407
Suppliers	78,659	60,566	55,111	53,579	52,321
Depreciation and amortisation	3,468	3,469	3,469	3,469	3,469
Total expenses	172,318	154,975	147,427	144,909	144,197
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	500	500	500	500	500
Total revenue	500	500	500	500	500
Gains					
Other gains	75	75	75	75	75
Total gains	75	75	75	75	75
Total own-source income	575	575	575	575	575
Net cost of (contribution by) services	171,743	154,400	146,852	144,334	143,622
Appropriation revenue	151,275	150,931	143,383	140,865	140,153
Surplus (deficit) attributable to the Australian Government	(20,468)	(3,469)	(3,469)	(3,469)	(3,469)
Note: Impact of Net Cash Appropriation Arrangements					
	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(17,000)	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(3,468)	(3,469)	(3,469)	(3,469)	(3,469)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(20,468)	(3,469)	(3,469)	(3,469)	(3,469)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
ASSETS					
Financial assets					
Cash and equivalents	2,126	2,126	2,126	2,126	2,126
Trade and other receivables	34,367	34,367	34,367	34,367	34,367
Total financial assets	36,493	36,493	36,493	36,493	36,493
Non-financial assets					
Land and buildings	12,821	11,435	10,074	9,633	8,796
Infrastructure, plant and equipment	8,093	7,961	7,821	6,275	5,549
Inventories	28	28	28	28	28
Intangibles	2,124	2,231	2,338	2,724	2,891
Other	1,313	1,313	1,313	1,313	1,313
Total non-financial assets	24,379	22,968	21,574	19,973	18,577
Total assets	60,872	59,461	58,067	56,466	55,070
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	20,350	18,939	17,545	15,944	14,548
EQUITY					
Contributed equity	45,205	47,283	49,378	51,246	53,319
Reserves	3,538	3,538	3,538	3,538	3,538
Retained surpluses or accumulated deficits	(28,393)	(31,882)	(35,371)	(38,840)	(42,309)
Total equity	20,350	18,939	17,545	15,944	14,548
Current assets	37,150	37,150	37,150	37,150	37,150
Non-current assets	23,723	22,312	20,918	19,317	17,921
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)**

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	500	500	500	500	500
Appropriations	168,775	150,931	143,383	140,865	140,153
Other	-	-	-	-	-
Total cash received	169,275	151,431	143,883	141,365	140,653
Cash used					
Employees	90,191	90,940	88,847	87,861	88,407
Suppliers	78,584	60,491	55,036	53,504	52,246
Other	-	-	-	-	-
Total cash used	168,775	151,431	143,883	141,365	140,653
Net cash from or (used by) operating activities	500	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,563	2,078	2,095	2,053	2,073
Total cash used	2,563	2,078	2,095	2,053	2,073
Net cash from or (used by) investing activities	(2,563)	(2,078)	(2,095)	(2,053)	(2,073)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	2,563	2,078	2,095	2,053	2,073
Total cash received	2,563	2,078	2,095	2,053	2,073
Net cash from or (used by) financing activities	2,563	2,078	2,095	2,053	2,073
Net increase or (decrease) in cash held	500	-	-	-	-
Cash at the beginning of the reporting period	1,626	2,126	2,126	2,126	2,126
Cash at the end of the reporting period	2,126	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 2012-13)

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	(28,413)	3,538	-	45,205	20,330
Adjusted opening balance	(28,413)	3,538	-	45,205	20,330
Comprehensive income					
Surplus (deficit) for the period	(3,469)	-	-	-	(3,469)
Total comprehensive income recognised directly in equity	(3,469)	-	-	-	(3,469)
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	60	60
Appropriation (departmental capital budget)	-	-	-	2,018	2,018
Total transactions with owners	-	-	-	2,078	2,078
Estimated closing balance as at 30 June 2013	(31,882)	3,538	-	47,283	18,939

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	2,508	2,018	2,035	2,053	2,073
Equity injections - Bill 2	55	60	60	-	-
Total new capital appropriations	2,563	2,078	2,095	2,053	2,073
Provided for:					
Purchase of non-financial assets	2,563	2,078	2,095	2,053	2,073
Total Items	2,563	2,078	2,095	2,053	2,073
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	2,508	2,018	2,035	2,053	2,073
Funded by capital appropriations	55	60	60	-	-
TOTAL	2,563	2,078	2,095	2,053	2,073
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,563	2,078	2,095	2,053	2,073
Total cash used to acquire assets	2,563	2,078	2,095	2,053	2,073

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — departmental

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2012				
Gross book value	17,148	13,089	6,679	36,916
Accumulated depreciation/amortisation and impairment	(4,347)	(4,996)	(4,555)	(13,898)
Opening net book balance	12,801	8,093	2,124	23,018
Capital asset additions				
By purchase - appropriation ordinary annual services	71	1,767	240	2,078
Total additions	71	1,767	240	2,078
Other movements				
Depreciation/amortisation expense	(1,437)	(1,899)	(133)	(3,469)
Total other movements	(1,437)	(1,899)	(133)	(3,469)
As at 30 June 2013				
Gross book value	17,219	14,856	6,919	38,994
Accumulated depreciation/amortisation and impairment	(5,784)	(6,895)	(4,688)	(17,367)
Closing net book balance	11,435	7,961	2,231	21,627

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)

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
OWN-SOURCE INCOME					
Non-taxation revenue					
Fees and fines	20,000	20,000	20,000	20,000	20,000
Total non-taxation revenue	20,000	20,000	20,000	20,000	20,000
Total own-sourced income administered on behalf of Government	20,000	20,000	20,000	20,000	20,000

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)

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'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)

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	20,000	20,000	20,000	20,000	20,000
Total cash received	20,000	20,000	20,000	20,000	20,000
Cash used					
Other	20,000	20,000	20,000	20,000	20,000
Total cash used	20,000	20,000	20,000	20,000	20,000
Net cash from or (used by) operating activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at beginning of reporting period	18	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.

