

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Australian Competition and Consumer Commission (ACCC) is an independent statutory authority which administers 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.

The AER will have significant new functions under the National Energy Consumer Framework (NECF) in regulating energy retail and distribution businesses. The AER will continue to work within the evolving regulatory landscape while performing regulatory resets, monitoring compliance and providing timely and relevant information to energy market participants.

A further significant measure for the ACCC is the implementation and enforcement of the new consumer protection and fair trading provisions of the second tranche of the Australian Consumer Law (ACL). The ACL rationalises consumer laws and enhances the protection of consumers. This supports the implementation of one of the 27 deregulation priorities under the Council of Australian Governments' National Partnership to Deliver a Seamless National Economy. In conjunction with the ACL implementation, the ACCC will also be undertaking an awareness-raising campaign to educate consumers and businesses about their rights and obligations under the new consumer guarantees laws.

The ACCC will also be undertaking additional activities as a result of the Government's final response to the recommendations of the National Broadband Network (NBN) Implementation Study.

In performing its role, the ACCC is alert to market conduct that may impact adversely on competition and consumers. Specific areas for the ACCC's attention are mergers, unconscionable conduct, franchising opportunities, misleading and deceptive conduct,

harassment and coercion, and cartel conduct. 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 from all origins. The table summarises how resources will be applied by outcome and by departmental classification.

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2011-12 as at Budget May 2011

	Estimate of prior year amounts + available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
Ordinary annual services				
Departmental				
Prior year departmental appropriation	21,449 ⁴	-	21,449	-
Departmental appropriation ⁶	-	152,085 ¹	152,085	147,304
Receipts from other sources (s31)	-	500 ³	500	500
Total ordinary annual services	A 21,449	152,585	174,034	147,804
Other services				
Departmental non-operating				
Equity injections	24,779 ⁴	55 ²	24,834	40
Total other services	B 24,779	55	24,834	40
Total available annual appropriations (A+B)	46,228	152,640	198,868	147,844
Special accounts				
Opening balance ⁵	52	-	52	-
Non-appropriation receipts to special accounts	-	-	-	100
Total special account	C 52	-	52	100
Total net resourcing for ACCC (A+B+C)	46,280	152,640	198,920	147,944

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

2. Appropriation Bill (No. 2) 2011-12.

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 (refer to Table 3.1.2 for further details).

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

Third party payments from and on behalf of other agencies

	2010-11	2011-12
	\$'000	\$'000
Payments made on behalf of the National Competition Council (NCC)	2,812	2,850

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 2011-12* and are summarised below.

Table 1.2: Australian Competition and Consumer Commission 2011-12 Budget measures

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Australian Consumer Law						
- compliance and awareness of consumer guarantees law	1.1	-	1,600	-	-	-
- enforcement of consumer protection provisions	1.1	500	1,100	1,101	1,101	1,101
Australian Energy Regulator - new consumer protection function						
	1.1	-	5,419	5,387	4,162	3,584
Efficiency dividend - temporary increase in the rate						
	1.1	-	(693)	(1,479)	(1,809)	(2,180)
National Broadband Network - regulatory framework						
	1.1	-	1,653	1,662	1,266	994
Petrol Commissioner and formal monitoring of petrol prices - continuation						
	1.1	-	1,000	1,000	-	-
Water for the Future - Driving Reform in the Murray-Darling Basin - reallocation of funds						
	1.1	-	1,729	1,742	-	-
Total expense measures		500	10,208	9,413	4,720	3,499
Related capital						
Efficiency dividend - temporary increase in the rate						
	1.1	-	(13)	(26)	(32)	(39)
Total related capital		-	(13)	(26)	(32)	(39)

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, deliverables and 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 three strategies the ACCC will pursue are:

- promote vigorous, lawful competition and informed markets;
- encourage fair trading, protection of consumers and product safety; and
- regulate national infrastructure services (such as communications, bulk water, energy, rail, airports, post and wheat exports) and other markets where there is limited competition.

The intended results and target groups of the ACCC program are:

- detect, pursue and stop anti-competitive conduct – including cartels – and misuse of market power;
- promptly deliver authorisation and notification decisions, particularly on small business collective bargaining arrangements;
- assess mergers promptly and efficiently across all industries, taking effective action to address substantial competition concerns arising from mergers;

- identify and focus effectively on national and cross-border (including international) consumer protection issues;
- pursue and achieve appropriate remedies for false and deceptive conduct, particularly conduct resulting in widespread detriment;
- ensure that trading conditions between big and small firms are fair;
- promote product safety through identification and regulation of emerging hazards, active engagement in recalls, and enforcement of standards and bans;
- support and protect competition in markets that rely on networks with natural monopoly characteristics;
- provide consistent and independent regulation of the energy sector, encouraging competition within and between the gas and electricity markets to benefit industry and consumers;
- regulate and advise on industries where market structures are changing, including where the market structure impedes effective competition (for example water, transport and communications); and
- monitor prices to assess and advise on the effect of market conditions (including deregulation) on the price levels of specified goods and services, including petrol and a range of airport prices including car parking.

Outcome expense statement

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

Table 2.1: Budgeted expenses for Outcome 1

	2010-11	2011-12
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	Estimated actual expenses \$'000	Estimated expenses \$'000
Program 1.1: Australian Competition and Consumer Commission		
Departmental expenses		
Departmental appropriation	141,842	149,577
Expenses not requiring appropriation in budget year	3,540	3,543
Total expenses for Outcome 1	145,382	153,120
	2010-11	2011-12
Average staffing level (number)	778	812

Contributions to Outcome 1

Program 1.1: Australian Competition and Consumer Commission

Program objectives

The ACCC program objective is to administer 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 competition is less effective – 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

	2010-11 Revised budget \$'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	145,382	153,120	149,381	146,124	146,535
Total departmental expenses	145,382	153,120	149,381	146,124	146,535

Program deliverables

To promote compliance with federal competition, fair trading, consumer protection and product safety laws, the ACCC has the following program deliverables:

- effective and appropriate actions (investigations, litigation, communication) are taken to prevent and stop;
 - anti-competitive conduct;
 - misleading, deceptive and unconscionable conduct, especially conduct that causes widespread consumer detriment; and
 - non-compliance with mandatory codes of conduct.
- effective and appropriate actions are taken to promote product safety, including responding to emerging hazards, managing product recalls, and enforcing standards and bans;
- support is provided to increase the ability of small business to trade with larger firms in a fair, yet competitive environment;
- immediate information is provided to thousands of callers each week; publications are widely distributed through print and the web; and special information programs reach small, isolated or disadvantaged groups; and
- effective and appropriate education campaigns are conducted that target industries and sectors where the risk of failure to comply with the CCA is high.

To regulate markets where competition is less effective – for example communications (ACCC), transport (ACCC) and energy markets (AER and ACCC) – the ACCC and AER have the following program deliverables:

- access terms, conditions and prices balance the interests of infrastructure owners and users and the broader public;
- incentives are provided that stimulate efficient investment in and use of services with natural monopoly characteristics;
- regulatory processes that support efficient resource allocation, including investment in the regulated businesses, are predictable and consistent;
- prices of specified goods and services are monitored to assess the effect of market conditions on price levels, and the government and public are advised accordingly; and
- all the outcomes of access arbitrations, arrangements and undertakings, monitoring activities and inquiry findings are publicised.

Program key performance indicators

From promoting vigorous, lawful competition and informed markets (CCA Parts IV, VII, XIA) and encouraging fair trading, protection of consumers and product safety (CCA Schedule 2, Part IVB, *Trade Marks Act 1995* and *Copyright Act 1968*), the ACCC has the following key performance indicators:

- meet with key consumer and business groups every six months;
- 70 per cent of phone calls answered within 20 seconds;
- 95 per cent of emails responded to within seven days;
- 95 per cent of letters responded to within 28 days;
- make decisions within seven days of receipt about whether to refer written complaints to an investigative unit;
- 80 per cent of under assessment matters concluded or progressed to initial investigations within 28 days;
- 80 per cent of initial investigations concluded or progressed to in-depth investigations within 90 days;
- 80 per cent of in-depth investigations concluded or progressed to litigation within one year;
- obtain positive outcomes from an expected 25 court cases and an expected 40 court enforceable undertakings;

- resolve expected 50 enforcement actions to prevent or stop conduct causing detriment to consumers or small business;
- monitor media and industry on a daily basis for possible Mergers and Acquisition reviews;
- actions against unlawful conduct;
- effective and appropriate remedies for unlawful conduct;
- outcomes from an expected 20 court cases (for competition, fair trading and consumer protection);
- outcomes from an expected 40 court enforceable undertakings (predominately for consumer protection conduct that has breached or is likely to breach the CCA);
- assessment of mergers within statutory and organisational timelines and in accordance with published guidelines;
- publication on acc.gov.au of all public merger decisions;
- authorisation and notification decisions within statutory and organisational timeframes (assessment of validity within five days, authorisation within six months, majority of notifications within four weeks) and promptly communicated;
- collective bargaining notification decisions within statutory timeframes (assessment of validity within five days, initial assessment within 14 days) and communicated promptly;
- publicity, liaison and education activities that are timely and reach the target audiences – 750,000 publications and 250 media releases;
- enforcement of mandatory codes of conduct;
- assistance to parliamentary inquiries and government agencies to develop policies and processes; and
- websites (www.accc.gov.au, www.recalls.gov.au, www.productsafety.gov.au and www.scamwatch.gov.au) that are accessible and a source of relevant and up-to-date information.

From regulating national infrastructure services and other markets where there is limited competition (CCA Parts IIIA, VIIA, X, XIB, XIC; *National Gas Law 2008*, *National Gas Rules*, *National Electricity Law 2005*; *National Electricity Rules*; *Airports Act 1996*; *Broadcasting Services Act 1992*; *Radiocommunications Act 1992*; *Telecommunications*

Act 1997; Telecommunications (Consumer Protection and Service Standards) Act 1999; Water Act 2007; Wheat Export Marketing Act 2008), the ACCC has the following key performance indicators:

- provide annual monitoring report to the Minister for Sustainability, Environment, Water, Populations and Culture on rule compliance (annually in March);
- complete Petrol Monitoring Report in order to provide to the Minister on an annual basis;
- prepare all guidelines, instruments and the comparator website for the National Energy Customer Framework prior to 30 June 2012;
- consult with Government, industry and consumer groups in preparation for Customer Framework, including by holding three Customer Consultative Group meetings;
- 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;
- finalise two gas access arrangement decisions, two electricity revenue determinations and AMI budget approvals for the Victorian DNSPs;
- develop and implement new information requirements and a new connections framework for network businesses;
- complete annual tariff processes for network businesses;
- publish Regulator Observer report on the website on a 2-3 week basis;
- publish guidance for stakeholders in relation to Part IIIA of the TPA by targeted function on an annual basis;
- provide responses to ministerials within 14 days and public correspondence within 28 days;
- provide Container Stevedoring Monitoring Report to Treasurer on an annual basis (October);
- publish Price Monitoring and Quality of Service Report for the five major airports on an annual basis (March);
- complete access undertakings within statutory timeframes;
- complete price notifications within statutory timeframes;

- complete arbitration determinations within statutory timeframes;
- publish Accounting Separation-Imputation Report and Non-Price KPI Report on a quarterly basis;
- publish Competition and Consumer Safeguards Report (Division 11 and 12 Report) on an annual basis;
- provide Retail Price Control Report on an annual basis to the Minister;
- publish Accounting Separation-Current Cost Accounting Report on a bi-annual basis;
- compliance with statutory reporting requirements to the Minister for Broadband, Communications and the Digital Economy;
- implementation of reasonable terms and conditions of access in arbitral determinations under the telecommunications access regime;
- review of declarations of declared services under the telecommunications access regime within statutory timeframes;
- assistance to the Australian Competition Tribunal and Courts in review of any appealed ACCC regulatory decisions under the telecommunications access regime;
- assistance to parliamentary inquiries and government agencies to develop policies and processes;
- effective access regimes (evidenced by price levels and service delivery standards);
- improvement (to more closely reflect efficient costs) in prices paid by businesses using monopoly services;
- timely and accessible regulatory reports, determinations, and issues papers;
- robust and accurate regulatory methodology (evidenced by industry acceptance); and
- websites (www.accc.gov.au and www.aer.gov.au) that are accessible and a source of relevant and up-to-date information.

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 2011-12 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The ACCC does not have any administered funds.

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 2011-12	Receipts 2011-12	Payments 2011-12	Adjustments 2011-12	Closing balance 2011-12
		<i>2010-11</i>	<i>2010-11</i>	<i>2010-11</i>	<i>2010-11</i>	<i>2010-11</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys	1	52	-	-	-	52
Account		760	100	808	-	52
Services for other Governments and Non-Agency Bodies	1	-	-	-	-	-
Account		-	-	-	-	-
Total special accounts						
2011-12 Budget estimate		52	-	-	-	52
Total special accounts 2010-11 estimate actual		760	100	808	-	52

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 2011-12 budget year and estimated actual for 2010-11 for comparative purposes.

3.2.1 Differences in agency resourcing and financial statements

There are no differences between agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

An analysis of the ACCC's budgeted financial statements as reflected in the budgeted departmental financial statements and administered schedules for 2011-12 is provided below.

Departmental

Comprehensive income statement

The ACCC is budgeting for a break even result for 2011-12 and for the remainder of the forward estimates. This break even result will occur after adding back non-appropriated depreciation and amortisation expenses under the new net cash appropriation arrangements, which began in the 2010-11 Budget.

Operating revenues

Total appropriation revenue for 2011-12 is estimated to be \$152.1 million. This figure includes \$2.6m for Departmental Capital Budget funding under the new appropriation framework arrangements.

Operating expenses

Total expenses in 2011-12 are estimated to be \$153.1 million. This is an increase of \$7.7m from the 2010-11 estimated actual. This increase is primarily attributable to the new measures the ACCC will be undertaking in 2011-12.

Balance sheet

The ACCC's budgeted net asset position of \$43.2 million represents a decrease of \$0.9 million from the 2010-11 estimated actual. This is the difference between the ACCC depreciation charge and the departmental capital budget funding.

The total assets are expected to be \$77.5 million, a decrease of \$0.9 million from 2010-11 primarily as a result of a decrease in value of land and buildings.

The ACCC's primary liability continues to be accrued employee leave entitlements of \$21.5 million.

3.2.3 Budgeted financial statements tables

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
EXPENSES					
Employee benefits	83,087	88,929	87,984	85,778	86,586
Supplier	58,830	60,723	57,928	56,877	56,480
Depreciation and amortisation	3,465	3,468	3,469	3,469	3,469
Total expenses	145,382	153,120	149,381	146,124	146,535
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	144,807	152,545	148,806	145,549	145,960
Appropriation revenue	141,342	149,077	145,337	142,080	142,491
Surplus (deficit) attributable to the Australian Government	(3,465)	(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	(3,465)	(3,468)	(3,469)	(3,469)	(3,469)
Plus non-appropriated expenses depreciation and amortisation expenses	3,465	3,468	3,469	3,469	3,469
Operating result attributable to the ACCC	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS					
Financial assets					
Cash and equivalents	790	1,290	1,290	1,290	1,290
Trade and other receivables	53,813	53,313	53,313	53,313	53,313
Total financial assets	54,603	54,603	54,603	54,603	54,603
Non-financial assets					
Land and buildings	11,819	10,404	9,018	7,657	7,216
Infrastructure, plant and equipment	7,769	8,184	8,559	8,928	7,897
Inventories	36	36	36	36	36
Intangibles	2,767	2,862	2,969	3,076	3,462
Other	1,364	1,364	1,364	1,364	1,364
Total non-financial assets	23,755	22,850	21,946	21,061	19,975
Total assets	78,358	77,453	76,549	75,664	74,578
LIABILITIES					
Provisions					
Employees	21,464	21,464	21,464	21,464	21,464
Other	1,361	1,361	1,361	1,361	1,361
Total provisions	22,825	22,825	22,825	22,825	22,825
Payables					
Suppliers	5,606	5,606	5,606	5,606	5,606
Other	5,797	5,797	5,797	5,797	5,797
Total payables	11,403	11,403	11,403	11,403	11,403
Total liabilities	34,228	34,228	34,228	34,228	34,228
Net assets	44,130	43,225	42,321	41,436	40,350
EQUITY					
Contributed equity	42,642	45,205	47,790	50,394	52,777
Reserves	3,538	3,538	3,538	3,538	3,538
Retained surpluses or accumulated deficits	(2,050)	(5,518)	(9,007)	(12,496)	(15,965)
Total equity	44,130	43,225	42,321	41,436	40,350
Current assets	55,285	55,285	55,285	55,285	55,285
Non-current assets	23,073	22,168	21,264	20,379	19,293
Current liabilities	11,403	11,403	11,403	11,403	11,403
Non-current liabilities	22,825	22,825	22,825	22,825	22,825

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2010-11 \$'000	Budget estimate 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	500	500	500	500	500
Appropriations	141,437	149,577	145,337	142,080	142,491
Other	100	-	-	-	-
Total cash received	142,037	150,077	145,837	142,580	142,991
Cash used					
Employees	83,087	88,929	87,984	85,778	86,586
Suppliers	58,755	60,648	57,853	56,802	56,405
Other	808	-	-	-	-
Total cash used	142,650	149,577	145,837	142,580	142,991
Net cash from or (used by) operating activities	(613)	500	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,540	2,563	2,585	2,604	2,568
Total cash used	2,540	2,563	2,585	2,604	2,568
Net cash from or (used by) investing activities	(2,540)	(2,563)	(2,585)	(2,604)	(2,568)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	2,540	2,563	2,585	2,604	2,568
Total cash received	2,540	2,563	2,585	2,604	2,568
Net cash from or (used by) financing activities	2,540	2,563	2,585	2,604	2,568
Net increase or (decrease) in cash held	(613)	500	-	-	-
Cash at the beginning of the reporting period	1,403	790	1,290	1,290	1,290
Cash at the end of the reporting period	790	1,290	1,290	1,290	1,290

Prepared on Australian Accounting Standards basis.

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

	Retained surpluses \$'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	(2,050)	3,538	-	42,642	44,130
Adjusted opening balance	(2,050)	3,538	-	42,642	44,130
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 (equity injection)	-	-	-	55	55
Appropriation (departmental capital budget)	-	-	-	2,508	2,508
Total transactions with owners	-	-	-	2,563	2,563
Estimated closing balance as at 30 June 2012	(5,518)	3,538	-	45,205	43,225

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	2,500	2,508	2,525	2,544	2,568
Equity injections - Bill 2	40	55	60	60	-
Total capital appropriations	2,540	2,563	2,585	2,604	2,568
Represented by:					
Purchase of non-financial assets	2,540	2,563	2,585	2,604	2,568
Total represented by	2,540	2,563	2,585	2,604	2,568
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	2,500	2,508	2,525	2,544	2,568
Funded by capital appropriations	40	55	60	60	-
TOTAL	2,540	2,563	2,585	2,604	2,568
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,540	2,563	2,585	2,604	2,568
Total cash used to acquire assets	2,540	2,563	2,585	2,604	2,568

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 2011				
Gross book value	14,734	11,200	6,160	32,094
Accumulated depreciation/amortisation and impairment	2,915	3,431	3,393	9,739
Opening net book balance	11,819	7,769	2,767	22,355
Capital asset additions				
By purchase - appropriation ordinary annual services	22	2,287	254	2,563
Total additions	22	2,287	254	2,563
Other movements				
Depreciation/amortisation expense	1,437	1,872	159	3,468
Total other movements	1,437	1,872	159	3,468
As at 30 June 2012				
Gross book value	14,756	13,487	6,414	34,657
Accumulated depreciation/amortisation and impairment	4,352	5,303	3,552	13,207
Closing net book balance	10,404	8,184	2,862	21,450

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 2010-11 \$'000	Budget estimate 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	10,000	10,000	10,000	10,000	10,000
Total non-taxation	10,000	10,000	10,000	10,000	10,000
Total revenues administered on behalf of Government	10,000	10,000	10,000	10,000	10,000

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 2010-11 \$'000	Budget estimate 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	61	61	61	61	61
Receivables	22,774	22,774	22,774	22,774	22,774
Total financial assets	22,835	22,835	22,835	22,835	22,835
Total assets administered on behalf of Government	22,835	22,835	22,835	22,835	22,835

Prepared on Australian Accounting Standards basis.

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

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

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

Departmental 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 the departmental 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.