

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

The Australian Energy Regulator (AER) is Australia's national energy market regulator. The AER has an independent Board.

The ACCC and AER share staffing, resources and facilities.

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

The ACCC has a number of ongoing compliance and enforcement priorities, namely cartel conduct and anti-competitive agreements, the misuse of market power, and product safety issues which have the potential to cause serious harm to consumers. The ACCC uses priority factors to direct resources to the investigation and resolution of matters that provide the greatest overall benefit for competition and consumers. In addition, the ACCC is currently prioritising work in the following areas:

- consumer protection in the telecommunications and energy sectors;
- online competition and consumer issues including conduct which may impede emerging competition between online traders or limit the ability of small businesses to effectively compete online;
- competition and consumer issues in highly concentrated sectors, in particular in the supermarket and fuel sectors;
- credence claims, particularly those in the food industry with the potential to have a significant impact on consumers or the competitive process;
- misleading carbon pricing representations;

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- the Australian Consumer Law consumer guarantees regime; and
- consumer protection issues impacting on Indigenous consumers.

The ACCC is also the national regulator of natural monopoly infrastructure facilities in communication, bulk water, post and transport industries (energy sector regulation is undertaken by the AER). Fostering efficient infrastructure provision through industry-specific regulation and access conditions – under the umbrella of the long term interest of end users – is the major focus of the economic regulatory role. Access conditions that promote competition in upstream and downstream markets can increase the efficiency and productivity of the overall economy.

The ACCC economic regulation priorities for 2013-14 are:

- implementing the regulatory arrangements for the National Broadband Network (NBN);
- responding to the Productivity Commission's inquiry into Part IIIA of the CCA; and
- responding to expected Part IIIA Access Undertakings.

The AER has a diverse work program that is informed by the requirements of the energy market laws and rules. The energy laws' objective of promoting efficient investment in, and operation and use of, energy services for the long term interests of energy consumers guides the AER's priorities and work program. For 2013-14, the AER will be focussing on the following priorities when considering its work:

- improving network regulation through the Better Regulation program;
- strengthening stakeholder engagement; and
- building consumer confidence in energy markets.

The ACCC and AER work directly and indirectly to achieve its outcome. It will use strategic communication and undertake an active program of stronger and managed partnerships with other organisations to deliver outcomes that impact favourably on consumer welfare.

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 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	=	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services					
Departmental					
Prior year departmental appropriation	6,145 ⁴	-		6,145	-
Departmental appropriation ⁶	-	157,700 ¹		157,700	152,246
Receipts from other sources (s31)	-	500 ³		500	500
Total ordinary annual services	A 6,145	158,200		164,345	152,746
Other services					
Departmental non-operating					
Equity injections	8,210 ⁴	60 ²		8,270	60
Total other services	B 8,210	60		8,270	60
Total available annual appropriations (A+B)	14,355	158,260		172,615	152,806
Special accounts					
Opening balance ⁵	54	-		54	-
Non-appropriation receipts to special accounts	-	-		-	-
Total special accounts	C 54	-		54	-
Total net resourcing for ACCC (A+B+C)	14,409	158,260		172,669	152,806

1. Appropriation Bill (No. 1) 2013-14.

2. Appropriation Bill (No. 2) 2013-14.

3. Receipts received under section 31 (s31) 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 2013-14 for the Departmental Capital Budget (also refer to Table 3.2.5).

Third party payments from and on behalf of other agencies

	2012-13 \$'000	2013-14 \$'000
Payments made on behalf of the National Competition Council (NCC)	2,798	2,801

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 summarised below.

Table 1.2: Australian Competition and Consumer Commission 2013-14 Budget measures

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures						
Australian Competition and Consumer Commission – additional funding	1.1	-	4,289	4,324	4,366	4,409
Australian Competition and Consumer Commission – chemical risk management	1.1	-	2,125	2,125	2,125	2,125
Energy Market Reform – Australian Energy Regulator	1.2	-	6,612	5,519	5,535	5,498
Fire Service Levy – reduction ¹	1.1, 1.2	(12)	(13)	(13)	(13)	(13)
Petrol Commissioner and formal monitoring of petrol prices – continuation	1.1	-	723	723	-	-
Targeted savings – public service efficiencies ²	1.1, 1.2	(691)	(938)	(934)	(951)	(901)
Trans-Tasman Mobile Roaming	1.1	-	193	387	382	355
Total expense measures		(703)	12,991	12,131	11,444	11,473

1. This measure was included in the Finance and Deregulation portfolio in Budget Paper No.2, *Budget Measures 2012-13*.

2. This measure was included as a cross portfolio measure in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

Prepared on a Government Finance Statistics (fiscal) basis.

1.4. CHANGES TO THE PROGRAM STRUCTURE

The ACCC has amended its program structure since the 2012-13 Budget to separately identify the activities of the AER. The new program structure is shown in Table 2.1.

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 together with its strategies, program objectives, deliverables and program performance indicators used to assess and monitor the performance of the ACCC.

The outcome is also applicable to the AER and informs the strategies, program objectives, deliverables and program performance indicators used to assess and monitor the performance of the AER.

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 this outcome, the strategies the ACCC and AER will pursue are:

- maintain and promote competition and remedy market failure;
- protect the interests and safety of consumers and support fair trading in markets;
- promote the economically efficient operation of, use of, and investment in monopoly infrastructure in the long term interest of end users; and
- increase engagement with the broad range of groups affected by the ACCC's activities.

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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Australian Competition and Consumer Commission		
Departmental expenses		
Departmental appropriation	150,228	119,271
Revenues from independent sources (s31)	500	500
Expenses not requiring appropriation in budget year	16,044	2,646
Total for Program 1.1	166,772	122,417
Program 1.2: Australian Energy Regulator (AER)		
Departmental expenses		
Departmental appropriation	-	36,404
Expenses not requiring appropriation in budget year	-	898
Total for Program 1.2	-	37,302
Outcome 1 Total by appropriation type		
Departmental expenses		
Departmental appropriation	150,228	155,675
Revenues from independent sources (s31)	500	500
Expenses not requiring appropriation in budget year	16,044	3,544
Total expenses for Outcome 1	166,772	159,719
	2012-13	2013-14
Average staffing level (number)	800	802

Note: Program 1.2 is effective from 2013-14. The AER was previously reported under Program 1.1.

Contributions to Outcome 1

Program 1.1: Australian Competition and Consumer Commission

Program objective

The ACCC program objective is to achieve compliance with the CCA, and associated legislation in order 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. This means the ACCC will take actions that: improve consumer welfare; promote the long term interest of end users in regulated sectors; protect competition; open markets to competition; or stop conduct that is anti-competitive or harmful to consumers.

Program expenses

Expenses reduce from 2013-14 due to the creation of a separate program for the Australian Energy Regulator (refer to Program 1.2).

Table 2.2: Program 1.1 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Program 1.1: Australian Competition and Consumer Commission					
Annual departmental expenses					
Departmental items	166,772	122,417	120,377	118,733	120,056
Total program expenses	166,772	122,417	120,377	118,733	120,056

Note: 2012-13 expenses include funding for the AER which is now reported separately in Program 1.2.

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:

Maintain and promote competition and remedy market failure

- deliver outcomes to address harm to consumer welfare through anti-competitive conduct and improve competition under the priority areas identified in the ACCC's Compliance and Enforcement Policy;
- assess and review mergers to prevent structural changes that substantially lessen competition with a particular focus on concentrated and emerging markets and markets of significance to the Australian economy;
- make decisions on authorisation and notification applications and merger reviews thoroughly and efficiently and give clear guidance to merger parties, authorisation and notification applicants, and market participants; and
- improve the workability of emerging markets by advising on and enforcing industry-specific rules and monitoring market outcomes.

Protect the interests and safety of consumers and support fair trading in markets

- deliver outcomes under the priority areas identified in the ACCC's Compliance and Enforcement Policy to improve compliance with the Australian Consumer Law;
- multiply the effectiveness of ACCC's compliance and enforcement initiatives through an active program of stronger and managed partnerships with ACL regulators and law enforcement agencies;

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- identify and implement nationally integrated approaches to minimise the risk of injury and death from safety hazards in consumer products; and
- support a vibrant small business sector, deter anti-competitive and unconscionable conduct targeted at small business, and facilitate collective conduct by small business operators where that conduct is assessed to provide a net public benefit.

Promote the economically efficient operation of, use of, and investment in monopoly infrastructure

- deliver network regulation to promote competition and meet the long-term interests of end-users;
- improve the workability of emerging markets by enforcing market rules and monitoring market outcomes;
- respond to government requests to provide monitoring reports on industries in highly concentrated and newly deregulated or emerging markets; and
- improve regulatory practices and processes, including by building relationships with domestic and international regulatory agencies to leverage their experience.

Increase engagement with the broad range of groups affected by the ACCC's activities

- implement a comprehensive strategy to ensure effective communication with our diverse audiences that supports our goals; and
- undertake an active program of stronger and managed partnerships with a broad range of organisations that can assist delivery of outcomes that impact favourably on consumer welfare.

Program key performance indicators

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

Maintain and promote competition and remedy market failure

- outcomes and impact of actions and policies to promote competition;
- improved levels of effective competition and more informed and better functioning markets; and
- prevention of structural change in markets (particularly concentrated markets, emerging markets and markets of significance to the Australian economy) that substantially lessens competition.

Protect the interests and safety of consumers and support fair trading in markets

- outcomes and impact of actions to prevent or address consumer harm or unfair trading; and
- efficiency and effectiveness of actions to promote consumer safety and fair trading.

Promote the economically efficient operation of, use of, and investment in monopoly infrastructure

- timely, considered and evidence-based regulatory decisions based on constructive engagement and complemented by effective enforcement and compliance activities;
- timely provision of accurate advice to government including evaluating the effectiveness of frameworks such as access regimes; and
- accurate, targeted and accessible reports on industry and competitive conditions, including pricing practices.

Increase engagement with the broad range of groups affected by the ACCC's activities

- effectiveness and use of ACCC web sites, other media and campaign materials, in raising awareness of the role, purpose and responsibilities of the ACCC;
- actions pursued through public and private sector partnerships to improve consumer and small business welfare; and
- impact and quantity of national and international advocacy and cooperation initiatives and technical assistance with an increased focus on the Asian region.

Program 1.2: Australian Energy Regulator

Program objective

The Australian Energy Regulator (AER) is the national energy market regulator. The AER's roles encompass the retail and wholesale electricity and gas markets and energy network infrastructure.

The objectives of the national energy legislation guide the AER's priorities and work program. 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.

Program expenses

Expenses for 2012-13 are included as part of Program 1.1.

Table 2.3: Program 1.2 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Program 1.2: Australian Energy Regulator					
Annual departmental expenses					
Departmental items	-	37,302	35,703	35,817	35,882
Total program expenses	-	37,302	35,703	35,817	35,882

Note: Program 1.2 is effective from 2013-14. The AER was previously reported under Program 1.1.

Program deliverables

Maintain and promote competition in wholesale energy markets

- monitor wholesale electricity and gas markets to ensure compliance and take enforcement action where necessary;
- apply a risk based approach to compliance and monitoring activities; and
- publish information on energy markets, including the annual State of the energy market report.

Building consumer confidence in energy markets

- monitor the performance of energy retailers and distributors in respect of their obligations under the Retail Law and provide comprehensive, clear and regular reporting on performance to inform consumers;
- encourage a culture of regulatory compliance by energy businesses through provision of clear information on our expectations and through effective and timely enforcement action when appropriate;
- engage with consumers and their representatives to identify, develop and implement strategies to address the barriers to effective engagement by consumers in energy markets; and
- further develop the Energy Made Easy website as the source of trusted information for consumers on the energy market, protections available to energy consumers and how to find the best retail energy offer for them.

Promote efficient investment in, operation and use of, energy networks and services for the long term interests of consumers

- deliver network regulation that promotes efficient investment in and operation of energy networks in the long-term interests of energy consumers;

- develop and implement guidelines and incentive schemes in accordance with the new framework for network regulation to enhance our regulation of monopoly infrastructure;
- improve data analysis techniques and metrics to inform regulatory decisions and disseminate relevant information to stakeholders to allow them to better engage in the regulatory process;
- participate in the further development of the regulatory regime to provide efficient incentives for demand side participation by energy suppliers and customers and develop appropriate schemes and guidelines for this purpose; and
- encourage businesses to implement consumer engagement strategies that are effective for all customers.

Strengthening stakeholder engagement in energy markets and regulatory processes

- further develop ways of engaging with energy consumers and their representatives, particularly through appropriate consumer consultative forums such as the Consumer Consultative Group and the Better Regulation Program Consumer Reference Group;
- prepare written communications that are clear and provide consumers with information they value and help them engage more effectively in regulatory processes. For example, through publication of issues papers to guide consumers on considering material issues; and
- establish a Consumer Challenge Panel to provide expert advice on issues of significance to consumers within the regulatory process.

Program key performance indicators

Maintain and promote competition in wholesale energy markets

- effective enforcement and compliance activities that promote a culture of compliance in the energy sector and address identified harms and risks;
- compliance and enforcement actions that improve market outcomes for market participants and consumers; and
- accurate, targeted, timely and accessible reports on the industry.

Building consumer confidence in energy markets

- successful implementation of the Retail Law in those jurisdictions which adopt the Law;

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- accurate, timely and accessible performance reports on the energy businesses in respect of their retail law obligations;
- compliance and enforcement actions that improve market outcomes for consumers;
- clear, accurate and accessible information for consumers on energy retail markets, including through the Energy Made Easy website; and
- market rule and policy processes that improve energy market outcomes in the long term interest of consumers.

Promote efficient investment in, operation and use of, energy networks and services for the long term interests of consumers

- timely, considered and evidence-based network regulatory decisions, through constructive engagement, enhanced technical expertise and greater use of data analysis and intelligence;
- regulatory determinations and other decisions in accordance with the prescribed processes and timeframes;
- successful implementation of new guidelines and schemes under new network regulatory framework within set time-frames;
- implementation of new analytical techniques, information requirements and data systems to better inform decision-making; and
- network service provider performance and benchmark reports that facilitate comparisons between businesses.

Strengthening stakeholder engagement in energy markets and regulatory processes

- establishment and effective utilisation of the Consumer Challenge Panel;
- active consumer participation, either directly or through representative bodies, in regulatory processes;
- regulatory processes that clearly set out how consumer views are taken into account; and
- network businesses behaviour in respect of consumer engagement is positively affected by the frameworks the AER develops.

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 2013-14. 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 administered 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 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys Account	1	54 54	- -	- -	- -	54 54
Total special accounts 2013-14 Budget estimate		54	-	-	-	54
Total special accounts 2012-13 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 2013-14 budget year and estimated actual for 2012-13 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 to break even for 2013-14 and each of the forward estimates.

Operating revenues

Total appropriation revenue for 2013-14 is estimated to be \$157.7 million. This figure includes \$2.0 million for the departmental capital budget. This amount has increased from 2012-13 due to the impact of new measures.

Operating expenses

Total expenses in 2013-14 are estimated to be \$159.7 million. This is a decrease of \$7.1 million from the 2012-13 estimated actual.

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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	98,940	96,575	95,633	95,456	96,376
Suppliers	64,363	59,675	56,978	55,625	56,093
Depreciation and amortisation	3,469	3,469	3,469	3,469	3,469
Total expenses	166,772	159,719	156,080	154,550	155,938
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	166,197	159,144	155,505	153,975	155,363
Appropriation revenue	150,228	155,675	152,036	150,506	151,894
Surplus (deficit) attributable to the Australian Government	(15,969)	(3,469)	(3,469)	(3,469)	(3,469)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(12,500)	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(3,469)	(3,469)	(3,469)	(3,469)	(3,469)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(15,969)	(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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and equivalents	1,792	1,792	1,792	1,792	1,792
Trade and other receivables	20,126	20,126	20,126	20,126	20,126
Total financial assets	21,918	21,918	21,918	21,918	21,918
Non-financial assets					
Land and buildings	13,185	12,178	10,866	9,729	8,592
Infrastructure, plant and equipment	5,408	4,309	3,300	2,401	1,502
Inventories	49	49	49	49	49
Intangibles	4,366	5,068	5,774	6,398	7,058
Other	1,782	1,782	1,782	1,782	1,782
Total non-financial assets	24,790	23,386	21,771	20,359	18,983
Total assets	46,708	45,304	43,689	42,277	40,901
LIABILITIES					
Provisions					
Employees	24,134	24,134	24,134	24,134	24,134
Other	1,560	1,560	1,560	1,560	1,560
Total provisions	25,694	25,694	25,694	25,694	25,694
Payables					
Suppliers	6,615	6,615	6,615	6,615	6,615
Other	13,805	13,805	13,805	13,805	13,805
Total payables	20,420	20,420	20,420	20,420	20,420
Total liabilities	46,114	46,114	46,114	46,114	46,114
Net assets	594	(810)	(2,425)	(3,837)	(5,213)
EQUITY					
Contributed equity	47,283	49,368	51,222	53,279	55,372
Reserves	3,680	3,680	3,680	3,680	3,680
Retained surpluses or accumulated deficits	(50,369)	(53,858)	(57,327)	(60,796)	(64,265)
Total equity	594	(810)	(2,425)	(3,837)	(5,213)
Current assets	22,809	22,809	22,809	22,809	22,809
Non-current assets	23,899	22,495	20,880	19,468	18,092
Current liabilities	20,420	20,420	20,420	20,420	20,420
Non-current liabilities	25,694	25,694	25,694	25,694	25,694

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	500	500	500	500	500
Appropriations	162,728	155,675	152,036	150,506	151,894
Total cash received	163,228	156,175	152,536	151,006	152,394
Cash used					
Employees	98,940	96,575	95,633	95,456	96,376
Suppliers	64,288	59,600	56,903	55,550	56,018
Total cash used	163,228	156,175	152,536	151,006	152,394
Net cash from or (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,078	2,085	2,039	2,057	2,093
Total cash used	2,078	2,085	2,039	2,057	2,093
Net cash from or (used by) investing activities	(2,078)	(2,085)	(2,039)	(2,057)	(2,093)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	2,078	2,085	2,039	2,057	2,093
Total cash received	2,078	2,085	2,039	2,057	2,093
Net cash from or (used by) financing activities	2,078	2,085	2,039	2,057	2,093
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	1,792	1,792	1,792	1,792	1,792
Cash at the end of the reporting period	1,792	1,792	1,792	1,792	1,792

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2013-14)

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(50,369)	3,680	47,283	594
Adjustments	(20)	-	-	(20)
Adjusted opening balance	(50,389)	3,680	47,283	574
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)	-	-	2,025	2,025
Total transactions with owners	-	-	2,085	2,085
Estimated closing balance as at 30 June 2014	(53,858)	3,680	49,368	(810)

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	2,018	2,025	2,039	2,057	2,093
Equity injections - Bill 2	60	60	-	-	-
Total new capital appropriations	2,078	2,085	2,039	2,057	2,093
Provided for:					
Purchase of non-financial assets	2,078	2,085	2,039	2,057	2,093
Total Items	2,078	2,085	2,039	2,057	2,093
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	2,018	2,025	2,039	2,057	2,093
Funded by capital appropriations	60	60	-	-	-
TOTAL	2,078	2,085	2,039	2,057	2,093
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,078	2,085	2,039	2,057	2,093
Total cash used to acquire assets	2,078	2,085	2,039	2,057	2,093

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 2013				
Gross book value	14,602	7,375	8,963	30,940
Accumulated depreciation/amortisation and impairment	(1,437)	(1,967)	(4,597)	(8,001)
Opening net book balance	13,165	5,408	4,366	22,939
Capital asset additions				
By purchase - appropriation ordinary annual services	450	800	835	2,085
Total additions	450	800	835	2,085
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 2014				
Gross book value	15,052	8,175	9,798	33,025
Accumulated depreciation/amortisation and impairment	(2,874)	(3,866)	(4,730)	(11,470)
Closing net book balance	12,178	4,309	5,068	21,555

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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OWN-SOURCE INCOME					
Own-source revenue					
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-source revenues administered on behalf of Government	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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	9	9	9	9	9
Receivables	8,779	8,779	8,779	8,779	8,779
Total financial assets	8,788	8,788	8,788	8,788	8,788
Total assets administered on behalf of Government	8,788	8,788	8,788	8,788	8,788

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'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	9	9	9	9	9
Cash at end of reporting period	9	9	9	9	9

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.