

# AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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# AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Competition and Consumer Commission (ACCC) is seeking an additional \$2.5 million in departmental outputs through Appropriation Bill (No. 3) 2015-16 and \$11.6 million in equity injections through Appropriation Bill (No. 4) 2015-16.

These relate to measures outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16* for the Agriculture New Policy Proposal *Stronger Farmers, Stronger Economy – a fairer go for farm business*, and the reappropriation of 2013-14 equity related to the ACCC's Litigation Contingency Fund.

Accordingly, whilst there has been no significant change to the strategic direction of the ACCC from that outlined in the *Portfolio Budget Statements 2015-16* (pages 89-91), an additional priority for 2015-16 is compliance with, and enforcement of, the *Competition and Consumer Act 2010* in the agriculture sector.

### 1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the ACCC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 budget year, including variations through Appropriation Bill Nos. 3 and 4, Special Appropriations and Special Accounts.

**Table 1.1: Australian Competition and Consumer Commission resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016**

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
<b>Ordinary annual services (a)</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation (b)	12,833	21,582	-	21,582
Departmental appropriation (c)	169,459	164,815	2,524	167,339
s.74 Retained Revenue Receipts (d)	5,458	2,764	857	3,621
<b>Total</b>	<b>187,750</b>	<b>189,161</b>	<b>3,381</b>	<b>192,542</b>
<b>Total ordinary annual services [A]</b>	<b>187,750</b>	<b>189,161</b>	<b>3,381</b>	<b>192,542</b>
<b>Other services (e)</b>				
<b>Departmental non-operating</b>				
Prior year departmental appropriation (b)	12,592	14,296	-	14,296
Equity injections	2,700	1,300	11,596	12,896
<b>Total</b>	<b>15,292</b>	<b>15,596</b>	<b>11,596</b>	<b>27,192</b>
<b>Total other services [B]</b>	<b>15,292</b>	<b>15,596</b>	<b>11,596</b>	<b>27,192</b>
<b>Total available annual appropriations</b>	<b>203,042</b>	<b>204,757</b>	<b>14,977</b>	<b>219,734</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
<i>Public Governance, Performance and Accountability Act 2013 - s.77 (f)</i>	12	20	11,000	11,020
<b>Total special appropriations [C]</b>	<b>12</b>	<b>20</b>	<b>11,000</b>	<b>11,020</b>
<b>Total appropriations excluding Special Accounts</b>	<b>203,054</b>	<b>204,777</b>	<b>25,977</b>	<b>230,754</b>
<b>Total resourcing [A+B+C]</b>	<b>203,054</b>	<b>204,777</b>	<b>25,977</b>	<b>230,754</b>
<b>Total net resourcing for ACCC</b>	<b>203,054</b>	<b>204,777</b>	<b>25,977</b>	<b>230,754</b>

**Third party payments from and on behalf of other entities**

	Estimate at Budget	Estimate at Additional Estimates
	2015-16 \$'000	2015-16 \$'000
Payments made on behalf of the National Competition Council (NCC)	1,740	1,740

(a) Appropriation Act (No. 1) 2015-16 and Appropriation Bill (No. 3) 2015-16.

(b) Estimated adjusted balance carried from previous year for annual appropriations.

(c) Includes an amount of \$1.993m in 2015-16 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated retained revenue receipts under s.74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(e) *Appropriation Act (No. 2) 2015-16* and Appropriation Bill (No. 4) 2015-16.

(f) Repayments not provided for under other appropriations.

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

Reader note: All figures are GST exclusive. These figures may not match figures in the cash flow statement.

### 1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table presents expense measures, with the affected programme identified.

**Table 1.2: Entity 2015-16 measures since Budget**

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Expense measures</b>					
Stronger Farmers, Stronger Economy - A fairer go for farm businesses					
Departmental expenses(a)	1.1	2,591	2,737	3,025	3,054
Public Sector Superannuation Accumulation Plan administration fees					
Departmental expenses(b)	1.1	(56)	(56)	(56)	(56)
Departmental expenses(b)	1.2	(11)	(11)	(11)	(11)
Public Sector Savings - Enterprise Resource Planning Systems					
Departmental expenses(c)	1.1	-	-	(75)	(91)
Departmental expenses(c)	1.2	-	-	(19)	(23)
<b>Total measures</b>		<b>2,524</b>	<b>2,670</b>	<b>2,864</b>	<b>2,873</b>

Prepared on a Government Financial Statistics (fiscal) basis.

- (a) This measure was included in the *Mid-Year Economic and Fiscal Outlook 2015-16*, and forms part of the Commonwealth Government's White Paper on Agricultural Competitiveness.
- (b) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.
- (c) This measure was announced in the 2015-16 Budget as a cross-portfolio measure and has not previously appeared in a portfolio statement.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the ACCC at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 4. Table 1.4 details Additional estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget**

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Stronger Farmers, Stronger Economy - A fairer go for farm businesses					
Departmental expenses	1.1	2,591	2,737	3,025	3,054
Decrease in estimates (departmental)					
Public Sector Superannuation (a)					
Accumulation Plan administration fees					
Departmental expenses	1.1	(56)	(56)	(56)	(56)
Departmental expenses	1.2	(11)	(11)	(11)	(11)
Public Sector Savings - Enterprise					
Resource Planning Systems (b)					
Departmental expenses	1.1	-	-	(75)	(91)
Departmental expenses	1.2	-	-	(19)	(23)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>2,524</b>	<b>2,670</b>	<b>2,864</b>	<b>2,873</b>

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in the 2015-16 Budget as a cross-portfolio measure and has not previously appeared in a portfolio statement.

Prepared on a Government Financial Statistics (fiscal) basis.

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

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Movement of Funds - Equity					
	1.1	11,596	-	-	-
Decrease in estimates (departmental)					
Adjustment to reflect movement in indices relating to prices and wages					
Departmental expenses	1.1	-	-	(130)	(261)
Departmental expenses	1.2	-	-	(33)	(66)
Departmental capital	1.1	-	-	(2)	(4)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>11,596</b>	<b>-</b>	<b>(165)</b>	<b>(331)</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the ACCC through Appropriation Bills Nos. 3 and 4.

**Table 1.5: Appropriation Bill (No. 3) 2015-16**

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Departmental programmes</b>					
<b>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.</b>	169,459	164,815	167,339	2,524	-
<b>Total</b>	<b>169,459</b>	<b>164,815</b>	<b>167,339</b>	<b>2,524</b>	<b>-</b>

**Table 1.6: Appropriation Bill (No. 4) 2015-16**

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Non-operating</b>					
Equity injections	2,700	1,300	12,896	11,596	-
<b>Total</b>	<b>2,700</b>	<b>1,300</b>	<b>12,896</b>	<b>11,596</b>	<b>-</b>

## Section 2: Revisions to outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

The additional priority of compliance and enforcement of the *Competition and Consumer Act 2010* (CCA) in the agriculture sector will be achieved through increased engagement with the agriculture sector, increased investigations of possible breaches of the CCA and, as appropriate, enforcement action and outcomes. Accordingly, there is no change to the ACCC's outcome statement, objectives, outcome strategies and deliverables, and the performance information included in the Portfolio Budget Statements 2015-16 (pages 94-102) will require the ACCC to report on the additional work that the ACCC undertakes and the outcomes achieved.

**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.	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
<b>Programme 1.1: Australian Competition and Consumer Commission</b>		
Departmental expenses		
Departmental appropriation(a)	134,363	137,219
Expenses not requiring appropriation in the Budget year(b)	5,870	6,276
<b>Total for Programme 1.1</b>	<b>140,233</b>	<b>143,495</b>
<b>Program 1.2: Australian Energy Regulator</b>		
Departmental expenses		
Departmental appropriation(a)	36,299	33,567
<b>Total for Programme 1.2</b>	<b>36,299</b>	<b>33,567</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation(a)	170,662	170,786
Expenses not requiring appropriation in the Budget year(b)	5,870	6,276
<b>Total expenses for Outcome 1</b>	<b>176,532</b>	<b>177,062</b>
	2014-15	2015-16
<b>Average staffing level (number)</b>	716	739

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)' and 'Retained Revenue Receipts under s.74 of the PGPA Act 2013'.

(b) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.



### Programme objective 1.1: Australian Competition and Consumer Commission

Other than the additional priority focus in the agricultural sector, there is no change to programme objectives, deliverables or key performance indicators for the ACCC from that included in the *Portfolio Budget Statements 2015-16*.

#### Programme expenses 1.1

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	134,363	137,219	134,278	133,811	134,572
Expenses not requiring appropriation in the Budget year(a)	5,870	6,276	6,379	5,659	5,075
<b>Total programme expenses</b>	<b>140,233</b>	<b>143,495</b>	<b>140,657</b>	<b>139,470</b>	<b>139,647</b>

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

### Programme objective 1.2: Australian Energy Regulator

There has been no change to programme objectives, deliverables or key performance indicators for the Australian Energy Regulator from that included in the *Portfolio Budget Statements 2015-16*.

#### Programme expenses 1.2

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	36,299	33,567	33,009	33,184	33,374
<b>Total programme expenses</b>	<b>36,299</b>	<b>33,567</b>	<b>33,009</b>	<b>33,184</b>	<b>33,374</b>

## Section 3: Explanatory tables and budgeted financial statements

### **3.1 EXPLANATORY TABLES**

#### **Estimates of special account flows**

There has been no change to the estimates of special account flows and balances from that included in the *Portfolio Budget Statements 2015-16* (page 103).

### **3.2 BUDGETED FINANCIAL STATEMENTS**

#### **3.2.1 Analysis of budgeted financial statements**

The ACCC is budgeting for a departmental breakeven operating result for 2015-16 after adjusting for non-appropriated expenses of depreciation and amortisation.

### 3.2.2 Budgeted financial statements

**Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June.**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	97,372	101,110	97,700	96,542	96,512
Suppliers	72,470	69,708	69,600	70,461	71,428
Depreciation and amortisation	5,779	6,185	6,288	5,568	4,984
Finance costs	88	59	78	83	97
Write-down and impairment of assets	673	-	-	-	-
Other expenses	150	-	-	-	-
<b>Total expenses</b>	<b>176,532</b>	<b>177,062</b>	<b>173,666</b>	<b>172,654</b>	<b>173,021</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	1,189	4,437	1,250	1,250	1,250
Rental income	-	1,003	1,003	1,003	1,003
Other revenue	1,432	-	-	-	-
<b>Total own-source revenue</b>	<b>2,621</b>	<b>5,440</b>	<b>2,253</b>	<b>2,253</b>	<b>2,253</b>
<b>Gains</b>					
Other	91	91	91	91	91
<b>Total gains</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>
<b>Total own-source income</b>	<b>2,712</b>	<b>5,531</b>	<b>2,344</b>	<b>2,344</b>	<b>2,344</b>
<b>Net cost of (contribution by) services</b>	<b>173,820</b>	<b>171,531</b>	<b>171,322</b>	<b>170,310</b>	<b>170,677</b>
Revenue from Government	167,446	165,346	165,034	164,742	165,693
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(6,374)</b>	<b>(6,185)</b>	<b>(6,288)</b>	<b>(5,568)</b>	<b>(4,984)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	247	-	-	-	-
<b>Total other comprehensive income</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(6,127)</b>	<b>(6,185)</b>	<b>(6,288)</b>	<b>(5,568)</b>	<b>(4,984)</b>

**Note: Impact of net cash appropriation arrangements**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(6,127)</b>	<b>(6,185)</b>	<b>(6,288)</b>	<b>(5,568)</b>	<b>(4,984)</b>
less depreciation/amortisation expenses previously funded through revenue appropriations(a)					
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b>(6,127)</b>	<b>(6,185)</b>	<b>(6,288)</b>	<b>(5,568)</b>	<b>(4,984)</b>

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental capital budget statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,083	2,000	2,000	2,000	2,000
Trade and other receivables	36,576	30,600	31,225	23,301	22,434
<b>Total financial assets</b>	<b>37,659</b>	<b>32,600</b>	<b>33,225</b>	<b>25,301</b>	<b>24,434</b>
<b>Non-financial assets</b>					
Land and buildings	12,643	10,031	7,389	11,040	9,889
Property, plant and equipment	5,020	4,696	4,614	4,191	3,514
Intangibles	3,839	3,383	2,410	2,522	1,986
Inventories	-	-	-	-	-
Other non-financial assets	1,039	999	997	1,010	1,024
<b>Total non-financial assets</b>	<b>22,541</b>	<b>19,109</b>	<b>15,410</b>	<b>18,763</b>	<b>16,413</b>
<b>Total assets</b>	<b>60,200</b>	<b>51,709</b>	<b>48,635</b>	<b>44,064</b>	<b>40,847</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	8,644	8,377	8,455	8,650	8,860
Other payables	16,389	10,368	11,601	10,446	9,163
<b>Total payables</b>	<b>25,033</b>	<b>18,745</b>	<b>20,056</b>	<b>19,096</b>	<b>18,023</b>
<b>Provisions</b>					
Employee provisions	26,178	27,193	26,311	26,015	26,033
Other provisions	5,906	5,580	5,274	4,419	4,121
<b>Total provisions</b>	<b>32,084</b>	<b>32,773</b>	<b>31,585</b>	<b>30,434</b>	<b>30,154</b>
Liabilities included in disposal groups held for sale					
<b>Total liabilities</b>	<b>57,117</b>	<b>51,518</b>	<b>51,641</b>	<b>49,530</b>	<b>48,177</b>
<b>Net assets</b>	<b>3,083</b>	<b>191</b>	<b>(3,006)</b>	<b>(5,466)</b>	<b>(7,330)</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	68,331	71,624	74,715	77,823	80,943
Reserves	3,967	3,967	3,967	3,967	3,967
Retained surplus/(accumulated deficit)	(69,215)	(75,400)	(81,688)	(87,256)	(92,240)
<b>Total parent entity interest</b>	<b>3,083</b>	<b>191</b>	<b>(3,006)</b>	<b>(5,466)</b>	<b>(7,330)</b>
<b>Total equity</b>	<b>3,083</b>	<b>191</b>	<b>(3,006)</b>	<b>(5,466)</b>	<b>(7,330)</b>

\*Equity is the residual interest in assets after the deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2015-16)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2015</b>					
Balance carried forward from previous period	(69,215)	3,967	-	68,331	3,083
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>(69,215)</b>	<b>3,967</b>	<b>-</b>	<b>68,331</b>	<b>3,083</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(6,185)	-	-	-	(6,185)
<b>Total comprehensive income of which:</b>	<b>(6,185)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,185)</b>
Attributable to the Australian Government	(6,185)	-	-	-	(6,185)
<b>Transactions with owners</b>					
<b>Distributions to owners</b>					
Returns of capital:					
Other				(11,596)	(11,596)
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	12,896	12,896
Departmental Capital Budget (DCB)	-	-	-	1,993	1,993
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,293</b>	<b>3,293</b>
Transfers between equity components					-
<b>Estimated closing balance as at 30 June 2016</b>	<b>(75,400)</b>	<b>3,967</b>	<b>-</b>	<b>71,624</b>	<b>191</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(75,400)</b>	<b>3,967</b>	<b>-</b>	<b>71,624</b>	<b>191</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	165,238	174,943	166,848	175,103	168,999
Sale of goods and rendering of services	1,621	3,621	2,438	2,438	2,438
Net GST received	6,456	6,857	6,934	7,652	7,120
Other	3,804	-	-	-	-
<b>Total cash received</b>	<b>177,119</b>	<b>185,421</b>	<b>176,220</b>	<b>185,193</b>	<b>178,557</b>
<b>Cash used</b>					
Employees	94,685	103,353	98,207	96,849	96,494
Suppliers	77,515	78,030	76,075	80,106	80,125
s.74 Retained Revenue Receipts transferred to OPA	5,458	3,621	2,438	2,438	2,438
Other	150	-	-	-	-
<b>Total cash used</b>	<b>177,808</b>	<b>185,004</b>	<b>176,720</b>	<b>179,393</b>	<b>179,057</b>
<b>Net cash from/(used by) operating activities</b>	<b>(689)</b>	<b>417</b>	<b>(500)</b>	<b>5,800</b>	<b>(500)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	3,178	2,793	2,591	8,908	2,620
<b>Total cash used</b>	<b>3,178</b>	<b>2,793</b>	<b>2,591</b>	<b>8,908</b>	<b>2,620</b>
<b>Net cash from/(used by) investing activities</b>	<b>(3,178)</b>	<b>(2,793)</b>	<b>(2,591)</b>	<b>(8,908)</b>	<b>(2,620)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	3,009	3,293	3,091	3,108	3,120
<b>Total cash received</b>	<b>3,009</b>	<b>3,293</b>	<b>3,091</b>	<b>3,108</b>	<b>3,120</b>
<b>Net cash used by financing activities</b>	<b>3,009</b>	<b>3,293</b>	<b>3,091</b>	<b>3,108</b>	<b>3,120</b>
<b>Net increase/(decrease) in cash held</b>	<b>(858)</b>	<b>917</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,941	1,083	2,000	2,000	2,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,083</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Act No. 1 (DCB)	2,013	1,993	1,991	2,008	2,020
Equity injections - Act No. 2	2,700	12,896	1,100	1,100	1,100
<b>Total new capital appropriations</b>	<b>4,713</b>	<b>14,889</b>	<b>3,091</b>	<b>3,108</b>	<b>3,120</b>
<b>Provided for:</b>					
<i>Purchase of non-financial assets</i>	3,713	2,793	2,591	2,608	2,620
<i>Other Items</i>	1,000	12,096	500	500	500
<b>Total items</b>	<b>4,713</b>	<b>14,889</b>	<b>3,091</b>	<b>3,108</b>	<b>3,120</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	1,868	800	600	600	600
Funded by capital appropriation - DCB (b)	2,013	1,993	1,991	2,008	2,020
Funded internally from departmental resources (c)	-	-	-	6,300	-
<b>TOTAL AMOUNT SPENT</b>	<b>3,881</b>	<b>2,793</b>	<b>2,591</b>	<b>8,908</b>	<b>2,620</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	3,178	2,793	2,591	8,908	2,620
<b>TOTAL CASH REQUIRED TO ACQUIRE ASSETS</b>	<b>3,178</b>	<b>2,793</b>	<b>2,591</b>	<b>8,908</b>	<b>2,620</b>

- (a) Includes both current and prior Act 3 and Bills 4-6 appropriations and special capital appropriations.  
 (b) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).  
 (c) Includes current and prior year Act (No. 1) and Bills 3/5 appropriations (excluding amounts from the DCB).

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements (2015-16 Budget year)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2015</b>				
Gross book value	12,643	5,020	12,851	30,514
Accumulated depreciation/amortisation and impairment	-	-	(9,012)	(9,012)
<b>Opening net book balance</b>	<b>12,643</b>	<b>5,020</b>	<b>3,839</b>	<b>21,502</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity(a)	30	-	770	800
By purchase - appropriation ordinary annual services(b)	-	1,392	601	1,993
<b>Total additions</b>	<b>30</b>	<b>1,392</b>	<b>1,371</b>	<b>2,793</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(2,642)	(1,716)	(1,827)	(6,185)
<b>Total other movements</b>	<b>(2,642)</b>	<b>(1,716)</b>	<b>(1,827)</b>	<b>(6,185)</b>
<b>As at 30 June 2016</b>				
Gross book value	12,673	6,412	14,222	33,307
Accumulated depreciation/amortisation and impairment	(2,642)	(1,716)	(10,839)	(15,197)
<b>Closing net book balance</b>	<b>10,031</b>	<b>4,696</b>	<b>3,383</b>	<b>18,110</b>

- (a) 'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No.2) 2015-16 and Bill (No.4) 2015-16, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Act (No.1) 2015-16 and Bill (No.3) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

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)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Write-down and impairment of assets	2,262	-	-	-	-
Other expenses	11,000	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>13,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Fees and fines	34,050	40,000	40,000	40,000	40,000
Other revenue	-	-	-	-	-
<b>Total non-taxation revenue</b>	<b>34,050</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>34,050</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Total own-source income administered on behalf of Government</b>	<b>34,050</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Net cost/(contribution by) services</b>	<b>(20,788)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>

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)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	5,252	5,252	5,252	5,252	5,252
<b>Total financial assets</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>
<b>Total assets administered on behalf of Government</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	11,000	-	-	-	-
<b>Total payables</b>	<b>11,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities administered on behalf of Government</b>	<b>11,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets/(liabilities)</b>	<b>(5,748)</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Fees	32,581	40,000	40,000	40,000	40,000
Other	240	11,000	-	-	-
<b>Total cash received</b>	<b>32,821</b>	<b>51,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Cash used</b>					
Other	32,830	51,000	40,000	40,000	40,000
<b>Total cash used</b>	<b>32,830</b>	<b>51,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Net cash from/(used by) operating activities</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>					
	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of reporting period	9	-	-	-	-
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

## **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**

Entity assets, liabilities, revenues and expenses are those items that are controlled by the ACCC that are used by the ACCC in producing its programme 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 programme; and
- employee, supplier and depreciation expenses incurred in providing entity programme.

Administered items are those items incurred in providing programmes 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 entity programmes.

**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 programme, 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;
- making good leased premises and lease incentives;
- onerous lease for the Nishi building in New Acton, Canberra; and
- unpaid expenses and unearned revenue as at balance date.