

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Overview

The Australian Competition and Consumer Commission (ACCC) is an independent statutory authority which administers the *Trade Practices Act 1974* and performs functions under other Commonwealth legislation and State and Territory Competition Policy Reform Acts.

The ACCC:

- promotes effective competition and informed markets;
- encourages fair trading and protect consumers; and
- regulates the infrastructure service markets and other markets where competition is restricted.

The ACCC also collects administered revenue on behalf of the Australian Government and includes authorisation fees, fines and costs.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the ACCC which contribute to the achievement of outcomes are summarised in Table 1.1 and Figure 2 on page 89.

Table 1.1: Contribution to outcomes

Outcome	Description	Output group
Outcome 1		
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets	To bring about greater competitiveness in every sector of the economy.	Output Group 1.1 Australian Competition and Consumer Commission

Section 2: Resources for 2007-08

2.1 APPROPRIATIONS AND OTHER RESOURCES

The total appropriation (including capital appropriation) and other resources for the Australian Competition and Consumer Commission (ACCC) in the 2007-08 Budget is \$114.4 million.

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

Table 2.1: Appropriations and other resources 2007-08

Australian Competition and Consumer Commission Outcome 1	Departmental				Administered				Total \$'000	
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Other resources \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPPs \$'000	Other \$'000	Special Appropriation \$'000		Other resources \$'000
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets	113,805	-	-	575	-	-	-	-	-	114,380
Total	113,805	-	-	575	-	-	-	-	-	114,380

2.2 2007-08 BUDGET MEASURES

The following table summarises the Budget measure for the ACCC as explained in Budget Paper No. 2, *Budget Measures 2007-08*.

Table 2.2 Australian Competition and Consumer Commission measures

Measure	Output groups affected	Budget Estimate 2007-08 \$'000			Forward Estimate 2008-09 \$'000			Forward Estimate 2009-10 \$'000			Forward Estimate 2010-11 \$'000		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense measure													
Australia Post - continuation of funding for competition regulation	1.1	-	-	-	-	-	-	-	-	-	-	-	-

2.3 OTHER RESOURCES AVAILABLE TO BE USED

The following table provides details of resources obtained by the ACCC for the provision of goods or services as well as resources received free of charge. These resources are approved for use by the ACCC and are also included in Table 2.1.

Table 2.3: Other resources available to be used

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental other resources		
Goods and services	500	500
Other - resources received free of charge	75	75
Total departmental other resources available to be used	575	575

Note: Departmental resources are collected under section 31 of the *Financial Management and Accountability Act 1997*.

The ACCC currently levies a variety of fees and charges under the *Trade Practices Act 1997* (TPA). Receipts from these fees and charges are included in the above table. They include goods and services, that is, seminars/speaker fees, sale of publications, photocopy revenue and sale of non-current assets. Further information on cost recovery arrangements is explained in Section 4.

2.4 MOVEMENT OF ADMINISTERED FUNDS

Table 2.4: Movement of administered funds between years

The ACCC does not have any administered appropriations.

2.5 SPECIAL APPROPRIATIONS

Table 2.5: Estimates of expenses from special appropriations

The ACCC does not have any special appropriations.

2.6 MOVEMENTS IN SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. The following table shows the expected additions (credits) and reductions (debits) for each account used by the ACCC.

Table 2.6: Estimates of special account cash flows and balances

	Opening Balance	Credits	Debits	Adjustments	Closing Balance
	2007-08	2007-08	2007-08	2007-08	2007-08
	<i>2006-07</i>	<i>2006-07</i>	<i>2006-07</i>	<i>2006-07</i>	<i>2006-07</i>
	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys Account	52	203	200	3	52
	52	200	200	-	52
Services for Other Government and Non-Agency Bodies Account	-	-	-	-	-
	-	-	-	-	-
Total special accounts					
2007-08 Budget estimate	52	203	200	3	52
<i>Total special accounts</i>					
<i>2006-07 estimated actual</i>	52	200	200	-	52

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 *Financial Management and Accountability Act 1997*.

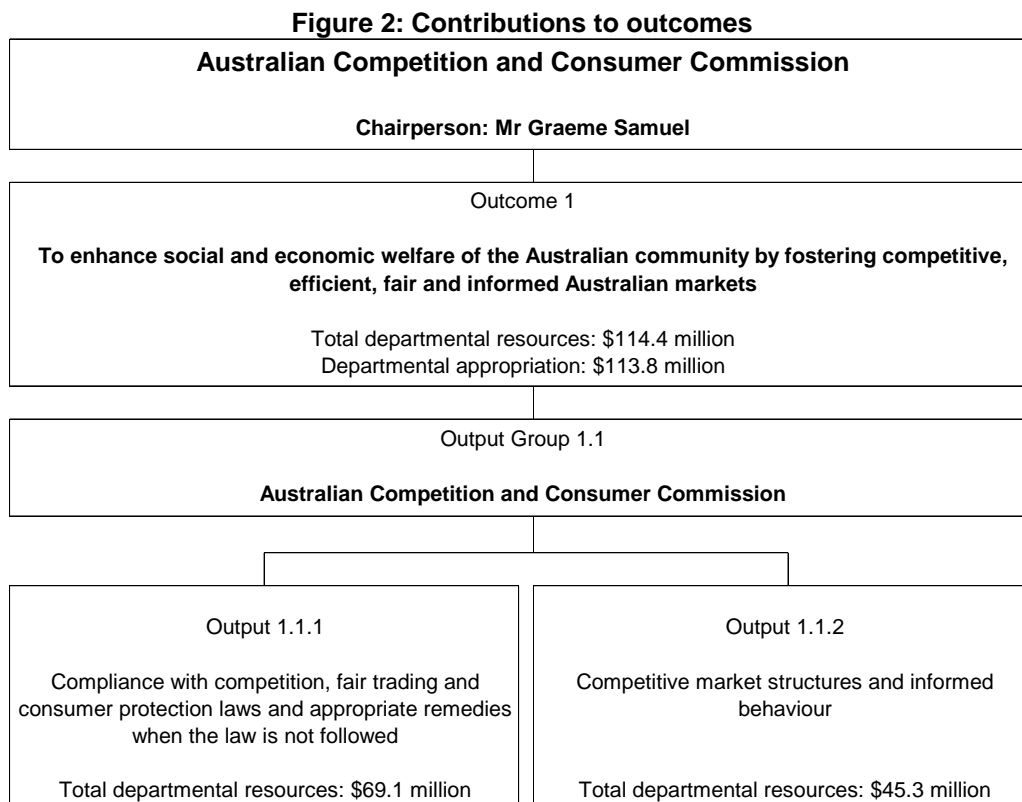
Section 3: Outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer items on behalf of the Government (administered items).

This section summarises how the resources identified in Section 2 will be used to contribute to the outcome for the Australian Competition and Consumer Commission (ACCC). Key performance measures and performance evaluation activities are specified for the outcome.

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of the ACCC and its outcome is summarised in below figure.



The ACCC has not made any changes to its outcome or outputs since the *Portfolio Budget Statements 2006-07*.

3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

3.2.1 Outcome 1 resourcing

The following table shows how the 2007-08 Budget appropriation translates to total resourcing for Outcome 1, including departmental appropriation and revenue from other sources.

Table 3.1: Total resources for Outcome 1

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental appropriation		
Output Group 1.1 - Australian Competition and Consumer Commission		
Output 1.1.1 - Compliance with competition, fair trading and consumer protection laws and appropriate remedies when the law is not followed	64,990	68,705
Output 1.1.2 - Competitive market structures and informed behaviour	42,528	45,100
Total departmental appropriation	107,518	113,805
Departmental revenue from other sources		
Output Group 1.1 - Australian Competition and Consumer Commission		
Output 1.1.1 - Compliance with competition, fair trading and consumer protection laws and appropriate remedies when the law is not followed	345	345
Output 1.1.2 - Competitive market structures and informed behaviour	230	230
Total departmental revenue from other sources	575	575
Total resources	108,093	114,380
	2006-07	2007-08
Average staffing level (number)	588	606

3.2.2 Measures affecting Outcome 1

The Budget measure for the ACCC appears in Table 2.2. Detail of this measure is included in Budget Paper No. 2, *Budget Measures 2007-08*.

3.2.3 Contributions to achievement of Outcome 1

The ACCC anticipates achieving this outcome through:

- publishing litigation and education activities;
- liaising with and informing business and consumers about the law;
- issuing publications and media releases, speak to the public, conducting public meetings and conferences, and using the latest technology to reach business and consumers throughout Australia;
- working with other competition, fair trading and consumer protection agencies in Australia and overseas;
- developing industry specific codes of conduct;
- assisting parliamentary inquiries and other government agencies to develop policies and processes that are consistent with competition, fair trading and consumer protection laws;
- liaising with other regulators, business and consumer associations; and
- helping overseas trading partners to develop and implement effective competition regimes to benefit Australian industries.

Administered activities

The ACCC's main activity of an administered nature is the collection of revenues for fines and costs on behalf of the Government which are transferred to the Official Public Account.

Departmental outputs

The ACCC's outputs of compliance with laws and competitive market structures reflect the Australian Government's decision to foster competitive, efficient, fair and informed Australian markets.

The outputs reflect the activity that the ACCC undertakes to fulfil its role and functions. The Australian Government seeks to enhance the social and economic welfare of Australians which the ACCC seeks to contribute by;

- promoting effective competition and informed markets;
- encouraging fair trading and protecting consumers; and
- regulating the infrastructure service market and other markets where competition is restricted.

ACCC Budget Statement: Outcomes

The ACCC commits to meet these goals through effective and timely outcomes in the public interest, and communicating its actions and results to the community at large.

3.2.4 Performance information for Outcome 1

The following table summarises the performance information for administered items, individual outputs and output groups relating to the ACCC.

Table 3.2: Performance information for Outcome 1

Performance indicators for administered items including third party outputs	
Outputs 1.1.1 and 1.1.2	Quality:
Compliance with competition, fair trading and consumer protection laws and appropriate remedies when the law is not followed	Collection of statutory fees and judgement debts \$10.0 million.
Competitive market structures and informed behaviour	
Output group 1.1: Australian Competition and Consumer Commission	Quality:
Output 1.1.1 - Compliance with competition, fair trading and consumer protection laws and appropriate remedies when the law is not followed	Respond quickly to allegations of breaches of competition, fair trading and consumer legislation. Seek appropriate remedies when there is a breach of the law.
	Enforce mandatory product safety and information standards.
	Publicise litigation and education activities.
	Develop new consumer protection and investigative initiatives for e-commerce.
	Liaise with and inform business and consumers about the law so that they can, in turn, inform their members and customers.
	Issue publications and media releases, speak to the public, conduct public meetings and conferences and use the latest technology to reach businesses and consumers throughout Australia.
	Work with other competition, fair trading and consumer protection agencies in Australia and overseas.
	Develop industry specific codes of conduct.
	Publicise merger and authorisation decisions, arbitrations, undertakings and access arrangements and monitoring activities and inquiry findings.
	Assist parliamentary inquiries and government agencies to develop policies and processes that are consistent with the competition, fair trading and consumer protection laws.
	Liaise with other regulators, business and consumer associations, speak to the public, participate in meetings and conferences, nationally and internationally.
	Help overseas trading partners to develop and implement effective competition regimes to benefit Australian industry.
	Price: \$69.1 million

Table 3.2: Performance information for Outcome 1 (continued)

Output 1.1.2 - Competitive market structures and informed behaviour	Quality: Assess the competition effects of mergers, acquisitions or asset sales. Encourage competition in markets that depend on monopoly services. Ensure that access regulation provides incentives for efficient business investment and use of infrastructure. Ensure that businesses using monopoly services pay prices that reflect efficient costs. Adjudicate authorisation applications (where anti-competitive behaviour is claimed to deliver public benefits). Monitor prices to assess the impact of market conditions on price levels of goods and services. Price: \$45.3 million
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3.2.5 Evaluations for Outcome 1

There are no evaluations planned for Outcome 1 in 2007-08.

Output performance indicators (shown in the above table) will be used to measure evaluation activity for the outcome. The results of the evaluation will be shown in the ACCC Annual Report.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

The Australian Competition and Consumer Commission (ACCC) does not have any purchaser-provider arrangements with other Government agencies.

4.2 COST RECOVERY ARRANGEMENTS

The ACCC currently levies a variety of fees and charges under the *Trade Practices Act 1974*. Revenue from these fees and charges is identified in Table 5.7 on page 102.

It should be noted that with the exception of those revenues generated from discretionary services, where it has been agreed that these revenues can be retained by the ACCC in recognition of the costs associated with the provision of these services all other revenue generated by the ACCC is refunded back to Government via the Consolidated Revenue Fund.

The ACCC undertook a review of its cost recovery arrangements in March 2004 in accordance with the Australian Government's five year review schedule for existing arrangements. A summary of the review is contained in the *Treasury Portfolio Budget Statements 2004-05* on pages 101 to 103.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Table 4.1: Australian Government Indigenous Expenditure

The ACCC does not have any specific indigenous expenditure.

Section 5: Budgeted financial statements

The budgeted financial statements contain estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, and the Australian Equivalents to International Financial Reporting Standards (AEIFRS), as well as specific guidelines issued by the Department of Finance and Administration. They show the planned financial performance for the 2007-08 Budget year and each of the forward years from 2008-09 to 2010-11. The statements also include the estimated actual for 2006-07 for comparative purposes.

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Australian Competition and Consumer Commission's (ACCC) budgeted financial statements, as reflected in the budgeted departmental financial statements and administered schedules for 2007-08, is provided below.

Departmental

Income statement

The ACCC is budgeting for a break even result for 2007-08. The estimated actual operating result for 2006-07 is a break even result also.

Operating revenues

Total revenue in 2007-08 is estimated to be \$114.4 million, an increase of \$6.3 million from the 2006-07 estimated actual. The increase is primarily as a result of the net increase in funding from measures disclosed in the 2006-07 Budget for the Australian Energy Regulator (AER) in the 2007-08 forward year.

Operating expenses

Total expenses are estimated to be \$114.4 million. This is an increase of \$6.3 million from the 2006-07 estimated actual. The increase is primarily due to the full year impact in 2007-08 of the initiatives funded in 2006-07 for the AER.

Balance sheet

The ACCC budgeted net asset position of \$39.0 million is unchanged from the 2006-07 estimated actual.

The ACCC's primary liability continues to be accrued employee leave entitlements of \$13.9 million. The liability is expected to increase by around \$0.7 million during 2007-08.

5.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	107,518	113,805	120,340	121,622	122,749
Goods and services	575	575	575	575	575
Total revenue	108,093	114,380	120,915	122,197	123,324
Total income	108,093	114,380	120,915	122,197	123,324
EXPENSE					
Employees	56,218	62,213	64,981	64,903	65,489
Suppliers	48,931	48,898	52,665	54,025	54,541
Depreciation and amortisation	2,944	3,269	3,269	3,269	3,294
Total expenses	108,093	114,380	120,915	122,197	123,324
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-

Table 5.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,624	1,624	1,624	1,624	1,624
Receivables	43,756	45,297	46,066	46,835	46,835
Total financial assets	45,380	46,921	47,690	48,459	48,459
Non-financial assets					
Land and buildings	5,624	5,537	4,200	2,863	1,501
Infrastructure, plant and equipment	3,804	2,845	4,188	5,440	6,961
Inventories	118	118	118	118	118
Intangibles	208	411	405	490	331
Other	663	663	663	663	663
Total non-financial assets	10,417	9,574	9,574	9,574	9,574
Total assets	55,797	56,495	57,264	58,033	58,033
LIABILITIES					
Provisions					
Employees	13,109	13,857	14,651	15,445	15,445
Other provisions	596	596	596	596	596
Total provisions	13,705	14,453	15,247	16,041	16,041
Payables					
Suppliers	2,541	2,491	2,466	2,441	2,441
Other payables	524	524	524	524	524
Total payables	3,065	3,015	2,990	2,965	2,965
Total liabilities	16,770	17,468	18,237	19,006	19,006
Net assets	39,027	39,027	39,027	39,027	39,027
EQUITY					
Contributed equity	33,025	33,025	33,025	33,025	33,025
Reserves	968	968	968	968	968
Retained surpluses	5,034	5,034	5,034	5,034	5,034
Total equity	39,027	39,027	39,027	39,027	39,027
Current assets	46,043	46,791	47,685	48,379	48,379
Non-current assets	9,754	9,704	9,579	9,654	9,654
Current liabilities	9,918	10,242	10,614	10,986	10,986
Non-current liabilities	6,852	7,226	7,623	8,020	8,020

**Table 5.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	500	500	500	500	500
Appropriations	107,518	113,805	120,340	121,622	122,749
Total cash received	108,018	114,305	120,840	122,122	123,249
Cash used					
Employees	56,218	62,113	64,881	59,632	60,218
Suppliers	48,831	48,923	52,690	59,221	59,737
Total cash used	105,049	111,036	117,571	118,853	119,955
Net cash from or (used by) operating activities	2,969	3,269	3,269	3,269	3,294
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	8,702	3,269	3,269	3,269	3,294
Purchase of intangibles	200	-	-	-	-
Total cash used	8,902	3,269	3,269	3,269	3,294
Net cash from or (used by) investing activities	(8,902)	(3,269)	(3,269)	(3,269)	(3,294)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	3,958	-	-	-	-
Other	2,000	-	-	-	-
Total cash received	5,958	-	-	-	-
Net cash from or (used by) financing activities	5,958	-	-	-	-
Net increase or (decrease) in cash held	25	-	-	-	-
Cash at the beginning of the reporting period	1,599	1,624	1,624	1,624	1,624
Cash at the end of the reporting period	1,624	1,624	1,624	1,624	1,624

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated opening balance as at 1 July 2007					
Balance carried forward from previous period	5,034	968	-	33,025	39,027
Estimated opening balance	5,034	968	-	33,025	39,027
Income and expense					
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Estimated closing balance as at 30 June 2008	5,034	968	-	33,025	39,027

Table 5.5: Departmental capital budget statement

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	3,958	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	3,958	-	-	-	-
Represented by:					
Purchase of non-financial assets	3,958	-	-	-	-
Other	-	-	-	-	-
Total represented by	3,958	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	3,958	-	-	-	-
Funded internally by departmental resources	4,944	3,269	3,269	3,269	3,294
Total	8,902	3,269	3,269	3,269	3,294

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	property	equipment	military	infrastructure	and cultural	software	intangibles		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	8,847	-	5,909	-	1,496	-	-	16,252
Accumulated depreciation	-	(1,973)	-	(4,198)	-	(1,288)	-	-	(7,459)
Estimated opening net book value	-	6,874	-	1,711	-	208	-	-	8,793
Additions:									
by purchase	-	-	-	2,985	-	284	-	-	3,269
Depreciation/amortisation expense	-	(1,337)	-	(1,851)	-	(81)	-	-	(3,269)
As at 30 June 2008									
Gross book value	-	8,847	-	8,894	-	1,780	-	-	19,521
Accumulated depreciation	-	(3,310)	-	(6,049)	-	(1,369)	-	-	(10,728)
Estimated closing net book value	-	5,537	-	2,845	-	411	-	-	8,793

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	10,000	10,000	10,000	10,000	10,000
Total 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
Total income administered on behalf of Government	10,000	10,000	10,000	10,000	10,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write down and impairment of assets	-	-	-	-	-
Total expenses administered on behalf of Government	-	-	-	-	-

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	1	1	1	1	1
Receivables	4,000	4,334	4,334	4,334	4,334
Total financial assets	4,001	4,335	4,335	4,335	4,335
Total assets administered on behalf of Government	4,001	4,335	4,335	4,335	4,335

**Table 5.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and revenue	9,220	9,220	9,220	9,220	9,220
Fines and costs	777	777	777	777	777
Other	3	3	3	3	3
Total cash received	10,000	10,000	10,000	10,000	10,000
Net cash from or (used by) operating activities					
	10,000	10,000	10,000	10,000	10,000
Net increase or (decrease) in cash held					
	10,000	10,000	10,000	10,000	10,000
Cash at beginning of reporting period	1	1	1	1	1
Cash to Official Public Account for:					
- appropriations	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Cash at the end of reporting period	1	1	1	1	1

Table 5.10: Schedule of administered capital budget

The ACCC does not have any administered capital.

**Table 5.11: Schedule of administered property, plant, equipment and intangibles
— summary of movement (Budget year 2007-08)**

The ACCC does not have any administered property, plant, equipment or intangible assets.

5.3 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 Finance Minister's Orders;
- Australian Equivalents to International Financial Reporting Standards (AEIFRS);
- other authoritative pronouncements of the Australian Accounting Standards Board; and
- the Consensus Views of the Urgent Issues Group.

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 outputs 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 outputs; and
- employee, supplier and depreciation expenses incurred in providing agency outputs.

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 agency outputs.

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. This liability includes unpaid annual leave and long service leave. No provision has been made for sick leave because the level of sick leave is less on average than the amount which employees are entitled to each year.

Provision has also been made for unpaid expenses as at balance date.

