



PART 5

FINANCIAL

STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Treasurer

I have audited the accompanying financial statements of the Australian Competition and Consumer Commission for the year ended 30 June 2012, which comprise: a Statement by the Chairman, Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Australian Competition and Consumer Commission is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Competition and Consumer Commission's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Competition and

Consumer Commission's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Australian Competition and Consumer Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Australian Competition and Consumer Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Competition and Consumer Commission's financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Carla Jago

Executive Director

Delegate of the Auditor-General

Canberra

27 August 2012

AUSTRALIAN COMPETITION & CONSUMER COMMISSION

STATEMENT BY THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

In our opinion, the attached Financial Statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Rod Sims
Chairman

26 August 2012



Rayne de Gruchy
Acting Chief Executive Officer

24 August 2012



Adrian Brocklehurst
Chief Finance Officer

24 August 2012

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
EXPENSES			
Employee benefits	3A	100,607	81,586
Supplier expenses	3B	68,737	64,563
Depreciation and amortisation	3C	4,664	4,836
Finance costs	3D	74	61
Write-down and impairment of assets	3E	406	23
Losses from asset sales	3F	1	-
Other expenses	3G	4,574	789
Total expenses		179,063	151,858
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	587	602
Other	4B	887	467
Total own-source revenue		1,474	1,069
Gains			
Sale of assets	4C	2	-
Other	4D	73	107
Total gains		75	107
Total own-source income		1,549	1,176
Net cost of services		177,514	150,682
Revenue from Government	4E	151,275	141,342
Surplus (Deficit) on continuing operations		(26,239)	(9,340)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		142	-
Total other comprehensive income		142	-
Total comprehensive income (loss) attributable to the Australian Government		(26,097)	(9,340)

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
BALANCE SHEET
as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5A	1,792	1,626
Trade and other receivables	5B	32,626	51,867
Other financial assets		-	-
Total financial assets		34,418	53,493
Non-financial assets			
Leasehold improvements	6A,C	14,296	14,236
Property, plant and equipment	6B,C	6,621	7,678
Intangibles	6D	3,453	2,029
Inventories	6F	49	28
Other non-financial assets	6G	1,782	1,313
Total non-financial assets		26,201	25,284
Total assets		60,619	78,777
LIABILITIES			
Payables			
Suppliers	7A	6,615	7,236
Other payables	7B	13,805	11,816
Total payables		20,420	19,052
Provisions			
Employee provisions	8A	24,134	20,279
Other provisions	8B	1,560	1,407
Total provisions		25,694	21,686
Total Liabilities		46,114	40,738
Net assets		14,505	38,039
EQUITY			
Parent Entity Interest			
Contributed equity		45,205	42,642
Reserves		3,680	3,538
Retained surplus (accumulated deficit)	8A	(34,380)	(8,141)
Total Parent Entity Interest		14,505	38,039
Total Equity		14,505	38,039

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2012

	Retained Earnings		Asset Revaluation Surplus		Contributed Equity/Capital		Total Equity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Opening Balance	(8,141)	1,415	3,538	3,538	42,642	40,102	38,039	45,055
Balance carried forward from previous period	-	(216)	-	-	-	-	-	(216)
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted Opening Balance	(8,141)	1,199	3,538	3,538	42,642	40,102	38,039	44,839
Comprehensive income								
Other comprehensive income	-	-	142	-	-	-	142	-
Deficit for the period	(26,239)	(9,340)	-	-	-	-	(26,239)	(9,340)
Total comprehensive income	(26,239)	(9,340)	142	-	-	-	(26,097)	(9,340)
of which:								
Attributable to the Australian Government	(26,239)	(9,340)	142	-	-	-	(26,097)	(9,340)
Transactions with Owners								
Distributions to owners								
Appropriation return (FMA Act s32 transfer of appropriation)	-	-	-	-	-	-	-	-
Contributions by Owners								
Equity injection - Appropriations	-	-	-	-	55	40	55	40
Departmental Capital Budget	-	-	-	-	2,508	2,500	2,508	2,500
Sub-total Transactions with Owners					2,563	2,540	2,563	2,540
Closing Balance as at 30 June	(34,380)	(8,141)	3,680	3,538	45,205	42,642	14,505	38,039
Closing balance attributable to the Australian Government	(34,380)	(8,141)	3,680	3,538	45,205	42,642	14,505	38,039

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
CASH FLOW STATEMENT
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		152,979	146,411
Sales of goods and rendering of services		428	741
Net GST received		7,677	6,156
Other		5,008	481
Total cash received		<u>166,092</u>	<u>153,789</u>
Cash used			
Employees		(94,485)	(82,862)
Suppliers		(77,445)	(66,548)
Other		(4,574)	(788)
Total cash used		<u>(176,504)</u>	<u>(150,198)</u>
Net cash from operating activities	9	<u>(10,412)</u>	<u>3,591</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		2	-
Total cash received		<u>2</u>	<u>-</u>
Cash used			
Purchase of property, plant and equipment		(2,022)	(3,846)
Purchase of leasehold improvements		(787)	(1,656)
Purchase of intangibles		(2,126)	(366)
Total cash used		<u>(4,935)</u>	<u>(5,868)</u>
Net cash from (used by) investing activities		<u>(4,933)</u>	<u>(5,868)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		15,511	2,500
Total cash received		<u>15,511</u>	<u>2,500</u>
Cash used			
Repayment of borrowings		-	-
Other		-	-
Total cash used		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>15,511</u>	<u>2,500</u>
Net increase (decrease) in cash held		<u>166</u>	<u>223</u>
Cash and cash equivalents at the beginning of the reporting period		1,626	1,403
Cash and cash equivalents at the end of the reporting period	5A	<u>1,792</u>	<u>1,626</u>

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
 SCHEDULE OF COMMITMENTS
 as at 30 June 2012

	2012 \$'000	2011 \$'000
BY TYPE		
Commitments receivable		
Other	464	685
Net GST recoverable on commitments	11,844	11,015
Total commitments receivable	12,308	11,700
Commitments payable		
Other commitments		
Operating leases ¹	(108,118)	(116,733)
Contract for IT services ²	(16,070)	(480)
Other ³	(6,106)	(3,956)
GST payable on Commitments	(42)	(62)
Total other commitments	(130,336)	(121,231)
Net commitments by type	(118,028)	(109,531)
BY MATURITY		
Commitments receivable		
One year or less	12,073	11,237
From one to five years	235	463
Over five years	-	-
Total commitments receivable	12,308	11,700
Commitments payable		
Operating lease commitments		
One year or less	(10,318)	(9,559)
From one to five years	(46,902)	(56,486)
Over five years	(50,898)	(50,688)
Total operating lease commitments	(108,118)	(116,733)
Other commitments		
One year or less	(15,539)	(3,847)
From one to five years	(6,679)	(651)
Total other commitments	(22,218)	(4,498)
Net commitments by maturity	(118,028)	(109,531)

NB: All commitments are GST inclusive where relevant.

¹ Operating leases included are effectively non-cancellable and comprise:

Leases for office accommodation

Lease payments are subject to annual increases of between 3% and 5% per annum. Lease terms are between two and fifteen years with the majority of leases containing an option to renew for a further term of up to ten years.

Agreement for the provision of motor vehicles to senior executive officers

No contingent rentals exist. There are no renewal or purchase options available to the Commission.

² Various contracts for Information Technology services

³ Other commitments mainly include contracts for the provision of consultancy services

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
SCHEDULE OF CONTINGENCIES
as at 30 June 2012

	2012 \$'000	2011 \$'000
Contingent liabilities		
Claims for damages or costs	-	-
Total contingent liabilities	-	-

Details of each class of contingent liabilities above are disclosed in Note 10: Contingent Liabilities and Assets, along with information on significant remote contingencies and contingencies that cannot be quantified. The Commission has no departmental contingent assets.

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
EXPENSES			
Write-down and impairment of assets	14	598	68
Total expenses administered on behalf of Government		<u>598</u>	<u>68</u>
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Non-taxation revenue			
Fees and fines	15A	28,315	43,412
Total non-taxation revenue		<u>28,315</u>	<u>43,412</u>
Total own-source revenue administered on behalf of Government		<u>28,315</u>	<u>43,412</u>
Gains			
Other gains	15B	7	-
Total gains administered on behalf of Government		<u>7</u>	<u>-</u>
Total own-source income administered on behalf of Government		<u>28,322</u>	<u>43,412</u>
Net cost of (contribution by) services		<u>(27,724)</u>	<u>(43,344)</u>
Surplus on continuing operations		<u>27,724</u>	<u>43,344</u>

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	16A	9	18
Trade and other receivables	16B	8,779	8,943
Total financial assets		<u>8,788</u>	<u>8,961</u>
Total assets administered on behalf of Government		<u>8,788</u>	<u>8,961</u>
LIABILITIES			
Payables			
Suppliers	17	-	-
Total payables		<u>-</u>	<u>-</u>
Total liabilities administered on behalf of Government		<u>-</u>	<u>-</u>
Net assets		<u>8,788</u>	<u>8,961</u>

This schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
ADMINISTERED RECONCILIATION SCHEDULE FOR NON-PROFIT REPORTING ENTITIES
as at 30 June 2012

Notes	2012 \$'000	2011 \$'000
Operating administered assets less administered liabilities as at 1 July	8,961	22,835
Surplus (deficit) items:		
Plus: Administered income	28,322	43,412
Less: Administered expenses (non CAC)	(598)	(68)
Administered transfers to/from Australian Government		
Transfers to OPA	(27,897)	(57,218)
Closing administered assets less administered liabilities as at 30 June	8,788	8,961

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
OPERATING ACTIVITIES			
Cash received			
Fines and costs		27,671	56,943
Other fees		217	232
Total cash received		<u>27,888</u>	<u>57,175</u>
Net cash flows from or (used by) operating activities	18	<u>27,888</u>	<u>57,175</u>
Net increase in cash held			
Cash and cash equivalents at the beginning of the reporting period		18	61
Cash to Official Public Account for:			
- Appropriations		(27,897)	(57,218)
Cash and cash equivalents at the end of the reporting period	16A	<u>9</u>	<u>18</u>

This schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
SCHEDULE OF ADMINISTERED COMMITMENTS
as at 30 June 2012

The commission has no administered commitments in the current or the immediately preceding reporting periods.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
SCHEDULE OF ADMINISTERED CONTINGENCIES
as at 30 June 2012

	2012	2011
	\$'000	\$'000
Administered contingent assets		
Claims for damages or costs	<u>1,067</u>	<u>1,076</u>
Total administered contingent assets	<u>1,067</u>	<u>1,076</u>

Administered activities conducted by the Commission are limited to the collection of fines, costs and fees levied under the *Competition and Consumer Act*.

Details of each class of administered contingent liabilities and contingent assets above are disclosed in Note 19: Administered Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
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for the year ended 30 June 2012

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AUSTRALIAN COMPETITION & CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Australian Competition and Consumer Commission (the Commission)

The Commission is an Australian Government controlled entity. The objectives of the Commission are to:

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

The Commission's outcome is 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.

The continued existence of the Commission in its present form and with its present programs is dependent on Government Policy and on continuing funding by Parliament for the Commission's administration and programs.

The Commission's activities contributing towards these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Commission in its own right. Administered activities involve the management or oversight by the Commission, on behalf of the Government, of items controlled or incurred by the Government.

The Commission does not conduct administered activities, however, fines and penalties collected are returned to the Commonwealth as administered items. Contingent gains are recognised as administered items, and contingent losses are recognised as departmental items.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Commission or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless an alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Commission has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of leasehold improvements has been taken to be the market value of similar properties as determined by an independent valuer.
- The Australian Government shorthand method has been used to estimate the present value of long service leave liabilities.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Changes in Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

New standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date are applicable to the current reporting period did not have a material financial impact on the Commission and are not expected to have a future material financial impact on the Commission.

Future Australian Accounting Standard Requirements

New standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date are applicable to the future reporting period are not expected to have a future material financial impact on the Commission.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.5 Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The entity retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Commission.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to the Commission.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Commission gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of restructuring of administrative arrangements (refer to Note 1.7).

Parental Leave Payments Scheme

Amount received under the Parental Leave Payments Scheme by the Commission not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme is disclosed as a footnote to the Note 4E: Revenue from Government.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements. (Refer to Note 1.7).

Sale of assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend. In 2011-12, the Commission made no such distributions.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.8 Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is likely to be taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been calculated using the Australian Government short hand method. The estimate of present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The Commission's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap) and other superannuation plans.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and the other superannuation plans are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

The Commission makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Commission accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and rewards.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

There are currently no finance leases within the Commission.

1.10 Borrowing costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value
- c) cash held with outsiders: and
- d) cash in special accounts

1.12 Financial assets

The Commission classifies its financial assets as loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- a) have been acquired principally for the purpose of selling in the near future;
- b) are derivatives that are not designated and effective as a hedging instrument; or
- c) are a parts of an identified portfolio of financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset. Interest earned on financial assets at FVPL is included in line item 'Change in fair value through profit and loss' of Note 4K and not to be included again in Note 4C.

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Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

· *Financial assets carried at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

· *Financial assets carried at cost* - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

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1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Commission where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Commission's leasehold improvements with a corresponding provision for the 'makegood' recognised.

Revaluations

Fair value of each class of asset are determined as shown below:

<i>Asset Class</i>	<i>Fair value measured at</i>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments were made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

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Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the useful lives in the table below.

Asset Class	2012	2011
Leasehold improvements	Lesser of the term of the lease or 15 years	Lesser of the term of the lease or 15 years
Furniture and fittings	10 years	10 years
Office equipment	5 years	5 years
Computer hardware	3 to 5 years	3 to 5 years
Computer software	3 to 7 years	3 to 7 years

Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles

The Commission's intangibles comprises purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. These assets are carried at cost above the capitalisation threshold of \$10,000, below this amount they are expensed in the year of purchase.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Commission's software are 3 years to 7 years. (2010-11: 3 to 7 years).

All software assets were assessed for impairment as at 30 June 2012. There were no indicators of impairment.

1.18 Inventories

Inventories (publications) held for sale are valued at the lower of cost or net realisable value.

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition relate solely to printing and delivery.

These costs are assigned to inventory at purchase cost and recognised on a first-in-first-out basis.

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1.19 Taxation/ Competitive Neutrality

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Competitive Neutrality

The Commission provides services on a not-for-profit basis which are not subject to Competitive Neutrality arrangements.

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from Official Public Account

Revenue collected by the Commission for use by the Government rather than the Commission is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Commission on behalf of the Government and reported as such in the schedule of administered cash flows in administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to ordinary activities performed by the Commission on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

Revenue is generated from fines and costs applied by the courts, or by agreement between the Commission and the defendant. It is recognised when awarded by the courts, or when agreement has been executed.

The court costs awarded against the Commission are recorded as a departmental expense.

Authorisation and notification fees and other revenue are applied when required under the relevant legislation, and are recognised upon payment.

Administered fee revenue is recognised at its nominal amount due less any allowance for bad or doubtful debts. Collectability of debts is reviewed at balance date. Allowances are made when collection of the debt is judged to be less rather than more likely.

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Note 2: Events After the Reporting Period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Commission.

Administered

On 31 July 2012, the Federal Court Australia ordered a penalty and cost settlements to the value of \$850,000. The financial effect on the Commission's result is an addition to administered revenues and administered receivables of \$850,000.

Note 3: Expenses

	2012 \$'000	2011 \$'000
Note 3A: Employee Benefits		
Wages and salaries	74,621	64,478
Superannuation:		
Defined contribution plans	5,606	4,436
Defined benefit plans	6,566	6,565
Leave and other entitlements	10,404	5,490
Separation and redundancies	2,843	251
Other	567	366
Total employee benefits	100,607	81,586

Note 3B: Supplier Expenses

Goods and services

Legal expenses	26,277	25,348
Consultants and contracted services	9,588	9,491
Information technology and communications	7,850	6,615
Property operating expenses	3,221	3,902
Travel expenses	5,041	3,735
Employee related expenses	2,582	2,366
Information management expenses	2,344	2,323
Other administration expenses	2,242	1,409
Total goods and services	59,146	55,189

Goods and services are made up of:

Provision of goods - related entities	15	-
Provision of goods - external parties	2,289	2,085
Rendering of services - related entities	17,386	18,234
Rendering of services - external parties	39,456	34,870
Total goods and services	59,146	55,189

Other supplier expenses

Operating lease rentals – related entities:		
Minimum lease payments	-	-
Operating lease rentals – external parties:		
Minimum lease payments	9,098	9,057
Workers' compensation premiums	493	317
Total other supplier expenses	9,591	9,374
Total supplier expenses	68,737	64,563

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	2012 \$'000	2011 \$'000
Note 3C: Depreciation and Amortisation		
Depreciation		
Property, plant and equipment	1,779	1,688
Total depreciation	1,779	1,688
Amortisation		
Leasehold improvements	1,897	1,888
Intangibles	988	1,260
Total amortisation	2,885	3,148
Total depreciation and amortisation	4,664	4,836
Note 3D: Finance Costs		
Unwinding of discount	74	61
Total finance costs expense	74	61
Note 3E: Write down and impairment of assets		
Asset write-downs and impairment from:		
Property, plant & equipment	186	16
Leasehold improvements	210	4
Intangibles	10	3
Inventory	-	-
Total write-down and impairment of assets	406	23
Note 3F: Losses from asset sales		
Property, plant and equipment:		
Proceeds from sale	-	-
Carrying value of assets sold	1	-
Leasehold improvements		
Proceeds from sale	-	-
Carrying value of assets sold	-	-
Intangibles		
Proceeds from sale	-	-
Carrying value of assets sold	-	-
Total losses from asset sales	1	-
Note 3G: Other Expenses		
Settlement of litigation	4,574	789
Total other expense	4,574	789

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Note 4: Income

	2012 \$'000	2011 \$'000
Note 4A: Sale of goods and rendering of services		
Provision of goods - related entities	-	-
Provision of goods - external parties	3	2
Rendering of services - related entities	203	224
Rendering of services - external parties	381	376
Total sale of goods and rendering of services	587	602
Note: 4B Other Revenue		
Rebates and expense refunds	887	467
Other miscellaneous revenues	-	-
Resources received free of charge	-	-
Total other revenue	887	467
Note: 4C Sale of Assets		
Property, plant and equipment:		
Proceeds from sale	2	-
Carrying value of assets sold	-	-
Selling expense	-	-
Net Gains from sale of assets	2	-
Note: 4D Other Gains		
Resources received free of charge	73	71
Gain on payout of make good provision	-	36
Write back of litigation provision	-	-
Total Other Gains	73	107
Note 4E: Revenues from Government *		
Appropriations		
Departmental appropriation	151,275	141,342
Total revenues from government	151,275	141,342

* The commission also received \$166,000 (2011: \$0) under the Paid Parental Leave Scheme.

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Note 5: Financial Assets

	2012	2011
	\$'000	\$'000
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	1,792	1,626
Total cash and cash equivalents	1,792	1,626
Note 5B: Trade and other receivables		
Goods and Services:		
Goods and services - related entities	549	31
Goods and services - external parties	140	4,691
Total receivables for goods and services	689	4,722
Appropriations receivable:		
For existing programs	30,516	45,168
For departmental supplementations	-	-
Total appropriations receivable	30,516	45,168
Other receivables:		
GST receivable from the Australian Taxation Office	1,421	1,977
Total other receivables	1,421	1,977
Total trade and other receivables (gross)	32,626	51,867
Less impairment allowance account:		
Goods and services	-	-
Other	-	-
Total impairment allowance account	-	-
Total trade and other receivables (net)	32,626	51,867
Receivables are expected to be recovered in:		
No more than 12 months	32,626	51,867
More than 12 months	-	-
Total trade and other receivables (net)	32,626	51,867
Receivables are aged as follows:		
Not overdue	32,587	51,853
Overdue by:		
Less than 30 days	-	9
31 to 60 days	31	3
61 to 90 days	-	-
More than 90 days	7	2
Total receivables (gross)	32,626	51,867

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	2012 \$'000	2011 \$'000
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
Total impairment allowance account	<u>-</u>	<u>-</u>

Reconciliation of the impairment allowance account:

Movements in relation to 2012

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	-	-
Amounts written off	-	-	-
Amounts recovered and reversed	-	-	-
Increase/decrease recognised in net surplus	-	-	-
Closing balance	-	-	-

Movements in relation to 2011

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	-	-
Amounts written off	-	-	-
Amounts recovered and reversed	-	-	-
Increase/decrease recognised in net surplus	-	-	-
Closing balance	-	-	-

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Note 6: Non-Financial Assets

	2012	2011
	\$'000	\$'000
Note 6A: Leasehold Improvements		
<i>Leasehold improvements</i>		
Fair Value	14,296	17,134
Work in progress	-	12
Less: Accumulated depreciation	-	(2,910)
Less: Accumulated impairment losses	-	-
Total leasehold improvements	14,296	14,236

No indicators of impairment were found for leasehold improvements.

Note 6B: Property, Plant and Equipment

<i>Property, plant and equipment</i>		
Fair Value	6,689	10,803
Less: Accumulated depreciation	(68)	(3,125)
Less: Accumulated impairment losses	-	-
Total property, plant and equipment	6,621	7,678

Revaluations of non-financial assets

All revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2012 a full revaluation of property plant and equipment was carried out by the Australian Valuation Office.

No indicators of impairment were found for property, plant and equipment. No property, plant and equipment is expected to be sold or disposed within the next 12 months.

A revaluation increment of \$1,371,409 for leasehold improvements (2011: \$0) was credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. A revaluation decrement of \$1,229,706 for plant and equipment (2011: \$0) was debited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. Decrements of \$178,438 were also expensed (2011: \$0 expensed).

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Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant & Equipment (2011-12)

	Leasehold improvements \$'000	Property, plant and equipment \$'000	Total \$'000
As at 1 July 2011			
Gross book value	17,146	10,803	27,949
Accumulated depreciation & impairment	(2,910)	(3,125)	(6,035)
Net book value 1 July 2011	14,236	7,678	21,914
Additions:			
By purchase	717	2,139	2,856
Revaluations and impairment recognised in other comprehensive income	1,450	(1,230)	220
Impairments recognised in the operating result	-	(178)	(178)
Depreciation expense	(1,897)	(1,779)	(3,676)
Disposals/write downs:			
From disposal of entities or operations (including restructuring)	-	-	-
Other disposals/write downs (gross book value)	(340)	(379)	(720)
Other disposals/write downs (accumulated depreciation)	130	371	502
Net book value 30 June 2012	14,296	6,621	20,917
Net book value as at 30 June 2012 represented by:			
Gross book value	14,296	6,689	20,985
Accumulated depreciation/amortisation & impairment	-	(68)	(68)
	14,296	6,621	20,917

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Note 6C (continued): Reconciliation of the Opening and Closing Balances of Property, Plant & Equipment (2010-11)

	Leasehold improvements \$'000	Property, plant and equipment \$'000	Total \$'000
As at 1 July 2010			
Gross book value	14,234	9,200	23,434
Accumulated depreciation and impairment	(1,603)	(1,478)	(3,081)
Net book value 1 July 2010	12,631	7,722	20,353
Additions:			
By purchase	3,496	1,661	5,157
Revaluations and impairment recognised in other comprehensive income	-	-	-
Impairments recognised in the operating result	-	-	-
Depreciation expense	(1,888)	(1,688)	(3,576)
Disposals/write downs:			
From disposal of entities or operations (including restructuring)	-	-	-
Other disposals/write downs (gross book value)	(584)	(58)	(642)
Other disposals/write downs (accumulated depreciation)	581	42	623
Net book value 30 June 2011	14,236	7,678	21,914
Net book value as at 30 June 2011 represented by:			
Gross book value	17,146	10,803	27,949
Accumulated depreciation & impairment	(2,910)	(3,125)	(6,035)
	14,236	7,678	21,914

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
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	2012 \$'000	2011 \$'000
Note 6D: Intangibles		
Computer software:		
Purchased software	7,184	5,702
Internally developed - in use	733	723
Internally developed - in progress	-	-
Accumulated amortisation	(4,464)	(4,396)
Accumulated impairment loss	-	-
Total intangibles (non-current)	3,453	2,029

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed within the next 12 months.

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Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles (2011-12)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2011			
Gross book value	723	5,702	6,425
Accumulated amortisation & impairment	(468)	(3,928)	(4,396)
Net book value 1 July 2011	255	1,774	2,029
Additions:			
By purchase or internally developed	10	2,414	2,423
Revaluations and impairment recognised in other comprehensive income	-	-	-
Impairments recognised in the operating result	-	-	-
Depreciation/amortisation expense	(125)	(863)	(988)
Disposals/write downs:			
From disposals of entities or operations (including restructuring)	-	-	-
Other write downs (gross book value)	-	(932)	(932)
Other write downs (accumulated amortisation)	-	921	921
Net book value 30 June 2012	140	3,314	3,453
Net book value as at 30 June 2012 represented by:			
Gross book value	733	7,184	7,917
Accumulated depreciation/amortisation & impairment	(593)	(3,870)	(4,464)
	140	3,314	3,453

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Note 6E (continued): Reconciliation of the Opening and Closing Balances of Intangibles (2010-11)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2010			
Gross book value	723	5,397	6,120
Accumulated depreciation/amortisation and impairment	(256)	(2,937)	(3,193)
Net book value 1 July 2010	467	2,460	2,927
Additions:			
By purchase or internally developed	-	365	365
Revaluations and impairment recognised in other comprehensive income	-	-	-
Impairments recognised in the operating result	-	-	-
Depreciation/amortisation expense	(212)	(1,048)	(1,260)
Disposals/write downs:			
From disposals of entities or operations (including restructuring)	-	-	-
Other write downs (gross book value)	-	(60)	(60)
Other write downs (accumulated amortisation)	-	57	57
Net book value 30 June 2011	255	1,774	2,029
Net book value as at 30 June 2011 represented by:			
Gross book value	723	5,702	6,425
Accumulated depreciation/amortisation & impairment	(468)	(3,928)	(4,396)
	255	1,774	2,029

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	2012 \$'000	2011 \$'000
<u>Note 6F: Inventories</u>		
Inventories held for sale		
Publications held for sale	49	28
<i>Total inventories held for sale</i>	<u>49</u>	<u>28</u>

No items of inventory were recognised at fair value less costs to sell.
 All inventory is expected to be sold in the next 12 months.

<u>Note 6G: Other Non-Financial Assets</u>		
Prepayments	1,782	1,313
<i>Total other non-financial assets</i>	<u>1,782</u>	<u>1,313</u>

Total other non-financial assets - are expected to be recovered in:

No more than 12 months	1,757	1,280
More than 12 months	25	33
<i>Total other non-financial assets</i>	<u>1,782</u>	<u>1,313</u>

No indicators of impairment were found for other non-financial assets.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
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Note 7: Payables

	2012 \$'000	2011 \$'000
Note: 7A Supplier Payables		
Trade creditors and accruals	6,615	7,236
Total supplier payables	6,615	7,236
Supplier payables expected to be settled within 12 months:		
Related entities	1,537	2,739
External parties	5,078	4,497
Supplier payables expected to be settled in greater than 12 months:		
Related entities	-	-
External parties	-	-
Total supplier payables	6,615	7,236
Settlement is usually made net 30 days.		
Note 7B: Other Payables		
Lease incentives	6,213	6,944
Operating lease payment increases	3,249	2,690
Wages and salaries	4,054	1,508
Unearned revenue	275	398
Superannuation	-	256
Salary sacrifice payable	14	20
Total other payables	13,805	11,816
Total other payables are expected to be settled in:		
No more than 12 months	5,222	3,094
More than 12 months	8,583	8,722
Total other payables	13,805	11,816

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Note 8: Provisions

	2012 \$'000	2011 \$'000
Note 8A: Employee Provisions		
Leave	24,134	20,279
Separation and redundancies	-	-
Other	-	-
Total Employee Provisions	24,134	20,279
Employee provisions are expected to be settled in:		
No more than 12 months	18,881	11,393
More than 12 months	5,253	8,886
Total Employee Provisions	24,134	20,279

A remeasurement of Employee Provisions (Annual Leave & Long Service Leave) occurred to include Senior Executive motor vehicle allowances. The impact of the remeasurement was an increase in Employee Provisions of \$216,000, and a reduction in Retained Earnings of \$216,000.

Note 8B: Other Provisions

Provision for 'Makegood' on leasehold improvements ¹	1,560	1,407
	1,560	1,407
Other provisions are expected to be settled in:		
No more than 12 months	54	-
More than 12 months	1,506	1,407
Total Other Provisions	1,560	1,407

	Provision for restoration \$'000	Total \$'000
Carrying amount 1 July 2011	1,407	1,407
Additional provisions made	79	79
Amounts used	-	-
Amounts reversed	-	-
Unwinding of discount or change in discount rate	74	74
Closing balance 30 June 2012	1,560	1,560

¹ The Commission has 11 agreements (2011: 11) for the leasing of premises which have provisions requiring it to restate the premises to their original condition at the conclusion of the lease. The Commission has made a provision to reflect the present value of this obligation.

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Note 9: Cash Flow Reconciliation

	2012 \$'000	2011 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	1,792	1,626
Balance Sheet	1,792	1,626
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	(177,514)	(150,682)
Add revenue from Government	151,275	141,342
Adjustments for non-cash items		
Depreciation and amortisation	4,664	4,836
Net write down of non-financial assets	406	23
Loss on disposal of assets	1	-
Gain on disposal of assets	(2)	-
Changes in assets/liabilities		
(Increase) / decrease in appropriation receivable	1,704	5,069
(Increase) / decrease in GST receivable	1,002	587
(Increase) / decrease in other receivables	4,033	(3,043)
(Increase) / decrease in inventories	(21)	8
(Increase) / decrease in prepayments	(469)	51
(Increase) / decrease in other assets	-	-
Increase / (decrease) in employee provisions	3,855	(1,057)
Increase / (decrease) in supplier payables	(1,411)	1,410
Increase / (decrease) in prepayments received	-	66
Increase / (decrease) in other provisions	74	47
Increase / (decrease) in unearned income	(123)	-
Increase / (decrease) in other payables	2,114	4,934
Net cash from / (used by) operating activities	<u>(10,412)</u>	<u>3,591</u>

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Note 10: Contingent Liabilities and Assets

	Claims for damages or costs		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Contingent liabilities				
Balance from previous period	-	45	-	45
New	-	-	-	-
Re-measurement	-	-	-	-
Liabilities recognised	-	(45)	-	(45)
Obligations expired	-	-	-	-
Total contingent liabilities	-	-	-	-

Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$nil (2011: \$nil).

Unquantifiable Contingencies

As at 30 June 2012, the Commission has 2 matters (2011: 1 matter) before the Courts alleging breaches of the Competition and Consumer Act. It was not possible to estimate the amounts of any eventual payments that may be required in relation to these claims. These were not included in the schedule of contingencies.

Significant Remote Contingencies

The Commission had no significant remote contingencies.

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 for the year ended 30 June 2012

Note 11: Senior Executive Remuneration

Note 11A: Senior Executive Remuneration Expense of the Reporting Period

	2012	2011
	\$	\$
Short-term employee benefits:		
Salary	10,686,371	8,772,452
Annual leave accrued	1,013,737	569,980
Performance bonus	694,138	488,006
Other ¹	1,051,356	1,269,783
Total short-term employee benefits	<u>13,445,602</u>	<u>11,100,221</u>
Post Employment benefits:		
Superannuation	1,568,919	1,471,270
Severance payments	-	81,052
Total post-employment employee benefits	<u>1,568,919</u>	<u>1,552,322</u>
Other long-term benefits:		
Long-service leave	1,305,215	120,373
Total other long-term benefits	<u>1,305,215</u>	<u>120,373</u>
Total	<u>16,319,736</u>	<u>12,772,916</u>

¹ Includes motor vehicle allowances and other allowances

Note 11A is prepared on an accrual basis and the performance bonus expense disclosed above may differ from the cash 'Bonus paid' in Note 11B

Note 11A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than \$150,000.

Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration ¹	2012					
	Senior Executives No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Bonus paid ⁵	Total
Total remuneration (including part-time arrangements):						
less than \$150,000						
\$150,000 to \$179,999	2	139,718	15,629	-	8,493	163,440
\$180,000 to \$209,999	12	164,532	23,741	-	9,897	198,170
\$210,000 to \$239,999	18	183,851	27,569	-	14,616	226,036
\$240,000 to \$269,999	5	204,788	28,687	176	19,675	253,326
\$270,000 to \$299,999	5	219,026	43,690	55	22,903	285,674
\$300,000 to \$329,999	1	245,038	36,523	-	29,225	310,786
\$330,000 to \$359,999	1	263,676	40,191	-	33,100	336,967
\$360,000 to \$389,999	1	282,744	42,390	-	35,050	360,184
\$390,000 to \$419,999	3	352,914	59,384	-	-	412,298
\$420,000 to \$449,999	3	363,275	76,442	2,432	-	442,149
\$450,000 to \$479,999	1	424,714	48,572	-	-	473,286
\$480,000 to \$509,999	1	484,397	29,225	1,323	-	484,945
\$540,000 to \$869,999	-	-	-	-	-	-
\$600,000 to \$629,999	-	-	-	-	-	-
Total	54	515,306	111,574	-	-	626,880

Average annual reportable remuneration ¹	2011					
	Senior Executives No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Bonus paid ⁵	Total
Total remuneration (including part-time arrangements):						
less than \$150,000						
\$150,000 to \$179,999	6	128,588	29,838	-	4,717	163,143
\$180,000 to \$209,999	21	160,766	24,983	74	10,568	196,391
\$210,000 to \$239,999	5	178,821	27,242	69	15,069	221,201
\$240,000 to \$269,999	5	200,967	36,562	-	16,720	254,249
\$270,000 to \$299,999	3	216,529	50,371	-	16,332	283,232
\$300,000 to \$329,999	3	246,473	73,640	3,212	-	323,325
\$330,000 to \$359,999	2	306,678	41,737	224	-	348,639
\$360,000 to \$389,999	3	310,054	63,667	-	-	373,721
\$390,000 to \$419,999	1	276,916	86,608	-	-	393,348
\$420,000 to \$449,999	-	-	-	-	-	-
\$450,000 to \$479,999	-	-	-	-	-	-
\$480,000 to \$509,999	-	-	-	-	-	-
\$540,000 to \$869,999	1	503,052	49,999	-	-	553,051
Total	50	-	49,999	-	-	553,051

Notes:
 1. This table reports on substantive senior executives who received remuneration during the reporting period. Each row is an average figure based on headcount for the individuals in the band.
 2. 'Reportable salary' includes the following:
 a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column)
 b) reportable fringe benefits (at the net amount prior to grossing up to account for tax benefits); and

- c) exempt foreign income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The bonus paid within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

Note 11C: Other Highly Paid Staff

		2012			
Average annual reportable remuneration ¹	Staff No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Total
		\$	\$	\$	\$
Total remuneration (including part-time arrangements):					
\$150,000 to \$179,999	34	133,682	23,225	221	157,128
\$180,000 to \$209,999	3	168,656	25,973	-	194,629
\$210,000 to \$239,999	1	192,451	29,839	-	221,990
\$240,000 to \$269,999	-	-	-	-	-
Total	38				

		2011			
Average annual reportable remuneration ¹	Staff No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Total
		\$	\$	\$	\$
Total remuneration (including part-time arrangements):					
\$150,000 to \$179,999	15	131,752	26,346	375	158,473
\$180,000 to \$209,999	2	162,304	24,995	-	187,299
\$210,000 to \$239,999	1	189,339	29,374	-	218,713
\$240,000 to \$269,999	-	-	-	-	-
Total	18				

Notes:

1. This table reports staff:
 - a) who were employed by the entity during the reporting period
 - b) whose reportable remuneration was \$150,000 or more for the financial period; and
 - c) were not required to be disclosed in Tables A, B or director disclosures.
 Each row is an averaged figure based on headcount for individuals in the band.
2. Reportable salary² includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - c) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' pay slips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
6. Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

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Note 12: Remuneration of Auditors

Financial statement audit services are provided free of charge to the Commission by the Australian National Audit Office (ANAO).

	2012 \$'000	2011 \$'000
Fair value of services provided		
Financial statement audit services	<u>73</u>	<u>71</u>

No other services were provided by the Auditor-General during the reporting period.

Note 13: Financial Instruments

	2012 \$'000	2011 \$'000
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Note 13A: Categories of financial instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	1,792	1,626
Goods and services receivables	689	4,722
Carrying amount of financial assets	<u>2,481</u>	<u>6,348</u>

Financial Liabilities at amortised cost

Other Liabilities:

Payables - suppliers	6,615	7,236
Carrying amount of financial liabilities	<u>6,615</u>	<u>7,236</u>

Note 13B: Net income and expense from financial assets

Loans and receivables:

Other	-	36
	<u>-</u>	<u>36</u>

The Commission received \$0 (2011: \$36,000) in income and expenses from financial assets and financial liabilities.

Note 13C: Fair value of financial instruments

	Carrying amount 2012 \$'000	Fair value 2012 \$'000	Carrying amount 2011 \$'000	Fair value 2011 \$'000
Financial Assets				
Cash and cash equivalents	1,792	1,792	1,626	1,626
Goods and services receivables	689	689	4,722	4,722
Total	<u>2,481</u>	<u>2,481</u>	6,348	6,348
Financial Liabilities				
Payables - suppliers	6,615	6,615	7,236	7,236
Total	<u>6,615</u>	<u>6,615</u>	7,236	7,236

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Note 13D: Credit risk

The Commission is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2012: 636,000 and 2011: \$4,722,000). The Commission has assessed the risk of the default on payment and has allocated \$Nil in 2011 (2011: \$Nil) to an impairment allowance account.

The Commission manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Commission has policies and procedures that guided employees debt recovery techniques that are to be applied.

The Commission holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2012 \$'000	Not Past Due Nor Impaired 2011 \$'000	Past due or impaired 2012 \$'000	Past due or impaired 2011 \$'000
Loans and receivables				
Cash and cash equivalents	1,792	1,626	-	-
Goods and services receivables	651	4,708	38	14
Total	2,443	6,334	38	14

Ageing of financial assets that are past due but not impaired for 2012

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Goods and services receivables	-	31	-	7	38
Total	-	31	-	7	38

Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Goods and services receivables	9	3	-	2	14
Total	9	3	-	2	14

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Note 13E: Liquidity risk

The Commission's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Entity (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The Commission is appropriated funding from the Australian Government. The Commission manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Commission has policies in place to ensure timely payment are made when due and has no past experience of default. All of the Commission's financial liabilities are due within one year.

Note 13F: Market risk

The Commission holds basic financial instruments that do not expose the Commission to certain market risks. The Commission is not exposed to Currency risk, Interest rate risk or Other price risk.

Note 13G: Financial Assets Reconciliation

		2012	2011
		\$'000	\$'000
<u>Financial assets</u>	Notes		
Total financial assets as per balance sheet		34,418	53,493
Less: non-financial instrument components:			
Appropriations receivable	5B	30,516	45,168
GST receivable	5B	1,421	1,977
Total non-financial instrument components		<u>31,937</u>	<u>47,145</u>
Total financial assets as per financial instruments note		<u>2,481</u>	<u>6,348</u>

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Note 14: Administered - Expenses

EXPENSES

Write-Down and Impairment of Assets

Asset write-downs and impairments from:

Impairment of receivables

	598	68
Total write-down and impairment of assets	598	68

Note 15: Administered - Income

	2011 \$'000	2010 \$'000
REVENUE		
Non-taxation revenue		
Note 15A: Fees and Fines		
Fines and costs	28,098	43,180
Authorisation fees	148	121
Notifications	64	79
Arbitration fees	5	32
Other	-	-
Total fees and fines	28,315	43,412
GAINS		
Note 15B: Other Gains		
Reversal of previously written-off amounts	2	-
Resources received free of charge	5	-
Total other gains	7	-

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Note 16: Administered - Financial Assets

	2012 \$'000	2011 \$'000
FINANCIAL ASSETS		
Note 16A: Cash and Cash Equivalents		
Cash at bank	9	18
Total cash and cash equivalents	9	18
Note 16B: Trade and Other Receivables		
Other Receivables:		
Fines and costs	10,927	12,415
Total other receivables	10,927	12,415
Total receivables (gross)	10,927	12,415
Less: impairment allowance account		
Fines and costs	(2,148)	(3,472)
Total impairment allowance account	(2,148)	(3,472)
Total receivables (net)	8,779	8,943
Receivables are expected to be recovered in:		
No more than 12 months	8,779	8,943
More than 12 months	-	-
Total receivables (net)	8,779	8,943
Receivables are aged as follows:		
Not overdue	6,441	8,037
Overdue by:		
0 to 30 days	3	3
31 to 60 days	200	403
61 to 90 days	20	9
More than 90 days	4,263	3,963
Total receivables (gross)	10,927	12,415
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(2,148)	(3,472)
Total impairment allowance account	(2,148)	(3,472)
Total Assets Administered on Behalf of Government	8,788	8,961

Credit terms were within 30 days (2011: 30 days).

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Reconciliation of the impairment allowance account:

Movements in relation to 2012

	Advances & loans	Other receivables	Total
	2012	2012	2012
	\$'000	\$'000	\$'000
Opening balance	-	3,472	3,472
Amounts written off	-	(1,324)	(1,324)
Amounts recovered and reversed	-	-	-
Increase (decrease) recognised in net surplus	-	-	-
Closing balance	-	2,148	2,148

Movements in relation to 2011

	Goods and services	Other receivables	Total
	2011	2011	2011
	\$'000	\$'000	\$'000
Opening balance	-	7,587	7,587
Amounts written off	-	(68)	(68)
Amounts recovered and reversed	-	(4,047)	(4,047)
Increase (decrease) recognised in net surplus	-	-	-
Closing balance	-	3,472	3,472

Note 17: Administered - Payables

	2012	2011
	\$'000	\$'000
Note 17A: Suppliers		
Trade creditors and accruals	-	-
Total Liabilities Administered on Behalf of Government	-	-

All liabilities are expected to be settled within 12 months of balance date.

AUSTRALIAN COMPETITION & CONSUMER COMMISSION
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Note 18: Administered - Cashflow Reconciliation

	2012 \$'000	2011 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Schedule of administered cash flows	9	18
Schedule of administered assets & liabilities	9	18
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	27,724	43,412
Adjustments for non-cash items		
Depreciation and amortisation	-	-
Net write down of non-financial assets	-	-
Changes in assets/liabilities		
(Increase) / decrease in net receivables	164	13,763
(Increase) / decrease in inventories	-	-
(Increase) / decrease in prepayments	-	-
(Increase) / decrease in other assets	-	-
Increase / (decrease) in supplier payables	-	-
Increase / (decrease) in prepayments received	-	-
Increase / (decrease) in other provisions	-	-
Increase / (decrease) in other payables	-	-
Net cash from / (used by) operating activities	<u>27,888</u>	<u>57,175</u>

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Note 19: Administered - Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Contingent assets				
Balance from previous period	1,076	1,224	1,076	1,224
New contingent assets recognised	1,067	66	1,067	66
Re-measurement	5	-	5	-
Assets recognised	(1,071)	(214)	(1,071)	(214)
Expired	(10)	-	(10)	-
Total contingent assets	1,067	1,076	1,067	1,076
Contingent liabilities				
Balance from previous period	-	-	-	-
New	-	-	-	-
Re-measurement	-	-	-	-
Assets recognised	-	-	-	-
Expired	-	-	-	-
Total contingent liabilities	-	-	-	-
Net contingent assets (liabilities)	1,067	1,076	1,067	1,076

Quantifiable Administered Contingencies

The Schedule of Contingencies reports contingent assets in respect of claims for damages/costs of \$1,067,000 (2011: \$1,076,000). The Commission is expecting to succeed in 4 alleged breaches (2011: 4 alleged breaches) of the Competition and Consumer Act, although the cases are continuing. The estimate is based on legal advice and the precedents in such cases.

Unquantifiable Administered Contingencies

As at 30 June 2012, the Commission has 31 matters (2011: 32 matters) considered unquantifiable. In the event of favourable judgment by the court, the Commission stands to gain by way of penalties or costs awarded. It is not possible to determine the amounts in relation to these matters. These were not included in the schedule of contingencies.

Remote Administered Contingencies

As at 30 June 2012, the Commission has no remote Administered Contingencies.

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Note 20: Administered - Financial Instruments

	2012	2011		
	\$'000	\$'000		
Note 20A: Categories of financial instruments				
Loans and receivables				
Loans and receivables				
Cash and cash equivalents	9	18		
Fines and costs receivable	8,779	8,943		
Carrying amount of financial assets	8,788	8,961		
Financial Liabilities				
Carrying amount of financial liabilities	-	-		
Note 20B: Net income and expense from financial assets				
Loans and receivables				
Interest revenue	-	-		
Exchange gains/(loss)	-	-		
Impairment	(598)	(68)		
Gain/loss on disposal	-	-		
Net loss from loans and receivables	(598)	(68)		
Note 20C: Fair value of financial instruments				
	Carrying	Fair	Carrying	Fair
	amount	value	amount	value
	2012	2012	2011	2011
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash & cash equivalents	9	9	18	18
Fines and costs receivable	8,779	8,779	8,943	8,943
Total Financial Assets	8,788	8,788	8,961	8,961

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Note 20D: Credit risk

The Commission is exposed to minimal credit risk as loans and receivables are cash and receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of receivables (2012: \$10,927,000 and 2011: \$12,415,000). The Commission has assessed the risk of the default on payment and has allocated \$2,148,000 in 2011 (2011: \$3,472,000) to an allowance for doubtful debts account.

The Commission holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2012 \$'000	Not Past Due Nor Impaired 2011 \$'000	Past due or impaired 2012 \$'000	Past due or impaired 2011 \$'000
Loans and receivables				
Cash and cash equivalents	9	18	-	-
Fines and costs receivable	6,441	8,037	4,486	906
Total	6,450	8,055	4,486	906

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Fines and costs receivable	3	200	20	2,115	2,338
Total	3	200	20	2,115	2,338

Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Fines and costs receivable	3	403	9	491	906
Total	3	403	9	491	906

Note 20E: Liquidity risk

The Commission's has no administered financial liabilities that are payables. Accordingly the Commission is not exposed to significant liquidity risk.

The Commission's administered activities relate to fines and costs awarded by courts or through agreements. The Commission manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Commission has policies in place to ensure timely payments are made when due and has no past experience of default.

Note 20F: Market risk

The Commission holds basic financial instruments that do not expose the Commission to certain market risks. The Commission is not exposed to 'Currency risk,' 'Interest rate risk' or 'Other price risk'.

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Note 20G: Administered Financial Assets Reconciliation

		2012 \$'000	2011 \$'000
Financial assets	Notes		
Total financial assets as per Schedule of Administered Assets and Liabilities		8,788	8,961
Less: non-financial instrument components:	16		
Other Receivables		-	-
Total non-financial instrument components		-	-
Total financial assets as per financial instruments note		8,788	8,961

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Note 21: Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive¹)

	2012 Appropriations							Appropriation applied in 2012 (current and prior years) \$'000	Variance ^(d) \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriations reduced ^(a) \$'000	AFM ^(b) \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000				
DEPARTMENTAL	153,783	-	-	6,618	-	160,401	162,105	(1,704)	
Ordinary annual services									
Other services	55	-	-	-	-	55	13,003	(12,948)	
Equity									
Loans									
Total departmental	153,838	-	-	6,618	-	160,456	175,108	(14,652)	
ADMINISTERED									
Ordinary annual services									
Administered items	-	-	-	-	-	-	-	-	
Payments to CAC Act bodies	-	-	-	-	-	-	-	-	
Other services									
States, ACT, NT and Local government	-	-	-	-	-	-	-	-	
New administered outcomes	-	-	-	-	-	-	-	-	
Administered assets and liabilities	-	-	-	-	-	-	-	-	
Payments to CAC Act bodies	-	-	-	-	-	-	-	-	
Total administered	-	-	-	-	-	-	-	-	

Notes:

- (a) Appropriations reduced under Appropriation Acts (No. 1.3 & 5) 2011-12; sections 10, 11, and 12 and under Appropriation Acts (No. 2.4, 6) 2011-12; sections 12.13, and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2012, there was no reduction in departmental and non-operating departmental appropriations.
- (b) Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1.3, 5) 2011-12; section 13 and Appropriation Acts (No. 2.4, 6) 2011-12; section 15.
- (c) In 2011-12, there were no adjustments that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.
- (d) The variance between total annual appropriation available and total appropriation applied in 2012 relates to payments funded from unspent prior year appropriation items.

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Table A (continued): Annual Appropriations (Recoverable GST exclusive)

	2011 Appropriations							Appropriation applied in 2011 (current and prior years) \$'000	Variance ^(d) \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriations reduced ^(a) \$'000	AFM ^(b) \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000				
DEPARTMENTAL	147,304	-	985	2,838	-	151,127	152,454	(1,327)	
Ordinary annual services	-	-	-	-	-	-	-	-	
Other services	40	-	-	-	-	40	-	40	
Equity	-	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	
Total departmental	147,344	-	985	2,838	-	151,167	152,454	(1,287)	
ADMINISTERED									
Ordinary annual services	-	-	-	-	-	-	-	-	
Administered items	-	-	-	-	-	-	-	-	
Payments to CAC Act bodies	-	-	-	-	-	-	-	-	
Other services	-	-	-	-	-	-	-	-	
States, ACT, NT and Local government	-	-	-	-	-	-	-	-	
New administered outcomes	-	-	-	-	-	-	-	-	
Administered assets and liabilities	-	-	-	-	-	-	-	-	
Payments to CAC Act bodies	-	-	-	-	-	-	-	-	
Total administered	-	-	-	-	-	-	-	-	

Notes:

- (a) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2010-11; sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2,4,6) 2010-11; sections 12,13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2011, there was no reduction in departmental and non-operating departmental appropriations.
- (b) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1&3) 2010-11; section 12 and Appropriation Acts (No. 2 & 4) 2010-11; section 15.
- (c) In 2010-11, there were no adjustments that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.
- (d) The variance between total annual appropriation available and total appropriation applied in 2011 relates to payments funded from unspent prior year appropriation items.

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Table B: Departmental and Administered Capital Budgets (Recoverable GST exclusive)

	2012 Capital Budget Appropriations			Capital Budget Appropriations applied in 2012				
	Appropriation Act		FMA Act	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000	Variance \$'000
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000	Section 32 \$'000					
DEPARTMENTAL Ordinary annual services - Departmental Capital Budget ¹	2,508	-	-	2,508	2,508	-	2,508	-
ADMINISTERED Ordinary annual services - Administered Capital Budget ¹	-	-	-	-	-	-	-	-

Notes:

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No.1.3.5) 2011-12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

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Table B: (continued) Departmental and Administered Capital Budgets (Recoverable GST exclusive)

	2011 Capital Budget Appropriations			Capital Budget Appropriations applied in 2011				
	Appropriation Act		FMA Act	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000	Variance \$'000
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000	Section 32 \$'000					
DEPARTMENTAL Ordinary annual services - Departmental Capital Budget ¹	2,500	-	-	2,500	2,500	-	2,500	-
ADMINISTERED Ordinary annual services - Administered Capital Budget ¹	-	-	-	-	-	-	-	-

Notes:

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No.1,3,5) 2010-11: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

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Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

DEPARTMENTAL	2,012 \$'000	2011 \$'000
Authority	6,871	19,779
2004/05 - Act 2 - Non Operating - Equity Injection	3,286	3,286
2005/06 - Appropriation Act 1	4,130	4,130
2006/07 - Appropriation Act 3	4,484	4,484
2006/07 - Appropriation Act 1	2,534	2,534
2006/07 - Appropriation Act 3	2,012	2,012
2007/08 - Appropriation Act 3	2,200	2,200
2008/09 - Appropriation Act 1	5,000	5,000
2008/09 - Act 4 - Non Operating - Equity Injection	-	-
2009/10 - Appropriation Act 3 - Section 31 Receipts	-	1,204
2010/11 - Appropriation Act 1 Section 31 Receipts	-	40
2010/11 - Act 2 - Non Operating - Equity Injection	-	-
Total	30,516	44,668

Table D: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Purpose	2012 \$'000	2011 \$'000
Financial Management and Accountability Act 1997 s.28(2), Administered	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment	104	25

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Note 22: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts. The possibility of this being an issue for the agency was reported in the notes to the 2010-11 financial statements and the agency undertook to investigate the issue during 2011-12.

During 2011-12, the agency developed a plan to review exposure to risks of not complying with statutory conditions on payments from appropriations. The plan involved:

- identifying each special appropriation and special account;
- determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and assessing the extent to which existing payment systems and processes satisfy those conditions;
- determining procedures to confirm risk assessments in medium risk cases and to quantify the extent of non-compliance, if any, in higher risk situations;
- an external review of all payments in 2010-11 and 2011-12 from the special appropriation and special account to ensure statutory conditions were met. Payment processes were also reviewed to ensure adequate controls are in place and that an assessment of statutory conditions is undertaken for each payment.

The agency identified 2 appropriations involving statutory conditions for payment, comprising:

- 1 special appropriation; and
- 1 special account.

As at 30 June 2012 this work had been completed in respect of all appropriations with statutory conditions for payment in 2010-11 and 2011-12 totalling \$836,359 (representing \$731,659 in 2010-11 and \$104,700 in 2011-12).

The work conducted to date has identified no issues of compliance with Section 83.

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Note 23: Special Accounts

	Other Trust Monies Special Account ^{1, 2}		Services for Other Entities and Trust Monies ^{3, 4}	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Administered				
Balance carried forward from previous period	-	749	54	-
Increases:				
Other receipts	-	14	1	
Transfer of funds from Other Trust Monies Special Account	-	-	-	54
Total increase	-	14	1	54
Available for payments	-	763	55	54
Decreases:				
Payments made	-	708	1	
Transfer of funds to Services for Other Entities and Trust Monies Account	-	54	-	-
Total decrease	-	763	1	-
Total balance to be carried to the next period	-	-	54	54

¹ Establishing Instrument: *Financial Management and Accountability Act 1997*; s20

² The purpose for this account is the receipt of monies temporarily held on trust or otherwise for the benefit of another person other than the Australian Government.

³ Establishing Instrument: *Financial Management and Accountability Act 1997*; s20

⁴ The purpose of the account is (a) amounts to be held on trust or otherwise for the benefit of a person other than the Commonwealth; (b) amounts received in the course of the performance of functions that relate to the purposes of the Services for Other Entities and Trust Monies - Australian Competition and Consumer Commission Special Account; (c) amounts received from any person for the purposes of the Services for Other Entities and Trust Monies - Australian Competition and Consumer Commission Special Account; and (d) amounts to be held on trust or otherwise for the benefit of a person other than the Commonwealth.

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Note 24: Compensation and Debt Relief

Compensation and Debt Relief - Departmental	2012	2011
	\$	\$
No 'Act of Grace' expenses were incurred during the reporting period (2011: No expenses).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.(2011: No waiver)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2011: No payments)	-	-
No ex-gratia payments were provided for during the reporting period. (2011: No payments).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period. (2011: No payments).	-	-
Compensation and Debt Relief - Administered		
No 'Act of Grace' expenses were incurred during the reporting period (2011: No expenses).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.(2011: No waiver)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2011: No payments)	-	-
No ex-gratia payments were provided for during the reporting period. (2011: No payments).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period. (2011: No payments).	-	-

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Note 25: Reporting of Outcomes

The Commission attributes its outcome between its two output groups on the basis of identifiable actual costs. Shared costs incurred with respect to these output groups are apportioned according to these resulting actual costs. This basis of attribution is consistent with that used for the 2011-12 budget.

Note 25A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Departmental				
Expenses	(179,063)	(151,858)	(179,063)	151,858
Own-source Income	1,549	1,176	1,549	1,176
Administered				
Expenses	(598)	(68)	(598)	(68)
Own-source Income	28,322	43,412	28,322	43,412
Net cost of outcome delivery	(149,790)	(107,338)	(149,790)	(107,338)

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

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Note 25B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome

Outcome 1	Outcome 1		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Departmental expenses				
Employees	100,607	81,586	100,607	81,586
Suppliers	68,737	64,563	68,737	64,563
Depreciation & amortisation	4,664	4,836	4,664	4,836
Finance costs	74	61	74	61
Losses from asset sales	1	-	1	-
Write-down and impairment of assets	406	23	406	23
Other expenses	4,574	789	4,574	789
Total	179,063	151,858	179,063	151,858
Departmental income				
Revenue from government	151,275	141,342	151,275	141,342
Sale of goods and services	587	602	587	602
Other income	887	467	887	467
Gains	75	107	75	107
Total	152,824	142,518	152,824	142,518
Departmental assets				
Cash and cash equivalents	1,792	1,626	1,792	1,626
Trade and other receivables	32,626	51,867	32,626	51,867
Leasehold improvements	14,296	14,236	14,296	14,236
Property, plant and equipment	6,621	7,678	6,621	7,678
Intangibles	3,453	2,029	3,453	2,029
Inventories	49	28	49	28
Other non-financial assets	1,782	1,313	1,782	1,313
Total	60,619	78,777	60,619	78,777
Departmental liabilities				
Suppliers	6,615	7,236	6,615	7,236
Other payables	13,805	11,816	13,805	11,816
Employee provisions	24,134	20,279	24,134	20,279
Other provisions	1,560	1,407	1,560	1,407
Total	46,114	40,738	46,114	40,738

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

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Note 25C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome

	Outcome 1		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Administered expenses				
Write-down of assets	598	68	598	68
Total	598	68	598	68
Administered Income				
Fines and costs	28,098	43,180	28,098	43,180
Authorisation fees	148	121	148	121
Other	76	111	76	111
Total	28,322	43,412	28,322	43,412
Administered Assets				
Cash and cash equivalents	9	18	9	18
Receivables	8,779	8,943	8,779	8,943
Total	8,788	8,961	8,788	8,961
Administered Liabilities				
Supplier payables	-	-	-	-
Total	-	-	-	-

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

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Note 26: Net Cash Appropriation Arrangements

	2,012	2,011
	\$'000	\$'000
Total comprehensive loss less depreciation/amortisation previously funded through revenue appropriations ¹	(21,433)	(4,504)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	4,664	4,836
Total comprehensive loss as per the Statement of Comprehensive Income	<u>(26,097)</u>	<u>(9,340)</u>

¹ From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.