

# **National Competition Council**

## **Entity resources and planned performance**



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# National Competition Council

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The National Competition Council (NCC) makes recommendations under the National Access Regime in Part IIIA of the *Competition and Consumer Act 2010*.

The National Access Regime promotes competition, efficiency and productivity in markets that depend on the use of services provided by monopoly infrastructure facilities. Within this regime the NCC may recommend the declaration of a service provided by a monopoly facility but only if all of the 'declaration criteria' specified in the *Competition and Consumer Act 2010* are met. Where a service is declared, the Australian Competition and Consumer Commission (ACCC) is empowered to arbitrate access disputes if the parties seeking access and the facility owner are unable to agree on access arrangements including prices.

As an alternative to the National Access Regime, state and territory governments may implement access regimes specific to their circumstances or implement (cooperatively) parallel regulation in each jurisdiction (as has occurred for the gas and electricity industries). The NCC is responsible for recommending whether a state or territory access regime should be certified as effective, with the result that services covered by that access regime are exempt from declaration under the *Competition and Consumer Act 2010*.

On 1 July 2014, the NCC entered into a Memorandum of Understanding with the ACCC under which staff and other support for the NCC's operations are provided by the ACCC. The NCC remains an independent entity, however, under this arrangement, it does not employ staff directly. The NCC maintains responsibility for its recommendations, decisions and other functions under the *Competition and Consumer Act 2010* and ensures that its websites, guidelines, and other information resources remain relevant and available to all stakeholders.

## 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity’s operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the Budget Paper No. 4 – Agency Resourcing.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome 1’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: National Competition Council resource statement – Budget estimates for 2023–24 as at Budget May 2023**

	<i>2022–23 Estimated actual \$'000</i>	2023–24 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	3,382	2,783
Departmental appropriation (b)(c)	1,683	1,727
<b>Total departmental annual appropriations</b>	<b>5,065</b>	<b>4,510</b>
<b>Total departmental resourcing</b>	<b>5,065</b>	<b>4,510</b>
<b>Total resourcing for National Competition Council</b>	<b>5,065</b>	<b>4,510</b>
	<i>2022-23</i>	2023-24
<b>Average staffing level (number)</b>	1	1
<b>Third party payments from and on behalf of other entities</b>		
	<i>2022-23 Estimated actual \$'000</i>	2023-24 Estimate \$'000
Payments made by the ACCC on behalf of the NCC	1,683	1,727
Payments made to the ACCC for the provision of corporate and professional services	850	850

All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

Prepared on a resourcing (for example, appropriations available) basis.

- a) Appropriation Bill (No. 1) 2023–24.
- b) Excludes \$0.08m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- c) Excludes Departmental Capital Budget (DCB).

### **1.3 Budget measures**

The National Competition Council has no new budget measures.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's Corporate Plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent Corporate Plan for the National Competition Council can be found at: ([http://ncc.gov.au/about/strategic\\_plan](http://ncc.gov.au/about/strategic_plan)).

The most recent annual performance statement can be found at (<http://ncc.gov.au/publications/C41>).



## 2.1 Budgeted expenses and performance for Outcome 1

**Outcome 1: Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure.**

### *Budgeted expenses for Outcome 1*

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.1: Budgeted expenses for Outcome 1**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>Program 1.1: National Competition Council</b>					
Departmental expenses					
Departmental appropriation	1,683	1,727	1,764	1,788	1,824
Expenses not requiring appropriation in the Budget year (a)	34	34	34	34	34
<b>Departmental total</b>	<b>1,717</b>	<b>1,761</b>	<b>1,798</b>	<b>1,822</b>	<b>1,858</b>
<b>Total expenses for program 1.1</b>	<b>1,717</b>	<b>1,761</b>	<b>1,798</b>	<b>1,822</b>	<b>1,858</b>
<b>Total expenses for Outcome 1</b>	<b>1,717</b>	<b>1,761</b>	<b>1,798</b>	<b>1,822</b>	<b>1,858</b>
	2022-23	2023-24			
<b>Average staffing level (number)</b>	1	1			

a) Expenses not requiring appropriation in the Budget year represent audit services received free of charge from the Australian National Audit Office (ANAO).

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

**Table 2.2: Performance measure for Outcome 1**

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2023–24 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 1 – Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure.</b>		
<b>Program 1.1- National Competition Council</b>		
The NCC’s objective is to provide advice to Governments and make decisions on infrastructure access issues that accord with statutory requirements (including time limits) and good regulatory practice and ensuring that advice meets requirements of decision-making ministers, such that Australia achieves a consistent approach to access regulation that promotes the efficient operation of, use of and investment in infrastructure thereby promoting effective competition.		
<b>Key Activities</b>	The NCC makes recommendations under the National Access Regime in Part IIIA of the <i>Competition and Consumer Act 2010</i> . The National Access Regime provides for access to the services of monopoly infrastructure facilities on appropriate terms, through the declaration of services. The NCC’s role is to make recommendations to relevant ministers in relation to applications for declaration of services and the certification of state or territory access regimes. The National Access Regime seeks to promote the efficient operation of, use of, and investment in significant bottleneck infrastructure, and to promote competition, efficiency and productivity in markets that depend on the use of services provided by significant bottleneck infrastructure facilities.	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current year 2022–23	Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to ‘clock stopping’ provisions) and meet advice requirements of Ministers.	The Council did not consider any declaration applications in 2022–23 and therefore was not required to make any recommendations.
	Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to ‘clock stopping’ provisions) and meet advice requirements of Ministers.	The Council did not consider any certification applications and therefore was not required to make any recommendations.
	Recommendations and decisions under the National Gas Law made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.	The Council did not consider any matters under the National Gas Law during 2022–23 and was therefore not required to make any recommendations or decisions.
	Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is up to date and contains accessible information on all access regulation matters for which the Council is responsible.

**Table 2.2: Performance measure for Outcome 1 (continued)**

Year	Performance measures	Expected performance results
Current year 2022–23	Up to date and informative guidelines on all the NCC's areas of responsibility are maintained on the NCC website.	Guides to declaration and certification under the National Access Regime are up to date. Information on the NCC's areas of responsibility are currently being updated to reflect changes to the National Gas Law in March 2023.
	Case law developments, legislative amendments and developments in the NCC's processes or policies are reflected in the NCC's information resources within 30 days.	There were no case law developments, legislative amendments or changes in the Council's processes or policies during the reporting year.
	The NCC's annual report to the Parliament includes a comprehensive report that meets the requirements of s29O of the CCA and is provided within the timeframe required by the PGPA Act 2013 (for example, by the 15th day of the fourth month after the end of the reporting period).	The Council's 2021–22 Annual Report was provided to the Treasurer within the timeframe required by the PGPA Act 2013. The Annual Report met the requirements of s29O of the CCA.
Budget Year 2023–24	Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.
	Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.
	Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is forecast to be up to date and contain accessible information on all access regulation matters for which the Council is responsible.
	Up to date and informative guidelines on all the NCC's areas of responsibility are maintained on the NCC website.	Guidelines are forecast to be updated within 30 days of relevant decisions or developments in case law.
	Case law developments, legislative amendments and developments in the NCC's processes or policies are reflected in the NCC's information resources within 30 days.	Case law developments, legislative amendments and developments in Council processes or policies are forecast to be reflected in Council information resources within 30 days.
	The NCC's annual report to the Parliament includes a comprehensive report that meets the requirements of s29O of the CCA and is provided within the timeframe required by the PGPA Act 2013 (for example, by the 15th day of the fourth month after the end of the reporting period).	The Council's annual report provides comprehensive information on the National Access Regime, addresses all matters required under section 29O of the CCA and is forecast to be provided within the required timeframe.
Forward Estimates 2024–27	As per 2023–24.	As per 2023–24.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023–24 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

There are no material differences between agency resourcing and financial statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

The NCC is budgeting for a break–even operating result for 2023–24 and the forward years. The financial statements have been prepared on an Australian Accounting Standards basis.

The NCC's assets are mainly financial assets consisting of appropriation receivables and cash.

Council members do not receive leave entitlements. Councillor remuneration is established through *Remuneration Tribunal (Remuneration and Allowances for Holders of Part time Public Office) Determination 2022 Compilation No.7*, which is set by the Remuneration Tribunal, an independent statutory authority established under *the Remuneration Tribunal Act 1973*.

**3.2 Budgeted financial statements tables****Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	104	106	108	130	130
Suppliers	1,613	1,655	1,690	1,692	1,728
<b>Total expenses</b>	<b>1,717</b>	<b>1,761</b>	<b>1,798</b>	<b>1,822</b>	<b>1,858</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Gains</b>					
Other	34	34	34	34	34
<b>Total gains</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Total own-source income</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Net (cost of)/contribution by services</b>	<b>(1,683)</b>	<b>(1,727)</b>	<b>(1,764)</b>	<b>(1,788)</b>	<b>(1,824)</b>
Revenue from Government	1,683	1,727	1,764	1,788	1,824
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	50	50	50	50	50
Trade and other receivables	3,382	3,382	3,382	3,382	3,382
<b>Total financial assets</b>	<b>3,432</b>	<b>3,432</b>	<b>3,432</b>	<b>3,432</b>	<b>3,432</b>
<b>Non-financial assets</b>					
Other non-financial assets	213	213	213	213	213
<b>Total non-financial assets</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>
<b>Total assets</b>	<b>3,645</b>	<b>3,645</b>	<b>3,645</b>	<b>3,645</b>	<b>3,645</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2	2	2	2	2
Other payables	2	2	2	2	2
<b>Total payables</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total liabilities</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Net assets</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	81	81	81	81	81
Retained surplus (accumulated deficit)	3,560	3,560	3,560	3,560	3,560
<b>Total parent entity interest</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>
<b>Total equity</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>

Prepared on Australian Accounting Standards basis.

\*'Equity' is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity – summary of movement  
(Budget year 2023–24)**

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2023</b>			
Balance carried forward from previous period	3,560	81	3,641
<b>Adjusted opening balance</b>	<b>3,560</b>	<b>81</b>	<b>3,641</b>
<b>Comprehensive income</b>			
Other comprehensive income	-	-	-
Surplus/(deficit) for the period	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated closing balance as at 30 June 2024</b>	<b>3,560</b>	<b>81</b>	<b>3,641</b>
<b>Closing balance attributable to the Australian Government</b>	<b>3,560</b>	<b>81</b>	<b>3,641</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,683	1,727	1,764	1,788	1,824
Net GST received	165	162	166	166	169
<b>Total cash received</b>	<b>1,848</b>	<b>1,889</b>	<b>1,930</b>	<b>1,954</b>	<b>1,993</b>
<b>Cash used</b>					
Employees	104	106	108	130	130
Suppliers	1,579	1,621	1,656	1,658	1,694
Net GST paid	165	162	166	166	169
<b>Total cash used</b>	<b>1,848</b>	<b>1,889</b>	<b>1,930</b>	<b>1,954</b>	<b>1,993</b>
<b>Net cash from/(used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>					
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	50	50	50	50	50
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

Prepared on Australian Accounting Standards basis.