

# Part 5

## Financial statements





## INDEPENDENT AUDITOR'S REPORT

### To the Treasurer

I have audited the accompanying financial statements of Australian Competition and Consumer Commission for the year ended 30 June 2014, which comprise: a Statement by the Chairman, Chief Executive Officer and Chief Finance Officer; Statement of Comprehensive Income; Statement of Financial Position; 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 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

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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 2014 and 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  
26 August 2014

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 2014 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 and Agency Head

26 August 2014



Peter Maybury  
Chief Finance Officer

26 August 2014

**AUSTRALIAN COMPETITION & CONSUMER COMMISSION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2014*

	Notes	2014 \$'000	2013 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	3A	107,091	101,478
Supplier expenses	3B	66,673	66,929
Depreciation and amortisation	3C	5,742	5,074
Finance costs	3D	52	50
Write-down and impairment of assets	3E	14	59
Losses from asset sales	3F	-	-
Other expenses	3G	3,530	3,527
<b>Total expenses</b>		<b>183,102</b>	<b>177,117</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	782	592
Other	4B	274	92
<b>Total own-source revenue</b>		<b>1,056</b>	<b>684</b>
<b>Gains</b>			
Sale of assets	4C	-	-
Other	4D	105	168
<b>Total gains</b>		<b>105</b>	<b>168</b>
<b>Total own-source income</b>		<b>1,161</b>	<b>852</b>
<b>Net cost of services</b>		<b>181,941</b>	<b>176,265</b>
Revenue from Government	4E	179,517	150,228
<b>Surplus/(Deficit) attributable to the Australian Government</b>		<b>(2,424)</b>	<b>(26,037)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Changes in asset revaluation surplus		(14)	53
<b>Total other comprehensive income</b>		<b>(14)</b>	<b>53</b>
<b>Total comprehensive income/(loss)</b>		<b>(2,438)</b>	<b>(25,984)</b>

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

AUSTRALIAN COMPETITION & CONSUMER COMMISSION  
 STATEMENT OF FINANCIAL POSITION  
 as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6A	1,941	592
Trade and other receivables	6B	26,662	11,033
Other financial assets		-	-
<b>Total financial assets</b>		<b>28,603</b>	<b>11,625</b>
<b>Non-financial assets</b>			
Leasehold improvements	7A,C	13,769	14,107
Property, plant and equipment	7B,C	6,427	7,083
Intangibles	7D,E	3,237	3,505
Inventories	7F	10	22
Other non-financial assets	7G	1,539	759
<b>Total non-financial assets</b>		<b>24,982</b>	<b>25,476</b>
<b>Total assets</b>		<b>53,585</b>	<b>37,101</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	6,331	5,313
Other payables	8B	14,109	14,046
<b>Total payables</b>		<b>20,440</b>	<b>19,359</b>
<b>Provisions</b>			
Employee provisions	9A	23,818	25,708
Other provisions	9B	4,831	1,435
<b>Total provisions</b>		<b>28,649</b>	<b>27,143</b>
<b>Total liabilities</b>		<b>49,089</b>	<b>46,502</b>
<b>Net assets</b>		<b>4,496</b>	<b>(9,401)</b>
<b>EQUITY</b>			
Contributed equity		63,618	47,283
Reserves		3,719	3,733
Retained surplus/(accumulated deficit)		(62,841)	(60,417)
<b>Total equity</b>		<b>4,496</b>	<b>(9,401)</b>

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 2014*

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	(60,417)	(34,380)	3,733	3,680	47,283	45,205	(9,401)	14,505
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>(60,417)</b>	<b>(34,380)</b>	<b>3,733</b>	<b>3,680</b>	<b>47,283</b>	<b>45,205</b>	<b>(9,401)</b>	<b>14,505</b>
<b>Comprehensive income</b>								
Surplus/(Deficit) for the period	(2,424)	(26,037)	-	-	-	-	(2,424)	(26,037)
Other comprehensive income	-	-	(14)	53	-	-	(14)	53
<b>Total comprehensive income</b>	<b>(2,424)</b>	<b>(26,037)</b>	<b>(14)</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>(2,438)</b>	<b>(25,984)</b>
<b>Transactions with owners</b>								
<b>Contributions by Owners</b>								
Equity injection - Appropriations	-	-	-	-	14,310	60	14,310	60
Departmental capital budget	-	-	-	-	2,025	2,018	2,025	2,018
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,335</b>	<b>2,078</b>	<b>16,335</b>	<b>2,078</b>
<b>Closing balance as at 30 June</b>	<b>(62,841)</b>	<b>(60,417)</b>	<b>3,719</b>	<b>3,733</b>	<b>63,618</b>	<b>47,283</b>	<b>4,496</b>	<b>(9,401)</b>

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 2014*

	Notes	2014 \$'000	2013 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		177,754	170,809
Sales of goods and rendering of services		303	1,150
Net GST received		6,445	7,016
Other		274	91
<b>Total cash received</b>		<u>184,776</u>	<u>179,066</u>
<b>Cash used</b>			
Employees		(108,666)	(100,882)
Suppliers		(68,020)	(73,981)
Section 31 receipts transferred to OPA		(1,348)	(3,448)
Other		(3,527)	(3,552)
<b>Total cash used</b>		<u>(181,561)</u>	<u>(181,863)</u>
<b>Net cash from/(used by) operating activities</b>	10	<u>3,215</u>	<u>(2,797)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		0	2
<b>Total cash received</b>		<u>0</u>	<u>2</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		(1,090)	(2,054)
Purchase of leasehold improvements		(3,150)	(699)
Purchase of intangibles		(1,369)	(1,391)
<b>Total cash used</b>		<u>(5,609)</u>	<u>(4,144)</u>
<b>Net cash from/(used by) investing activities</b>		<u>(5,609)</u>	<u>(4,142)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		3,743	5,739
<b>Total cash received</b>		<u>3,743</u>	<u>5,739</u>
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Total cash used</b>		<u>-</u>	<u>-</u>
<b>Net cash from/(used by) financing activities</b>		<u>3,743</u>	<u>5,739</u>
<b>Net increase/(decrease) in cash held</b>		<u>1,349</u>	<u>(1,200)</u>
Cash and cash equivalents at the beginning of the reporting period		592	1,792
<b>Cash and cash equivalents at the end of the reporting period</b>	6A	<u>1,941</u>	<u>592</u>

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

AUSTRALIAN COMPETITION & CONSUMER COMMISSION  
 SCHEDULE OF COMMITMENTS  
 as at 30 June 2014

	2014 \$'000	2013 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Other	1,540	235
Net GST recoverable on commitments	10,649	12,010
<b>Total commitments receivable</b>	<b>12,189</b>	<b>12,245</b>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Operating leases <sup>1</sup>	(97,313)	(110,447)
Contracts for IT services <sup>2</sup>	(11,176)	(11,853)
Other <sup>3</sup>	(8,658)	(9,805)
GST payable on Commitments	(140)	(21)
<b>Total other commitments</b>	<b>(117,287)</b>	<b>(132,126)</b>
<b>Net commitments by type</b>	<b>(105,098)</b>	<b>(119,881)</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	3,549	3,052
From one to five years	5,523	5,198
Over five years	3,118	3,995
<b>Total other commitments receivable</b>	<b>12,189</b>	<b>12,245</b>
<b>Commitments payable</b>		
<b>Operating lease commitments</b>		
One year or less	(13,281)	(12,920)
From one to five years	(49,736)	(53,584)
Over five years	(34,296)	(43,943)
<b>Total operating lease commitments</b>	<b>(97,313)</b>	<b>(110,447)</b>
<b>Other commitments</b>		
One year or less	(17,358)	(18,086)
From one to five years	(2,616)	(3,593)
<b>Total other commitments</b>	<b>(19,974)</b>	<b>(21,679)</b>
<b>Total commitments payable</b>	<b>(117,287)</b>	<b>(132,126)</b>
<b>Net commitments by maturity</b>	<b>(105,098)</b>	<b>(119,881)</b>

NB: All commitments are GST inclusive where relevant.

<sup>1</sup> 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.

<sup>2</sup> Various contracts for Information Technology services

<sup>3</sup> 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 2014*

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
<b>Contingent liabilities</b>		
Claims for damages or costs	-	-
<b>Total contingent liabilities</b>	<u>-</u>	<u>-</u>

Details of each class of contingent liabilities above are disclosed in Note 11: Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified. The Commission has no departmental contingent assets or contingent liabilities.

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 2014*

	Notes	2014 \$'000	2013 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Write-down and impairment of assets	15	2,549	4,538
<b>Total expenses</b>		<u>2,549</u>	<u>4,538</u>
<b>Income</b>			
<b>Revenue</b>			
<b>Non-taxation revenue</b>			
Fees and fines	16A	30,050	57,067
<b>Total non-taxation revenue</b>		<u>30,050</u>	<u>57,067</u>
<b>Total revenue</b>		<u>30,050</u>	<u>57,067</u>
<b>Gains</b>			
Other gains	16B	-	-
<b>Total gains</b>		<u>-</u>	<u>-</u>
<b>Total income</b>		<u>30,050</u>	<u>57,067</u>
<b>Net cost of/(contribution by) services</b>		<u>(27,501)</u>	<u>(52,529)</u>
<b>Surplus on continuing operations</b>		<u>27,501</u>	<u>52,529</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>27,501</u>	<u>52,529</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 2014*

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	18A	9	18
Trade and other receivables	18B	4,314	12,577
<b>Total financial assets</b>		<u>4,323</u>	<u>12,595</u>
<b>Total assets administered on behalf of Government</b>		<u>4,323</u>	<u>12,595</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	19A	-	-
<b>Total payables</b>		<u>-</u>	<u>-</u>
<b>Total liabilities administered on behalf of Government</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>4,323</u>	<u>12,595</u>

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

**AUSTRALIAN COMPETITION & CONSUMER COMMISSION**  
**ADMINISTERED RECONCILIATION SCHEDULE**  
*as at 30 June 2014*

	Notes	2014 \$'000	2013 \$'000
<b>Operating assets less liabilities as at 1 July</b>		<b>12,595</b>	8,788
Adjustment for errors		-	(459)
<b>Adjusted opening assets less liabilities</b>		<b>12,595</b>	8,329
Income		<b>30,050</b>	57,067
Expenses			
Payments to Non-CAC bodies		<b>(2,549)</b>	(4,538)
<b>Transfers (to)/from Australian Government</b>			
Appropriation transfers to OPA			
Transfers to OPA		<b>(35,772)</b>	(48,263)
<b>Closing assets less liabilities as at 30 June</b>		<b>4,324</b>	12,595

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

**AUSTRALIAN COMPETITION & CONSUMER COMMISSION**  
**ADMINISTERED CASH FLOW STATEMENT**  
*for the period ended 30 June 2014*

	Notes	2014 \$'000	2013 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Fines and costs		35,511	48,023
Other fees		252	249
<b>Total cash received</b>		<u>35,763</u>	<u>48,272</u>
<b>Net cash flows from/(used by) operating activities</b>	20	<u>35,763</u>	<u>48,272</u>
<b>Net increase in cash held</b>		<u>35,763</u>	<u>48,272</u>
Cash and cash equivalents at the beginning of the reporting period		18	9
<b>Cash to Official Public Account</b>			
Appropriations		(35,772)	(48,263)
<b>Total cash to official public account</b>		<u>(35,754)</u>	<u>(48,254)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	18A	<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 2014*

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 2014*

	2014 \$'000	2013 \$'000
<b>Contingent assets</b>		
Claims for damages or costs	<u>1,815</u>	<u>2,110</u>
<b>Total contingent assets</b>	<u>1,815</u>	<u>2,110</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 21: 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 2014*

**Note**

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**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. It is a not-for-profit 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 toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income 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:

- a) Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and
- b) 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 and liabilities 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 executory 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 2014*

**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 reporting 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.

There have been no new standards, amended standards or interpretations that were issued by the Australian Accounting Standards Board prior to the sign off date that are applicable to the current reporting period and have a material impact on the ACCC.

Future Australian Accounting Standard Requirements

The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date and apply to the future reporting period, they are expected to have a financial impact on the agency for future reporting periods:

AASB 1055	Budgetary Reporting - this new requirement will require the ACCC to explain significant variances between budget and actual expenditure.
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The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date and apply to the future reporting period, they are not expected to have a financial impact on the ACCC:

AASB 9	Financial Instruments – may impact on recognition and measurement of financial instruments
AASB 10	Consolidated Financial Statements - this is not expected to impact on the ACCC's financial statements
AASB 12	Disclosure of Interests in other Entities - this is not expected to impact on the ACCC's financial statements
AASB 1031	Materiality - changes will impact on the available guidance previously used within the standard - this is not expected to have a major impact on the ACCC's financial statements
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities

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**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 or 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 associated 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 the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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 a restructuring of administrative arrangements (refer to Note 1.7).

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.

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.

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**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 entity 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 2013-14, the Commission made no such distributions.

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**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 the end of the reporting period 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 Commission'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'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.

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**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 is 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.

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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 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.

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 held 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 held 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).



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**1.14 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position 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.

**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 'make good' 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 'make good' 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
Property, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment is carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are 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 is 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 reversed 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.

<b>Asset Class</b>	<b>2014</b>	<b>2013</b>
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 2014. 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 comprise 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. (2012-13: 3 to 7 years).

All software assets were assessed for impairment as at 30 June 2014. 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 Williams Case**

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Australian Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

**1.21 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 the 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 the end of the reporting period. 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**

On 1 July 2014, the Commission entered into an arrangement with the National Competition Council (NCC) to provide secretariat services for the NCC. The arrangement has been agreed to for a period of two years, and may be extended dependent on agreement by both parties.

**Administered**

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

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**Note 3: Expenses**

	2014	2013
	\$'000	\$'000
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	78,112	76,846
Superannuation:		
Defined contribution plans	6,867	6,351
Defined benefit plans	7,496	7,684
Leave and other entitlements	8,639	9,328
Separation and redundancies	5,249	614
Other	728	655
<b>Total employee benefits</b>	<b>107,091</b>	<b>101,478</b>
<b>Note 3B: Supplier Expenses</b>		
<b>Goods and services supplied or rendered</b>		
Legal expenses	23,366	25,111
Consultants and contracted services	7,151	8,581
Information technology and communications	10,091	9,859
Property operating expenses	3,658	3,455
Travel expenses	3,037	3,827
Employee related expenses	1,533	2,069
Information management expenses	1,906	2,148
Other administration expenses	1,113	1,248
<b>Total goods and services supplied or rendered</b>	<b>51,855</b>	<b>56,298</b>
<b>Goods supplied in connection with</b>		
Related parties	48	33
External parties	1,473	1,934
<b>Total goods supplied</b>	<b>1,521</b>	<b>1,967</b>
<b>Services rendered in connection with</b>		
Related parties	12,795	17,157
External parties	37,539	37,174
<b>Total services supplied</b>	<b>50,334</b>	<b>54,331</b>
<b>Total goods and services supplied or rendered</b>	<b>51,855</b>	<b>56,298</b>
<b>Other suppliers</b>		
Related parties		
Minimum lease payments	-	-
External parties		
Minimum lease payments	14,307	10,069
Workers' compensation premiums	511	562
<b>Total other supplier</b>	<b>14,818</b>	<b>10,631</b>
<b>Total suppliers</b>	<b>66,673</b>	<b>66,929</b>

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	2014 \$'000	2013 \$'000
<b><u>Note 3C: Depreciation and Amortisation</u></b>		
<b>Depreciation</b>		
Property, plant and equipment	1,874	1,572
Leasehold improvements	2,231	2,163
<b>Total depreciation</b>	<b>4,105</b>	<b>3,735</b>
<b>Amortisation</b>		
Intangibles	1,637	1,339
<b>Total amortisation</b>	<b>1,637</b>	<b>1,339</b>
<b>Total depreciation and amortisation</b>	<b>5,742</b>	<b>5,074</b>
<b><u>Note 3D: Finance Costs</u></b>		
Unwinding of discount	52	50
<b>Total finance costs</b>	<b>52</b>	<b>50</b>
<b><u>Note 3E: Write Down and Impairment of Assets</u></b>		
Impairment of property, plant and equipment	2	18
Impairment of leasehold improvements	-	13
Impairment on intangible assets	-	-
Impairment of inventory	12	28
<b>Total write-down and impairment of assets</b>	<b>14</b>	<b>59</b>
<b><u>Note 3F: Losses from Asset Sales</u></b>		
Property, plant and equipment		
Proceeds from sale	-	-
Carrying value of assets sold	-	-
Leasehold improvements		
Proceeds from sale	-	-
Carrying value of assets sold	-	-
Intangibles		
Proceeds from sale	-	-
Carrying value of assets sold	-	-
<b>Total losses from asset sales</b>	<b>-</b>	<b>-</b>
<b><u>Note 3G: Other Expenses</u></b>		
Settlement of litigation	3,530	3,527
<b>Total other expenses</b>	<b>3,530</b>	<b>3,527</b>

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**Note 4: Own-Source Income**

	2014	2013
	\$'000	\$'000
<b>Own-Source Revenue</b>		
<b><u>Note 4A: Sale of Goods and Rendering of Services</u></b>		
<b>Rendering of services in connection with</b>		
Related parties	216	356
External parties	566	236
<b>Total rendering of services</b>	<u>782</u>	<u>592</u>
<b>Total sale of goods and rendering of services</b>	<u>782</u>	<u>592</u>
<b><u>Note: 4B Other Revenue</u></b>		
Rebates and expense refunds	274	92
<b>Total other revenue</b>	<u>274</u>	<u>92</u>
<b>Gains</b>		
<b><u>Note: 4C Gains from Sale of Assets</u></b>		
Property, plant and equipment		
Proceeds from sale	-	2
Carrying value of assets sold	-	(2)
<b>Total gains from sale of assets</b>	<u>-</u>	<u>-</u>
<b><u>Note: 4D Other Gains</u></b>		
Resources received free of charge	80	73
Gain on payout of make good provision	25	95
<b>Total other gains</b>	<u>105</u>	<u>168</u>
<b><u>Note 4E: Revenue from Government *</u></b>		
Appropriations		
Departmental appropriations	179,517	150,228
<b>Total revenue from Government</b>	<u>179,517</u>	<u>150,228</u>

\* The Commission also received \$243,000 (2013: \$160,000) under the Paid Parental Leave Scheme.

\* For further information, refer to the Portfolio Additional Estimates Statements.

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**Note 5: Fair Value Measurements**

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability,

Level 3: Unobservable inputs for the asset or liability.

**Note 5A: Fair Value Measurements**

**Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014**

	Fair value \$'000	Fair value measurements at the end of the reporting		
		Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
<b>Non-financial assets</b>				
Leasehold improvements	13,769	-	-	13,769
Property, plant and equipment	6,427	-	6,427	
<b>Total non-financial assets</b>	<b>20,196</b>	<b>-</b>	<b>6,427</b>	<b>13,769</b>
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>20,196</b>	<b>-</b>	<b>6,427</b>	<b>13,769</b>

The highest and best use of all non-financial assets are the same as their current use.

**Note 5B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements**

**Recurring fair value measurements transferred between Level 1 and Level 2 for assets and liabilities**

	Transferred from	
	Level 1 to Level 2 2014 \$'000	Level 2 to Level 1 2014 \$'000
	<b>Non-financial assets</b>	
Leasehold improvements		
Property, plant and equipment	-	-
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>
<b>Total assets transferred</b>	<b>-</b>	<b>-</b>

1. No Assets were transferred between Level 1 and Level 2.

The Commission's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.



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**Note 5C: Valuation Technique and Inputs for Level 2 and Level 3 Fair Value Measurements**

Level 2 and 3 fair value measurements – valuation technique and the inputs used for assets and liabilities in 2014					
	Category (Level 2 or Level 3)	Fair value	Valuation technique(s) <sup>1</sup>	Inputs used	Range (weighted average) <sup>2</sup>
\$'000					
<b>Non-financial assets</b>					
Leasehold improvements	Level 3	13,769	Depreciated replacement cost	Professional appraisals	N/A
Property, plant and equipment	Level 2	6,427	Market comparables	Professional appraisals	N/A

1. No change in valuation technique occurred during the period.

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

**Recurring and non-recurring Level 3 fair value measurements - valuation processes**

The Commission procured valuation services from a third party valuer and relied on the review provided. The Commission tests the procedures of the valuation model at least once every 12 months. Assurance was provided to the Commission that the model developed is in compliance with AASB 13.

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**Note 5D: Reconciliation for Recurring Level 3 Fair Value Measurements**

**Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets		Total
	Leasehold improvements	Property, plant and equipment	
	2014	2014	
	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>16,243</b>	-	<b>16,243</b>
Purchases	1,894	-	1,894
Accumulated depreciation	(4,368)	-	(4,368)
Disposals	-	-	-
Revaluation	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
<b>Closing balance</b>	<b>13,769</b>	-	<b>13,769</b>

The Commission's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

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**Note 6: Financial Assets**

	2014 \$'000	2013 \$'000
<b>Note 6A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	1,941	592
<b>Total cash and cash equivalents</b>	<b>1,941</b>	<b>592</b>
<b>Note 6B: Trade and Other Receivables</b>		
<b>Goods and services receivables in connection with</b>		
Related parties	20	68
External parties	166	177
<b>Total goods and services receivables</b>	<b>186</b>	<b>245</b>
<b>Appropriations receivables</b>		
Existing programs	25,425	9,722
<b>Total appropriations receivables</b>	<b>25,425</b>	<b>9,722</b>
<b>Other receivables</b>		
Statutory receivables	1,051	1,066
<b>Total other receivables</b>	<b>1,051</b>	<b>1,066</b>
<b>Total trade and other receivables (gross)</b>	<b>26,662</b>	<b>11,033</b>
<b>Less impairment allowance account:</b>		
Goods and services	-	-
Other	-	-
<b>Total impairment allowance</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>26,662</b>	<b>11,033</b>
<b>Trade and other receivables (net) expected to be recovered</b>		
No more than 12 months	26,662	11,033
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>26,662</b>	<b>11,033</b>
<b>Trade and other receivables (gross) aged as follows</b>		
Not overdue	26,634	10,993
Overdue by		
0 to 30 days	-	-
31 to 60 days	28	40
61 to 90 days	-	-
More than 90 days	-	-
<b>Total trade and other receivables (gross)</b>	<b>26,662</b>	<b>11,033</b>

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	2014 \$'000	2013 \$'000
<b>Impairment allowance aged as follows</b>		
Not overdue	-	-
Overdue by		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
<b>Total impairment allowance</b>	<u>-</u>	<u>-</u>

**Reconciliation of the impairment allowance**

**Movements in relation to 2014**

	Goods and services \$'000	Other receivables \$'000	Total \$'000
<b>Opening balance</b>	-	-	-
Amounts written off	-	-	-
Amounts recovered and reversed	-	-	-
Increase/(decrease) recognised in net cost of	-	-	-
<b>Closing balance</b>	<u>-</u>	<u>-</u>	<u>-</u>

**Movements in relation to 2013**

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

Credit terms for goods and services were within 30 days (2013: 30 days).

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**Note 7: Non-Financial Assets**

	2014	2013
	\$'000	\$'000
<b><u>Note 7A: Leasehold Improvements</u></b>		
<b>Leasehold improvements</b>		
Fair Value	18,119	14,551
Work in progress	17	1,692
Accumulated depreciation	<u>(4,367)</u>	<u>(2,136)</u>
<b>Total leasehold improvements</b>	<b><u>13,769</u></b>	<b><u>14,107</u></b>

No indicators of impairment were found for leasehold improvements.

**Note 7B: Property, Plant and Equipment**

<b>Property, plant and equipment</b>		
Fair Value	9,918	8,705
Accumulated depreciation	<u>(3,491)</u>	<u>(1,622)</u>
<b>Total property, plant and equipment</b>	<b><u>6,427</u></b>	<b><u>7,083</u></b>

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.

**Revaluations of non-financial assets**

All revaluations were 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.

A revaluation increment of \$nil for leasehold improvements (2013: \$nil) was credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. A revaluation decrement of \$nil for plant and equipment (2013: \$nil) was debited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. Decrements of \$nil were also expensed (2013: \$nil expensed).

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**Note 7C: Reconciliation of the opening and closing balances of leasehold improvements and property, plant & equipment for 2014**

	Leasehold improvements \$'000	Property, plant and equipment \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	16,243	8,705	24,948
Accumulated depreciation and impairment	(2,136)	(1,622)	(3,758)
<b>Net book value 1 July 2013</b>	<b>14,107</b>	<b>7,083</b>	<b>21,190</b>
<b>Additions</b>			
Purchase or internally developed	1,894	1,220	3,114
Depreciation	(2,231)	(1,874)	(4,105)
Disposals			
Other disposals/write downs (gross book value)	-	(7)	(7)
Other disposals/write downs (accumulated depreciation)	-	5	5
<b>Net book value 30 June 2014</b>	<b>13,770</b>	<b>6,427</b>	<b>20,196</b>
<b>Net book value as at 30 June 2014 represented by</b>			
Gross book value	18,136	9,918	28,054
Accumulated depreciation and impairment	(4,367)	(3,491)	(7,858)
<b>Net book value 30 June 2014</b>	<b>13,769</b>	<b>6,427</b>	<b>20,196</b>

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**Note 7C (Cont'd): Reconciliation of the opening and closing balances of leasehold improvements and property, plant & equipment for 2013**

	Leasehold improvements \$'000	Property, plant and equipment \$'000	Total \$'000
As at 1 July 2012			
Gross book value	14,296	6,689	20,985
Accumulated depreciation and impairment	-	(68)	(68)
Net book value 1 July 2012	14,296	6,621	20,917
Additions			
Purchase or internally developed	1,988	2,054	4,042
Depreciation	(2,163)	(1,572)	(3,735)
Disposals			
Other disposals/write downs (gross book value)	(41)	(38)	(79)
Other disposals/write downs (accumulated depreciation)	27	18	46
Net book value 30 June 2013	14,107	7,083	21,190
Net book value as at 30 June 2013 represented by			
Gross book value	16,243	8,705	24,948
Accumulated depreciation and impairment	(2,136)	(1,622)	(3,758)
Net book value 30 June 2013	14,107	7,083	21,190

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	2014 \$'000	2013 \$'000
<b>Note 7D: Intangibles</b>		
<b>Computer software</b>		
Purchased software	9,828	8,459
Internally developed - in use	733	733
Accumulated amortisation	(7,324)	(5,687)
<b>Total computer software</b>	<b>3,237</b>	<b>3,505</b>
<b>Total intangibles</b>	<b>3,237</b>	<b>3,505</b>

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 7E: Reconciliation of the opening and closing balances of intangibles for 2014**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	733	8,459	9,192
Accumulated amortisation & impairment	(641)	(5,045)	(5,687)
<b>Net book value 1 July 2013</b>	<b>92</b>	<b>3,414</b>	<b>3,505</b>
<b>Additions</b>			
Purchase or internally developed	-	1,368	1,368
Amortisation	(48)	(1,589)	(1,637)
Disposals	-	-	-
Other write downs (gross book value)	-	-	-
Other write downs (accumulated amortisation)	-	-	-
<b>Net book value 30 June 2014</b>	<b>44</b>	<b>3,193</b>	<b>3,237</b>
<b>Net book value as at 30 June 2014 represented by</b>			
Gross book value	733	9,827	10,560
Accumulated amortisation & impairment	(689)	(6,634)	(7,323)
<b>Net book value 30 June 2014</b>	<b>44</b>	<b>3,193</b>	<b>3,237</b>

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**Note 7E (Cont'd): Reconciliation of the opening and closing balances of intangibles for 2013**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2012			
Gross book value	733	7,184	7,917
Accumulated amortisation & impairment	(593)	(3,870)	(4,464)
Net book value 1 July 2012	140	3,314	3,453
Additions			
Purchase or internally developed	-	1,391	1,391
Amortisation	(48)	(1,291)	(1,339)
Disposals			
Other write downs (gross book value)	-	(116)	(116)
Other write downs (accumulated amortisation)	-	116	116
Net book value 30 June 2013	92	3,414	3,505
Net book value as at 30 June 2013 represented by			
Gross book value	733	8,459	9,192
Accumulated amortisation & impairment	(641)	(5,045)	(5,687)
Net book value 30 June 2013	92	3,414	3,505

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	2014 \$'000	2013 \$'000
<b>Note 7F: Inventories</b>		
<b>Inventories held for sale</b>		
Publications held for sale	10	22
<b>Total inventories held for sale</b>	<u>10</u>	<u>22</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.

**Note 7G: Other Non-Financial Assets**

Prepayments	1,539	759
<b>Total other non-financial assets</b>	<u>1,539</u>	<u>759</u>
<b>Other non-financial assets expected to be recovered</b>		
No more than 12 months	1,539	759
More than 12 months	-	-
<b>Total other non-financial assets</b>	<u>1,539</u>	<u>759</u>

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

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**Note 8: Payables**

	2014 \$'000	2013 \$'000
<b>Note: 8A Suppliers</b>		
Trade creditors and accruals	6,331	5,313
<b>Total suppliers</b>	<b>6,331</b>	<b>5,313</b>
<b>Suppliers expected to be settled</b>		
No more than 12 months	6,331	5,313
More than 12 months	-	-
<b>Total suppliers</b>	<b>6,331</b>	<b>5,313</b>
<b>Suppliers in connection with</b>		
Related entities	1,211	1,638
External parties	5,120	3,675
<b>Total suppliers</b>	<b>6,331</b>	<b>5,313</b>
Settlement was usually made within 30 days.		
<b>Note 8B: Other Payables</b>		
Lease incentives	5,931	6,758
Operating lease payment increases	4,522	3,854
Wages and salaries	3,301	2,965
Unearned revenue	300	408
Salary sacrifice payable	55	61
<b>Total other payables</b>	<b>14,109</b>	<b>14,046</b>
<b>Total other payables expected to be settled</b>		
No more than 12 months	4,538	4,307
More than 12 months	9,571	9,739
<b>Total other payables</b>	<b>14,109</b>	<b>14,046</b>

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**Note 9: Provisions**

	2014 \$'000	2013 \$'000
<b>Note 9A: Employee Provisions</b>		
Leave	23,818	25,708
Separation and redundancies	-	-
Other	-	-
<b>Total employee provisions</b>	<b>23,818</b>	<b>25,708</b>
<b>Employee provisions expected to be settled</b>		
No more than 12 months	15,341	20,192
More than 12 months	8,477	5,516
<b>Total employee provisions</b>	<b>23,818</b>	<b>25,708</b>

**Note 9B: Other Provisions**

Provision for restoration obligations <sup>1</sup>	1,477	1,435
Provision for onerous lease	3,354	-
	<b>4,831</b>	<b>1,435</b>

Other provisions are expected to be settled in:

No more than 12 months	1,313	55
More than 12 months	3,518	1,380
<b>Total other provisions</b>	<b>4,831</b>	<b>1,435</b>

	Provision for Onerous Leases	Provision for Restoration \$'000	Total \$'000
<b>As at 1 July 2013</b>	-	1,435	1,435
Additional provisions made	3,569	-	3,569
Amounts used	(215)	-	(215)
Amounts reversed	-	(10)	(10)
Unwinding of discount or change in discount rate	-	52	52
<b>Total as at 30 June 2014</b>	<b>3,354</b>	<b>1,477</b>	<b>4,831</b>

<sup>1</sup> The Commission has 9 agreements (2013: 10) 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 10: Cash Flow Reconciliation**

	2014 \$'000	2013 \$'000
<b>Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	1,941	592
Statement of financial position	1,941	592
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net cost of services	(181,941)	(176,265)
Revenue from Government	179,517	150,228
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	5,741	5,074
Net write down of non-financial assets	2	31
Loss on disposal of assets	-	2
Gain on disposal of assets	-	(2)
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase) / decrease in appropriation receivable	(3,111)	17,134
(Increase) / decrease in GST receivable	42	295
(Increase) / decrease in other receivables	70	(93)
(Increase) / decrease in inventories	12	28
(Increase) / decrease in prepayments	(780)	1,022
(Increase) / decrease in other assets	41	485
<b>Liabilities</b>		
Increase / (decrease) in employee provisions	(1,559)	488
Increase / (decrease) in supplier payables	2,152	(2,572)
Increase / (decrease) in other provisions	(42)	124
Increase / (decrease) in unearned income	(108)	133
Increase / (decrease) in other payables	3,179	1,091
<b>Net cash from / (used by) operating activities</b>	<u>3,215</u>	<u>(2,797)</u>

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**Note 11: Contingent Assets and Liabilities**

	Claims for damages or costs		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Contingent liabilities</b>				
Balance from previous period	-	-	-	-
New	-	-	-	-
Re-measurement	-	-	-	-
Liabilities recognised	-	-	-	-
Obligations expired	-	-	-	-
<b>Total contingent liabilities</b>	-	-	-	-

**Quantifiable Contingencies**

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$nil (2013: \$nil).

**Unquantifiable Contingencies**

As at 30 June 2014, the Commission has 3 matters (2013: 2 matters) 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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**Note 12: Senior Executive Remuneration**

**Note 12A: Senior Executive Remuneration Expenses for the Reporting Period**

	2014 \$	2013 \$
<b>Short-term employee benefits:</b>		
Salary	12,174,188	12,373,044
Performance bonuses	641,260	647,620
Other <sup>1</sup>	996,351	980,194
<b>Total short-term employee benefits</b>	<u>13,811,799</u>	<u>14,000,858</u>
<b>Post-employment benefits:</b>		
Superannuation	2,148,688	2,392,896
Severance payments	258,671	-
<b>Total post-employment benefits</b>	<u>2,407,359</u>	<u>2,392,896</u>
<b>Other long-term employee benefits:</b>		
Annual leave accrued	945,340	940,832
Long-service leave	302,412	434,297
<b>Total other long-term employee benefits</b>	<u>1,247,752</u>	<u>1,375,129</u>
<b>Total senior executive remuneration expenses</b>	<u>17,466,910</u>	<u>17,768,883</u>

<sup>1</sup> Includes motor vehicle allowances and other allowances

Note 12A is prepared on an accrual basis and the performance bonus expense disclosed above may differ from the cash 'Bonus paid' in Note 12B.

Note 12A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than \$195,000.



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**Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period**

Average annual reportable remuneration paid to substantive senior executives in 2014		Substantive senior executives	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances	Bonus paid	Total reportable remuneration
		No.	\$	\$	\$	\$	\$
Average annual reportable remuneration <sup>1</sup>							
<b>Total reportable remuneration (including part-time arrangements):</b>							
less than \$195,000		7	109,273	14,532	-	738	124,543
\$195,000 to \$224,999		1	175,802	27,492	-	5,602	208,896
\$225,000 to \$254,999		19	204,454	32,855	-	7,108	244,416
\$255,000 to \$284,999		6	221,139	36,771	43	6,948	264,901
\$285,000 to \$314,999		6	257,556	41,604	216	7,308	306,684
\$315,000 to \$344,999		2	277,752	48,843	-	9,925	336,521
\$345,000 to \$374,999		1	286,203	50,623	-	10,331	347,158
\$375,000 to \$404,999		3	333,976	42,535	-	12,242	388,753
\$405,000 to \$434,999		4	376,346	39,510	-	6,644	422,556
\$435,000 to \$464,999		2	389,151	67,157	-	-	457,403
\$465,000 to \$494,999		1	401,691	63,587	1,095	-	465,278
\$495,000 to \$524,999		1	452,822	54,943	-	-	507,765
\$525,000 to \$554,999		2	487,377	50,125	-	-	537,502
\$705,000 to \$734,999		1	614,651	111,858	-	-	726,509
<b>Total number of substantive senior executives</b>		<b>56</b>					

Average annual reportable remuneration paid to substantive senior executives in 2013	Substantive senior executives		Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances	Bonus paid	Total reportable remuneration
Average annual reportable remuneration <sup>1</sup>	No.	No.	\$	\$	\$	\$	\$
Total reportable remuneration (including part-time arrangements):							
less than \$195,000	8		102,263	24,166	-	8,131	134,559
\$225,000 to \$254,999	25		194,936	30,472	60	10,904	236,372
\$285,000 to \$314,999	4		221,424	48,580	-	18,263	288,267
\$315,000 to \$344,999	3		255,625	41,401	-	21,796	318,822
\$345,000 to \$374,999	3		301,569	35,984	-	26,472	364,024
\$375,000 to \$404,999	1		319,878	46,159	-	28,314	394,351
\$435,000 to \$464,999	3		298,479	138,185	-	10,439	447,103
\$495,000 to \$524,999	5		457,879	49,722	444	2,631	510,675
\$615,000 to \$644,999	1		394,912	229,691	-	-	624,603
\$705,000 to \$734,999	1		622,145	85,443	-	-	707,588
Total number of substantive senior executives	54						

**Notes:**

- This table reports on substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for the individuals in the band.
- 'Reportable salary' includes the following:
  - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax purposes);
  - reportable employer superannuation contributions; and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average cost to the Commission for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- '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 Commission during the financial year.

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**Note 12C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period**

Average annual reportable remuneration paid to other highly paid staff in 2014						
Average annual reportable remuneration <sup>1</sup>	Other highly paid staff	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances	Bonus paid	Total reportable remuneration
	No.	\$	\$	\$	\$	\$
<b>Total reportable remuneration (including part-time arrangements):</b>						
\$195,000 to \$224,999	4	179,728	27,533	-	-	207,261
\$225,000 to \$254,999	4	207,781	33,209	-	-	240,990
\$255,000 to \$284,999	1	235,582	47,489	-	-	283,071
\$285,000 to \$314,999	1	249,177	38,646	-	-	287,823
<b>Total number of other highly paid staff</b>	<b>10</b>					
Average annual reportable remuneration paid to other highly paid staff in 2013						
Average annual reportable remuneration <sup>1</sup>	Other highly paid staff	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances	Bonus paid	Total reportable remuneration
	No.	\$	\$	\$	\$	\$
<b>Total reportable remuneration (including part-time arrangements):</b>						
\$195,000 to \$224,999	4	193,236	30,692	-	-	223,928
\$315,000 to \$344,999	1	312,815	27,371	-	-	340,186
<b>Total number of other highly paid staff</b>	<b>5</b>					

**Notes:**

1. This table reports staff:
  - a) who were employed by the entity during the reporting period;
  - b) whose reportable remuneration was \$195,000 or more for the financial period; and
  - c) were not required to be disclosed in Tables A or B disclosures.
 Each row is an averaged figure based on headcount for 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 purposes);
  - c) reportable employer superannuation contributions; and
  - d) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average cost to the Commission for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.
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 Commission during the financial year.

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**Note 13: Remuneration of Auditors**

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

	2014 \$'000	2013 \$'000
<b>Fair value of services received</b>		
Financial statement audit services	<u>80</u>	<u>73</u>
<b>Total fair value of services received</b>	<u>80</u>	<u>73</u>

The ANAO provided assurance engagements free of charge to the Commission.

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**Note 14: Financial Instruments**

	2014 \$'000	2013 \$'000
<b>Note 14A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	1,941	592
Trade and other receivables	186	245
<b>Total loans and receivables</b>	<u>2,127</u>	<u>837</u>
<b>Total financial assets</b>	<u>2,127</u>	<u>837</u>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	6,331	5,313
Other payables	10,753	11,020
<b>Total financial liabilities measured at amortised cost</b>	<u>17,084</u>	<u>16,333</u>
<b>Total financial liabilities</b>	<u>17,084</u>	<u>16,333</u>

**Note 14B: Net Income and Expense from Financial Assets**

**Loans and receivables:**

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

The Commission received \$nil (2013: \$nil) in income and expenses from financial assets and financial liabilities.

**Note 14C: Fair Value of Financial Instruments**

	Carrying amount 2014 \$'000	Fair value 2014 \$'000	Carrying amount 2013 \$'000	Fair value 2013 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	1,941	1,941	592	592
Trade and other receivables	186	186	245	245
<b>Total financial assets</b>	<u>2,127</u>	<u>2,127</u>	<u>837</u>	<u>837</u>
<b>Financial Liabilities</b>				
Trade creditors	6,331	6,331	5,313	5,313
Other payables	10,753	10,753	11,020	11,020
<b>Total financial liabilities</b>	<u>17,084</u>	<u>17,084</u>	<u>16,333</u>	<u>16,333</u>

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**Note 14D: Credit Risk**

The Commission was exposed to minimal credit risk as loans and receivables were cash and trade receivables. The maximum exposure to credit risk was the risk that arises from potential default of a debtor. This amount was equal to the total amount of trade receivables (2014: 186,000 and 2013: 245,000). The Commission has assessed the risk of the default on payment and has allocated \$Nil in 2014 (2013: \$Nil) to an impairment allowance account.

The Commission managed 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 were to be applied.

The Commission held no collateral to mitigate against credit risk.

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

	<b>Not Past Due Nor Impaired 2014 \$'000</b>	<b>Not Past Due Nor Impaired 2013 \$'000</b>	<b>Past due or impaired 2014 \$'000</b>	<b>Past due or impaired 2013 \$'000</b>
Cash and cash equivalents	1,941	592	-	-
Goods and services receivables	158	205	28	40
<b>Total</b>	<b>2,099</b>	<b>797</b>	<b>28</b>	<b>40</b>

**Ageing of financial assets that are past due but not impaired for 2014**

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
Receivables for goods and services	-	28	-	-	28
<b>Total</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>28</b>

**Ageing of financial assets that are past due but not impaired for 2013**

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
Receivables for goods and services	-	40	-	-	40
<b>Total</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>

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**Note 14E: Liquidity Risk**

The Commission's financial liabilities were supplier and other payables. The exposure to liquidity risk was based on the notion that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely as the Commission is appropriated funding from the Australian Government and 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 14F: Market Risk**

The Commission held basic financial instruments that do not expose the Commission to certain market risks, such as 'currency risk' and 'other price risk'.

**Note 14G: Financial Assets Reconciliation**

		<b>2014</b>	2013
		<b>\$'000</b>	\$'000
<b>Financial assets</b>	<b>Notes</b>		
<b>Total financial assets as per statement of financial position</b>		<b>28,603</b>	11,625
Less: non-financial instrument components			
Appropriations receivables	6B	25,425	9,722
Other receivables	6B	<u>1,051</u>	<u>1,066</u>
<b>Total non-financial instrument components</b>		<u>26,476</u>	<u>10,788</u>
<b>Total financial assets as per financial instruments note</b>		<u>2,127</u>	<u>837</u>

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**Note 15: Administered – Expenses**

	2014 \$'000	2013 \$'000
<b>Note 15A: Write-Down and Impairment of Assets</b>		
Impairment of receivables	2,549	4,538
<b>Total write-down and impairment of assets</b>	<b>2,549</b>	<b>4,538</b>



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**Note 16: Administered - Income**

	2014 \$'000	2013 \$'000
<b>Revenue</b>		
<b>Non-taxation revenue</b>		
<b>Note 16A: Fees and Fines</b>		
Fines and costs	29,798	56,818
Authorisation fees	163	163
Notifications	86	86
Arbitration fees	3	-
Other	-	-
<b>Total fees and fines</b>	<b>30,050</b>	<b>57,067</b>
<b>GAINS</b>		
<b>Note 16B: Other Gains</b>		
Reversal of previously written-off amounts	-	-
Resources received free of charge	-	-
<b>Total other gains</b>	<b>-</b>	<b>-</b>

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**Note 17: Administered – Fair Value Measurements**

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability,

Level 3: Unobservable inputs for the asset or liability.

**Note 17A: Fair Value Measurements**

**Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014**

	Fair value measurements at the end of the reporting			
	Fair value	Level 1	Level 2	Level 3
	inputs	inputs	inputs	inputs
	\$'000	\$'000	\$'000	\$'000
<b>Non-financial assets</b>				
-	-	-	-	-
-	-	-	-	-
<b>Total non-financial assets</b>	-	-	-	-
<b>Total fair value measurements of assets in the administered statement of financial position</b>	-	-	-	-
<b>Assets not measured at fair value in the administered statement of financial position</b>				
-	-	-	-	-
-	-	-	-	-
<b>Total assets not measured at fair value in the administered statement of financial position</b>	-	-	-	-

**Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs)**

The highest and best use of all non-financial assets are the same as their current use.

**Note 17B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements**

**Recurring fair value measurements transferred between Level 1 and Level 2 for assets and liabilities**

	Transferred from	
	Level 1 to	Level 2 to
	Level 2	Level 1
	2014	2014
	\$'000	\$'000
<b>Non-financial assets</b>		

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**Note 17C: Valuation Technique and Inputs for Level 2 and Level 3 Fair Value Measurements**

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets and liabilities in 2014	Fair value	Valuation technique(s) <sup>1</sup>	Inputs used	Range (weighted average) <sup>2</sup>
	\$'000			
<b>Non-financial assets</b>				
-	-			
-	-	Level 2		
		Level 2		
<b>Assets not measured at fair value in the administered statement of financial position</b>				
-	-	Level 2		
-	-	Level 2		

1. No change in valuation technique occurred during the period.

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

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**Note 17D: Reconciliation for Recurring Level 3 Fair Value Measurements**

**Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets		Total 2014 \$'000
	Leasehold improvements	Property, plant and equipment	
	2014 \$'000	2014 \$'000	
<b>Opening balance</b>	-	-	-
Total gains/(losses) recognised in net cost of services	-	-	-
Total gains/(losses) recognised in other comprehensive income	-	-	-
Purchases	-	-	-
Sales	-	-	-
Issues	-	-	-
Settlements	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
<b>Closing balance</b>	-	-	-

The Commission's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

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**Note 18: Administered - Financial Assets**

	2014 \$'000	2013 \$'000
<b>Note 18A: Cash and Cash Equivalents</b>		
Cash at bank	9	18
<b>Total cash and cash equivalents</b>	<b>9</b>	<b>18</b>
<b>Note 18B: Trade and Other Receivables</b>		
<b>Other receivables</b>		
Fines and costs	13,447	19,187
<b>Total other receivables</b>	<b>13,447</b>	<b>19,187</b>
<b>Total trade and other receivables (gross)</b>	<b>13,447</b>	<b>19,187</b>
<b>Less: impairment allowance account</b>		
Fines and costs	(9,133)	(6,610)
<b>Total impairment allowance account</b>	<b>(9,133)</b>	<b>(6,610)</b>
<b>Total trade and other receivables (net)</b>	<b>4,314</b>	<b>12,577</b>
<b>Trade and other receivables (net) expected to be recovered</b>		
No more than 12 months	4,314	12,577
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>4,314</b>	<b>12,577</b>
<b>Trade and other receivables (gross) aged as follows</b>		
Not overdue	3,716	12,425
Overdue by		
0 to 30 days		109
31 to 60 days	11	3
61 to 90 days	45	3
More than 90 days	9,675	6,647
<b>Total trade and other receivables (gross)</b>	<b>13,447</b>	<b>19,187</b>
<b>Impairment allowance aged as follows</b>		
Not overdue	(1)	(6)
Overdue by		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(9,132)	(6,604)
<b>Total impairment allowance</b>	<b>(9,133)</b>	<b>(6,610)</b>

Goods and services receivable was with entities external to the Australian Government. Credit terms were net 30 days (2013: 30 days).

A remeasurement of administered receivables occurred to reduce for revenue that did not meet the recognition criteria. The impact of the remeasurement was a reduction in receivables of \$nil (2013:\$459,000), and a reduction in retained earnings of \$nil (2013:\$459,000).

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<b>Reconciliation of the impairment allowance account:</b>			
<b>Movements in relation to 2014</b>			
	<b>Advances and loans 2014 \$'000</b>	<b>Other receivables 2014 \$'000</b>	<b>Total 2014 \$'000</b>
<b>Opening balance</b>	-	<b>6,610</b>	<b>6,610</b>
Amounts written off	-	(26)	(26)
Amounts recovered and reversed	-	-	-
Increase (decrease) recognised in net surplus	-	<b>2,549</b>	<b>2,549</b>
<b>Closing balance</b>	-	<b>9,133</b>	<b>9,133</b>
<b>Movements in relation to 2013</b>			
	<b>Advances and loans 2013 \$'000</b>	<b>Other receivables 2,013 \$'000</b>	<b>Total 2013 \$'000</b>
<b>Opening balance</b>	-	<b>2,148</b>	<b>2,148</b>
Amounts written off	-	(75)	(75)
Amounts recovered and reversed	-	-	-
Increase (decrease) recognised in net surplus	-	<b>4,537</b>	<b>4,537</b>
<b>Closing balance</b>	-	<b>6,610</b>	<b>6,610</b>

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**Note 19: Administered - Payables**

	2014 \$'000	2013 \$'000
<b>Note 19A: Suppliers</b>		
Trade creditors and accruals	-	-
<b>Total suppliers</b>	-	-
<b>Suppliers expected to be settled</b>		
No more than 12 months	-	-
More than 12 months	-	-
<b>Total suppliers</b>	-	-
<b>Suppliers in connection with</b>		
Related parties	-	-
External parties	-	-
<b>Total suppliers</b>	-	-

Settlement was usually made within 30 days.

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**Note 20: Administered - Cash Flow Reconciliation**

	2014 \$'000	2013 \$'000
<b>Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Schedule of administered cash flows	9	18
Schedule of administered assets and liabilities	9	18
<b>Discrepancy</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net contribution by services to net cash from/(used by) operating activities</b>		
Net (cost of)/contribution by services	27,501	52,529
<b>Adjustments for non-cash items</b>		
Depreciation and amortisation	-	-
Net write down of non-financial assets	-	-
<b>Movement in assets and liabilities</b>		
<b>Assets</b>		
(Increase) / decrease in net receivables	8,262	(4,257)
(Increase) / decrease in inventories	-	-
(Increase) / decrease in prepayments	-	-
(Increase) / decrease in other assets	-	-
<b>Liabilities</b>		
Increase / (decrease) in supplier payables	-	-
Increase / (decrease) in prepayments received	-	-
Increase / (decrease) in other provisions	-	-
Increase / (decrease) in other payables	-	-
<b>Net cash from / (used by) operating activities</b>	<u>35,763</u>	<u>48,272</u>



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**Note 21: Administered - Contingent Assets and Liabilities**

	Claims for damages or costs		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Contingent assets</b>				
Balance from previous period	2,110	1,067	2,110	1,067
New contingent assets recognised	1,535	1,480	1,535	1,480
Re-measurement	1,990	(375)	1,990	(375)
Assets recognised	(3,820)	(62)	(3,820)	(62)
Expired	-	-	-	-
<b>Total contingent assets</b>	<b>1,815</b>	<b>2,110</b>	<b>1,815</b>	<b>2,110</b>
<b>Contingent liabilities</b>				
Balance from previous period	-	-	-	-
New	-	-	-	-
Re-measurement	-	-	-	-
Assets recognised	-	-	-	-
Expired	-	-	-	-
<b>Total contingent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net contingent assets (liabilities)</b>	<b>1,815</b>	<b>2,110</b>	<b>1,815</b>	<b>2,110</b>

**Quantifiable Administered Contingencies**

The Schedule of Contingencies reports contingent assets in respect of claims for damages/costs of \$1,815,000 (2013: \$2,110,000). The Commission is expecting to succeed in 6 alleged breaches (2013: 10 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 2014, the Commission has 22 matters (2013: 16 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 2014 the Commission had no remote Administered Contingencies.

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**Note 22: Administered - Financial Instruments**

	2014 \$'000	2013 \$'000
<b>Note 22A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	9	18
Fines and costs receivable	4,314	12,577
<b>Total loans and receivables</b>	<b>4,323</b>	<b>12,595</b>
<b>Total financial assets</b>	<b>4,323</b>	<b>12,595</b>

**Note 22B: Net Gains or Losses on Financial Assets**

<b>Loans and receivables</b>		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	(2,549)	(4,537)
Gain/loss on disposal	-	-
<b>Net loss on loans and receivables</b>	<b>(2,549)</b>	<b>(4,537)</b>

**Note 22C: Fair Value of Financial Instruments**

	Carrying amount 2014 \$'000	Fair value 2014 \$'000	Carrying amount 2013 \$'000	Fair value 2013 \$'000
<b>Financial Assets</b>				
Cash & cash equivalents	9	9	18	18
Fines and costs receivable	4,314	4,314	12,577	12,577
<b>Total financial assets</b>	<b>4,323</b>	<b>4,323</b>	<b>12,595</b>	<b>12,595</b>

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**Note 22D: Credit Risk**

The administered activities of the Commission were not exposed to a high level of credit risk as the majority of financial assets were loans and receivables. The Commission managed its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Commission had policies and procedures that guided employees debt recovery techniques that were to be applied.

The Commission has assessed the risk of the default on payment and has allocated \$9,133,000 in 2014 (2013: \$6,610,000) 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 2014 \$'000	Not Past Due Nor Impaired 2013 \$'000	Past due or impaired 2014 \$'000	Past due or impaired 2013 \$'000
Cash and cash equivalents	9	18	-	-
Fines and costs receivable	3,715	12,419	598	152
<b>Total</b>	<b>3,724</b>	<b>12,437</b>	<b>598</b>	<b>152</b>

**Ageing of financial assets that were past due but not impaired for 2014**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Fines and costs receivable	-	11	45	543	599
<b>Total</b>	<b>-</b>	<b>11</b>	<b>45</b>	<b>543</b>	<b>599</b>

**Ageing of financial assets that are past due but not impaired for 2013**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Fines and costs receivable	109	3	3	43	158
<b>Total</b>	<b>109</b>	<b>3</b>	<b>3</b>	<b>43</b>	<b>158</b>

**Note 22E: Liquidity Risk**

The Commission had no administered financial liabilities that are payables. Accordingly the Commission was not exposed to significant liquidity risk.

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

**Note 22F: Market Risk**

The Commission's administered activities were not exposed to 'other price risk'. Its administered activities were not traded on the Australian Stock Exchange. It did not hold any other financial instruments that would be exposed to price risk.

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**Note 23: Administered Financial Assets Reconciliation**

		2014 \$'000	2013 \$'000
	<b>Notes</b>		
<b>Total financial assets as per administered schedule of assets and liabilities</b>	18	<b>4,323</b>	12,595
<b>Less: non-financial instrument components</b>			
Other Receivables		-	-
<b>Total non-financial instrument components</b>		<u>-</u>	<u>-</u>
<b>Total financial assets as per financial instruments note</b>		<u><b>4,323</b></u>	<u>12,595</u>

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**Note 24: Appropriations**

**Note 24A: Annual Appropriations ('Recoverable GST exclusive')**

	Appropriation Act		FMA Act			Total appropriation \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance <sup>(c)</sup> \$'000
	Annual appropriation \$'000	Appropriations reduced <sup>(a)</sup> \$'000	AFM <sup>(b)</sup> \$'000	Section 30 \$'000	Section 31 \$'000			
<b>Departmental</b>								
Ordinary annual services	181,542	-	-	-	1,348	182,890	179,007	3,883
Other services	14,310	-	-	-	-	14,310	1,718	12,592
Equity	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>195,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,348</b>	<b>197,200</b>	<b>180,725</b>	<b>16,475</b>

**Notes:**

- (a) Appropriations reduced under Appropriation Acts (No. 1,3 & 5) 2012-13; sections 10, 11, and 12 and under Appropriation Acts (No. 2,4,6) 2013-14; 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.
- (b) Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1,3,5) 2012-13; section 13 and Appropriation Acts (No. 2,4,6) 2012-13; section 15.
- (c) The variance between total annual appropriation available and total appropriation applied in 2014 relates to payments funded from unspent prior year appropriation items.

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Note 24A (continued): Annual Appropriations (Recoverable GST exclusive)

	Appropriation Act		FMA Act				Appropriation applied in 2013 (current and prior years) \$'000	Variance (c) \$'000	
	Annual appropriation \$'000	Appropriations reduced (a) \$'000	AFM (b) \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			Total appropriation \$'000
<b>DEPARTMENTAL</b>									
Ordinary annual services	152,949	-	-	-	3,448	-	156,397	173,865	(17,468)
Other services									
Equity	60	-	-	-	-	-	60	11,931	(11,871)
Loans	-	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>153,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,448</b>	<b>-</b>	<b>156,457</b>	<b>185,796</b>	<b>(29,339)</b>

**Notes:**

(a) Appropriations reduced under Appropriation Acts (No. 1,3 & 5) 2012-13; sections 10, 11, and 12 and under Appropriation Acts (No. 2,4,6) 2012-13; 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 the 2012/13 financial year, the Government imposed both a targeted savings measure and a fire services levy onto the commission totaling \$703,000. The determination was issued on 5 August 2013 by the Finance Minister to reduce Appropriation Act 1 by \$703,000.

(b) Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1,3,5) 2012-13; section 13 and Appropriation Acts (No. 2,4,6) 2012-13; section 15.

(c) The variance between total annual appropriation available and total appropriation applied in 2013 relates to payments funded from unspent prior year appropriation items.

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**Note 24B: Departmental Capital Budget ('Recoverable GST exclusive')**

2014 Capital Budget Appropriations <i>FMA Act</i>		Capital Budget Appropriations applied in 2014 (current and prior years)				
Annual Capital Budget \$'000	Appropriations reduced <sup>(b)</sup> \$'000	Section 32 Appropriations \$'000	Total Capital Budget Appropriations \$'000	Payments for non-financial assets <sup>(c)</sup> \$'000	Payments for other purposes Total payments \$'000	Variance \$'000
2,025	-	-	2,025	2,025	-	2,025
<b>Departmental</b>						
Ordinary annual services -						
Departmental Capital Budget <sup>(a)</sup>						
2,025	-	-	2,025	2,025	-	2,025

**Notes:**

- (a) Departmental 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.
- (b) Appropriations reduced under Appropriation Acts (No.1,3,5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
- (c) 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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Note 24B (Cont'd): Departmental Capital Budgets ("Recoverable GST")

	2013 Capital Budget Appropriations		Capital Budget Appropriations applied in 2013		
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations	Payments for non-financial assets <sup>(c)</sup>	Payments for other purposes
	Annual Capital Budget \$'000	Appropriations reduced <sup>(b)</sup> \$'000	Section 32 Appropriations \$'000	\$'000	\$'000
<b>Departmental</b>					
Ordinary annual services -					
Departmental Capital Budget <sup>(a)</sup>	2,018	-	-	2,018	-
			2,018	2,018	2,018

**Notes:**

(a) Departmental 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.

(b) Appropriations reduced under Appropriation Acts (No.1,3,5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

(c) 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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**Note 24C: Unspent Annual Appropriations ('Recoverable GST exclusive')**

	2014 \$'000	2013 \$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2011-12	-	9,248
Appropriation Act (No. 1) 2012-13	-	1,066
Appropriation Act (No. 1) 2013-14	2,633	-
Appropriation Act (No. 3) 2013-14	12,141	-
Appropriation Act (No. 4) 2013-14	12,592	-
<b>Total departmental</b>	<b>27,366</b>	<b>10,314</b>

**Note 24D: Special Appropriations ('Recoverable GST exclusive')**

Authority	Type	Purpose	Appropriation applied	
			2014 \$'000	2013 \$'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	72	8

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**Note 25: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund**

During 2013-14 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for Long Service Leave, Goods and Services Tax and payments under determinations of the Remuneration Tribunal.

The Commission has reviewed its processes and payment controls for these items to minimise the possibility for future breaches as a result of these payments. The Commission has determined that there is a low risk of the circumstances mentioned in the legal advice applying to the Commission. The Commission is not aware of any specific breaches of Section 83 in respect of these items.

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**Note 26: Special Accounts (Recoverable GST Exclusive)**

	Services for Other Entities and Trust	
	2014	2013
	\$'000	\$'000
<b>Administered</b>		
<b>Balance carried forward from previous period</b>	54	54
<b>Increases</b>		
Other receipts	-	-
<b>Total increase</b>	-	-
<b>Available for payments</b>	54	54
<b>Decreases</b>		
Payments made	-	-
<b>Total decrease</b>	-	-
<b>Total balance to be carried to the next period</b>	54	54

<sup>1</sup> Establishing Instrument: *Financial Management and Accountability Act 1997; s20*

<sup>2</sup> 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 Moneys - Australian Competition and Consumer Commission Special Account;
- (c) amounts received from any person for the purposes of the Services for Other Entities and Trust Moneys - 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 27: Compensation and Debt Relief**

<b>Compensation and Debt Relief - Departmental</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
No 'Act of Grace' expenses were incurred during the reporting period (2013: Nil).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997(2013: Nil).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2013: Nil).	-	-
No ex-gratia payments were provided for during the reporting period (2013: Nil).	-	-
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 (2013: Nil).	-	-
<b>Compensation and Debt Relief - Administered</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
No 'Act of Grace' expenses were incurred during the reporting period (2013: Nil).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2013: Nil)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2013: Nil)	-	-
No ex-gratia payments were provided for during the reporting period (2013: Nil).	-	-
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 (2013: Nil).	-	-

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**Note 28: 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 2013-14 budget.

**Note 28A: Net Cost of Outcome Delivery**

	Outcome 1		Total	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Departmental</b>				
Expenses	(183,102)	(177,117)	(183,102)	(177,117)
Own-source Income	1,161	852	1,161	852
<b>Administered</b>				
Expenses	(2,549)	(4,538)	(2,549)	(4,538)
Own-source Income	30,050	57,067	30,050	57,067
<b>Net cost/(contribution) of outcome delivery</b>	<b>(154,440)</b>	<b>(123,736)</b>	<b>(154,440)</b>	<b>(123,736)</b>

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**Note 28B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome**

	Outcome 1		Total	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Employees	107,091	101,478	107,091	101,478
Suppliers	66,673	66,929	66,673	66,929
Depreciation & amortisation	5,742	5,074	5,742	5,074
Finance costs	52	50	52	50
Losses from asset sales	-	-	-	-
Write-down and impairment of assets	14	59	14	59
Other expenses	3,530	3,527	3,530	3,527
<b>Total expenses</b>	<b>183,102</b>	<b>177,117</b>	<b>183,102</b>	<b>177,117</b>
<b>Income</b>				
Revenue from government	179,517	150,228	179,517	150,228
Sale of goods and services	782	592	782	592
Other income	274	92	274	92
Gains	105	168	105	168
<b>Total income</b>	<b>180,678</b>	<b>151,080</b>	<b>180,678</b>	<b>151,080</b>
<b>Assets</b>				
Cash and cash equivalents	1,941	592	1,941	592
Trade and other receivables	26,662	11,033	26,662	11,033
Leasehold improvements	13,769	14,107	13,769	14,107
Property, plant and equipment	6,427	7,083	6,427	7,083
Intangibles	3,237	3,505	3,237	3,505
Inventories	10	22	10	22
Other non-financial assets	1,539	759	1,539	759
<b>Total assets</b>	<b>53,585</b>	<b>37,101</b>	<b>53,585</b>	<b>37,101</b>
<b>Liabilities</b>				
Suppliers	6,331	5,313	6,331	5,313
Other payables	14,109	14,046	14,109	14,046
Employee provisions	23,818	25,708	23,818	25,708
Other provisions	4,831	1,435	4,831	1,435
<b>Total liabilities</b>	<b>49,089</b>	<b>46,502</b>	<b>49,089</b>	<b>46,502</b>

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 28C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome**

	Outcome 1		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Expenses</b>				
Write-down of assets	2,549	4,538	2,549	4,538
<b>Total expenses</b>	<b>2,549</b>	<b>4,538</b>	<b>2,549</b>	<b>4,538</b>
<b>Income</b>				
Fines and costs	29,798	56,818	29,798	56,818
Authorisation fees	163	163	163	163
Other	89	86	89	86
<b>Total income</b>	<b>30,050</b>	<b>57,067</b>	<b>30,050</b>	<b>57,067</b>
<b>Assets</b>				
Cash and cash equivalents	9	18	9	18
Receivables	4,314	12,577	4,314	12,577
<b>Total assets</b>	<b>4,323</b>	<b>12,595</b>	<b>4,323</b>	<b>12,595</b>
<b>Liabilities</b>				
Suppliers	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 29: Net Cash Appropriation Arrangements**

	2014 \$'000	2013 \$'000
<b>Total comprehensive loss less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup></b>	<b>3,304</b>	<b>(20,910)</b>
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>5,742</u>	<u>5,074</u>
<b>Total comprehensive income/(loss) as per the Statement of Comprehensive Income</b>	<b><u>(2,438)</u></b>	<b><u>(25,984)</u></b>

<sup>1</sup> 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.