

# **National Competition Council**

## **Entity resources and planned performance**



# National Competition Council

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# National Competition Council

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

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

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

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

Under the National Gas Law, the NCC recommends on whether particular natural gas pipeline systems should be subject to access regulation (coverage determination under the National Gas Law). The NCC also recommends in relation to the price regulation and greenfields pipeline exemptions available under the National Gas Law. As well as these recommendatory roles, the NCC is responsible for determining whether covered pipelines should be subject to full regulation or light regulation and for classifying pipelines as transmission or distribution pipelines.

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

## 1.2 Entity resource statement

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

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

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

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

**Table 1.1: National Competition Council resource statement – Budget estimates for 2022–23 as at October Budget 2022**

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
<b>Departmental</b>		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	3,348	3,382
Departmental appropriation (c)	1,731	1,683
<b>Total departmental resourcing</b>	<b>5,079</b>	<b>5,065</b>
<b>Total resourcing for National Competition Council</b>	<b>5,079</b>	<b>5,065</b>
	2021-22	2022-23
<b>Average staffing level (number)</b>	<b>1</b>	<b>1</b>

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

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Payments made by the ACCC on behalf of the NCC	1,731	1,683
Payments made to the ACCC for the provision of corporate and professional services	850	850

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

Prepared on a resourcing (that is, appropriations available) basis.

- a) Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- b) Excludes \$0.876m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- c) Excludes departmental capital budget (DCB).

### 1.3 Budget measures

Budget measures in Part 1 relating to the NCC are detailed in the October Budget Paper No. 2 and are summarised below.

**Table 1.2: NCC October 2022–23 Budget measures**  
**Part 1: Measures announced since the 2022–23 March Budget**

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>Payment measures</b>					
An Ambitious and Enduring APS Reform Plan (a)					
Departmental payment	1.1	-	(1)	(2)	-
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (b)					
Departmental payment	1.1	-	(78)	-	-
<b>Total</b>	-	<b>(79)</b>	<b>(2)</b>	<b>(2)</b>	-
<b>Total payment measures</b>					
Departmental	-	(79)	(2)	(2)	-
<b>Total</b>	-	<b>(79)</b>	<b>(2)</b>	<b>(2)</b>	-

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio measures.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

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



## 2.1 Budgeted expenses and performance for Outcome 1

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

### Budgeted expenses for Outcome 1

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

**Table 2.1: Budgeted expenses for Outcome**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
<b>Program 1.1: National Competition Council</b>					
Departmental expenses					
Departmental appropriation	975	1,683	1,815	1,835	1,853
Expenses not requiring appropriation in the Budget year (a)	34	34	34	34	34
<b>Departmental total</b>	<b>1,009</b>	<b>1,717</b>	<b>1,849</b>	<b>1,869</b>	<b>1,887</b>
<b>Total expenses for program 1.1</b>	<b>1,009</b>	<b>1,717</b>	<b>1,849</b>	<b>1,869</b>	<b>1,887</b>
<b>Total expenses for Outcome 1</b>	<b>1,009</b>	<b>1,717</b>	<b>1,849</b>	<b>1,869</b>	<b>1,887</b>

	2021-22	2022-23
<b>Average staffing level (number)</b>	<b>1</b>	<b>1</b>

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

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

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

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 1 – Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure.</b>	
<b>Program 1.1- National Competition Council</b>	
The NCC's objective is to provide advice to Governments and make decisions on infrastructure access issues that accord with statutory requirements (including time limits) and good regulatory practice and ensuring that advice meets requirements of decision-making ministers, such that Australia achieves a consistent approach to access regulation that promotes the efficient operation of, use of and investment in infrastructure thereby promoting effective competition.	
<b>Key Activities</b>	<p>The NCC makes recommendations under the <i>National Access Regime in Part IIIA of the CCA</i> and recommendations and decisions under the National Gas Law.</p> <p>The National Access Regime provides for access to the services of monopoly infrastructure facilities on appropriate terms, through the declaration of services. The NCC's role is to make recommendations to relevant ministers in relation to applications for declaration of services and the certification of state or territory access regimes.</p> <p>The NCC has a similar role under the National Gas Law, contained in the <i>Schedule to the National Gas (South Australia) Act 2008</i>, where it makes recommendations on the coverage of natural gas pipeline systems. Under the National Gas Law, the NCC also has responsibility for deciding the form of regulation applying to natural gas pipeline systems (light or full regulation), classifying pipeline (as transmission or distribution) and making recommendations in relation to various exemptions for greenfields gas pipelines.</p> <p>Both the National Access Regime and the National Gas Law seek to promote the efficient operation of, use of, and investment in significant bottleneck infrastructure, and to promote competition, efficiency and productivity in markets that depend on the use of services provided by significant bottleneck infrastructure facilities.</p>

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

Year	Performance measures	Expected Performance Results
Prior year 2021–22	Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to ‘clock stopping’ provisions) and meet advice requirements of Ministers.	The Council did not consider any declaration applications in 2021–22 and therefore was not required to make any recommendations.
	Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to ‘clock stopping’ provisions) and meet advice requirements of Ministers.	The Council made recommendations in relation to four certification applications. Three recommendations were made within a 180-day consideration period. Under Section 44NC(7) of the CCA, the Council extended the consideration period for one certification application by 28 days.
	Recommendations and decisions under the NGL made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.	The Council did not consider any matters under the National Gas Law during 2021–22 and was therefore not required to make any recommendations or decisions.
	Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is up to date and contains accessible information on all access regulation matters for which the Council is responsible.
	Up to date and informative guidelines on all the NCC’s areas of responsibility are maintained on the NCC website.	Guides to declaration and certification under the NAR and all Council functions under the National Gas Law are all up to date and available on the Council’s website.
	Case law developments, legislative amendments and developments in the NCC’s processes or policies are reflected in the NCC’s information resources within 30 days.	There were no case law developments, legislative amendments or changes in the Council’s processes or policies during the reporting year.
	The NCC’s annual report to the Parliament includes a comprehensive report that meets the requirements of s290 of the CCA and is provided within the timeframe required by the PGPA Act (i.e. by the 15th day of the fourth month after the end of the reporting period).	The Council’s <i>2020–21 Annual Report</i> was provided to the Treasurer within the timeframe required by the PGPA Act. The Annual Report met the requirements of s290 of the CCA.

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

Year	Performance measures	Planned Performance Results
Budget Year 2022–23	Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.
	Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.
	Recommendations and decisions under the National Gas Law made within specified time limits and recommendations under the National Gas Law meet the advice requirements of Ministers.	All recommendations and decisions are forecast to be made within the statutory time limits.
	Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is forecast to be up to date and contain accessible information on all access regulation matters for which the Council is responsible.
	Up to date and informative guidelines on all the NCC's areas of responsibility are maintained on the NCC website.	Guidelines are forecast to be updated within 30 days of relevant decisions or developments in case law.
	Case law developments, legislative amendments and developments in the NCC's processes or policies are reflected in the NCC's information resources within 30 days.	Case law developments, legislative amendments and developments in Council processes or policies are forecast to be reflected in Council information resources within 30 days.
	The NCC's annual report to the Parliament includes a comprehensive report that meets the requirements of s29O of the CCA and is provided within the timeframe required by the PGPA Act (i.e. by the 15th day of the fourth month after the end of the reporting period).	The Council's annual report provides comprehensive information on the National Access Regime and National Gas Law, addresses all matters required under section 29O of the CCA and is forecast to be provided within the required timeframe.
Forward Estimates 2023–26	As per 2022–23.	As per 2022–23

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 Budgeted financial statements**

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

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

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

The NCC is budgeting for a break-even operating result for 2022–23 and the forward years. The financial statements have been prepared on an Australian Accounting Standards basis.

The NCC is estimated to receive own source income of \$8,000 in 2022–23 being fees for applications made to it under the National Gas Law.

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

Council members do not receive leave entitlements. Councillor remuneration is established through *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2022 Compilation No. 4*, which is set by the Remuneration Tribunal, an independent statutory authority established under the *Remuneration Tribunal Act 1973*.

### 3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	95	104	106	108	130
Suppliers	914	1,613	1,743	1,761	1,757
<b>Total expenses</b>	<b>1,009</b>	<b>1,717</b>	<b>1,849</b>	<b>1,869</b>	<b>1,887</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Gains</b>					
Other	34	34	34	34	34
<b>Total gains</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Total own-source income</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Net (cost of)/contribution by services</b>	<b>(975)</b>	<b>(1,683)</b>	<b>(1,815)</b>	<b>(1,835)</b>	<b>(1,853)</b>
Revenue from Government	1,731	1,683	1,815	1,835	1,853
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	50	50	50	50	50
Trade and other receivables	3,382	3,382	3,382	3,382	3,382
<b>Total financial assets</b>	<b>3,432</b>	<b>3,432</b>	<b>3,432</b>	<b>3,432</b>	<b>3,432</b>
<b>Non-financial assets</b>					
Other non-financial assets	213	213	213	213	213
<b>Total non-financial assets</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>
<b>Total assets</b>	<b>3,645</b>	<b>3,645</b>	<b>3,645</b>	<b>3,645</b>	<b>3,645</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2	2	2	2	2
Other payables	2	2	2	2	2
<b>Total payables</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total liabilities</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Net assets</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	81	81	81	81	81
Retained surplus (accumulated deficit)	3,560	3,560	3,560	3,560	3,560
<b>Total equity</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>	<b>3,641</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2022–23)**

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2022</b>			
Balance carried forward from previous period	3,560	81	3,641
<b>Adjusted opening balance</b>	<b>3,560</b>	<b>81</b>	<b>3,641</b>
<b>Estimated closing balance as at 30 June 2023</b>	<b>3,560</b>	<b>81</b>	<b>3,641</b>
<b>Closing balance attributable to the Australian</b>	<b>3,560</b>	<b>81</b>	<b>3,641</b>

Prepared on Australian Accounting Standards basis



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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,113	1,683	1,815	1,835	1,853
Net GST received	14	165	171	173	172
<b>Total cash received</b>	<b>1,127</b>	<b>1,848</b>	<b>1,986</b>	<b>2,008</b>	<b>2,025</b>
<b>Cash used</b>					
Employees	94	104	106	108	130
Suppliers	846	1,579	1,709	1,727	1,723
Net GST paid	162	165	171	173	172
s74 External Revenue transferred to the OPA	15	-	-	-	-
Other	1	-	-	-	-
<b>Total cash used</b>	<b>1,118</b>	<b>1,848</b>	<b>1,986</b>	<b>2,008</b>	<b>2,025</b>
<b>Net cash from/(used by) operating activities</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	41	50	50	50	50
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
<b>OWN-SOURCE INCOME</b>					
Own-source revenue					
Non-taxation revenue					
Fees and fines	-	8	8	8	8
<b>Total non-taxation revenue</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Net (cost of)/contribution by services</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

Prepared on Australian Accounting Standards basis.

**Table 3.6: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Fees	-	8	8	8	8
<b>Total cash received</b>	-	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Net cash from/(used by) operating activities</b>	-	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Net increase/(decrease) in cash held</b>	-	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Cash from Official Public Account for:					
- Transfers from other entities (Finance – Whole of Government)	-	(8)	(8)	(8)	(8)
<b>Total cash from Official Public Account</b>	-	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>
<b>Cash and cash equivalents at end of reporting period</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.