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**MINISTERIAL  
URGENT**

20 JAN 2004

Mr Graeme Samuel AO  
Chairman  
Australian Competition and Consumer Commission  
PO Box 1199  
CANBERRA ACT 2602

Dear Mr Samuel

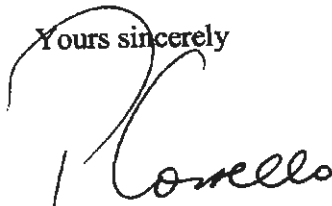
Over the last several months I have been required to deal on a number of occasions with the ACCC's financial situation. Moreover I note that the ACCC's financial circumstances were raised at Senate Estimates and you have made reference to them in recent media reports.

It concerns me that the Commission has reported significant operating losses and I urge you to review the financial management and priority setting of the agency. I am aware that the current financial difficulties precede your appointment, however the ACCC's current financial position is unacceptable to the Government.

I expect that the ACCC's financial position will be discussed during the 2004-05 Budget process. The commissioning of the report by Ernst and Young should assist in this regard. The ACCC's case will be assisted by a firm commitment being given by you that the ACCC has in place improved financial management practices and that you will ensure, to the greatest extent possible, that the ACCC will, in the future, manage its responsibilities within its appropriated budget.

I have copied this letter to the Prime Minister and the Minister for Finance and Administration.

Yours sincerely



PETER COSTELLO

AUST. COMPETITION &  
CONSUMER COMMISSION  
CANBERRA  
30 JAN 2004