

# PRODUCTIVITY COMMISSION

## Section 1: Agency overview and resources; variations and measures

### OVERVIEW

There has been no change to the overview included in the *2005-06 Portfolio Budget Statements* (page 315).

**Table 1.1: Agency outcomes and output groups**

Outcome	Description	Output groups
<b>Outcome 1</b>		
Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective	To enhance understanding and community awareness of how Australia's productivity and living standards can be improved.	Output Group 1.1 Productivity Commission

### ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variation contributed to a net increase in agency outputs of \$0.2 million for the Productivity Commission (the Commission).

#### Variations — measures

**Table 1.2: Additional estimates and variations to outcomes – measures**

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
<b>Outcome 1</b>				
Increase in departmental appropriations				
Taskforce on reducing the regulatory burden on business	202	-	-	-

#### Other variations to appropriations

**Table 1.3: Additional estimates and variations to outcomes — other variations**

This table is not applicable to the Commission.

## MEASURES — AGENCY SUMMARY

**Table 1.4: Summary of measures since the 2005-06 Budget**

Measure	Outcome	Output groups affected	2005-06 \$'000			2006-07 \$'000			2007-08 \$'000			2008-09 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
			Taskforce on reducing the regulatory burden on business	1	1.1	-	202	202	-	-	-	-	-	-
<b>Total</b>			-	202	202	-	-	-	-	-	-	-	-	-

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

**Table 1.5: Appropriation Bill (No. 3) 2005-06**

	2004-05 available \$'000	2005-06 budget \$'000	2005-06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective	28,293	28,247	28,449	202	-
<b>Total</b>	28,293	28,247	28,449	202	-

**Table 1.6: Appropriation Bill (No. 4) 2005-06**

This table is not applicable to the Commission.

## SUMMARY OF STAFFING CHANGES

**Table 1.7: Average Staffing Level (ASL)**

	2005-06 budget	2005-06 revised	variation
<b>Outcome 1</b>			
Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective	200	200	-
<b>Total</b>	200	200	-

## SUMMARY OF AGENCY SAVINGS

**Table 1.8: Summary of agency savings**

This table is not applicable to the Commission.

## OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* section 31 receipts and resources received free of charge.

**Table 1.9: Other receipts available to be used**

	Budget estimate 2005-06 \$'000	Revised estimate 2005-06 \$'000
<b>Departmental other receipts</b>		
Goods and services	50	50
Other	35	35
<b>Total departmental other receipts available to be used</b>	<b>85</b>	<b>85</b>

## ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

**Table 1.10: Estimates of expenses from special appropriations**

This table is not applicable to the Commission.

## ESTIMATES OF SPECIAL ACCOUNT FLOWS

**Table 1.11: Estimates of special account flows**

	Opening Balance <b>2005-06<sup>1</sup></b> <i>2004-05<sup>1</sup></i> \$'000	Receipts <b>2005-06</b> <i>2004-05</i> \$'000	Payments <b>2005-06</b> <i>2004-05</i> \$'000	Adjustments <b>2005-06</b> <i>2004-05</i> \$'000	Closing Balance <b>2005-06</b> <i>2004-05</i> \$'000
Other Trust Monies (D)	-	-	-	-	-
Services for Other Government & Non-Agency Bodies (D)	-	-	-	-	-
<b>Total special accounts</b>	-	-	-	-	-
<b>2005-06 Budget estimate</b>	-	-	-	-	-
<i>Total special accounts</i>	-	-	-	-	-
<i>2004-05 actual</i>	-	-	-	-	-

1 The revised Opening Balance for 2005-06 is the same as the final closing balance for 2004-05. This balance may have changed from that shown in the *2005-2006 Portfolio Budget Statements* as the actual for 2004-05 may have been updated to reflect the final budget outcome for that year.

(D)=Departmental.

## Section 2: Revisions to agency outcomes

### **OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS**

Table 1.1 'Agency outcomes and output groups' lists the outcome statements and output groups for the Productivity Commission (the Commission).

The Commission has not made any changes to its outcome or outputs since the *2005-06 Portfolio Budget Statements*.

#### **Output cost attribution**

Overheads and other indirect expenses that cannot be directly attributed to outputs are allocated to outputs in proportion to the direct costs (principally salaries) of the activities undertaken within each output.

#### **Revised performance information — 2005-06**

The Commission has not made any changes to its performance information since the *2005-06 Portfolio Budget Statements*.

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

The budgeted financial statements will form the basis of the financial statements that will appear in the Productivity Commission's (the Commission) 2005-06 Annual Report and form the basis for the input into the Whole of Government accounts. The financial statements should be read in conjunction with the accompanying notes.

The budgeted financial statements contain estimates prepared in accordance with the requirements of the Australian Government's financial budgeting and reporting framework, including the principles of Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration.

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

The additional funding provided by the Government will enable the Commission to cover the additional external costs incurred by the Government's Taskforce on reducing the regulatory burden on business. As the Taskforce will report by 31 January 2006, the additional funding applies only to 2005-06.

The Commission is budgeting for a break-even operating result in 2005-06 and for the forward estimates years.

### **BUDGETED FINANCIAL STATEMENTS**

#### **Departmental financial statements**

##### **Budgeted departmental income statement**

This statement provides a picture of the expected financial results for the Commission by identifying full accrual expenses and revenues, which highlights whether the Commission is operating at a sustainable level.

##### **Budgeted departmental balance sheet**

This statement shows the expected financial position of the Commission. It enables decision-makers to track the management of the Commission's assets and liabilities.

##### **Budgeted departmental statement of cash flows**

This statement identifies expected cash flows from operating activities, investing activities and financing activities.

**Departmental statement of changes in equity — summary of movement**

This statement shows the expected movement in the Commission's equity.

**Departmental capital budget statement**

This statement shows all proposed capital expenditure funded through capital appropriations or from internal sources.

**Departmental property, plant, equipment and intangibles — summary of movement**

This statement shows the expected movement in the Commission's non-financial assets over the Budget year 2005-06.

**Table 3.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from government	28,293	28,449	28,554	28,817	29,116
Goods and services	314	50	50	50	50
Other	34	35	35	35	35
<b>Total revenue</b>	<b>28,641</b>	<b>28,534</b>	<b>28,639</b>	<b>28,902</b>	<b>29,201</b>
<b>Gains</b>					
Net gains from sale of assets	4	-	-	-	-
<b>Total gains</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>28,645</b>	<b>28,534</b>	<b>28,639</b>	<b>28,902</b>	<b>29,201</b>
<b>EXPENSE</b>					
Employees	19,563	21,944	22,082	22,240	22,368
Suppliers	6,102	5,841	5,808	5,913	6,150
Depreciation and amortisation	548	749	749	749	683
Write-down of assets and impairment of assets	4	-	-	-	-
<b>Total expenses</b>	<b>26,217</b>	<b>28,534</b>	<b>28,639</b>	<b>28,902</b>	<b>29,201</b>
<b>Operating result from continuing operations</b>	<b>2,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>2,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	210	296	262	257	273
Receivables	6,346	6,800	7,300	7,900	8,300
Other	186	235	211	215	241
<b>Total financial assets</b>	<b>6,742</b>	<b>7,331</b>	<b>7,773</b>	<b>8,372</b>	<b>8,814</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	2,280	1,962	1,818	1,419	1,201
Intangibles	29	24	19	14	9
<b>Total non-financial assets</b>	<b>2,309</b>	<b>1,986</b>	<b>1,837</b>	<b>1,433</b>	<b>1,210</b>
<b>Total assets</b>	<b>9,051</b>	<b>9,317</b>	<b>9,610</b>	<b>9,805</b>	<b>10,024</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	6,925	7,238	7,493	7,646	7,825
Leasehold make-good	700	720	758	800	840
<b>Total provisions</b>	<b>7,625</b>	<b>7,958</b>	<b>8,251</b>	<b>8,446</b>	<b>8,665</b>
<b>Payables</b>					
Suppliers	187	120	120	120	120
<b>Total payables</b>	<b>187</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>
<b>Total liabilities</b>	<b>7,812</b>	<b>8,078</b>	<b>8,371</b>	<b>8,566</b>	<b>8,785</b>
<b>EQUITY*</b>					
Contributed equity	1,711	1,711	1,711	1,711	1,711
Reserves	1,172	1,172	1,172	1,172	1,172
Retained surpluses or accumulated deficits	(1,644)	(1,644)	(1,644)	(1,644)	(1,644)
<b>Total equity</b>	<b>1,239</b>	<b>1,239</b>	<b>1,239</b>	<b>1,239</b>	<b>1,239</b>
<b>Current assets</b>	<b>6,742</b>	<b>7,331</b>	<b>7,773</b>	<b>8,372</b>	<b>8,814</b>
<b>Non-current assets</b>	<b>2,309</b>	<b>1,986</b>	<b>1,837</b>	<b>1,433</b>	<b>1,210</b>
<b>Current liabilities</b>	<b>1,211</b>	<b>620</b>	<b>620</b>	<b>620</b>	<b>620</b>
<b>Non-current liabilities</b>	<b>6,601</b>	<b>7,458</b>	<b>7,751</b>	<b>7,946</b>	<b>8,165</b>

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

**Table 3.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	345	50	50	50	50
Appropriations	24,588	28,449	28,554	28,817	29,116
Cash from Official Public Account	1,000	-	-	-	-
Other	678	-	-	-	-
<b>Total cash received</b>	<b>26,611</b>	<b>28,499</b>	<b>28,604</b>	<b>28,867</b>	<b>29,166</b>
<b>Cash used</b>					
Employees	19,028	21,846	21,963	22,097	22,198
Suppliers	8,143	5,851	5,785	5,940	6,102
Cash to Official Public Account	-	300	300	500	400
<b>Total cash used</b>	<b>27,171</b>	<b>27,997</b>	<b>28,048</b>	<b>28,537</b>	<b>28,700</b>
<b>Net cash from or (used by) operating activities</b>	<b>(560)</b>	<b>502</b>	<b>556</b>	<b>330</b>	<b>466</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	4	10	10	10	10
<b>Total cash received</b>	<b>4</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	192	426	600	345	460
<b>Total cash used</b>	<b>192</b>	<b>426</b>	<b>600</b>	<b>345</b>	<b>460</b>
<b>Net cash from or (used by) investing activities</b>	<b>(188)</b>	<b>(416)</b>	<b>(590)</b>	<b>(335)</b>	<b>(450)</b>
<b>Net increase or (decrease) in cash held</b>	<b>(748)</b>	<b>86</b>	<b>(34)</b>	<b>(5)</b>	<b>16</b>
Cash at the beginning of the reporting period	958	210	296	262	257
<b>Cash at the end of the reporting period</b>	<b>210</b>	<b>296</b>	<b>262</b>	<b>257</b>	<b>273</b>

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)**

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2005</b>					
Balance carried forward from previous period	(1,771)	1,172	-	1,711	1,112
Adjustment for changes in accounting policies	127	-	-	-	127
<b>Adjusted opening balance</b>	<b>(1,644)</b>	<b>1,172</b>	<b>-</b>	<b>1,711</b>	<b>1,239</b>
Net operating result	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 30 June 2006</b>	<b>(1,644)</b>	<b>1,172</b>	<b>-</b>	<b>1,711</b>	<b>1,239</b>

**Table 3.5: Departmental capital budget statement**

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	192	426	600	345	460
<b>Total</b>	192	426	600	345	460

**Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)**

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2005</b>									
Gross book value	-	-	-	-	4,497	-	559	-	5,056
Accumulated depreciation	-	-	-	-	(2,217)	-	(530)	-	(2,747)
<b>Opening net book value</b>	-	-	-	-	2,280	-	29	-	2,309
Additions:									
by purchase	-	-	-	-	411	-	15	-	426
Depreciation/amortisation expense	-	-	-	-	(729)	-	(20)	-	(749)
Disposals:									
other disposals	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2006</b>									
Gross book value	-	-	-	-	4,908	-	574	-	5,482
Accumulated depreciation	-	-	-	-	(2,946)	-	(550)	-	(3,496)
<b>Closing net book value</b>	-	-	-	-	1,962	-	24	-	1,986

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

This table is not applicable to the Commission.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

This table is not applicable to the Commission.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

This table is not applicable to the Commission.

**Table 3.10: Schedule of administered capital budget**

This table is not applicable to the Commission.

**Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)**

This table is not applicable to the Commission.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention, except for certain assets which are at valuation.

