

# PRODUCTIVITY COMMISSION

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# PRODUCTIVITY COMMISSION

## Section 1: Agency overview

The Productivity Commission (the Commission) is the Australian Government's principal review and advisory body on microeconomic policy and regulation. The Commission's work covers all sectors of the economy. It extends to the public and private sectors and focuses on areas of Australian Government as well as state and territory responsibility.

As a review and advisory body the Commission does not have responsibility for implementing government programmes. It carries out research, inquiry, advising and incidental functions prescribed under the *Productivity Commission Act 1998*.

The Commission contributes to 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. It does this by undertaking:

- government commissioned projects;
- performance reporting and other services to government bodies;
- regulation review activities;
- competitive neutrality complaints activities; and
- supporting research and activities and statutory annual reporting.

**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

## Section 2: Agency resources for 2005-06

### **2.1: APPROPRIATIONS AND OTHER RESOURCES**

The total appropriation for the Productivity Commission (the Commission) in the 2005-06 Budget is \$28.2 million.

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome and departmental classification.

**Table 2.1: Appropriations and other revenue 2005-06<sup>1</sup> ('000)**

Outcome	Appropriations					Revenue from other sources <sup>2</sup>		Total resources <sup>4</sup>
	\$'000	\$'000	\$'000	\$'000	% <sup>3</sup>	\$'000	% <sup>3</sup>	\$'000
	Bill No. 1	Bill No. 2	Special approp	Total approp				
<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								
Departmental	28,247	-	-	28,247	99.7%	85	0.3%	28,332
<b>Total agency</b>	<b>28,247</b>	<b>-</b>	<b>-</b>	<b>28,247</b>		<b>85</b>		<b>28,332</b>
Departmental capital (equity injections)	-	-	-	-	-	-	-	-
Previous year's outputs	-	-	-	-	-	-	-	-
<b>Total resources</b>	<b>28,247</b>	<b>-</b>	<b>-</b>	<b>28,247</b>		<b>85</b>		<b>28,332</b>

1 This table has been redesigned to correspond with *Budget Paper No. 4, Agency Resourcing 2005-06*.

2 Revenue from other sources includes *Financial Management and Accountability Act 1997* (FMA) s.31 revenues, that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge of \$35,000.

3 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.

4 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted departmental statement of financial performance for application of agency revenue.

## **2.2: 2005-06 BUDGET MEASURES**

Budget measures relating to the Commission as explained in *Budget Paper No. 2, Budget Measures 2005-06* are summarised in Table 2.2. The table also identifies the relevant outcomes and outputs associated with each measure

**Table 2.2: Productivity Commission measures**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2006-07			Appropriations forward estimate 2007-08			Appropriations forward estimate 2008-09		
			2005-06 \$'000			2006-07 \$'000			2007-08 \$'000			2008-09 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Efficiency dividend — increase in the rate from 1 per cent to 1.25 percent <sup>1</sup>	1	1.1	-	- 68	- 68	-	- 137	- 137	-	- 206	- 206	-	- 206	- 206

<sup>1</sup> This is a cross portfolio measure. This table shows the Commission's contribution to the measure.

### 2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include FMA s.31 receipts and resources received free of charge.

**Table 2.3: Other receipts available to be used<sup>1</sup>**

	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental other receipts</b>		
Goods and services	250	50
Other	35	35
<b>Total departmental other receipts available to be used</b>	<b>285</b>	<b>85</b>

<sup>1</sup> This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

Receipts from goods and services include rent from the sub-lease of accommodation (2004-05 only), sale of publications, sale of surplus equipment and external use of the Commission's library (of which some \$9,000 is due to cost recovery arrangements).

### 2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

**Table 2.4: Movement of administered funds from 2004-05 to 2005-06**

This table is not applicable to the Commission.

### 2.5: SPECIAL APPROPRIATIONS

**Table 2.5: Estimates of expenses from special appropriations**

This table is not applicable to the Commission.



## 2.6: SPECIAL ACCOUNTS

**Table 2.6: Estimates of special account flows and balances**

		Opening balance	Receipts	Payments	Closing balance
	A <sup>(1)</sup>	2005-06	2005-06	2005-06	2005-06
	B <sup>(1)</sup>	2004-05	2004-05	2004-05	2004-05
	Outcome	\$'000	\$'000	\$'000	\$'000
Other Trust Monies	1	-	-	-	-
		-	-	-	-
<b>Total special accounts</b>					
<b>2005-06 Budget estimate</b>		-	-	-	-
Total special accounts					
2004-05 estimated actual		-	-	-	-

1 The opening balance for 2005-06 (reference A) is the same as the closing balance for 2004-05 (reference B).

## 2.7: DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Commission does not have an appropriation for an equity injection or a loan in the 2005-06 Budget.

## Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs that contribute to the outcome for the Productivity Commission (the Commission).

### **3.1: SUMMARY OF OUTCOMES AND OUTPUTS**

The Commission has one outcome:

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.

The Commission's five outputs derive from its statutory functions. The quantum and scope of the work under each output is largely determined externally (for example, government commissioned projects, regulation impact statement assessments, competitive neutrality complaints investigations). In view of this, the Commission requires the flexibility to vary resources amongst its various outputs.

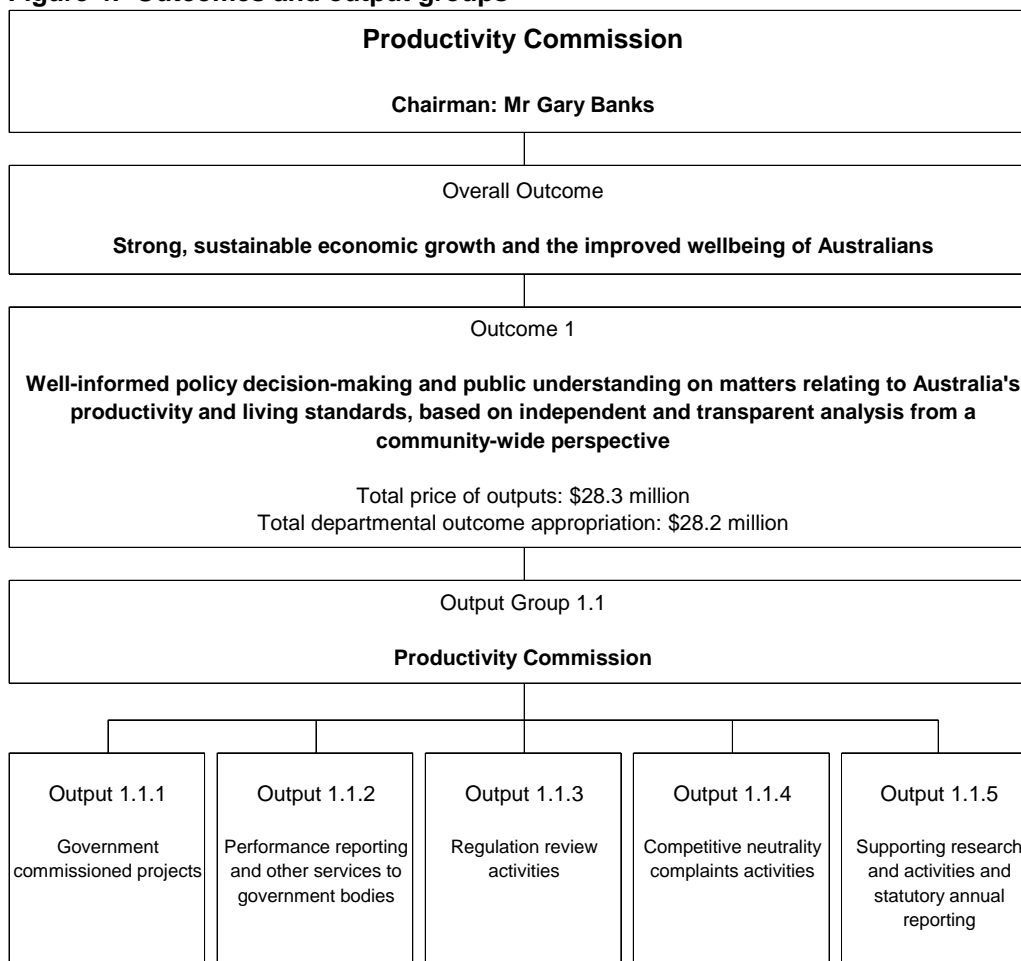
The effectiveness with which the Commission's outputs contribute to achievement of the outcome is difficult to assess. The Commission is but one source of policy advice on matters relating to Australia's productivity and living standards and many issues are complex and long term. The Commission aims to demonstrate its effectiveness by reporting annually on the relevance, quality, timeliness and cost effectiveness of its outputs.

An elaboration of the activities covered by each of the outputs is included under 'Outcome 1 contribution of outputs'.

The relationship between activities of the Commission and the outcome is summarised in Figure 4.

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.

**Figure 4: Outcomes and output groups**



### 3.2: OUTCOMES — DEPARTMENTAL

The Commission has only one outcome, namely, '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'. The total appropriation for this outcome for 2005-06 is \$28.2 million.

**Figure 5: Departmental appropriations by outcome, 2005-06**

This figure is not applicable to the Commission.

**Figure 6: Administered appropriations by outcome, 2005-06**

This figure is not applicable to the Commission.

### 3.3: OUTCOMES RESOURCING

#### Outcome 1 description

**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.**

#### Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

**Table 3.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental appropriations</b>		
Output Group 1.1 - Productivity Commission		
Output 1.1.1 - Government commissioned projects	14,000	14,000
Output 1.1.2 - Performance reporting and other services to government bodies	3,900	3,900
Output 1.1.3 - Regulation review activities	2,800	2,800
Output 1.1.4 - Competitive neutrality complaints activities	300	300
Output 1.1.5 - Supporting research and activities and statutory annual reporting	7,293	7,247
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>28,293</b>	<b>28,247</b>
<b>Revenue from other sources</b>		
Goods and services	250	50
Other	35	35
<b>Total revenue from other sources</b>	<b>285</b>	<b>85</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>28,578</b>	<b>28,332</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs)	<b>28,578</b>	<b>28,332</b>
	2004-05	2005-06
<b>Average staffing level (number)</b>	<b>200</b>	<b>200</b>

### 3.4: MEASURES AFFECTING OUTCOMES

#### Measures affecting Outcome 1

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Efficiency dividend — increase in the rate from 1 per cent to 1.25 per cent <sup>1</sup>	- 68	- 137	- 206	- 206

<sup>1</sup> This is a cross portfolio measure. This table shows the Commission's contribution to the measure.

Details of this measure is included in *Budget Paper No. 2, Budget Measures 2005-06*.

#### Outcome 1 contribution of outputs

##### Output 1: Government commissioned projects

Public inquiries (for example, reviews of national competition policy reforms, energy efficiency, smash repair and insurance and the Australian pigmeat industry), case studies and other commissioned work (such as the economic implications of an ageing Australia, health workforce and medical technology).

##### Output 2: Performance reporting and other services to government bodies

Government services performance reports including Australian Government/state/territory service provision, key indicators of indigenous disadvantage, performance monitoring and related research on government trading enterprises.

##### Output 3: Regulation review activities

Assessments of regulation impact statements, and a range of associated activities such as annual reporting, research, advice and education.

##### Output 4: Competitive neutrality complaints activities

Investigations of competitive neutrality complaints and associated activities such as research, advice and education.

##### Output 5: Supporting research and activities and statutory annual reporting

Statutory annual reporting; research and working papers in support of the Commission's varying inquiry program and to contribute to public policy issues; and associated activities such as submissions, conferences and speeches.

## Performance information for Outcome 1

**Table 3.2: Performance information for Outcome 1**

<b>Performance indicators for individual outputs</b>	
<b>Output group 1.1: Productivity Commission</b>	
Output 1.1.1 - Government commissioned projects	<p><b>Quality</b> Projects of a high standard, useful to government, undertaken in accordance with required processes and on time.</p> <p><b>Quantity</b> Capacity to undertake projects to a cost of \$14.0 million.</p> <p><b>Price: \$14.0 million</b></p>
Output 1.1.2 - Performance reporting and other services to government bodies	<p><b>Quality</b> Reports of a high standard, useful to government and completed on time.</p> <p><b>Quantity</b> Capacity to provide reports and services to a cost of \$3.9 million.</p> <p><b>Price: \$3.9 million</b></p>
Output 1.1.3 - Regulation review activities	<p><b>Quality</b> Regulation Impact Statement (RIS) assessments and associated activities of a high standard, advice useful to government and on time.</p> <p><b>Quantity</b> Capacity to undertake RIS assessments and associated activities to a cost of \$2.8 million.</p> <p><b>Price: \$2.8 million</b></p>
Output 1.1.4 - Competitive neutrality complaints activities	<p><b>Quality</b> Competitive neutrality complaints successfully resolved within 90 days; associated activities of a high standard and useful to government.</p> <p><b>Quantity</b> Capacity to undertake activities to a cost of \$0.3 million.</p> <p><b>Price: \$0.3 million</b></p>
Output 1.1.5 - Supporting research and activities and statutory annual reporting	<p><b>Quality</b> Reports, projects and associated activities of a high standard, useful to government, raising community awareness and on time.</p> <p><b>Quantity</b> Capacity to undertake research that supports the government's current and emerging policy agenda to a cost of \$7.2 million.</p> <p><b>Price: \$7.3 million</b></p>

## Evaluations for Outcome 1

Evaluation of actual levels of achievement will be shown in the Commission's 2005-06 Annual Report.

## Section 4: Other reporting requirements

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

The Productivity Commission (the Commission) has no purchaser-provider arrangements with any other Government agencies.

### **4.2: COST RECOVERY ARRANGEMENTS**

As disclosed in the comments for Table 2.3 – Other receipts available to be used, the Commission has a single cost recovery arrangement for the external use of its library and expects to receive about \$9,000 in 2005-06.

### **4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE**

In the 2003-04 Budget, the Government provided the Commission with additional funding of \$2.4 million over four years to prepare a report annually on key indicators of indigenous disadvantage.

As part of the Council of Australian Governments' Reconciliation agenda, the objective is to identify key indicators that are of relevance to all governments and indigenous stakeholders, and that can demonstrate the impact of program and policy interventions on addressing indigenous disadvantage.

#### **Table 4.1: Australian Government Indigenous Expenditure**

For information on the Commission's Australian Government Indigenous Expenditure refer to the Portfolio table on page 8.

## Section 5: Budgeted financial statements

### **5.1: ANALYSIS OF 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.

#### **Budgeted departmental financial statements**

The Commission is budgeting for a break-even operating result in 2005-06 and the forward estimate years compared to operating losses over the three years to 2003-04. The Government provided additional funding in the 2004-05 Additional Estimates to enable the Commission to meet increased demand for its mandated functions at the required standards of quality and timeliness.



## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from Government	28,293	28,247	28,554	28,817	29,116
Goods and services	250	50	50	50	50
Other	35	35	35	35	35
<b>Revenues from ordinary activities</b>	<b>28,578</b>	<b>28,332</b>	<b>28,639</b>	<b>28,902</b>	<b>29,201</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	21,679	21,944	22,082	22,240	22,368
Suppliers	5,971	5,756	5,859	5,965	6,136
Depreciation and amortisation	928	632	698	697	697
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>28,578</b>	<b>28,332</b>	<b>28,639</b>	<b>28,902</b>	<b>29,201</b>
<b>Operating surplus or deficit from ordinary activities</b>	-	-	-	-	-
<b>Net surplus or deficit</b>	-	-	-	-	-
<b>Net surplus or deficit attributable to the Australian Government</b>	-	-	-	-	-

**Table 5.2: Budgeted departmental statement of financial position as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 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	250	296	262	257	273
Receivables	4,300	4,300	4,900	5,400	6,000
Other financial assets	302	302	302	302	302
<b>Total financial assets</b>	<b>4,852</b>	<b>4,898</b>	<b>5,464</b>	<b>5,959</b>	<b>6,575</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	1,296	1,359	926	589	157
Intangibles	44	39	34	29	24
<b>Total non-financial assets</b>	<b>1,340</b>	<b>1,398</b>	<b>960</b>	<b>618</b>	<b>181</b>
<b>Total assets</b>	<b>6,192</b>	<b>6,296</b>	<b>6,424</b>	<b>6,577</b>	<b>6,756</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	7,261	7,365	7,493	7,646	7,825
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>7,261</b>	<b>7,365</b>	<b>7,493</b>	<b>7,646</b>	<b>7,825</b>
<b>Payables</b>					
Suppliers	120	120	120	120	120
<b>Total payables</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>
<b>Total liabilities</b>	<b>7,381</b>	<b>7,485</b>	<b>7,613</b>	<b>7,766</b>	<b>7,945</b>
<b>EQUITY*</b>					
<b>Parent entity interest</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	- 4,072	- 4,072	- 4,072	- 4,072	- 4,072
<b>Total parent entity interest</b>	<b>- 1,189</b>	<b>- 1,189</b>	<b>- 1,189</b>	<b>- 1,189</b>	<b>- 1,189</b>
<b>Total equity</b>	<b>- 1,189</b>	<b>- 1,189</b>	<b>- 1,189</b>	<b>- 1,189</b>	<b>- 1,189</b>
<b>Current assets</b>	<b>4,852</b>	<b>4,898</b>	<b>5,464</b>	<b>5,959</b>	<b>6,575</b>
<b>Non-current assets</b>	<b>1,340</b>	<b>1,398</b>	<b>960</b>	<b>618</b>	<b>181</b>
<b>Current liabilities</b>	<b>3,822</b>	<b>3,882</b>	<b>3,950</b>	<b>4,033</b>	<b>4,132</b>
<b>Non-current liabilities</b>	<b>3,559</b>	<b>3,603</b>	<b>3,663</b>	<b>3,733</b>	<b>3,813</b>

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

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 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	250	50	50	50	50
Appropriations	28,293	28,247	28,554	28,817	29,116
<b>Total cash received</b>	<b>28,543</b>	<b>28,297</b>	<b>28,604</b>	<b>28,867</b>	<b>29,166</b>
<b>Cash used</b>					
Employees	21,595	21,846	21,963	22,097	22,198
Suppliers	6,565	5,725	5,825	5,930	6,102
Cash to Official Public Account	802	-	600	500	600
<b>Total cash used</b>	<b>28,962</b>	<b>27,571</b>	<b>28,388</b>	<b>28,527</b>	<b>28,900</b>
<b>Net cash from or used by operating activities</b>	<b>- 419</b>	<b>726</b>	<b>216</b>	<b>340</b>	<b>266</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	10	10	10	10	10
<b>Total cash received</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	299	690	260	355	260
<b>Total cash used</b>	<b>299</b>	<b>690</b>	<b>260</b>	<b>355</b>	<b>260</b>
<b>Net cash from or used by investing activities</b>	<b>- 289</b>	<b>- 680</b>	<b>- 250</b>	<b>- 345</b>	<b>- 250</b>
<b>Net increase or decrease in cash held</b>					
Cash at the beginning of the reporting period	958	250	296	262	257
Cash at the end of the reporting period	250	296	262	257	273

**Table 5.4: Departmental capital budget statement**

	Estimated actual 2004-05 \$'000	Budget estimate 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	299	690	260	355	260
<b>Total</b>	299	690	260	355	260

**Table 5.5: 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	-	-	-	-	3,778	-	574	-	4,352
Accumulated depreciation	-	-	-	-	- 2,482	-	- 530	-	- 3,012
<b>Opening net book value</b>	-	-	-	-	1,296	-	44	-	1,340
Additions:									
by purchase	-	-	-	-	675	-	15	-	690
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	- 612	-	- 20	-	- 632
Recoverable amount write-downs	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2006</b>									
Gross book value	-	-	-	-	4,453	-	589	-	5,042
Accumulated depreciation	-	-	-	-	- 3,094	-	- 550	-	- 3,644
<b>Closing net book value</b>	-	-	-	-	1,359	-	39	-	1,398

**Table 5.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June**

This table is not applicable to the Commission.

**Table 5.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June**

This table is not applicable to the Commission.

**Table 5.8: Schedule of budgeted administered cash flows for the period ended 30 June**

This table is not applicable to the Commission.

**Table 5.9: Schedule of administered capital budget**

This table is not applicable to the Commission.

**Table 5.10: Schedule of property, plant, equipment and intangibles — summary of movement (Budget Year 2005-06)**

This table is not applicable to the Commission.

### **5.3: 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.

