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
Outcome 1		
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
Outcome 1				
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	-	-	-	-	-	-	-	-	-
Total			-	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
DEPARTMENTAL OUTPUTS					
Outcome 1					
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	-
Total	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
Outcome 1			
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	-
Total	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
Departmental other receipts		
Goods and services	50	50
Other	35	35
Total departmental other receipts available to be used	85	85

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 **2005-06**[1] *2004-05*[1] $'000	Receipts **2005-06** *2004-05* $'000	Payments **2005-06** *2004-05* $'000	Adjustments **2005-06** *2004-05* $'000	Closing Balance **2005-06** *2004-05* $'000
Other Trust Monies (D)	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*
Services for Other Government & Non-Agency Bodies (D)	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*
Total special accounts		**-**	**-**	**-**	**-**
2005-06 Budget estimate	**-**	**-**	**-**	**-**	**-**
Total special accounts 2004-05 actual	*-*	*-*	*-*	*-*	*-*

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
INCOME					
Revenue					
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
Total revenue	28,641	28,534	28,639	28,902	29,201
Gains					
Net gains from sale of assets	4	-	-	-	-
Total gains	4	-	-	-	-
Total income	28,645	28,534	28,639	28,902	29,201
EXPENSE					
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	-	-	-	-
Total expenses	26,217	28,534	28,639	28,902	29,201
Operating result from continuing operations	2,428	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	2,428	-	-	-	-

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
ASSETS					
Financial assets					
Cash	210	296	262	257	273
Receivables	6,346	6,800	7,300	7,900	8,300
Other	186	235	211	215	241
Total financial assets	6,742	7,331	7,773	8,372	8,814
Non-financial assets					
Infrastructure, plant and equipment	2,280	1,962	1,818	1,419	1,201
Intangibles	29	24	19	14	9
Total non-financial assets	2,309	1,986	1,837	1,433	1,210
Total assets	9,051	9,317	9,610	9,805	10,024
LIABILITIES					
Provisions					
Employees	6,925	7,238	7,493	7,646	7,825
Leasehold make-good	700	720	758	800	840
Total provisions	7,625	7,958	8,251	8,446	8,665
Payables					
Suppliers	187	120	120	120	120
Total payables	187	120	120	120	120
Total liabilities	7,812	8,078	8,371	8,566	8,785
EQUITY*					
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)
Total equity	1,239	1,239	1,239	1,239	1,239
Current assets	6,742	7,331	7,773	8,372	8,814
Non-current assets	2,309	1,986	1,837	1,433	1,210
Current liabilities	1,211	620	620	620	620
Non-current liabilities	6,601	7,458	7,751	7,946	8,165

* 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
OPERATING ACTIVITIES					
Cash received					
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	-	-	-	-
Total cash received	26,611	28,499	28,604	28,867	29,166
Cash used					
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
Total cash used	27,171	27,997	28,048	28,537	28,700
Net cash from or (used by) operating activities	(560)	502	556	330	466
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	4	10	10	10	10
Total cash received	4	10	10	10	10
Cash used					
Purchase of property, plant and equipment	192	426	600	345	460
Total cash used	192	426	600	345	460
Net cash from or (used by) investing activities	(188)	(416)	(590)	(335)	(450)
Net increase or (decrease) in cash held	(748)	86	(34)	(5)	16
Cash at the beginning of the reporting period	958	210	296	262	257
Cash at the end of the reporting period	210	296	262	257	273

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

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

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
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	192	426	600	345	460
Total	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
As at 1 July 2005									
Gross book value	-	-	-	-	4,497	-	559	`	5,056
Accumulated depreciation	-	-	-	-	(2,217)	-	(530)	-	(2,747)
Opening net book value	-	-	-	-	2,280	-	29	-	2,309
Additions:									
by purchase	-	-	-	-	411	-	15	-	426
Depreciation/amortisation expense	-	-	-	-	(729)	-	(20)	-	(749)
Disposals:									
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2006									
Gross book value	-	-	-	-	4,908	-	574	-	5,482
Accumulated depreciation	-	-	-	-	(2,946)	-	(550)	-	(3,496)
Closing net book value	-	-	-	-	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.