

PRODUCTIVITY COMMISSION

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PRODUCTIVITY COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Productivity Commission from that outlined in the *Portfolio Budget Statements 2011-12* (pages 325-326).

The Productivity Commission is seeking an additional \$3.9 million in departmental outputs through Appropriation Bill (No. 3) 2011-12 for the Clean Energy Future – Governance – Productivity Commission Reviews measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2011-12* (page 288).

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Productivity Commission resource statement — additional estimates for 2011-12 as at Additional Estimates February 2012

	Estimates as at Budget 2011-12 \$'000	Proposed Additional Estimates 2011-12 \$'000	Total estimate at Additional Estimates 2011-12 \$'000	Total available appropriation 2010-11 \$'000
Ordinary annual services				
Departmental				
Prior year departmental carried forward	9,336	-	9,336	-
Departmental appropriation ²	34,448	3,859 ¹	38,307	41,424
Receipts from other sources (s31)	10	-	10	10
Total ordinary annual services	43,794	3,859	47,653	41,434
Total net resourcing for Productivity Commission	43,794	3,859	47,653	47,653

1. Appropriation Bill (No. 3) 2011-12.

2. Includes \$0.4 million in 2011-12 for the departmental capital budget (also refer Table 3.2.5).

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2011-12 Budget.

Table 1.2: Agency measures since Budget

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures					
Clean Energy Future - Governance - Productivity Commission Reviews	1.1	3,859	4,375	4,972	4,805

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2011-12 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2010-11 Budget

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Outcome 1					
Increase in estimates (departmental)					
Clean Energy Future - Governance - Productivity Commission Reviews	1.1	3,859	4,375	4,972	4,805
Net impact on estimates for					
Outcome 1 (departmental)		3,859	4,375	4,972	4,805

Table 1.4: Additional estimates and variations to outcomes from other variations

The Productivity Commission does not have any other variations since the 2011-12 Budget that affect Appropriation Bills No. 3 and No. 4.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the Productivity Commission through Appropriation Bill No. 3. There are no additional estimates sought for the Productivity Commission through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2011-12

	2010-11 available \$'000	2011-12 budget \$'000	2011-12 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL PROGRAMS					
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	41,424	34,448	38,307	3,859	-
Total	41,424	34,448	38,307	3,859	-

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Productivity Commission from that included in the *Portfolio Budget Statements 2011-12* (page 328).

Table 2.1: Budgeted expenses and resources for Outcome 1

	2010-11	2011-12
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.	Actual \$'000	Revised estimated resources \$'000
Program 1.1: Productivity Commission		
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	37,279	37,956
Revenues from independent sources (s31)	272	10
Expenses not requiring appropriation in the Budget year	1,033	1,066
less Revenue to be carried forward	1,304	-
Total for Program 1.1	37,280	39,032
	2010-11	2011-12
Average staffing level (number)	193	199

Program 1.1: Productivity Commission

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2011-12*.

Table 2.2: Program expenses

	2010-11	2011-12	2012-13	2013-14	2014-15
	Actuals	Budget	Forward	Forward	Forward
	\$'000	\$'000	year 1 \$'000	year 2 \$'000	year 3 \$'000
Annual departmental expenses:					
Departmental items	37,280	39,032	38,701	39,455	39,398
Total departmental expenses	37,280	39,032	38,701	39,455	39,398

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

There has been no change to special account flows that affect Appropriation Bills No. 3 and No. 4.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Productivity Commission is budgeting for a departmental breakeven operating result for 2011-12 after adjusting for non-appropriated expenses of depreciation and amortisation.

The Productivity Commission has a sound financial position and currently has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

3.2.2 Budgeted financial statements

**Table 3.2.1: Budgeted departmental comprehensive income statement
(for the period ended 30 June)**

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
EXPENSES					
Employee benefits	26,748	27,428	27,101	27,532	27,725
Supplier	9,437	10,553	10,598	10,920	10,769
Depreciation and amortisation	997	1,030	980	980	880
Finance costs	34	21	22	23	24
Net losses from sale	64	-	-	-	-
Total expenses	37,280	39,032	38,701	39,455	39,398
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	272	10	10	10	10
Total revenue	272	10	10	10	10
Gains					
Other gains	36	36	36	36	36
Total gains	36	36	36	36	36
Total own-source income	308	46	46	46	46
Net cost of (contribution by) services	36,972	38,986	38,655	39,409	39,352
Appropriation revenue	37,279	37,956	37,675	38,429	38,472
Surplus (deficit) attributable to the Australian Government	307	(1,030)	(980)	(980)	(880)
Note: Reconciliation of operating result attributable to the agency					
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Operating result attributable to the Australian Government	307	(1,030)	(980)	(980)	(880)
Plus non-appropriated expenses depreciation and amortisation expenses	997	1,030	980	980	880
Operating result attributable to the Productivity Commission	1,304	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS					
Financial assets					
Cash and equivalents	387	387	387	387	387
Trade and other receivables	15,873	16,120	16,385	16,401	16,726
Total financial assets	16,260	16,507	16,772	16,788	17,113
Non-financial assets					
Land and buildings	5,714	5,047	4,380	3,713	3,048
Infrastructure, plant and equipment	726	590	378	171	244
Intangibles	87	81	76	70	65
Other	555	555	555	555	555
Total non-financial assets	7,082	6,273	5,389	4,509	3,912
Total assets	23,342	22,780	22,161	21,297	21,025
LIABILITIES					
Provisions					
Employees	10,790	10,940	11,090	11,090	11,090
Other	386	407	429	452	476
Total provisions	11,176	11,347	11,519	11,542	11,566
Payables					
Suppliers	585	585	585	585	585
Other	2,917	2,863	2,771	2,582	2,293
Total payables	3,502	3,448	3,356	3,167	2,878
Total liabilities	14,678	14,795	14,875	14,709	14,444
Net assets	8,664	7,985	7,286	6,588	6,581
EQUITY					
Parent entity interest					
Contributed equity	1,804	2,155	2,436	2,718	3,591
Reserves	2,154	2,154	2,154	2,154	2,154
Retained surpluses or accumulated deficits	4,706	3,676	2,696	1,716	836
Total parent entity interest	8,664	7,985	7,286	6,588	6,581
Current assets	16,815	17,062	17,327	17,343	17,668
Non-current assets	6,527	5,718	4,834	3,954	3,357
Current liabilities	10,720	11,041	11,324	11,360	11,296
Non-current liabilities	3,958	3,754	3,551	3,349	3,148

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	598	10	10	10	10
Appropriations	35,037	37,399	37,410	38,413	38,147
Other	663	310	-	-	-
Total cash received	36,298	37,719	37,420	38,423	38,157
Cash used					
Employees	25,464	27,278	26,951	27,532	27,725
Suppliers	9,850	10,571	10,654	11,073	11,022
Other	2,641	-	-	-	-
Total cash used	37,955	37,849	37,605	38,605	38,747
Net cash from or (used by) operating activities	(1,657)	(130)	(185)	(182)	(590)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	5	-	-	-	-
Total cash received	5	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,464	221	96	100	283
Other	570	-	-	-	-
Total cash used	4,034	221	96	100	283
Net cash from or (used by) investing activities	(4,029)	(221)	(96)	(100)	(283)
FINANCING ACTIVITIES					
Cash received					
Appropriations - DCB	3,404	351	281	282	873
Other	2,254	-	-	-	-
Total cash received	5,658	351	281	282	873
Net cash from or (used by) financing activities	5,658	351	281	282	873
Net increase or (decrease) in cash held	(28)	-	-	-	-
Cash at the beginning of the reporting period	415	387	387	387	387
Cash at the end of the reporting period	387	387	387	387	387

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2011-12)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2011					
Balance carried forward from previous period	4,706	2,154	-	1,804	8,664
Adjusted opening balance	4,706	2,154	-	1,804	8,664
Comprehensive income					
Surplus (deficit) for the period	(1,030)	-	-	-	(1,030)
Total comprehensive income	(1,030)	-	-	-	(1,030)
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (departmental capital budget)	-	-	-	351	351
Sub-total transactions with owners	-	-	-	351	351
Estimated closing balance as at 30 June 2012	3,676	2,154	-	2,155	7,985

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2010-11 \$'000	Revised budget 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	4,145	351	281	282	873
Total capital appropriations	4,145	351	281	282	873
Represented by:					
Purchase of non-financial assets	3,404	221	96	100	283
Other	741	130	185	182	590
Total represented by	4,145	351	281	282	873
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - DCB	3,404	221	96	100	283
Funded internally from departmental resources	60	-	-	-	-
TOTAL	3,464	221	96	100	283
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,464	221	96	100	283
TOTAL	3,464	221	96	100	283

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2011-12)

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2011				
Gross book value	6,116	929	562	7,607
less Accumulated depreciation/ amortisation	402	203	475	1,080
Opening net book balance	5,714	726	87	6,527
Asset movements				
Additions		201	20	221
less Depreciation/amortisation expense	667	337	26	1,030
Total asset movements	(667)	(136)	(6)	(809)
As at 30 June 2012				
Gross book value	6,116	1,130	582	7,828
less Accumulated depreciation/ amortisation	1,069	540	501	2,110
Closing net book balance	5,047	590	81	5,718

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

The Productivity Commission's budgeted statements are prepared on an accrual basis in accordance with:

- the Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Departmental assets, liabilities, revenues and expenses are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing goods and services.