

Annual Report 2022-23

The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au).

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8 September 2023

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

I am pleased to present to you the Productivity Commission's Annual Report for 2022-23.

The Report has been prepared in accordance with section 10 of the *Productivity Commission Act 1998*. It has also been prepared in accordance with all obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), including section 46, which requires that you present the report in Parliament.

The Report contains the Productivity Commission's annual performance statement and annual financial statements for the period 2022-23 as required by sections 39(1)(b) and 43(4) of the PGPA Act.

In accordance with the subsection 17AG(2)(b) of the Public Governance, Performance and Accountability Rule 2014 and the Commonwealth Fraud Control Framework 2017, I hereby certify that I am satisfied that the Commission has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation, reporting mechanisms that meet the specific needs of the Commission
- taken all reasonable measures to appropriately deal with fraud relating to the Commission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Brennan', written over a light blue horizontal line.

Michael Brennan
Chair

Foreword

The Productivity Commission is the Australian Government's primary source of independent, evidence-based advice on a diverse range of topics of significance to the Australian community.

The Commission completed seven government-commissioned projects throughout the year. Of particular note was the completion of the Commission's second five-yearly review of *Australia's Productivity Performance*, and a suite of key projects that were supported through a significant progression in our journey of changing the ways we engage and work with Aboriginal and Torres Strait Islander people.

On the former, the timing of the productivity review was significant, given Australia's slowing productivity growth over the last decade, advancements in the digital economy and changes to business operating environments with pandemic restrictions, and the challenges to productivity presented by a changing climate and heightened global tensions.

On changes to our engagement and working approaches with Aboriginal and Torres Strait Islander people, as part of the first three-yearly review of the *National Agreement on Closing the Gap*, we laid out our engagement approach, and reported back to communities on what we had heard, in addition to providing a comprehensive draft report. The engagement approach sets out engagement principles and practices, which form part of the ongoing transformation of the Commission's ways of working – across all areas of work – and the further development of cultural capability. We also continued to publish updates to the Dashboard that sets out up-to-date information on the targets and indicators in the Closing the Gap Agreement and released an Annual Data Compilation Report to inform reporting on progress. A number of our other projects completed through the year – including a study on *Aboriginal and Torres Strait Islander Visual Arts and Crafts*, and studies on the *Housing and Homelessness Agreement* and the *National School Reform Agreement* – similarly engaged interactively with communities.

During the year we also undertook two projects in response to the Royal Commission into Aged Care Quality and Safety (a study of *Aged Care Employment* and an inquiry into *Carer's Leave*), completed an inquiry into *Australia's Maritime Logistics System*, and released one PC-initiated research paper: *The Nuisance Cost of Tariffs*.

We continued to promote public understanding of matters relating to industry and industry assistance, including through our annual *Trade and Assistance Review*. The Commission also undertook its legislated role to investigate competitive neutrality complaints, with a report to government on NBN Co, and progressed investigations into a complaint received on Australia Post.

The 2023 edition of the *Report on Government Services* and a mid-year update was published during the year, providing comparative performance information on government service delivery.

The Commission received references from the Government for four new projects. The inquiry into *Philanthropy* analyses the motivations for philanthropic giving and opportunities to grow it further. The inquiry into *Early Childhood Education and Care* examines cost and availability barriers to service access and ways to support better outcomes for children and families. We were also tasked with two reviews, the *Murray-Darling Basin Plan: Implementation Review 2023* and the review of *Part 3 of the Future Drought Fund Act*.

This was my final full financial year as Chair of the Productivity Commission. I would like to thank the Commission's staff and my fellow Commissioners for their hard work during my time with the organisation.

Michael Brennan

Chair

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Commissioners



Michael Brennan
Chair



Alex Robson
Deputy Chair



Malcolm Roberts
Commissioner



Julie Abramson
Commissioner



Joanne Chong
Commissioner



Catherine de Fontenay
Commissioner



Lisa Gropp
Commissioner



Stephen King
Commissioner



Martin Stokie
Commissioner



Romlie Mokak
Commissioner



Natalie Siegel-Brown
Commissioner



Deborah Brennan
Associate Commissioner



Chris Guest
Associate Commissioner



Krystian Seibert
Associate Commissioner

About the Commission

The Commission's role

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its remit covers all sectors of the economy, with a view to better informing policy making to raise national productivity and living standards.

The Productivity Commission's outcome objective is:

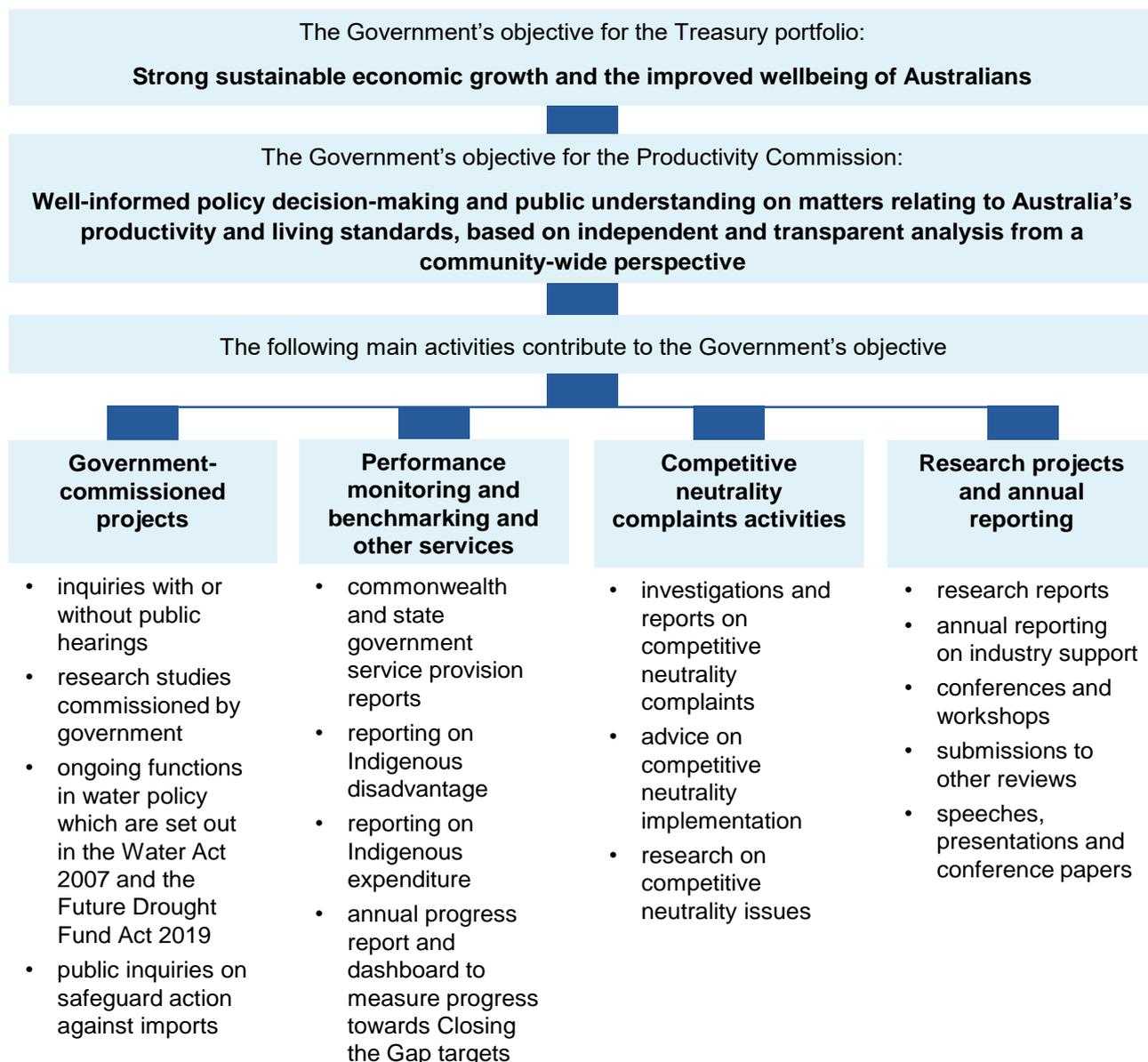
Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective. (*Portfolio Budget Statement 2022-23*, p. 10)

This objective is pursued in four broad work streams (outlined in figure 1):

- government-commissioned inquiries and studies
- other research projects and annual reporting on industry support
- performance reporting and related analysis of Commonwealth and State service provision
- competitive neutrality complaints.

The Commission's activities over 2022-23 are outlined in chapter 3.

Figure 1 – Main activities of the Productivity Commission



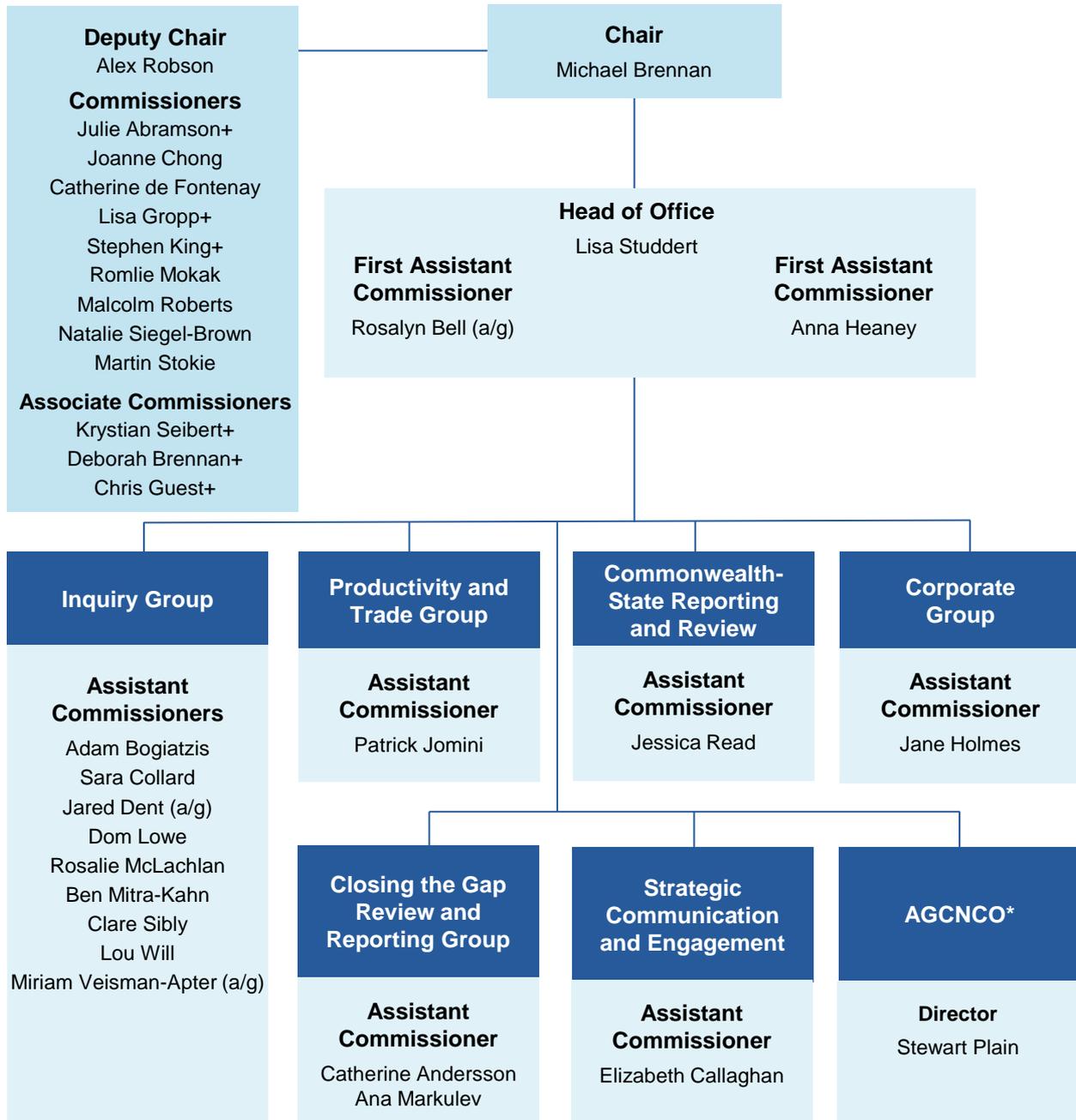
Commissioners and Staff

The Commission comprises its Chair and between four and twelve other Commissioners, appointed by the Governor-General for periods of up to five years. Associate Commissioners can be appointed by the Treasurer for terms of up to five years or for the duration of specific inquiries. At 30 June 2023, there were eleven Commissioners, including the Chair, and three Associate Commissioners.

The Remuneration Tribunal is responsible for determining remuneration and allowances for Commissioners under the Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office Determination (No. 1) 2023), (Remuneration and Allowances for Holders of Part-Time Public Office Determination (No. 1) 2023) and the Remuneration Tribunal (Official Travel) Determination 2022.

The work of the Commission is assisted by employees who are employed under the *Public Service Act 1999*. In 2022-23, the average staffing level was 164 (this does not include Commissioners).

Figure 2 – Commission structure and senior staff



+ part time appointment

* Australian Government Competitive Neutrality Complaints Office

As at 30 June 2023.

Annual Performance Statement

Introductory statement

This annual performance statement meets the Productivity Commission's requirements under s. 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013 (Cwlth)* (PGPA Act) for the 2022-23 financial year, and accurately reflects the entity's performance in accordance with s. 39(2) of the PGPA Act.

Entity purpose

The Commission's purpose, as embodied in the *Productivity Commission Act 1998 (Cwlth)*, is to provide governments and the Australian community with information and advice that better informs policy decisions to improve Australians' wellbeing. The Commission applies robust, transparent analysis, and adopts a community-wide perspective.

Results

The Commission has assessed its performance against six criteria associated with its impact and delivery. In 2022-23, the Commission performed consistently with these criteria. The criteria, as set out in the Corporate Plan 2022-23 (p. 8) and Portfolio Budget Statement 2022-23 (p. 379), are:

- providing a valuable source of robust evidence-based analysis
- generating effective public debate
- being recognised as valuable by other governments
- engaging effectively with the community
- having open and transparent processes
- delivering timely reports.

Performance against each of the Commission's impact and delivery criteria is summarised below, with analysis presented in more detail in chapter 3.

A number of factors impact the assessment of the Commission's performance. The Commission is only one contributor among many to the Australian policy debate and policy decision making; and the nature, scope and timing of projects commissioned by the Australian Government varies from one year to the next. Further, the Commission's inquiry and research outputs contribute over a period of years to the public debate and policy development on a range of complex and often contentious issues. Their impact can go far beyond their immediate release. This means that the Commission's contribution is best considered over the medium term.

Given the nature of its work, the Commission relies mainly on qualitative indicators of its performance, with quantitative indicators helping to inform the assessment in some areas.

Impact criteria

The Productivity Commission is a valuable source of evidence-based analysis to inform public policy in Australia

In 2022-23 the demand for the Commission to undertake work on complex policy issues continued.

The Commission received references from the Government for four new projects. The inquiry into Philanthropy, which commenced in February 2023, analyses the motivations for philanthropic giving and opportunities to grow it further. The inquiry into Early Childhood Education and Care, which commenced in March 2023, examines cost and availability barriers to service access and ways to support better outcomes for children and families. We were also tasked with two reviews, the Murray-Darling Basin Plan: Implementation Review 2023 and the review of Part 3 of the Future Drought Fund Act.

In 2022-23, the Commission continued its work on the first (three-yearly) review of progress under the National Agreement on Closing the Gap, highlighting areas of improvement and emphasising where additional effort is required to close the gap on life outcomes for Aboriginal and Torres Strait Islander people. The Commission also continued its work on the Closing the Gap Information Repository with the release of its second Annual Data Compilation Report in July 2022, and provided two further updates for the Dashboard in March and June 2023.

The Commission completed seven government-commissioned inquiries and studies on a range of topics during 2022-23:

- an inquiry on Australia's Productivity Performance, the second five-yearly review of productivity undertaken by the Commission
- a study to examine the nature and structure of the markets for *Aboriginal and Torres Strait Islander Visual Arts and Crafts*, and policies to address deficiencies in these markets
- an inquiry into the long-term productivity of *Australia's Maritime Logistics System*
- a study to review the *Housing and Homelessness Agreement*
- a study to review the *National School Reform Agreement*
- a study to examine *Aged Care Employment* models, and the effects they have on the aged care sector
- an inquiry into a statutory entitlement to unpaid *Carer's Leave*.

The Commission's work has proved highly relevant to government policy deliberations. The proposed reforms set out in the *Aboriginal and Torres Strait Islander Visual Arts and Crafts* study were well received by governments and sector participants alike. The National Cultural Policy, released by the Australian Government in January 2023, includes commitments to provide a comprehensive response to the report, and work towards standalone legislation to protect Indigenous Cultural and Intellectual Property, in line with the Commission's recommendations.

The Federal Minister for Education highlighted his intention for a range of education experts to build on the review of the *National School Reform Agreement* report and, in March 2023, established an Expert Panel whose Terms of Reference picked up key report themes. Commissioners and Assistant Commissioners have met with the Panel to share reflections and discuss matters of interest.

The study to review the *Housing and Homelessness Agreement* has generated ongoing engagement with key housing decision making and advice bodies. The Chair presented at the National Housing Finance and Investment Corporation's State of National Housing event in April 2023, and a Commissioner briefed the Housing and Homelessness Ministerial Council Meeting in September 2022.

With a very full program of commissioned inquiries and studies, a limited program of policy relevant research was completed in 2022-23. *The Nuisance Cost of Tariffs* was completed and published in August 2022. The Commission continued its annual reporting of Australian Government assistance to industry through the Trade and Assistance Review and continued to provide secretariat, research and report preparation services to the Steering Committee for the Review of Government Service Provision.

The Commission also undertook its legislated role to investigate competitive neutrality complaints, with a report to government on NBN Co, and progressed investigations into complaints received on Australia Post. An investigation of a complaint against the Australian Sports Commission's Daily Sports News operations was completed without the need for a report to Government.

The Productivity Commission generates effective public debate

Contributions to parliamentary debate and the extent of media coverage indicate a high level of public interest in the Commission's work and its potential influence.

The Commission's second five-yearly productivity review (*Advancing Prosperity*) was published in March 2023. The timing of this review was significant, given the slowing productivity growth of the last decade, the significant progression of the digital economy and changes to business operating environments with the pandemic restrictions, and the challenges to increasing productivity growth presented by a changing climate and heightened global tensions. The inquiry presents a cohesive suite of policy reforms to reinvigorate Australia's productivity growth, across five key reform pillars – building an adaptable workforce; harnessing data, digital technology and diffusion; creating a more dynamic economy; lifting productivity in the non-market sector; and securing net-zero at least cost. The report was downloaded over 9,500 times in the week following the release, and key recommendations have been picked up by a range of commentators from the research, media, and government spheres. Deputy Chair Alex Robson drew on the report in an opening statement to the Senate Select Committee on the Cost of Living public hearing in June 2023.

The Productivity Commission also provided a submission to the House of Representatives Standing Committee on Economics *Inquiry into promoting economic dynamism, competition and business formation*. The submission considered recent trends in key indicators of dynamism, and noted the importance of focusing on the fundamental mechanisms amenable to government action that underpin dynamism and productivity growth. The Chair and Commissioners presented to the Committee and provided supplementary information to the inquiry regarding matters raised during public hearing proceedings.

During 2022-23, over 70 federal members and senators referred to at least 42 different Commission reports or inquiries, or to the Commission's role in the policy process. At the state and territory level, over 95 members of state and territory parliaments referred to 33 different Commission projects or to the Commission's role during the 2022-23 sittings.

The Commission rated, on average, 480 media mentions a month in connection with the seven inquiry reports and studies that were completed during 2022-23. The *Review of the National School Reform Agreement* completed in 2022-23 was the most frequently mentioned Commission publication, with an average of more than 120 media mentions each month. The *Closing the Gap information repository*, the *Report on Government Services* and the *Productivity Inquiry* also generated a substantial amount of public interest during the year, reflected in media articles, webpage views and report downloads.

Commission reports from previous years also appeared in media reporting and were cited in academic literature during 2022-23, including the inquiry reports *Mental Health* (2020), *Indigenous Evaluation Strategy* (2020) and *Vulnerable Supply Chains* (2021). The *Report on Government Services* (2020), *Transitioning Regional Economies* (2017) and *Caring for older Australians* (2011) were also cited frequently. This

demonstrates that the Commission's role as a source of evidence-based policy advice can continue long after the release of a report.

In 2022-23, Commissioners and staff made a number of speeches and presentations, and participated as panellists for a range of events. The topics for engagements included Australia's productivity challenge, Closing the Gap, vulnerable supply chains and housing. Commissioners also published four articles in online news outlets on productivity, carers leave and Aboriginal and Torres Strait Islander arts and crafts.

The Productivity Commission is recognised as a model for evidence-based policy analysis worthy of consideration by other governments

While nearly all the Commission's projects include engagement and discussions with officials from Australia's state and territory governments, reports for a number also contained recommendations of direct policy relevance to these governments, either individually or in coordination with the Australian Government. Such reports included the two completed national agreement reviews – the *Housing and Homelessness Agreement* and the *National School Reform Agreement* – as well as *Advancing Prosperity*, the five-yearly productivity review.

The Commission held meetings with a range of international officials and institutions over 2022-23. These included meetings with international organisations such as the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD), and international non-government organisations such as RAND Corporation. Meetings were also held with government officials from India, Indonesia, New Zealand, Sri Lanka, Thailand and Uruguay. The Commission had ongoing engagement with the Asian Bureau of Economic Research – a research program based at the Australian National University which contributes to policy thinking and decision making across the Asian region.

The Commission's institutional arrangements were of continuing interest among overseas organisations, as were the Commission's ideas on competition policy, climate change policy, land use planning, education policy, supply chain resilience, international trade settings, and the productivity-enhancing recommendations of *Advancing Prosperity*, the Productivity Commissions' five-yearly Productivity Inquiry report.

International organisations including the OECD, the IMF and the World Bank cited the Commission's work in reports published throughout the year. This included references to the *Data Availability and Use*, *Emission Reduction Policies and Carbon Prices in Key Economies* and *Review of National Competition Policy Arrangements* reports.

Delivery criteria

The Productivity Commission engages effectively with the community

In 2022-23, the Commission's processes provided opportunities for extensive public input and feedback.

For all major projects commenced during 2022-23, the Commission published issues papers or call for submission papers – outlining relevant issues and inviting public submissions – shortly after receiving the terms of reference. For most inquiries and reviews, interested parties had a second opportunity to make submissions following the release of draft or interim reports.

In total, the Commission received 906 submissions to government-commissioned projects during 2022-23. The Commission also received 'brief comments' on all government-commissioned projects during 2022-23, providing an opportunity for a more informal avenue for feedback. The inquiry into philanthropic giving in Australia received the highest volume of submissions (271).

For all inquiries and studies, there was an opportunity for participants to appear at public hearings, roundtable discussions, workshops, and/or other forums during 2022-23. The Commission also held over

600 meetings with stakeholders for commissioned inquiries. For some of our projects, much of our engagement has been through online forums, increasing the range of views and geographic spread of people with whom we have been able to engage.

The Commission has continued to improve its engagement with Aboriginal and Torres Strait Islander people and organisations. An engagement approach has been developed to guide how the Commission will communicate with Aboriginal and Torres Strait Islander people in undertaking its review of the *National Agreement on Closing the Gap*. The objective of the Commission's engagement approach is to facilitate shared decision-making in its Review to determine progress under the Agreement, including supporting self-determination through engagement. Consistent with the National Agreement, the Commission commits to engagement that is:

- fair and inclusive – a diversity of perspectives is supported and enabled, and all wanting to contribute and be heard have the opportunity to do so
- transparent and open – information is provided and decisions are made in a transparent and open manner, and it is possible to assess this has occurred
- ongoing – every stage of the Review is informed by engagement
- reciprocal – at a minimum, Aboriginal and Torres Strait Islander people and their representatives are provided feedback on how their input has been understood and informed decisions.

Extensive face-to-face engagement has taken place as part of the Commission's review of the National Agreement, with a deliberate focus on demonstrating reciprocity and two-way exchange with Aboriginal and Torres Strait Islander people.

The Productivity Commission's processes are open and transparent

The Commission operates under the powers, protection and guidance of its own legislation. Its independence is formally exercised under the Productivity Commission Act 1998 (Cwth) through the Chair and Commissioners, who are appointed by the Governor-General for fixed periods.

The Commission has its own budgetary allocation and a small permanent staff, operating at arm's length from other government agencies. While the Government initiates the Commission's inquiries and studies, the Commission's findings and recommendations are based on its own analysis and judgment.

The Commission's objectivity and independence are key strengths of its work. The Commission's advice to Government, and the information and analysis on which it is based, continued to be open to public scrutiny in 2022-23. As noted above, the Commission's processes provided for public input and feedback through hearings, workshops and other consultative forums, and through the release of draft or interim reports. Reports for government-commissioned work are published on the Commission's website. Where substantial quantitative work is undertaken, the Commission engages with relevant government departments or academics to enable the peer review of its work. The results of underlying models and data used in its work, for example from the research work on the five-yearly *Productivity Inquiry Report*, are published on the Commission's website.

The Productivity Commission delivers reports within agreed timeframes

All of the major projects that were completed in 2022-23 were finished within the timeframes set by the Government, or as subsequently varied.

The timing of tabling of commissioned inquiry reports, following completion of a project, is a matter for Government. For other work, including commissioned studies, the Commission releases its reports as soon as practical after completion of the project.

The year in review: Commission activities

Public inquiries and commissioned studies

The Commission commenced four new projects at the request of the Australian Government in 2022-23, compared to eight projects commenced in 2021-22.

- In January 2023, the Commission received a reference to examine the effectiveness of Part 3 of the *Future Drought Fund Act 2019*.
- In February 2023, the Commission received a reference for an inquiry to analyse motivations for philanthropic giving in Australia and identify opportunities to grow it further.
- In March 2023, the Commission received a reference for an inquiry to examine the early childhood education and care (ECEC) sector.
- In May 2023, the Commission received the reference to undertake the second five-yearly review into the effectiveness of the implementation of the Murray-Darling Basin Plan and water resource plans.

The Commission completed seven inquiries or studies in 2022-23, compared with three in 2021-22.

- a study to examine the nature and structure of the markets for Aboriginal and Torres Strait Islander Visual Arts and Crafts, and policies to address deficiencies in these markets.
- a study to review the Housing and Homelessness Agreement.
- an inquiry into the long-term productivity of the Australia's Maritime Logistics System.
- an inquiry to undertake the second five-yearly review of Australia's Productivity Performance.
- an inquiry into a statutory entitlement to unpaid Carer's Leave.
- a study to examine Aged Care Employment models, and the effects they have on the aged care sector
- a study to undertake a review of the National School Reform Agreement.

This meant there were seven inquiries and five studies underway at some point during 2022-23 (figure 3). In addition, the Commission completed and published a research project on *The Nuisance Cost of Tariffs* (August 2022). A further three research project commenced in 2022-23: wage decoupling, industry levies and productivity.

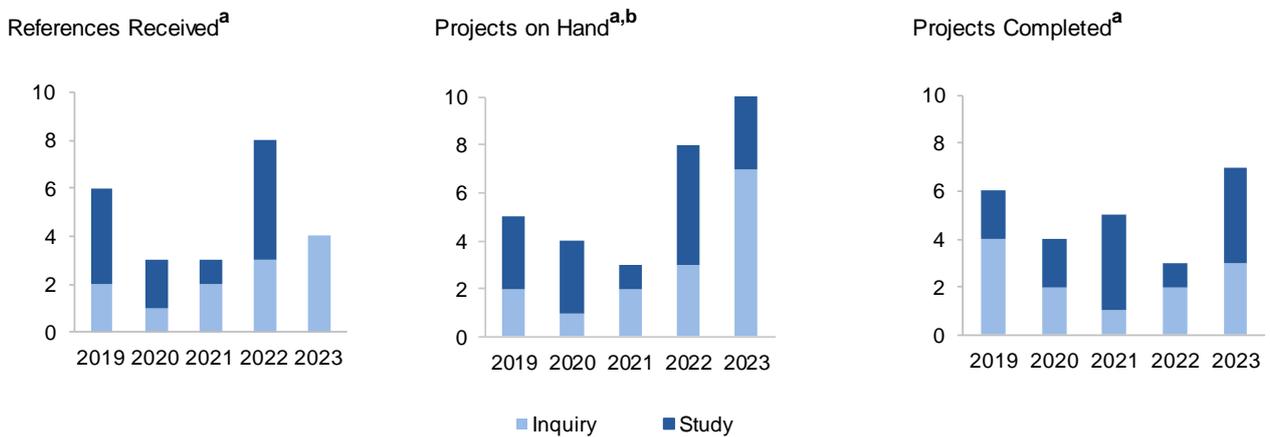
Figure 3 – Program of public inquiries and other government-commissioned projects^a

	2021-22					2022-23					2023-24														
	Month	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Public Inquiries																									
Australia's Maritime Logistics System																									
Productivity Inquiry																									
Carer's Leave																									
Future Drought Fund																									
Philanthropy																									
Early Childhood Education and Care																									
Murray-Darling Basin Plan: Implementation Review 2023																									
Commissioned Research Studies																									
Aboriginal and Torres Strait Islander Visual Arts and Crafts																									
Housing and Homelessness Agreement Review																									
Aged Care Employment																									
National School Reform Agreement																									
National Agreement on Closing the Gap Review																									

a. Shaded areas indicates the approximate duration of the project in the period covered by the figure, as at 30 June 2023.

Trends in public inquiry activity and participation over the past five years are shown in figure 4 and table 1. Further information on public inquiries and commissioned studies undertaken during 2022-23 is available on the Commission's website.

Figure 4 – Projects commenced, on hand and completed^{a,b}



a. Figures are for financial years. b. As at 30 June 2023.

Table 1 – Public inquiry and other commissioned project activity, 2018-19 to 2022-23^{a,b,c}

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Public inquiries						
Inquiry references received	3	2	1	2	3	4
Issues papers released ^a	5	3	1	2	3	5
Public hearings (sitting days) ^b	23	23	17	2	3	4
Organisations/people visited	519	395	160	219	570	605
Submissions received	610	1,499	762	0	241	754
Draft reports ^c	4	3	2	2	1	9
Inquiry reports completed	6	4	2	1	2	3
Inquiries on hand (30 June)	4	2	1	2	3	4
Research studies						
References received	1	4	2	1	5	0
Issues papers released ^a	0	4	2	0	5	3
Submissions received	210	166	398	0	226	152
Draft reports	0	0	5	1	0	2
Research reports completed	2	2	2	4	1	4
Studies on hand (30 June)	1	3	3	0	5	1
Total references						
Total references received	4	6	3	3	8	4
Total references completed	8	6	4	5	3	7
Total references on hand (30 June)	5	5	4	3	8	5

a. Includes issues papers or equivalents, such as call for submissions papers, discussion papers and guidance notes. **b.** Excludes forums and roundtable discussions. **c.** Includes all types of draft reports.

Performance reporting and other services

The Commission provides secretariat services to the Steering Committee for the Review of Government Service Provision, and has done so since the Review's commencement in 1993. The Steering Committee's major outputs are a collaborative effort, with more than 80 Commonwealth, State and Territory government agencies contributing to: the Report on Government Services and the Closing the Gap Information Repository.

Report on Government Services

The *Report on Government Services 2023* was the twenty-eighth in this series. The Report provides comparative performance information on 17 government service delivery areas that contribute to the wellbeing of Australians – spanning child care, education and training, health, justice, community services, emergency management, housing and homelessness. The services covered in the 2023 Report collectively account for approximately \$313 billion of government recurrent expenditure, equivalent to about 15% of GDP.

Reporting specific to Aboriginal and Torres Strait Islander people

The National Agreement on Closing the Gap is an agreement between the Coalition of Aboriginal and Torres Strait Islander Peak Organisations and all Australian governments. The objective of the Agreement is to overcome the entrenched inequality faced by too many Aboriginal and Torres Strait Islander people, so that their life outcomes are equal to all Australians.

Under the Agreement the Productivity Commission is responsible for maintaining an information repository to inform reporting on progress in Closing the Gap. The ongoing reporting functions include:

- a 'dashboard' that provides the most up-to-date information available on the targets and indicators in the Agreement
- an Annual Data Compilation Report that provides a point-in-time snapshot of the Dashboard material.
- The second Annual Data Compilation Report was published in July 2022.

National Agreement reporting

The Commission supports the provision of information to assess performance against the four National Agreements agreed by Australian governments under the Intergovernmental Agreement on Federal Financial Relations (covering health, skills and workforce development and disability services). During 2022-23, the Steering Committee incorporated applicable indicators and data from these Agreements in its *Report on Government Services*.

The National Agreement on Closing the Gap was signed in July 2020, replacing the National Indigenous Reform Agreement. The Commission has two roles under the new Agreement – monitoring progress under the Agreement with a Dashboard and *Annual Data Compilation Report* underpinned by an Information Repository, and undertaking three-yearly reviews of progress.

In April 2022, the Commission commenced the first (three-yearly) review of progress under the National Agreement on Closing the Gap. The Commission continued its work on the Closing the Gap Information Repository with the release of its second Annual Data Compilation Report in July 2022, and two further updates for the Dashboard in March and June 2023.

Performance reporting dashboard

The Commission maintains the Performance Reporting Dashboard, which provides a single, streamlined source of information on progress towards key commitments agreed by Australian Governments. In 2022-23, the Commission published its sixth update of the Dashboard.

Competitive neutrality activities

Competitive neutrality policy seeks to ensure that government businesses do not have advantages (or disadvantages) relative to their competitors, simply by virtue of their public ownership.

The Australian Government Competitive Neutrality Complaints Office (AGCNCO) operates as a separate unit within the Commission. Its function is to receive and investigate complaints and provide advice to the Treasurer on the application of competitive neutrality arrangements.

The AGCNCO also provides informal advice to individuals and private organisations on the application of competitive neutrality to government activities, and to government agencies on implementing their competitive neutrality obligations.

During 2022-23, the AGCNCO completed its investigation against NBN Co. (November 2022) and progressed its investigation of a complaint against Australia Post. A formal investigation against the Australian Sports Commission's Daily Sports News operations was also completed without a report as the activity complaint did not meet the business test under competitive neutrality policy.

At the end of 2022-23, the Australia Post investigation was the only active complaint investigation in train.

The AGCNCO received 23 queries about competitive neutrality matters from various parties.

Six of those queries related to possible competitive neutrality complaints against Australia Government agencies. The AGCNCO's investigations determined that only one of those related to a 'significant government business' activity subject to the Australian Government's Complaints Neutrality policy. However, that query has not yet translated into a formal complaint against the organisation involved.

Five queries were from Australian Government agencies seeking advice on whether they were subject to complaints neutrality policy and, if so, what they needed to do to comply with their obligations under that policy.

The remaining 12 queries were made by a mix of state government officials, media and public seeking advice for various activities or information about competitive neutrality investigations conducted by the Commission.

Other research activities and annual reporting

The Commission is permitted under its Act to undertake research to complement its other activities. This research supports its role in promoting public understanding of the trade-offs involved in different policy approaches, and how productivity and the living standards of Australians can be enhanced. It also reports annually on the effects of assistance and regulation.

The Commission's research program is guided by government statements on policy priorities, including potential commissioned work; parliamentary debate and committee work; and informal and formal consultations with Australian Government departments, business, community and environmental groups, union bodies and academics.

During 2022-23, the Commission released the *Trade and Assistance Review 2020-21* and commenced work on the *Trade and Assistance Review 2021-22*. The released review outlined the latest quantitative estimates of Australian Government assistance to industry, and provided a summary of developments in industry assistance, trade policy and foreign investment. An accompanying research paper on *The Nuisance Cost of Tariffs* was also released. The paper explored Australia's low tariff-rate environment, and how the costs of the tariffs arise primarily from the complexity of the tariff system rather than from distortions to the economy.

The Commission also commenced three research projects on: industries levies; links between productivity growth and wages; and productivity in the healthcare sector.

The policy and wider impact of Commission activities

Assessing the Commission's performance

The Commission assesses its overall performance against the following outcome objective:

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. (*Portfolio Budget Statement 2022-23*, p. 10)

Assessment of the Commission's performance can be complicated by it being one contributor among many to any policy outcome. As such, the Commission's contribution is best considered over the medium term. Even when its specific recommendations are not supported by government, the Commission can play a significant role in helping governments, parliaments and the community understand the costs and benefits of different policy choices, and in providing data that is a source of reference for policy makers.

The Commission monitors reaction to its work in order to improve its performance and its contribution to public understanding and policy making. Those with an interest in the Commission's reports and users of the Commission's website have the opportunity to provide feedback.

Generating effective debate

The Commission obtains an indicator of its success in generating effective public debate by considering the degree of acceptance of recommendations, the number of report downloads, and the number of mentions in the media and parliaments.

Internal analysis across the seven projects completed in 2022-23 indicates that the Productivity Inquiry generated a high level of public debate, while the inquiry into *Australia's Maritime Logistics System*, the *National School Reform Agreement* and the *Housing and Homelessness Agreement Review* generated a medium level of debate. There was a lower level of debate on the *Aboriginal and Torres Strait Islander Visual Arts and Crafts* inquiry, the study into *Aged Care Employment*, and the inquiry on *Carer Leave*.

The Australian Government did not release formal responses to any commissioned inquiry reports or research studies in 2022-23.

Commission inquiry and research reports were frequently cited by parliamentarians in debates and questions during 2022-23. In the Federal Parliament, over 70 members and senators referred to at least 42 different Commission reports or inquiries, or to the Commission's role in policy processes. In addition, there were at least 53 mentions of 15 different Commission inquiries and its work in the Hansard proceedings of Federal Parliamentary Committees in 2022-23. The most frequent mentions were Early Childhood Education and Care, five-yearly Productivity Inquiry and Natural Disaster Funding.

The Commission's inquiry and research reports were also used extensively in debate and questions by state and territory parliamentarians. During the 2022-23 sittings of the eight state and territory parliaments, over 95 members referred to about 33 different Commission publications or inquiries (including the Report on

Government Services), or to the Commission's role in policy processes. In about 62% of the 179 total mentions the Commission was cited as an authoritative source, while 4 mentions were critical of a particular finding, report or Commission attribute. The Report on Government Services was mentioned most frequently, while the Commission's Housing and Homelessness Agreement Review report also featured prominently.

Another indicator of the Commission's success in generating effective public debate is the traffic to the Commission's website and the number of downloads of Commission reports.

In 2022-23, the Commission's website received a high level of traffic from external users. The projects of most interest were the Productivity Inquiry report (around 19,000 downloads), the Mental Health inquiry report (around 10,500 downloads) and Australia's Prison Dilemma report (around 4,500 downloads). The 2023 Report on Government Services was also highly sought after by website users – as in previous years – with a large number of report downloads (about 14,400).

In 2022-23, the Closing the Gap Information Repository website received 571,868 page visits of which 436,165 page visits were to the dashboard. The Annual Data Compilation Report released in July 2022, was downloaded 3,356 times and the report was viewed online 39,362 times.

During 2022-23, there were an average of 480 media mentions each month for the seven inquiries and studies that were completed during the year. More broadly, on average, there were more than 1,200 media mentions of the Productivity Commission each month, which includes discussion of the Commission's previous reports and its role in the policy process. The Review of the National School Reform Agreement received the highest number of media mentions for commissioned projects completed during 2022-23, while the Closing the Gap information repository reporting and the 2023 Report of Government Services also received significant media interest during the year.

Invitations to give briefings and present papers to conferences and to parliamentary, business and community groups are another indicator of the Commission's role in generating public debate. In total, there were 98 presentations by the Chair, Commissioners and staff during the year. The topics for engagements included Australia's productivity challenge, Closing the Gap, vulnerable supply chains and housing.

International recognition of the Commission as a model for developing evidence-based policy recommendations is also an indicator of the Commission's impact. Over 2022-23 the Commission responded to requests to meet and discuss public policy issues and research approaches with a range of international organisations including the International Monetary Fund (IMF), the Organisation for Economic Cooperation and Development (OECD), officials from India, Indonesia, New Zealand, Sri Lanka, Thailand, and Uruguay, international non-government organisations such as RAND, and internationally facing academic programs like the Asian Bureau of Economic Research – a research program based at the Australian National University which contributes to informing policy thinking and decision making across the Asian region. Collectively, these meetings sought the Commission's views on a wide range of areas, including competition policy, climate change policy, land use planning, education policy, supply chain resilience, international trade settings, and the recommendations of *Advancing Prosperity*, the Productivity Commission's five-yearly *Productivity Inquiry* report, published in early 2023. The engagements also provided valuable opportunities for Commissioners and staff to learn from similar organisations and share views on topics of shared, and global, interest.

The OECD cited the Commission's work on data availability and use, natural disaster funding arrangements, regulatory impact analysis benchmarking and national competition policy. The IMF cited the Commission's work on emissions reduction policies and carbon prices in key economies.

The Commission also continued to be well cited in academic literature during the year. In 2022-23, new academic literature referred to a number of reports, such as the Commission's *Vulnerable Supply Chains* study report, the *Working from Home* research paper and the *Mental Health* inquiry, along with older reports,

such as the 1999 report into *Australia's Gambling Industries* and the 2011 *Caring for Older Australians* report. This demonstrates that the Commission's role as a source of evidence-based policy advice can continue long after the release of a report.

Transparency and community engagement

A central feature of the Commission's processes is the opportunity for people to participate in and scrutinise its work. Engaging with the community through open and transparent processes ensures that the Commission's research and policy advice is informed by those who are interested in, and affected by, that advice, and that the analysis is tested publicly.

The Commission conducts public hearings, calls for submissions that are made publicly available, and publishes draft and final reports. Roundtables, workshops, webinars and other forums provide valuable opportunities for the Commission to access wider sources of expertise in its inquiries and research.

The Commission provided a range of opportunities for public participation in each of the inquiries and studies completed in 2022-23, including public hearings, roundtables, workshops and the release of papers for public comment. For all inquiries and studies completed in 2022-23, the Commission released an issues paper (or equivalent) and sought submissions to allow written participation from interested parties. The majority of inquiries and studies also issued draft reports to allow the Commission to test early thinking and provide an opportunity for interested parties to provide feedback.

Process improvements introduced in response to the COVID-19 pandemic, such as enhanced videoconferencing technology, have been retained in 2022-23 but were complemented by an extensive program of in-person visits and public hearings to ensure engagement with a diverse range of community interests.

During its 2022-23 inquiry activities, the Commission met with more than 600 individuals, organisations or groups and received 754 submissions. Due to the timeframes of the commissioned inquiries, the Commission held only four days of public hearings in 2022-23 (across the *Maritime*, *Carer's Leave*, and *Productivity Review* inquiries). And for studies, the Commission received a total of 152 submissions during the year.

In addition to accepting submissions, for each of the commissioned inquiries and research studies completed, the Commission provided opportunities for 'brief comments' – a less formal avenue for feedback compared to submissions. The number of brief comments received varied considerably between projects.

The Commission has introduced a number of additional ways to engage with inquiry and study participants during 2022-23. This includes broader use of webinars, online videos, oral submissions, and infographic pamphlets. For the Closing the Gap Review and Philanthropy Inquiry, plain English versions of some publications were released to improve accessibility.

The Commission continued to work on improving approaches for engagement with Aboriginal and Torres Strait Islander people and organisations in 2022-23. Consistent with the *National Agreement on Closing the Gap*, the Commission has aimed to centre Aboriginal and Torres Strait Islander people's perspectives, priorities and knowledges in the *Closing the Gap* review by:

- engaging widely with Aboriginal and Torres Strait Islander people, communities and organisations
- publishing what we have heard through engagements
- drawing on submissions from Aboriginal and Torres Strait Islander people and organisations
- using case studies.

As part of the Closing the Gap review, the Commission published an Engagement approach (Review paper 1) which set out the principles for engagement - fair and inclusive; transparent and open; ongoing; and reciprocal – and engagement practices to reflect these principles.

Engagement in 2022-23 on the Closing the Gap review included 186 meetings of which the majority (121) were with Aboriginal and Torres Strait Islander groups. These meetings covered all parts of Australia, including metropolitan, regional, and remote areas, and the Torres Strait. Other studies and inquiries of particular relevance to Aboriginal and Torres Strait Islander people, including Aboriginal and Torres Strait Islander Visual Arts and Crafts, and the Murray-Darling Basin Plan: Implementation Review 2023 have also included a strong focus on engagement with Aboriginal and Torres Strait Islander communities, and elements of the Closing the Gap engagement approach are informing the Commission's ways of working across all programs of work.

The Commission continues to engage on the *Closing the Gap Information Repository (Dashboard and Annual Data Compilation Report)* as specified under the *National Agreement on Closing the Gap*. The Agreement states that the Commission is to work with the Joint Council on Closing the Gap through its Partnership Working Group to develop the Information Repository. The Partnership Working Group includes members of all Australian governments and the Coalition of Peaks. The Commission engages with the Partnership Working Group on all developments for the *Information Repository*.

Timeliness and cost effectiveness

In 2022-23, all of the Commission's inquiry and study reports, as well as all reports produced as part of the Commission's performance reporting and other functions, were completed within the timeframes originally established by Government, or as subsequently varied.

The timing of tabling of commissioned inquiry reports following completion of a project is a matter for Government.

The Commission endeavours to conduct projects efficiently, while ensuring rigorous analysis and maximising the opportunity for participation. Total estimated costs (covering salaries, direct administrative expenses and an allocation for corporate overheads) for inquiries and commissioned research studies completed in 2022-23 are shown in table 2.

The major administrative (non-salary) costs associated with public inquiries and other Government-commissioned projects relate to the Commission's extensive consultation processes and the wide dissemination of its draft and final reports. These costs have increased (compared with 2021-22) due to increased travel for consultation after limited opportunities during the pandemic.

Table 2 – Cost of public inquiries and other government commissioned projects completed in 2022-23^a

Government Commissioned project	Total cost ^a (\$'000)
Australia's Maritime Logistics System	2,058
Productivity Inquiry	5,318
Carer's Leave	1,383
Housing and Homelessness Agreement Review	1,357
Aboriginal and Torres Strait Islander Visual Arts and Crafts	2,668
National School Reform Agreement	1,596
Aged Care Employment	1,927

a. Includes estimated overheads and staffing.

Commission capabilities, linkages and networks

The Commission seeks to maintain a capability that provides rigorous analysis, transparent processes, and independence and balance in its conclusions. This includes capabilities to support integrity and ethical decision making. Particular attention is paid to the quality of recruitment, in-house and external training, and diversity of work experiences.

There is an active seminar program involving external experts on a range of policy issues relevant to the Commission's work. These seminars are intended to bring new ideas and stimulate debate within the Commission, as well as to foster networks with academic and other experts of relevance to the Commission's work. For 2022-23, the Commission hosted 29 seminars. Eight of these were Commission teams presenting to internal staff and 21 involved an external researcher presenting to the Commission. The Commission hosted seminars on topics such as climate change, experiment design, market structure, health team composition, Closing the Gap reforms, water pricing, novel datasets, gender equity, artificial intelligence, large language models, aged care, superannuation and migration.

The Commission has established an Aboriginal and Torres Strait Islander Outcomes Working Group to consider ways to expand and strengthen our ambition for all the Commission's work to better contribute to improving social and economic outcomes for Aboriginal and Torres Strait Islander people. This process will seek to improve the Commission's capabilities, to ensure research and policy work is strengthened by Aboriginal and Torres Strait Islander people's perspectives, priorities and knowledge, and help build Indigenous capability within the organisation.

The Commission continues to build the cultural capability of staff through Indigenous cultural capability training. In 2022-23, 86 staff undertook cultural capability training, and further training programs are planned for 2023-24.

The Commission is also taking steps to articulate and strengthen its culture of integrity, reflecting the focus of current APS reform. This includes building capabilities to support ethical decision making, and promoting work practices that comply with new or revised legislation – for example, requirements to manage psychosocial risks, prevent and respond to sexual harassment in the workplace (reflecting Respect@Work recommendations) and the establishment of the National Anti-Corruption Commission (NACC).

In 2022-23, the Commission undertook an integrity maturity self-assessment against the Commonwealth Integrity Maturity Framework. The assessment identified that the Commission meets all minimum requirements under the Framework, has helped inform future priorities, and set a benchmark against which to measure progress over time.

Work is underway on a whole-of-organisation Integrity framework, which will be completed in 2023-24. As part of this, a new Integrity Hub has been established to provide online ethics advice and guidance for managers and employees. The Commission has a range of corporate policies and procedures to support and strengthen our pro-integrity culture, which are regularly reviewed and updated.

Training for Senior Executive Staff was delivered on the new Respect@Work legislation, with a focus on personal accountability and a shared commitment for change. An assessment has been undertaken of current organisational culture and practice against the Australian Human Rights Commission's recommended seven domains for preventing and responding to sexual harassment in the workplace. A set of actions has been identified to further build organisational knowledge about sexual harassment in the workplace and support a safe, inclusive and respectful workplace culture. These actions will be included in the Integrity Framework, to be implemented in 2023-24.

Linkages and Networks

The Commission has linkages to both domestic and international research and policy-based organisations. This involves participation in working groups and forums, and periodic meetings with international organisations and peer institutions overseas.

In 2022-23, a number of Commissioners were also members of various boards, committees and non-profit organisations, including the Australian Institute of Health and Welfare, Economic Society of Australia, the Advisory Committee for the Centre for Applied Economic Research at UNSW and the Ageing & Disability Advocacy Australia. One Commissioner joined the Independent Review Panel for the Government's Review of the National Disability Insurance Scheme.

Management and accountability

Commissioners and staff

The Commission operates under the powers, protection and guidance of its own legislation. Its independence is formally exercised under the *Productivity Commission Act 1998* through the Chair and Commissioners.

Commissioners

At 30 June 2023, there were eleven members of the Commission, including the Chair, and three Assistant Commissioners.

Paul Lindwall, who commenced as a Commissioner in 2015, resigned part-way through his second term in December 2022.

Biographical information on all Commissioners is available on the Commission's website and their terms of appointment are listed in table 3.

Table 3 – Chair and Commissioners, 30 June 2023

	Location	Period of appointment	
		From	To
Mr M Brennan (Chair)	Melbourne	11 Sep 2018	10 Sep 2023
Prof. A Robson (Deputy Chair)	Brisbane	28 Mar 2022	27 March 2027
Mr R Mokak	Canberra	25 Mar 2019	24 Mar 2024
Ms L Gropp (p/t)	Melbourne	1 May 2019	30 Apr 2024
Dr M Roberts	Canberra	1 May 2019	30 Apr 2024
Dr C de Fontenay	Melbourne	1 Jul 2019	30 Jun 2024
Ms J Abramson (p/t)	Melbourne	10 Dec 2015	9 Dec 2025
Dr S King (p/t)	Melbourne	1 Jul 2016	31 Dec 2026
Ms J Chong	Adelaide	1 Apr 2022	31 Mar 2027
Mr M Stokie	Melbourne	1 Apr 2022	31 Mar 2027
Ms N Siegel-Brown	Brisbane	18 Apr 2022	17 Apr 2027

(p/t) denotes part time appointment.

Associate Commissioners

The Commission had three Associate Commissioners at 30 June 2023 (table 4). All three were appointed as part-time Associate Commissioners.

Krystian Seibert was appointed on 15 February 2023 to assist with the Commission's inquiry into philanthropic giving in Australia.

On 1 March 2023, Deborah Brennan was appointed to assist with the inquiry into the Early Childhood Education and Care system.

Chris Guest was appointed on 27 May 2023 to assist with the second, five-yearly, Murray Darling Basin Plan: Implementation Review.

Table 4 – Associate Commissioners, 30 June 2023

	Location	Period of appointment	
		From	To
Dr D Brennan AM	Sydney	1 Mar 2023	30 Jun 2024
Dr C Guest	Melbourne	27 May 2023	19 Dec 2023
Mr K Seibert	Melbourne	15 Feb 2023	14 May 2024

Staff

The average staffing level during 2022-23 was 164, compared with 164 in 2021-22. The Commission recruited 45 staff during the year, including ten graduates – nine through the graduate economist recruitment program and one through the APS Australian Government HR Professional Stream Indigenous Graduate Pathway. Staff turnover was approximately 20%.

Statistical information on staffing is provided in the Appendix.

Outcome, objective and resources

The financial and staffing resources devoted to achieving the Government's outcome objective for the Commission are summarised in table 5. An agency resource statement for 2022-23 is included in the Appendix.

Table 5 – Financial and staffing resources summary^{a,b}

	Budget ^a 2022-23	Actual 2022-23	Variation
	\$'000	\$'000	\$'000
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			
Program 1.1 Productivity Commission			
Departmental expenses			
Ordinary annual services (Appropriation Bill No. 1)	37,344	34,189	3,155
Revenues from independent sources (Section 74)	10	158	(148)
Expenses not requiring appropriation in the Budget year	1,100	3,171	(2,071)
Total for Outcome 1	38,454	37,518	936
	2021-22	2022-23	Variation
Average staffing level (number)	164	176	16

a. Full year budget, including any subsequent adjustment made to the 2022-23 Budget. **b.** Expense not requiring appropriation are made up of depreciation expenses, amortisation and audit fees.

Governance

The Commission's governance arrangements are designed to achieve efficient, effective and ethical use of resources in delivering the Commission's mandated outcome objective. The arrangements are also designed to ensure compliance with legislative and other external requirements in regard to administrative and financial management practices.

In keeping with good governance principles, the Commission's governance arrangements encompass:

- establishing clear responsibilities for decision making and the undertaking of mandated activities
- ensuring accountability through the monitoring of progress, and compliance with legislative and other requirements, of mandated activities
- underpinning these arrangements through the promotion of a risk management and ethical behaviour culture.

Key responsibilities

The Commission's Chair is responsible for the overall management and governance of the Commission, its reputation and public handling of issues, and the quality of its output. The Chair is the 'Accountable Authority' under the PGPA Act.

The Chair is assisted in these tasks by the Head of Office and a Management Committee that addresses matters of strategic direction, organisational development, policies and practices, monitoring of performance and resource allocation.

Management Committee comprises the Chair (as chair), the Deputy Chair, the Head of Office, the First Assistant Commissioners of the Melbourne and Canberra offices, the Assistant Commissioner responsible for the Corporate Group, and the Assistant Commissioner responsible for the Strategic Communications and Engagement Group. It meets monthly, or more frequently as needed.

The Research Committee oversees the Commission's self-initiated research program to ensure delivery of high quality, policy relevant research in a timely way. It also oversees data analysis, and modelling capability and development to promote fit-for-purpose model use that is quality assured. It meets monthly and comprises the Chair (as chair), two Commissioners, the Head of Office, the First Assistant Commissioners, the Assistant Commissioners for Research, and the Assistant Commissioner for the Strategic Communications and Engagement Group, and a liaison officer.

Commissioners are responsible for the conduct and quality of the individual inquiries, studies or other activities to which they are assigned by the Chair, and the overall quality of Commission work via their contributions to monthly Commission meetings.

Accountability

Management Committee's monitoring of the Commission is aided through the provision of regular reports covering staffing, expenditure, staff development and other operational matters.

Monthly Commission meetings – also attended by senior staff – are used to discuss and monitor progress across the Commission's four mandated outputs. Specifically:

- the responsible Commissioners on government commissioned projects report at each Commission meeting on significant issues and progress against key milestones
- reports are provided on the status and future directions of the research program at each Commission meeting

- the activities of the Steering Committee for the Review of Government Service Provision, chaired by the Chair of the Commission, are reported on a quarterly basis
- a Commissioner designated with responsibility for competitive neutrality issues reports to the Commission annually
- the Head of Office provides monthly updates on key management issues.

The Audit and Risk Committee is a further source of accountability through its periodic review of particular aspects of the Commission's operations. Its membership comprises a chairperson and two members, all of which are independent and external to the Australian Public Service (table 6). The Commission's contracted internal auditors generally attend meetings, as does a representative of the Australian National Audit Office (ANAO) on an 'as required' basis. The Audit and Risk Committee meets at least four times a year. The charter determining the functions of the Audit and Risk Committee can be found at www.pc.gov.au/about/governance/audit-committee.

Table 6 – Audit and Risk Committee membership 2022-23

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Total annual remuneration
Neil Byron ^a	Neil has extensive experience in the Australian Public Service as an economist including 12 years as a Commissioner at the Productivity Commission (1998-2010). He was also the NSW Natural Resources Commissioner. As well as chairing the Productivity Commission's Audit and Risk Committee, Neil is a Non-executive Director of Alluvium Holdings Pty Ltd, and its subsidiary, Natural Capital Economics Pty Ltd; Member of the MDBA's Advisory Committee on Social, Economic and Environmental Sciences; and Chair of NSW Farm Forestry Expert Panel (Local Land Services). Neil has an honours degree in Forest Science from the ANU and a masters and doctorate in resource & environmental economics from University of British Columbia, in Canada.	4/4	\$12,206
Jenny Zahara	Jenny has 14 years' experience in finance, governance and corporate services, in the Victoria Public Service, where she provided advice and support to Ministers, the Secretary and Executive Board. Jenny was the Chief Financial Officer at Department of Health. She holds a Bachelor of Commerce, Accounting and Finance and Bachelor of Science from the University of Melbourne and is an FCPA and a graduate member of the Australian Institute of Company Directors (GAICD).	4/4	\$8,800
Fran Raymond ^a	Fran Raymond has extensive financial experience, with over 20 years in senior CFO or COO roles within the Commonwealth Government including the Department of Defence, Prime Minister and Cabinet and Australian Reinsurance Pool Corporation (ARPC). Fran holds a Bachelor of Commerce in Accountancy and Systems from UNSW, a Master of Business Administration from Charles Sturt University. She is a fellow of the Australian Institute of Company Directors (FAICD) and an FCA member.	1/1	\$2,200
Michael Everett ^b	Michael has over 30 years' experience in all aspects of finance, corporate services and governance in the both the Victorian and Commonwealth public service. He holds a Bachelor of Economics from La Trobe University and is FCPA and GAICD qualified.	3/3	N/A

a. GST not applicable. b. Michael Everett retired from the Committee in March 2023 and was replaced by Fran Raymond.

Risk management and fraud control

Risk assessments are undertaken within a formal risk management model specified in the Commission's enterprise risk management framework and plan. Senior management and the Audit and Risk Committee review the plan regularly.

The Commission has prepared a fraud risk assessment and fraud control plan and has in place appropriate fraud prevention, detection, investigation reporting and data collection procedures and processes that meet the specific needs of the Commission and comply with the Commonwealth Fraud Control Framework. No instances of fraud were reported during 2022-23.

Information about the Commission's risk management procedures is available to all employees. It is brought to the attention of new employees on commencement, and awareness raising for existing employees is periodically undertaken. In 2023-24, all Commission staff will be required to complete the risk management training on an annual basis, which covers a depth of knowledge to staff at all levels on how to effectively apply good risk management to everyday work. In addition, new employees to the Commission will be required to undertake risk management training on risk in the Commonwealth.

Ethical standards

The Commission is committed to fostering a culture of professionalism and the highest ethical standards, to meet APS-wide requirements and community expectations. In 2022-23, work has continued to foster and maintain our positive and respectful workplace culture, with a focus on integrity, performance, and behaviours.

Our pro-integrity culture promotes integrity, openness and accountability, and is underpinned by a strong commitment from all Commissioners and staff to promote and uphold the APS Values. The Commission has a range of corporate policies and procedures related to integrity, which are regularly reviewed and updated. These include HR, Finance and ICT policies.

Aligned with the integrity focus across the APS, work is underway to define and implement a range of new obligations and responsibilities to support integrity. In 2022-23, the Commission:

- Undertook an integrity maturity self-assessment against the Commonwealth Integrity Maturity Framework, which:
 - concluded that the Commission was compliant with the Framework requirements
 - has helped inform future priorities and actions, and
 - set a benchmark against which to measure progress over time
- Regularised communications with staff on integrity-related matters, including on APS reform, the Commonwealth integrity maturity framework, Respect@Work amendments to the *Fair Work Act 2009* and the establishment of the National Anti-Corruption Commission (NACC)
- Developed an Integrity Hub, which is regularly updated with relevant guidance materials
- Started work on the "Our Culture of Integrity" framework, which will:
 - situate over 20 different policies and procedures to provide a more holistic overview of integrity requirements across HR, Finance, Freedom of Information, Privacy and ICT functions, and
 - outline priority actions
- Provided information to all staff, and delivered initial training to Senior Executive Staff, on the new Respect@Work legislation, with further actions to be included in the Integrity Framework.

External and internal scrutiny

The Commission's processes, which provide for high levels of transparency and community participation in its work, are a key means of promoting external scrutiny.

External scrutiny is also promoted through the Commission's extensive reporting, in various publications, of different aspects of its work.

Both the Commission and the Australian Government Competitive Neutrality Complaints Office (which has separate functions although located within the Commission) have service charters. Performance against the charters is monitored on an exceptions basis – that is, by complaints to designated senior managers. No complaints were received during 2022-23 in respect of either charter.

The Auditor-General issued an unqualified independent audit report on the Commission's 2022-23 financial statements. The Commission also engages a firm to undertake a program of internal audit reviews. In 2022-23 the Commission continued to implement recommendations based on the 2021-22 internal auditors review of key financial controls, to assess the extent to which the Commission has in place and effectively operates key internal controls relating to the management of physical and virtual credit cards, and portable and attractive assets.

In 2022-23, an internal audit of the Commission's approach to Change Management was undertaken.

The Audit and Risk Committee also plays an important internal scrutiny role. The Committee's efforts during the year related mainly to:

- oversight of the Commission's internal audit program
- consideration of the annual financial statements
- scrutiny of the Commission's risk management assessment and plan
- reviews of relevant ANAO reports and the Internal Auditor Reports.

The use of Commission reports by Federal parliamentary committees during the year is discussed in chapters 2 and 4. The Commission is often invited to appear before Senate Committees to assist the work of Federal Parliament and facilitate scrutiny of its work, as well as being requested to attend Senate Estimates hearings, with appearances by the Chair and senior staff before the Senate Standing Committee on Economics.

The Commission's website continues to provide a valuable source of information about the current work of the Commission, its publications and other activities. During 2022-23, the Commission continued to develop its use of social media to raise awareness of its work and promote participation in its public inquiries and studies. The use of infographics, videos and webinars to highlight and promote aspects of the Commission's work also continued.

Management of human resources

The Commission's human resources management operates within the context of relevant legislation, government policy and Commission-developed policy. Day-to-day management is devolved to senior managers within a broad framework agreed by Management Committee. The Committee routinely monitors the performance of people management functions, including through standing reports to its monthly meetings.

Workforce planning

The Commission's workforce planning approach reflects its operational context and objective, and key principles underpinning its operations.

To inform good policy and program design and promote public understanding of issues, the Commission must develop and maintain a capability that provides rigour of analysis, transparency of process, and independence and balance in our conclusions. This includes specialist technical expertise, including in modelling, and cultural capability to engage and work more effectively with Aboriginal and Torres Strait Islander people.

In 2022-23, the Commission undertook a range of activities to further develop the maturity of its workforce planning function, including:

- Developing a data dashboard for more real-time access to human resources data, which will create efficiencies in administering and maintaining static data, to ensure relevance and accuracy, and align with data already provided to the Australian Public Service Commission (APSC).
- Commencing a targeted procurement process, approved by senior management, to engage the expertise of external workforce planning specialists. The provider will undertake a staged approach to capability mapping and gap analysis, workforce management activities, and capability strategies (including succession planning). This work will be undertaken in 2023-2024.

Work is ongoing regarding how the Commission measures the impact and effectiveness of our workforce strategy and planning, and capability development in general, including through targeted monthly reporting on workforce metrics.

Remuneration and employment conditions

Remuneration for the Chair and Commissioners is set by the Remuneration Tribunal in determinations that are publicly available on the Tribunal's website.

The Commission's Senior Executive Service (SES) employees are employed under individual determinations made under section 24(1) of the *Public Service Act 1999*. SES remuneration is set by the Chair, and subject to review periodically, in the context of particular role requirements and how the roles are performed, and taking account of public and private sector benchmarks, including those contained in the APS Remuneration Report published by the APSC.

Information on key management personnel remuneration is set out in note 1 to the Financial Statements (chapter 6) and disaggregated reporting is in the Appendix. Average remuneration for senior executives and other highly paid staff is also in the Appendix.

The salary ranges of the Commission's non-SES employees are set out in the Enterprise Agreement 2017–2020 (the Agreement) and determination (under subsection 24(1) of the *Public Service Act 1999*) which sits alongside the Agreement. This determination provided an additional 1% salary increase in October 2022, following a 2% salary increase in September 2022, under the Public Sector Interim Workplace Arrangements 2022.

The Agreement also includes provisions aimed at providing a flexible, satisfying and rewarding environment for employees. In February 2023, the Commission advised of its intent to commence bargaining for a new Agreement, and appointed Mr Peter Riordan PSM CF of the APSC, as Chief Negotiator. Mr Riordan represented the Commission alongside over 100 agencies in the service-wide bargaining process, which aims to establish a set of common conditions. The Commission expects to commence agency-level bargaining once the common conditions are settled, with the aim to have a new Agreement negotiated and approved in 2023-24.

The Agreement and determination are available on the Commission's website. The Appendix provides details of salary ranges at 30 June 2023.

Thirteen individual flexibility agreements were in place at 30 June 2023, addressing allowances and working arrangements.

Performance management and pay

All Commission employees participate in regular performance management activities. The Commission's performance management policy and practice focuses on regular, meaningful feedback to support individuals' development.

The practical elements of the Commission's policy and practice are designed to:

- develop and maintain a strong culture of conversation between employees and managers, where two-way discussions and feedback are part of regular work practices
- focus on individual's capability development, including building and maintaining the capability of employees and managers to support and sustain high performance
- recognise that an individual's performance is shaped by both results and outcomes, and the behaviours demonstrated along the way
- focus efforts on learning and development in a way that can be tailored to individuals' needs at different points in their careers.

Ahead of each formal feedback round – which occur at six-monthly intervals – training is conducted for employees and managers to ensure readiness for formal feedback sessions.

Under the Commission's enterprise agreement, all salary increases are conditional upon employees being rated fully effective in their formal performance feedback. Performance bonuses are not a feature of remuneration for Commission employees.

Consultative arrangements

The formal employee consultative mechanism is the Productivity Commission Consultative Committee. The Committee comprises elected employee representatives, a Community and Public Sector Union (CPSU) representative, and management representatives. The Committee met four times in 2022-23.

In addition, there is regular direct consultation between management and employees, including through regular team and all-staff meetings.

Learning and development

The Commission's approach to learning and development aims to foster and maintain a vibrant learning culture and support the Commission's work and employees' career development.

Employees can undertake learning and development across three core skills families:

- Technical
- Leadership/Management/Workplace
- Individual/Interpersonal.

Opportunities for learning and development may be employee-identified, be supervisor-encouraged or directed, or reflect organisation-wide initiatives.

In 2022-23, the Commission focussed on delivering its learning and development activities in line with the Learning and Development Strategy 2021-23, taking a structured and coordinated approach with regular engagement with Management Committee on emerging priorities.

Learning activities delivered in 2022-23 included various programs that focused on maintaining our positive workplace culture through increasing cultural capability, and supporting inclusion and diversity.

With consideration to hybrid working, the majority of learning and development activities were delivered online or in hybrid format. Our learning and development offerings reflected areas of organisational priority -- including further building cultural capability across the Commission and supporting leadership development for SES and Executive level staff. We continued to offer regular activities to ensure our hybrid work arrangements maintain a positive workplace culture, including to support inclusion and diversity and respect at work.

Other activities included a mentoring program for APS Level and Executive Level employees, Executive and SES leadership development opportunities, regularised new starter training for graduates and other new employees, and technical learning activities such as legal training. The Commission also supported staff participation in the Jawun secondment program and external leadership courses.

The Commission provided all staff with access to individual professional development opportunities, including one-on-one coaching to address development needs and extensive on-the-job training within the Commission. A program of internal seminars on a range of topical economic, social and environmental issues also contributed to staff development.

Employees may also seek to access studies assistance (in the form of paid leave and/or assistance with fees) in the pursuit of tertiary qualifications.

The Commission also continues to support mobility opportunities, such as secondments and temporary transfers, to further build capability and experience.

Work health and safety

A Work Health and Safety (WHS) Committee oversees the Commission's work health and safety program. Committee membership includes management and staff health and safety representatives from both the Commission's Canberra and Melbourne offices. The Committee met four times during 2022-23.

Regular workplace hazard inspections are conducted by members of the WHS Committee. No formal WHS investigations were conducted during the year and there were no notifiable incidents. No notices under Part 10 of the Work Health Safety Act 2011 (WHS Act) were given to the Commission during 2022-23. Training is provided for employees who have specific WHS related responsibilities.

WHS activities and offerings continued to focus on supporting holistic wellbeing and ensuring that our practices and policies were aligned with the changes in the WHS Act and Regulations around psychosocial hazards and risk minimisation.

Some key activities during the year included:

- In house training to educate and support staff regarding new amendments to psychosocial workplace hazards in accordance with the WHS Act.
- Individual support to staff and managers, assisting in areas of ergonomic workstation assessments and workplace reasonable adjustments, where appropriate in the workplace.
- Promoting participation in wellness activities and team-based challenges to support physical wellbeing in the workplace.
- Ongoing regular initiatives, including skin and health checks and flu vaccinations for further health and wellbeing.

Work health and safety continues to be a key priority for the Commission during 2023-24 with a focus on safe hybrid working and psychosocial safety. The Commission continues to focus on supporting the

wellbeing of employees through expanding mental health resources through outreach programs and expanding the avenue of services available through our Employee Assistance Program.

The Commission continues to provide dedicated early intervention support to ill and injured employees, through effective rehabilitation strategies and programs where applicable for both compensable and non-compensable matters.

Workplace diversity

The Commission is committed to building and maintaining a workplace culture that values and serves people with different backgrounds, experiences, and perspectives. The Commission continues to foster a culture that is supportive of employees achieving their potential and which values employee diversity.

As at 30 June 2023:

- 59% of staff were female
- 2% of staff identified as Indigenous
- 19% of staff were born outside Australia
- 12% of staff identified as having a first language other than English
- 2% of staff identified as having a disability
- 25% of staff were aged 50 years or older
- 20% of staff were under 30 years of age.

In 2022-23, work continued to embed the Commission's Workplace Diversity and Inclusion Strategy. The Strategy reflects the Commission's commitment to focus efforts on three priority areas – disability employment, Indigenous employment and awareness of Indigenous cultures, and Culturally and Linguistically Diverse (CALD) / multicultural employment – as well as support for diversity and inclusion matters more broadly.

In 2022-23, SES Diversity and Inclusion Champions worked with staff to support the delivery of actions in the strategy, including leading a Diversity and Inclusion Working Group and commencing a review of the Strategy, which will be finalised in 2023-24.

Financial performance

The Productivity Commission is a non-corporate Government entity under the *Public Governance, Performance and Accountability Act 2013*.

Revenue from government in 2022-23 was \$37.1 million (\$36.6 million in 2021-22). Revenue from other sources was \$0.2 million (\$0.3 million in 2021-22).

Operating expenses increased in 2022-23 to \$37.5 million (\$32.5 million in 2021-22). The major expenses in 2022-23 were \$29.7 million in respect of employee expenses, \$4.5 million relating to supplier payments, and \$3.1 million in asset depreciation, amortisation and related expenses.

Under the Australian Government's net cash appropriation arrangements, individual agencies are not funded for depreciation or amortisation expenses through appropriation revenue. The operating result for 2022-23 was a \$0.2 million deficit, after accounting for depreciation and amortisation expenses.

The loss for 2022-23 relates to higher supplier expenses, which is due to variations in inquiry and other project activity, and also increased travel costs incurred in the year.

Table 5 (above) provides a summary of financial and staffing resources. The agency resource statement is provided in the Appendix. The audited financial statements for 2022-23 are shown in chapter 6 and include commentary on major budget variances.

Other reporting requirements

Purchasing

The Commission applies the Commonwealth Procurement Rules. The Commission's purchases of goods and services during 2022-23 were consistent with the 'value for money' principle underpinning those rules.

The Commission did not enter into any contracts or standing offers that were exempt from AusTender publication. During 2022-23, the Commission entered into one contract variation over \$100,000 (including GST) that did not include a provision for the ANAO to have access to the contractor's premises if required. The contract was for Application Management and Support services, with Technology One Limited, and holds a total value of \$127,116 (including GST). The omission of the access clause was due to the contract being signed on Technology One's contract template, not the Australian Government's contract template. All remaining contracts of \$100,000 or more included the clause providing access to the Auditor-General, during the reporting period.

The Commission supports small business participation in the Commonwealth Government procurement market by, for example, use of the Commonwealth Contracting suite for low-risk procurements valued under \$200,000 and communication in clear, simple language in accordance with the Small Business Engagement Principles. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website at www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts.

Consultancies

The Commission engages consultants when it requires specialist expertise or when independent research, review or assessment is required. Decisions to engage consultants during 2022-23 were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies. The Commission continued to utilise the services of a small number of consultants during the year where it was cost-effective to do so.

Total expenditure on consultancies throughout 2022-23 was \$49,775. This included two existing contracts that continued into 2022-23 and a further two new contracts that commenced in 2022-23 (table 7).

Table 7 – Number and expenditure on consultants, current reporting period (2022-23)

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	2	13,750
Ongoing contracts entered into during a previous reporting period	2	36,025
Total	4	49,775

Table 8 provides information on consultants in the five years to 2022-23.

Table 8 – Expenditure on consultancies, 2018-19 to 2022-23

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenditure	63	181	67	42	50

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website www.tenders.gov.au.

Reportable non consultancy contracts

During 2022-23, the Commission did not enter into any new non consultancy contracts. Five ongoing non consultancy contracts were active during the period, involving total actual expenditure of \$ \$3,635,390 (table 9).

Table 9 – Number and expenditure on reportable non consultancy contracts, current reporting period (2022-23)

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	0	0
Ongoing contracts entered into during a previous reporting period	5	3,635,390
Total	5	3,635,390

Annual reports contain information about actual expenditure on contracts for non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website www.tenders.gov.au.

Ecologically sustainable development (ESD)

Under the *Environment Protection and Biodiversity Conservation Act 1999*, agencies are required – through their annual reports – to report on ecologically sustainable development (ESD) and environmental matters. This requirement is part of the Government's program to improve progress in implementing ESD.

The Commission operates under statutory guidelines, one of which is to have regard to the need 'to ensure that industry develops in a way that is ecologically sustainable' (s. 8(1)(i) of the *Productivity Commission Act 1998*). This legislation also prescribes that at least one member of the Commission 'must have extensive skills and experience in matters relating to the principles of ecologically sustainable development and environmental conservation' (s. 26(3)).

There are five aspects against which agencies are required to report.

The first relates to how an agency's actions during the reporting period accorded with the principles of ESD. Reflecting its statutory guidelines, ESD principles are integral to the Commission's analytical frameworks, their weighting depending on the particular inquiry or research topic. The Commission's inquiries into the Murray Darling Basin Plan: Implementation Review and the Future Drought Fund are examples of work undertaken in 2022-23 that required integration of complex economic, social and environmental considerations.

The second reporting requirement asks how the Government's outcome for the Commission contributes to ESD. As stated elsewhere in this report, the outcome nominated for the Commission is:

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.

In pursuing this outcome, the Commission is required to take into account impacts on the community as a whole – these may be economic, social and/or environmental. The transparency of its processes provides the opportunity for anyone with an interest in an inquiry to make their views known and to have these considered. Consequently, a broad range of views and circumstances are taken into account, in keeping with the ESD principle that ‘decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equity considerations’.

The third to fifth reporting requirements relate to the impact of the Commission’s internal operations on the environment. The Commission is a relatively small, largely office-based, organisation in rented accommodation, and it adopts measures aimed at the efficient management of waste and minimising energy consumption.

The Commission is required to meet the target of no more than 7,500 megajoules (MJ) per person, per annum, for office tenant light and power under the Energy Efficiency in Government Operations (EEGO) Policy. In 2022-23, the Commission met this target, using 2,805 MJ per person, per annum. This noteworthy performance implies that the Commission operated at a mere 37% of the stipulated EEGO limit, effectively demonstrating an energy efficiency almost 2.7 times superior to the maximum allowed limit. The EEGO performance improved by approximately 5% when compared to 2021-22. The increase in FTE across the Commission at approximately 7% and the continued hybrid work arrangements were the major contributors to the EEGO performance improvement.

The average monthly energy consumption over the last 12 months was approximately 11,500 kWh, with associated monthly costs of approximately \$2,800.

Australian Public Service Net Zero 2030

As part of the reporting requirements under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, and in line with the Government’s APS Net Zero 2030 policy, agencies are required to publicly report on the emissions from their operations, commencing with public reporting of 2022-23 emissions in annual reports.

APS Net Zero 2030 is the Government’s policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO₂-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

During the 2022-2023, the Commission was accountable for total carbon emissions quantified at 282,495 kilograms of CO₂ equivalent. An assessment of the emissions’ provenance revealed that Scope 3 emissions represented approximately 61% of the comprehensive emissions across the Commission. In comparison, Scope 2 emissions had a relatively smaller contribution, representing 39% of the total emissions.

Investigations into Scope 2 emissions revealed that the primary source was the procurement of electricity for leased sites. Similarly, the analysis of Scope 3 emissions attributes the bulk of these to air travel.

The Commission’s recorded environmental emissions for 2022-23 are detailed below.

Table 10 – Greenhouse Gas Emissions Inventory – Location-Based Method, 2022-23

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Location Based Approach)	N/A	109,207	8,986	118,194
Natural Gas	0	N/A	0	0
Fleet Vehicles	0	N/A	0	0
Domestic Flights	N/A	N/A	164,301	164,301
Other Energy	0	N/A	0	0
Total kg CO₂-e	0	109,207	173,288	282,495

The electricity emissions reported above are calculated using the location-based approach (CO₂-e = Carbon Dioxide Equivalent). When applying the market-based method, which accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity, are below:

Table 11 – Greenhouse Gas Emissions Inventory – Market-Based Method, 2022-23

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Location Based Approach)	N/A	55,562	7,354	62,915
Natural Gas	0	N/A	0	0
Fleet Vehicles	0	N/A	0	0
Domestic Flights	N/A	N/A	164,301	164,301
Other Energy	0	N/A	0	0
Total kg CO₂-e	0	55,562	171,655	227,217

Australia's Disability Strategy

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under Australia's Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au. From 2010-11, departments and agencies have no longer been required to report on these functions.

Australia's Disability Strategy 2021–2031 was launched in December 2021, and replaces the National Disability Strategy 2010–2020 (original strategy). It sets out a plan for continuing to improve the lives of people with disability in Australia over the next ten years.

Disability employment is one of the key focus areas of the Commission's Workplace Diversity and Inclusion Strategy 2019–22, and over this period, the Commission has provided employment opportunities, and identified and implemented reasonable adjustments, for people with a disability. The Commission will look to align practices with measures in Australia's Disability Strategy 2021–2031 as part of the review and update of the next Strategy, in the second half of 2023.

Freedom of information

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The Commission's plan is at www.pc.gov.au/about/governance/freedom-of-information.

Advertising and market research

The Commission does not undertake 'advertising campaigns'. However, it does publicise its government commissioned inquiries and studies so that any individual, firm or organisation with an interest has an opportunity to present their views. Publicity takes the form of newspaper advertisements (as required by the *Productivity Commission Act 1998*), press releases, email alerts, notification on the Commission's website and via social media, and distribution of Commission circulars.

In 2022-23, expenditure on advertising related to commissioned inquiries and studies was \$34,408 (GST Excl.) (2021-22 \$6,391).

Financial Statements

Independent Auditors Report



INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Opinion

In my opinion, the financial statements of the Productivity Commission (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Chair and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Amy Wicks

Audit Principal

Delegate of the Auditor-General

Canberra

25 August 2023



Australian Government
Productivity Commission

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Collins Street East
Melbourne VIC 8003
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Facsimile 03 9653 2199

From the Chair's Office

Statement by the Chair and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Productivity Commission will be able to pay its debts as and when they fall due.

A handwritten signature in blue ink, appearing to read 'Michael Brennan'.

Michael Brennan
Chair

25 August 2023

A handwritten signature in blue ink, appearing to read 'Jane Holmes'.

Jane Holmes
Chief Financial Officer

25 August 2023

Statement of Comprehensive Income

as at 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	29,751	25,554	30,103
Suppliers	2A	4,497	3,597	4,904
Depreciation and amortisation	4A	3,121	3,163	3,179
Finance costs	2E	149	176	268
Losses from asset sales		-	12	-
Total expenses		<u>37,518</u>	<u>32,502</u>	<u>38,454</u>
OWN-SOURCE INCOME				
Own-source revenue				
Revenue from contracts with customers	5B	158	293	10
Resources received free of charge	5C	<u>50</u>	<u>50</u>	<u>50</u>
Total own-source income		<u>208</u>	<u>343</u>	<u>60</u>
Net cost of services		<u>37,310</u>	<u>32,159</u>	<u>38,394</u>
Revenue from Government		<u>37,104</u>	<u>36,616</u>	<u>37,104</u>
Surplus / (Deficit)		<u>(206)</u>	<u>4,457</u>	<u>(1,290)</u>
Total comprehensive income / (loss)		<u>(206)</u>	<u>4,457</u>	<u>(1,290)</u>

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

The main budget variance relates to supplier expenses due to variations in inquiry and other project activity. The nature, scope and timing of public inquiries and other work commissioned by Government are not always known when the Original Budget estimates are prepared, and those factors have had a bearing on cost outcomes.

Revenue from contracts with customers is higher due to the unexpected extension of a previous arrangement.

Statement of Financial Position

as at 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents		412	389	389
Appropriation receivables	3B	40,923	38,562	39,324
Trade and other receivables	5A	171	104	103
Total financial assets		41,506	39,055	39,816
Non-financial Assets				
Buildings ¹	4A	15,861	18,614	15,834
Plant and equipment	4A	736	847	640
Computer software	4A	-	1	1
Other non-financial assets		414	798	798
Total non-financial assets		17,011	20,260	17,273
Total assets		58,517	59,315	57,089
LIABILITIES				
Payables				
Suppliers	2B	719	581	580
Other payables	2C	816	629	629
Total payables		1,535	1,210	1,209
Interest bearing liabilities				
Leases	2D	13,753	15,766	13,877
Total interest bearing liabilities		13,753	15,766	13,877
Provisions				
Employee provisions	1B	9,466	9,204	9,324
Total provisions		9,466	9,204	9,324
Total liabilities		24,754	26,180	24,410
Net Assets		33,763	33,135	32,679
EQUITY				
Contributed equity		12,974	12,140	12,974
Reserves		1,827	1,827	1,827
Retained surplus		18,962	19,168	17,878
Total equity		33,763	33,135	32,679

1. Right-of-use assets are included in Buildings line item.

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

The main budget variance in respect of the financial position is a higher level of total payables due to the timing of supplier invoices and the number of additional days accrued for wages and salaries payable as at 30 June 2023.

Statement of Changes in Equity

for the period ended 30 June 2023

	2023	2022	Original Budget	
	Notes	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		12,140	11,311	12,140
Transactions with owners				
Contributions by Owners				
Departmental capital budget	3A	834	829	834
Total transactions with owners		834	829	834
Closing balance as at 30 June		12,974	12,140	12,974
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		19,168	14,711	19,168
Comprehensive Income				
Surplus / (Deficit) for the period		(206)	4,457	(1,290)
Total comprehensive income		(206)	4,457	(1,290)
Closing balance as at 30 June		18,962	19,168	17,878
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		1,827	1,827	1,827
Comprehensive Income				
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
Closing balance as at 30 June		1,827	1,827	1,827
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		33,135	27,849	33,135
Comprehensive Income				
Surplus / (Deficit) for the period		(206)	4,457	(1,290)
Other comprehensive income		-	-	-
Total comprehensive income		(206)	4,457	(1,290)
Transactions with owners				
Contributions by Owners				
Departmental capital budget		834	829	834
Total transactions with owners		834	829	834
Closing balance as at 30 June		33,763	33,135	32,679

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

The variation against budget in respect of retained earnings relates to the deficit being lower than anticipated (refer to the commentary under the Statement of Comprehensive Income).

Cash Flow Statement

for the period ended 30 June 2023

	2023	2022	Original Budget
Notes	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	37,493	33,735	36,984
Sale of goods and rendering of services	138	250	10
GST received	547	619	-
Other	-	-	-
Total cash received	<u>38,178</u>	<u>34,604</u>	<u>36,994</u>
Cash used			
Employees	28,712	26,203	29,983
Suppliers	4,515	3,923	4,854
Interest payments on lease liabilities	149	176	268
GST paid	596	570	-
Section 74 receipts transferred to OPA	<u>2,164</u>	<u>1,902</u>	-
Total cash used	<u>36,136</u>	<u>32,774</u>	<u>35,105</u>
Net cash from operating activities	<u>2,042</u>	<u>1,830</u>	<u>1,889</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment	<u>256</u>	<u>23</u>	<u>192</u>
Total cash used	<u>256</u>	<u>23</u>	<u>192</u>
Net cash used by investing activities	<u>(256)</u>	<u>(23)</u>	<u>(192)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity	<u>249</u>	<u>26</u>	<u>192</u>
Total cash received	<u>249</u>	<u>26</u>	<u>192</u>
Cash used			
Principal payments of lease liabilities	<u>2,012</u>	<u>1,897</u>	<u>1,889</u>
Total cash used	<u>2,012</u>	<u>1,897</u>	<u>1,889</u>
Net cash (used by) / from financing activities	<u>(1,763)</u>	<u>(1,871)</u>	<u>(1,697)</u>

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

The variation in total cash received and used reflects higher supplier related expenses and the increased sale of goods and rendering of services cash received (refer to the commentary under the Statement of Comprehensive Income). Section 74 receipts have not been budgeted for in 2022-23.

Overview

Objectives of the Productivity Commission

The Productivity Commission is an Australian Government controlled entity. It is a not-for-profit entity.

The objective of the Commission is to provide independent research and advice on a range of economic, social and environmental issues affecting the welfare of Australians. The Commission's work encompasses all sectors of the economy as well as social and environmental issues. Its activities cover all levels of government responsibility – federal, state and territory and local.

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

The Basis of Preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*, and
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Accounting Standards

All new standards, revised standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Commission's financial statements. The Productivity Commission has not incorporated any new accounting standards, revised standards or amendments into these financial statements.

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)</i> and	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021-6 <i>Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)</i>	<p>AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.</p> <p>This amending standard is not expected to have a material impact on the entity's financial statements for the current reporting period or future reporting periods.</p>

Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events after the Reporting Period

There was no subsequent event that had the potential to significantly affect the on-going structure and financial activities of the Commission.

Notes to and forming part of the Financial Statements

1 Employee Related

- 1A Employee Benefits
- 1B Employee Provisions
- 1C Key Management Personnel Remuneration
- 1D Related Party Disclosures

2 Supplier Related

- 2A Suppliers (Expense)
- 2B Suppliers (Liability)
- 2C Other Payables
- 2D Interest Bearing Liabilities - Leases
- 2E Finance Costs

3 Funding from Government and Other Sources

- 3A Appropriations
- 3B Appropriations Receivable
- 3C Net Cash Appropriation Arrangements

4 Property, Plant and Equipment

- 4A Analysis of Property, Plant and Equipment and Intangibles
- 4B Fair Value Measurement

5 Other Financial Assets and Own Source Income

- 5A Trade and Other Receivables
- 5B Own-Source Income – Revenue from Contracts with Customers
- 5C Resources received free of charge

6 Other Information

- 6A Contingent Assets and Liabilities
- 6B Financial Instruments
- 6C Current/ Non-Current Distinction for Assets and Liabilities

Note 1: Employee Related

Note 1A: Employee Benefits

	2023	2022
	\$'000	\$'000
Wages and salaries	21,983	19,496
Superannuation:		
Defined contribution plans	2,312	1,641
Defined benefit plans	1,943	1,793
Leave and other entitlements	<u>3,513</u>	<u>1,521</u>
Total employee benefits	<u>29,751</u>	<u>24,451</u>

Note 1B: Employee Provisions

	2023	2022
	\$'000	\$'000
Leave	<u>9,466</u>	<u>9,204</u>
Total employee provisions	<u>9,466</u>	<u>9,204</u>

Accounting Policy

Liabilities for 'short term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by use of the Australian Government Actuary's shorthand method using the Standard Commonwealth sector probability profile. The estimate of the present value of the liability takes into account staff turnover rates and expected pay increases. This method is affected by fluctuations in the Commonwealth Government 10 year Treasury Bond rate.

Superannuation

The majority of staff at the Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The movement between the defined contribution and defined benefit contribution fund from last financial year reflects the growing number Productivity employees that are in a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Commission makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Commission accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the financial year.

Note 1C: Key Management Personnel Remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly, including any director (whether executive or otherwise) of the Commission. The Commission has determined the key management personnel to be the members of the Management Committee and that consists of the Chair, Deputy Chair, Head of Office, First Assistant Commissioners and Assistant Commissioner, Corporate. The 2023 reporting includes two new members on the Management Committee, being the Deputy Chair and the Assistant Commissioner, Strategic, Communications and Engagement. Key management remuneration is reported in the table below.

	2023	2022
	\$'000	\$'000
Short-term employee benefits	2,256	1,625
Post-employment benefits	267	181
Other long-term employee benefits	<u>54</u>	<u>41</u>
Total key management personnel remuneration expenses	<u>2,577</u>	<u>1,847</u>

The total number of key management personnel that are included in the above table are 9 (2022: 7).

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Commission.

Note 1D: Related Party Disclosures

Related party relationships

The Commission is an Australian Government controlled entity. Related parties to the Commission are Key Management Personnel including the Portfolio Minister and Executive and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions are the payment or refund of taxes, receipt of Medicare rebate or higher education loans. These transactions have not been disclosed in this note.

The Commission transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including payment of workers compensation and insurance premiums; transfer of employee entitlements; purchase of statistical data; and other payments required by/according to Government policy or regulations. These are not considered individually significant to warrant separate disclosure as related party transactions.

Key Management Personnel disclosures were completed and no related party transactions were identified.

Note 2: Supplier Related

Note 2A: Suppliers (Expense)

	2023	2022
	\$'000	\$'000
Goods and services supplied or rendered		
Consultants	45	38
Contractors	94	60
Travel	870	220
IT services	1,014	1,075
Other administration expenses	<u>2,429</u>	<u>2,163</u>
Total goods and services supplied or rendered	<u>4,452</u>	<u>3,556</u>
Goods supplied	95	85
Services rendered	<u>4,357</u>	<u>3,471</u>
Total goods and services supplied or rendered	<u>4,452</u>	<u>3,556</u>
Other supplier expenses		
Workers compensation expenses	<u>45</u>	<u>41</u>
Total other supplier expenses	<u>45</u>	<u>41</u>
Total supplier expenses	<u>4,497</u>	<u>3,597</u>

The above lease disclosure should be read in conjunction with the accompanying notes 2D, 2E and 4A.

Accounting Policy

Short-term leases and leases of low value assets

The Commission has elected not to recognise right-of-use assets and lease liabilities for short term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The Commission recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. The Commission entered into a new short-term lease in December 2022 for office space in Adelaide for twelve months.

Note 2B: Suppliers (Liability)

	2023	2022
	\$'000	\$'000
Trade creditors and accruals	<u>719</u>	<u>581</u>
Total suppliers payables	<u>719</u>	<u>581</u>

Settlement was usually made within 20 days. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Note 2C: Other Payables

	2023	2022
	\$'000	\$'000
Wages and salaries	703	541
Superannuation	<u>113</u>	<u>88</u>
Total other payables	<u>816</u>	<u>629</u>

Wages and Salaries are paid on a fortnightly basis therefore an accrual is recognised for any unpaid wages and salaries and superannuation up to 30 June 2023.

Note 2D: Interest Bearing Liabilities – Leases

	2023	2022
	\$'000	\$'000
Lease liabilities	<u>13,753</u>	<u>15,766</u>
Total interest bearing liabilities - leases	<u>13,753</u>	<u>15,766</u>

Total cash outflow for leases for the year ended 30 June 2023 was \$2.2 million (2022: \$2.1 million)

Maturity analysis – contractual undiscounted cash flows

	2023	2022
	\$'000	\$'000
Within 1 year	2,253	2,161
Between 1 to 5 years	8,678	9,595
More than 5 years	<u>3,147</u>	<u>4,484</u>
Total leases	<u>14,078</u>	<u>16,240</u>

The above lease disclosures should be read in conjunction with the accompanying notes 2E and 4A.

Accounting Policy

Leased Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into any lease less any lease incentives received.

Following initial adoption of AASB 16 lease ROU assets continue to be measured at cost after initial recognition in the financial statements.

Leases

For all new contracts entered, the Commission considers whether the contract is, or contains a lease. Once it has been determined that it is a lease, the lease liability is measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, or the department's incremental borrowing rate.

Following initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification of the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset or profit and loss depending on the nature of the reassessment or modifications.

Note 2E: Finance Costs

	2023	2022
	\$'000	\$'000
Interest on lease liabilities	<u>149</u>	<u>176</u>
Total finance costs	<u>149</u>	<u>176</u>

The above lease disclosures should be read in conjunction with the accompanying notes 2D and 4A.

Accounting Policy

All borrowing costs are expensed as incurred. The Productivity Commission does not have any other borrowing except the finance lease for the offices in Melbourne and Canberra.

Note 3: Funding from Government and Other Sources

Note 3A: Appropriations

Note 3A-1: Appropriations – Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2023

	Annual Appropriation ¹	Adjustment to appropriation ²	Total appropriation	Appropriation applied in 2023 (current and prior years) ⁴	Variance ⁵
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	37,418	1,604	38,022	36,910	2,112
Capital Budget ³	834	-	834	249	585
Total departmental	387,252	1,604	39,856	37,159	2,697

Notes:

1. An amount of \$314,000 was withheld under section 51 of the PGPA Act as part of the October 2022-23 Portfolio Budget Statement. Departmental appropriations do not lapse at financial year-end.
2. The adjustment to appropriation was PGPA Act Section 74 receipts.
3. The Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.
4. Represents the amount of appropriation drawdown for the financial year adjusted for any balance in the bank account unspent and Section 74 GST adjustments.
5. The variance in appropriation applied to the capital budget reflects the minimal spend on capital items. The variance in ordinary annual services reflects a lower than anticipated spend on supplier expenses.

Annual Appropriations for 2022

	Annual Appropriation	Adjustment to appropriation ¹	Total appropriation	Appropriation applied in 2022 (current and prior years)	Variance ³
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	36,616	1,325	37,941	33,222	4,719
Capital Budget ²	829	-	829	26	803
Total departmental	37,445	1,325	38,770	33,248	5,522

Notes:

1. The adjustment to appropriation was PGPA Act Section 74 receipts.
2. The Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.
3. The variance in appropriation applied to the capital budget reflects the minimal spend on capital items. The variance in ordinary annual services reflects a lower than anticipated spend on salary and wages.

Note 3A-2: Appropriations – Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')

	2023	2022
	\$'000	\$'000
Authority		
Appropriation Act (No.1) 2020-21	-	492
Appropriation Act (No.1) 2021-22	820	38,460
Supply Act (No.1) 2022-23	18,104	-
Supply Act (No.3) 2022-23	<u>22,411</u>	<u>-</u>
Total as at 30 June	<u>41,335</u>	<u>38,952</u>

Accounting Policy

Revenue from Government – Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Commission gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Equity Injections – Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity as a capital injection in that year.

Note 3B: Appropriations Receivable

	2023	2022
	\$'000	\$'000
Appropriations receivable		
Appropriation receivable	<u>40,923</u>	<u>38,562</u>
Total appropriations receivable	<u>40,923</u>	<u>38,562</u>

Note 3C: Net Cash Appropriation Arrangements

	2023	2022
	\$'000	\$'000
Total comprehensive income / (loss) – as per the Statement of Comprehensive Income	(206)	4,457
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and / or equity injections)	927	970
Plus: depreciation right-of-use assets	2,194	2,193
Less: lease principal repayments	(2,012)	(1,897)
Net Cash Operating Surplus / (Deficit)	<u>903</u>	<u>5,723</u>

Note 3C: Net Cash Appropriation Arrangements (continued)

From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principle repayment amount reflects the cash impact on implementation of AASB 16 Leases, it does not directly reflect a change in appropriation arrangements.

Note 4: Property, Plant and Equipment

Note 4A: Analysis of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2022-23)

	Buildings \$'000	Plant & equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2022				
Gross book value	24,295	1,200	195	25,690
Accumulated depreciation / amortisation and impairment	<u>(5,681)</u>	<u>(353)</u>	<u>(194)</u>	<u>(6,228)</u>
Total as at 1 July 2022	<u>18,614</u>	<u>847</u>	<u>1</u>	<u>19,462</u>
Additions:				
By purchase	-	256	-	256
Depreciation / amortisation expense	(559)	(367)	(1)	(927)
Depreciation on right-of-use assets	<u>(2,194)</u>	<u>-</u>	<u>-</u>	<u>(2,194)</u>
Total as at 30 June 2023	<u>15,861</u>	<u>736</u>	<u>0</u>	<u>16,597</u>
Total as at 30 June 2023 represented by:				
Gross book value	24,295	1,456	1	25,752
Accumulated depreciation/amortisation and impairment	<u>(8,434)</u>	<u>(720)</u>	<u>(1)</u>	<u>(9,155)</u>
Total as at 30 June 2023	<u>15,861</u>	<u>736</u>	<u>0</u>	<u>16,597</u>
Carrying amount of right-of-use assets	12,524	-	-	12,524

The fair value of buildings has been taken to be the fair value measurement of similar buildings as determined by an independent valuer as at 30 June 2021. Management has assessed that there has not been sufficient movement in the market values in the past twelve months to require an independent valuation be completed for the 30 June 2023.

There are no capital commitments to acquire any property, plant, equipment and intangible assets as at balance date.

There are no plans to dispose of any property, plant equipment or intangibles in the next 12 months as at 30 June 2023.

Accounting Policy

Asset Recognition Threshold

Purchases of property, plant and equipment and software are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Following initial application of AASB16, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, General Government Sector and Whole of Government financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment excluding ROU assets are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Assets were revalued by Jones Lang LaSalle Advisory Services Pty Ltd as at 30 June 2021. In 2022 the sources rendered consisted of supporting two other Commonwealth entities with ICT support, this has reduced to one entity in 2023.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Management has assessed that there has not been sufficient movement in the market values in the past twelve months to require an independent valuation be completed 30 June 2023.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation and Amortisation

Depreciable property, plant and equipment assets and intangible assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation.

Depreciation and amortisation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods as appropriate.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Buildings (leasehold improvements, make-good and ROU assets)	Lease term	Lease term
Plant and equipment	3 to 20 years	3 to 20 years
Intangibles (computer software)	3 to 5 years	3 to 5 years

Impairment

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment and software is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Commission's intangibles comprise purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Note 4B: Fair Value Measurement

Fair value measurements at the end of reporting period

	2023	2022
	\$'000	\$'000
Non-financial assets		
Buildings	15,861	18,614
Other property, plant and equipment	<u>736</u>	<u>847</u>
Total fair value measurements of assets in the statement of financial position	<u>16,597</u>	<u>19,461</u>

Note: The above disclosure should be read in conjunction with the accompanying note 4A.

Note 5: Other Financial Assets and Own Source Income

Note 5A: Trade and Other Receivables

	2023	2022
	\$'000	\$'000
Goods and services receivables		
Goods and services	<u>98</u>	<u>79</u>
Total goods and services receivables	<u>98</u>	<u>79</u>
Other receivables:		
GST receivable from the Australian Taxation Office	<u>73</u>	<u>25</u>
Total other receivables	<u>73</u>	<u>25</u>
Total trade and other receivables (gross and net)	<u>171</u>	<u>104</u>

All receivables are not overdue and are expected to be recovered within 12 months. Credit Terms for goods and services were within 30 days (2022: 30 days)

Accounting Policy

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. An Expected Credit Loss is made when collectability of the debt is no longer probable.

Note 5B: Own Source Income – Revenue from Contracts with Customers

	2023	2022
	\$'000	\$'000
Rendering of services – outsourced service delivery	<u>158</u>	<u>293</u>
Total revenue from contracts with customers	<u>158</u>	<u>293</u>

There is no disaggregation of revenue from contracts with customers as all contracts were of similar characteristics and primarily consists of the provision of shared services to other government agencies via memorandum of understanding on a cost recovery basis.

Accounting Policy

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied, when the service is completed and over time when the customer simultaneously receives and consumes the services as it is provided. The Commission's non-appropriation revenue primarily consists of the provision of shared services to other government agencies via a memorandum of understanding (MOU) on a cost recovery basis. Approximately 99% of the Commission's revenue is from Government Appropriation and therefore outside the scope of AASB 15.

Note 5C: Resources received free of charge

	2023	2022
	\$'000	\$'000
Remuneration of auditors	<u>50</u>	<u>50</u>
Total resources received free of charge	<u>50</u>	<u>50</u>

Accounting Policy

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Note 6: Other Information

Note 6A: Contingent Assets and Liabilities

At 30 June 2023, the Commission had no quantifiable contingent assets or liabilities. (2022: Nil)

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Note 6B: Financial Instruments

Note 6B-1: Financial Instruments - Categories of financial instruments

	2023	2022
	\$'000	\$'000
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	412	389
Trade receivables	<u>98</u>	<u>79</u>
Total financial assets	<u>510</u>	<u>468</u>
Financial Liabilities		
Financial liabilities measured at amortised cost		
Payables – suppliers	<u>719</u>	<u>581</u>
Total financial liabilities	<u>719</u>	<u>581</u>

Accounting Policy

Financial Assets

The Commission classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification depends on both the Commission's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Commission becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

The Commission currently only has financial assets at amortised cost.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

The Commission currently only has financial liabilities at amortised cost.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Note 6B-2: Financial Instruments - Net gains or losses from financial assets

There were no gains or losses from financial assets at amortised cost in the year ending 30 June 2023. (2022: nil)

Note 6B-3: Financial Instruments - Net gains or losses from financial liabilities

There were no gains or losses from financial liabilities at amortised cost in the year ending 30 June 2023. (2022: nil)

Note 6C: Current/non-current distinction for assets and liabilities

	2023	2022
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	412	389
Appropriation receivables	40,923	38,562
Trade and other receivables	171	104
Prepayments	<u>414</u>	<u>798</u>
Total no more than 12 months	<u>41,920</u>	<u>39,853</u>
More than 12 months		
Buildings	15,861	18,614
Plant and equipment	736	847
Computer software	<u>-</u>	<u>1</u>
Total more than 12 months	<u>16,597</u>	<u>19,462</u>
Total assets	<u>58,517</u>	<u>59,315</u>
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	719	581
Other payables	816	629
Employee provisions	2,707	2,582
Leases	<u>2,132</u>	<u>2,012</u>
Total no more than 12 months	<u>6,374</u>	<u>5,804</u>
More than 12 months		
Employee provisions	6,759	6,622
Leases	<u>11,621</u>	<u>13,754</u>
Total more than 12 months	<u>18,380</u>	<u>20,376</u>
Total liabilities	<u>24,754</u>	<u>26,180</u>

Appendix

Executive remuneration

Table 12 – Key management personnel, 2022-23

Name	Position	Term as KMP
Michael Brennan	Chair	1 Jul 2022 – 30 Jun 2023
Alex Robson	Deputy Chair	21 Sep 2022 – 30 Jun 2023
Sam Reinhardt	Head of Office	1 Jul 2022 – 15 Jul 2022
Lisa Studdert	Head of Office	6 Feb 2023 – 30 Jun 2023
Rosalyn Bell	Acting Head of Office	11 Jul 2023 – 3 Feb 2023
Rosalyn Bell	Acting First Assistant Commissioner	4 Feb – 30 Jun 2023
Anna Heaney	First Assistant Commissioner	1 Jul 2022 – 30 Jun 2023
Ralph Lattimore	First Assistant Commissioner	1 Jul 2022 – 30 Jun 2023
Jane Holmes	Assistant Commissioner, Corporate (CFO)	1 Jul 2022 – 30 Jun 2023
Elizabeth Callaghan	Assistant Commissioner, Strategic Communication and Engagement	22 May 2023 – 30 Jun 2023

Table 13 – Key management personnel remuneration (as reported in the Notes to the Financial Statements)

Benefit type	\$'000
Short-term employee benefits	2,256
Post-employment benefits	267
Other long-term employee benefits	54
Total key management personnel remuneration expenses	2,577

Table 14 – Information about remuneration for key management personnel

Name	Position title	Short-term benefits		Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses and allowances	Other benefits	Superannuation contributions	Long service leave	Other long-term benefits		
Michael Brennan	Chair	\$605,374	\$0	\$0	\$25,429	\$15,028	\$0	\$0	\$645,831
Alex Robson	Deputy Chair	\$358,439	\$0	\$0	\$25,973	\$8,234	\$0	\$0	\$392,646
Sam Reinhardt	Head of Office	\$7,919	\$0	\$0	\$1,271	\$319	\$0	\$0	\$9,509
Lisa Studdert	Head of Office	\$177,923	\$0	\$0	\$28,760	\$3,995	\$0	\$0	\$210,678
Rosalyn Bell	Acting Head of Office	\$177,045	\$0	\$0	\$27,486	\$4,003	\$0	\$0	\$208,534
Rosalyn Bell	Acting First Assistant Commissioner	\$124,872	\$0	\$0	\$19,387	\$2,823	\$0	\$0	\$147,082
Anna Heaney	First Assistant Commissioner	\$278,415	\$0	\$0	\$49,047	\$7,099	\$0	\$0	\$334,561
Ralph Lattimore	First Assistant Commissioner	\$297,386	\$0	\$0	\$50,560	\$6,892	\$0	\$0	\$354,838
Jane Holmes	Assistant Commissioner, Corporate (CFO)	\$203,014	\$0	\$0	\$35,045	\$5,393	\$0	\$0	\$243,452
Elizabeth Callaghan	Assistant Commissioner, Strategic Communication and Engagement	\$25,174	\$0	\$0	\$4,291	\$565	\$0	\$0	\$30,030

Note: Base salary includes annual leave provision movement (accrued annual leave less any leave paid during the year)

Table 15 – Information about remuneration for Senior Executives and Commissioners

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
\$0 – \$220,000	15	\$116,296	\$0	\$0	\$21,942	\$4,558	\$0	\$0	\$142,796
\$220,001 – \$245,000	1	\$192,567	\$0	\$1,437	\$42,332	\$5,393	\$0	\$0	\$241,729
\$245,001 – \$270,000	2	\$216,104	\$0	\$0	\$39,429	\$5,502	\$0	\$0	\$261,035
\$270,001 – \$295,000	2	\$236,499	\$0	\$0	\$31,941	\$7,392	\$0	\$0	\$275,831
\$295,001 – \$320,000	1	\$243,288	\$0	\$1,496	\$47,545	\$6,097	\$0	\$0	\$298,427
\$320,001 – \$345,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$345,001 – \$370,000	1	\$310,986	\$0	\$0	\$47,584	\$8,845	\$0	\$0	\$367,416
\$370,001 – \$395,000	1	\$323,731	\$0	\$0	\$48,194	\$8,845	\$0	\$0	\$380,770
\$395,001 – \$420,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$420,001 – \$445,000	3	\$384,279	\$0	\$0	\$39,144	\$9,079	\$0	\$0	\$432,501
\$445,001 – \$470,000	3	\$381,305	\$0	\$0	\$58,174	\$8,845	\$0	\$0	\$448,324
\$470,001 – \$495,000	0	\$0	\$0	\$0	0	0	\$0	\$0	\$0

Note: 'Number of senior executives' includes Senior Executives and Commissioners during the year, excluding key management personnel. Base salary includes annual leave provision movement (accrued annual leave less any leave paid during the year).

The Commission did not pay remuneration for any 'other highly paid staff' during 2022-23.

Accountable authority

Table 16 – Details of accountable authority during 2022-23

Name	Position title	State date	End date
Mr Michael Brennan	Chair	1 July 2022	30 June 2023

Resource statement

Table 17 – Entity resource statement 2022-23

	Actual available appropriation – current year	Payments made	Balance remaining
	\$'000	\$'000	\$'000
Departmental	(a)	(b)	(a)-(b)
Annual appropriations - ordinary annual services ¹	78,494	37,159	41,335
Total departmental annual appropriations	0	0	0
Total departmental resourcing	78,494	37,159	41,335
Total resourcing and payments for entity	78,494	37,159	41,335

1. The Appropriations Bill No 1 value does not include the amount of \$314,000 that was withheld under section 51 of the PGPA Act as part of the October 2022-23 Portfolio Budget Statement.

Human resources

Table 18 – All ongoing employees, current reporting period (2022-23)

	Man/Male			Woman/Female			Non-Binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	42	9	51	44	19	63	0	0	0	0	0	0	0	0	0	114
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	21	2	23	31	7	38	0	0	0	0	0	0	0	0	0	61
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	63	11	74	75	26	101	0	0	0	0	0	0	0	0	0	175

Note: As at June 30 2023.

Table 19 – All non-ongoing employees, current reporting period (2022-23)

	Man/Male		Woman/Female			Non-Binary			Prefers not to answer			Uses a different term			Total	
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time		Total
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	2	2	4	6	3	9	0	0	0	0	0	0	0	0	0	13
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	2	1	3	0	0	0	0	0	0	0	0	0	4
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	2	5	8	4	12	0	0	0	0	0	0	0	0	0	17

Note: As at June 30 2023.

Table 20 – All ongoing employees, previous reporting period (2021-22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	35	5	40	49	14	63	0	0	0	103
WA	0	0	0	0	0	0	0	0	0	0
ACT	24	2	26	29	7	36	0	0	0	62
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	59	7	66	78	21	99	0	0	0	165

Note: As at June 30 2022.

Table 21 – All non-ongoing employees, previous reporting period (2021-22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	6	3	9	4	4	8	0	0	0	17
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	1	1	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	6	3	9	4	5	9	0	0	0	18

Note: As at June 30 2022.

Table 22 – Australian Public Service Act ongoing employees, current reporting period (2022-23)

	Man/Male			Woman/Female			Non-Binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
SES 2	1	0	1	2	0	2	0	0	0	0	0	0	0	0	0	3
SES 1	4	0	4	8	3	11	0	0	0	0	0	0	0	0	0	15
EL 2	16	5	21	17	6	23	0	0	0	0	0	0	0	0	0	44
EL 1	11	2	13	19	6	25	0	0	0	0	0	0	0	0	0	38
APS 6	15	3	18	11	5	16	0	0	0	0	0	0	0	0	0	34
APS 5	10	1	11	11	3	14	0	0	0	0	0	0	0	0	0	25
APS 4	6	0	6	6	1	7	0	0	0	0	0	0	0	0	0	13
APS 3	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	2
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	63	11	74	75	26	101	0	0	0	0	0	0	0	0	0	175

Note: As at June 30 2023.

Table 23 – Australian Public Service Act non-ongoing employees, current reporting period (2022-23)

	Man/Male			Woman/Female			Non-Binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	1
EL 2	1	1	2	2	0	2	0	0	0	0	0	0	0	0	0	4
EL 1	1	1	2	1	1	2	0	0	0	0	0	0	0	0	0	4
APS 6	0	0	0	3	1	4	0	0	0	0	0	0	0	0	0	4
APS 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 4	1	0	1	2	1	3	0	0	0	0	0	0	0	0	0	4
APS 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	2	5	8	4	12	0	0	0	0	0	0	0	0	0	17

Note: As at June 30 2023.

Table 24 – Australian Public Service Act ongoing employees, previous reporting period (2021-22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	1	0	1	0	0	0	1
SES 2	1	0	1	2	0	2	0	0	0	3
SES 1	4	0	4	10	2	12	0	0	0	16
EL 2	15	3	18	18	3	21	0	0	0	39
EL 1	13	1	14	17	7	24	0	0	0	38
APS 6	12	3	15	15	4	19	0	0	0	34
APS 5	3	0	3	11	3	14	0	0	0	17
APS 4	11	0	11	4	2	6	0	0	0	17
APS 3	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	59	7	66	78	21	99	0	0	0	165

Note: As at June 30 2022.

Table 25 – Australian Public Service Act non-ongoing employees, previous reporting period (2021-22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	3	1	4	0	1	1	0	0	0	5
EL 1	1	1	2	1	1	2	0	0	0	4
APS 6	1	1	2	0	1	1	0	0	0	3
APS 5	1	0	1	0	0	0	0	0	0	1
APS 4	0	0	0	1	0	1	0	0	0	1
APS 3	0	1	1	1	2	3	0	0	0	4
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	6	4	10	3	5	8	0	0	0	18

Note: As at June 30 2022.

Table 26 – Australian Public Service Act employees by full-time and part-time status, current reporting period (2022-23)

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	1	0	1	0	0	0	1
SES 2	3	0	3	0	0	0	3
SES 1	12	3	15	0	1	1	16
EL 2	33	11	44	3	1	4	48
EL 1	30	8	38	2	2	4	42
APS 6	25	9	34	3	1	4	38
APS 5	21	4	25	0	0	0	25
APS 4	12	1	13	3	1	4	17
APS 3	0	2	2	0	0	0	2
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	137	38	175	11	6	17	192

Note: As at June 30 2023.

Table 27 – Australian Public Service Act employees by full-time and part-time status, previous reporting period (2021-22)

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	1	0	1	0	0	0	1
SES 2	3	0	3	0	0	0	3
SES 1	14	2	16	0	0	0	16
EL 2	33	6	39	3	2	5	44
EL 1	30	8	38	2	2	4	42
APS 6	27	7	34	2	1	3	37
APS 5	14	3	17	1	0	1	18
APS 4	15	2	17	1	0	1	18
APS 3	0	0	0	1	3	4	4
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	137	28	165	10	8	18	183

Note: As at June 30 2022.

Table 28 – Australian Public Service Act employment type by location, current reporting period (2022-23)

	Ongoing	Non-ongoing	Total
NSW	0	0	0
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	114	13	127
WA	0	0	0
ACT	61	4	65
NT	0	0	0
External	0	0	0
Overseas	0	0	0
Total	175	17	192

Note: As at June 30 2023.

Table 29 – Australian Public Service Act employment type by location, previous reporting period (2021-22)

	Ongoing	Non-ongoing	Total
NSW	0	0	0
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	103	17	120
WA	0	0	0
ACT	62	1	63
NT	0	0	0
External	0	0	0
Overseas	0	0	0
Total	165	18	183

Note: As at June 30 2022.

Table 30 – Australian Public Service Act Indigenous employment

	Current reporting period (2022-23)	Previous reporting period (2021-22)
Ongoing	3	4
Non-ongoing	1	0
Total	4	4

Note: As at June 30 2023

Table 31 – Australian Public Service Act employment arrangements, current reporting period (2022-23)

Arrangement Title	SES	Non-SES	Total
S.24 Determinations	17	0	17
Individual Flexibility Arrangements	0	13	13
Enterprise Agreement	0	175	175
Total (excludes IFA)	17	175	192

Note: As at June 30 2023.

Table 32 – Australian Public Service Act employment salary ranges by classification level (minimum/maximum), current reporting period (2022-23)

	Minimum salary	Maximum salary
SES 3	\$331,500	\$415,500
SES 2	\$278,100	\$283,941
SES 1	\$183,060	\$255,477
EL 2	\$129,581	\$181,205
EL 1	\$106,871	\$136,989
APS 6	\$84,377	\$102,944
APS 5	\$77,439	\$89,988
APS 4	\$69,110	\$84,371
APS 3	\$61,018	\$74,870
APS 2	\$53,560	\$61,911
APS 1	\$46,849	\$52,157
Other	\$0	\$0
Minimum/Maximum range	\$46,849	\$415,500

Note: As at June 30 2023.

Table 33 – Australian Public Service Act employment performance pay by classification level, current reporting period (2022-23)

	Number of employees	Aggregated of all payments made	Average of all (sum total) payments made	Minimum payment made to employees	Maximum payment made to employees	Number of employees
SES 3	0	\$0	\$0	\$0	\$0	\$0
SES 2	0	\$0	\$0	\$0	\$0	\$0
SES 1	0	\$0	\$0	\$0	\$0	\$0
EL 2	0	\$0	\$0	\$0	\$0	\$0
EL 1	0	\$0	\$0	\$0	\$0	\$0
APS 6	0	\$0	\$0	\$0	\$0	\$0
APS 5	0	\$0	\$0	\$0	\$0	\$0
APS 4	0	\$0	\$0	\$0	\$0	\$0
APS 3	0	\$0	\$0	\$0	\$0	\$0
APS 2	0	\$0	\$0	\$0	\$0	\$0
APS 1	0	\$0	\$0	\$0	\$0	\$0
Other	0	\$0	\$0	\$0	\$0	\$0
Total	0	\$0	\$0	\$0	\$0	\$0

Note: As at June 30 2023.

Corrections to previous annual report

There was an error appearing on page 65 of the Productivity Commission's *Annual Report 2021-22*, within 'Table 16 – All non-ongoing employees, current reporting period (2021-22)'.

In 2021-22, one female was employed on a part-time basis, in the ACT. This was incorrectly reported as 'zero' in the table. The total tally of employees includes the missing number (one) and remains correct. A corrected table is included on page 74 of this report, labelled 'Table 21 – All non-ongoing employees, previous reporting period (2021-22)'.

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Annual reporting requirements and aids to access

Information contained in this annual report is provided in accordance with Schedule 2 Part 4 of the Work Health and Safety Act 2011, section 46 of the *Public Governance, Performance and Accountability Act 2013* and Part II of the *Freedom of Information Act 1982*.

The entire report is provided in accordance with section 10 of the *Productivity Commission Act 1998*. The annual report has also been prepared in accordance with parliamentary requirements for departmental annual reports issued by the Department of Finance. A compliance index is provided in the Indexes.

The contact officer for enquiries or comments concerning this report is:

Assistant Commissioner, Corporate
Productivity Commission
Locked Bag 2, Collins Street East Post Office
MELBOURNE VIC 8003
Telephone: (03) 9653 2251

This annual report can be found at www.pc.gov.au/about/governance/annual-reports. Enquiries about any Commission publication can be made to:

Assistant Commissioner
Strategic Engagement and Communications
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601
Telephone: (03) 9653 2244
Email: publications@pc.gov.au

Table 34 – Aids to access details, current reporting period 2022-23

Annual Report contact officer (title/position held)	Assistant Commissioner, Corporate
Contact phone number	(03) 9653 2100
Contact email	publications@pc.gov.au
Entity website (URL)	https://www.pc.gov.au

List of requirements – non-corporate Commonwealth entities

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	p. iii	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	p. v–vi	Table of contents (print only).	Mandatory
17AJ(b)	p. 90–92	Alphabetical index (print only).	Mandatory
17AJ(c)	p. 93	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	p. 84–89	List of requirements.	Mandatory
17AJ(e)	p. 83	Details of contact officer.	Mandatory
17AJ(f)	p. 83	Entity's website address.	Mandatory
17AJ(g)	p. 83	Electronic address of report.	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	p. iii	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	p. 1	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	p. 2–3	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	p. 2	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	p. 1	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	p.70	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	p. 70	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	p.70	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
17AD(c)	Report on the Performance of the entity		
	<i>Annual performance Statements</i>		
17AD(c)(i); 16F	p. 5–9	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	p. 32–33	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	p. 70	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
17AD(d)	Management and Accountability		
	<i>Corporate Governance</i>		
17AG(2)(a)	p. 27	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	p. iii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	p. iii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	p. iii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	p. 25–27	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) - (e)	N/A	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance.	If applicable, Mandatory
	<i>Audit Committee</i>		
17AG(2A)(a)	p. 26	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(2A)(b)	p. 26	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	p. 26	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	p. 26	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	p. 26	The remuneration of each member of the entity's audit committee.	Mandatory
<i>External Scrutiny</i>			
17AG(3)	p. 28	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	N/A	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	p. 28	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
<i>Management of Human Resources</i>			
17AG(4)(a)	p. 28–32	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	p. 71–74	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: d. statistics on full-time employees; e. statistics on part-time employees; f. statistics on gender g. statistics on staff location	Mandatory
17AG(4)(b)	p. 75–82	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: a. statistics on staffing classification level; b. statistics on full-time employees; c. statistics on part-time employees; d. statistics on gender; e. statistics on staff location; f. statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	p. 29-30, 81	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(i)	p. 81	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(c)(ii)	p. 82	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	p. 29–30	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	p. 82	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	p. 82	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	p. 82	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	p. 82	Information on aggregate amount of performance payments.	If applicable, Mandatory
<i>Assets Management</i>			
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
<i>Purchasing</i>			
17AG(6)	p. 33	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<i>Reportable consultancy contracts</i>			
17AG(7)(a)	p. 33–34	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	p. 33	A statement that “ <i>During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]</i> ”.	Mandatory
17AG(7)(c)	p. 33	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	p. 34	A statement that “ <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.</i> ”	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<i>Reportable non-consultancy contracts</i>			
17AG(7A)(a)	p. 34	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	p. 34	A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	Mandatory
<i>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</i>			
17AD(daa)			
17AGA	p. 33–34	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
<i>Australian National Audit Office Access Clauses</i>			
17AG(8)	p. 33	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
<i>Exempt contracts</i>			
17AG(9)	N/A	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
<i>Small business</i>			
17AG(10)(a)	p. 33	A statement that “[<i>Name of entity</i>] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	p. 33	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory
<i>Financial Statements</i>			
17AD(e)	p. 39–65	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
<i>Executive Remuneration</i>			
17AD(da)	p. 67–69	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2 3 of the Rule.	Mandatory
<i>Other Mandatory Information</i>			
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory
17AH(1)(a)(ii)	p. 37	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory
17AH(1)(c)	p. 36	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	p. 37	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	p. 82	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	p. 34–36	Information required by other legislation	Mandatory

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Abbreviations

AASB	Australian Accounting Standards Board
AGCNCO	Australian Government Competitive Neutrality Complaints Office
Agreement, the	<i>Enterprise Agreement 2017-2020</i>
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
EEGO	Energy Efficiency in Government Operations policy
EL	Executive Level
ESD	Ecologically sustainable development
FOI Act	<i>The Freedom of Information Act 1982</i>
GST	Goods and Service Tax
IMF	International Monetary Fund
OECD	Organisation for Economic Co-operation and Development
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PSS	Public Sector Superannuation
PSM CF	Public service medal (Australia) – Churchill Fellowship
ROGS	Report on Government Services
SES	Senior Executive Service
WHS	Work Health and Safety