

AUSTRALIAN PUBLIC SERVICE COMMISSION

SECTION 1: OVERVIEW, VARIATIONS AND MEASURES	83
Overview	83
Additional estimates and variations to outcomes	85
Measures — Agency summary	86
Breakdown of additional estimates by appropriation bill.....	88
Summary of staffing changes	89
Summary of agency savings.....	89
Variations to revenue from other sources through net annotated (Section 31) receipts	89
Revenue from independent sources.....	89
Estimated special account flows	89
SECTION 2: REVISIONS TO OUTCOMES AND OUTPUTS	90
Outcomes and output groups.....	90
SECTION 3: BUDGETED FINANCIAL STATEMENTS	92
Analysis of budgeted financial statements.....	92
Budgeted financial statements.....	99
Notes to the financial statements.....	99

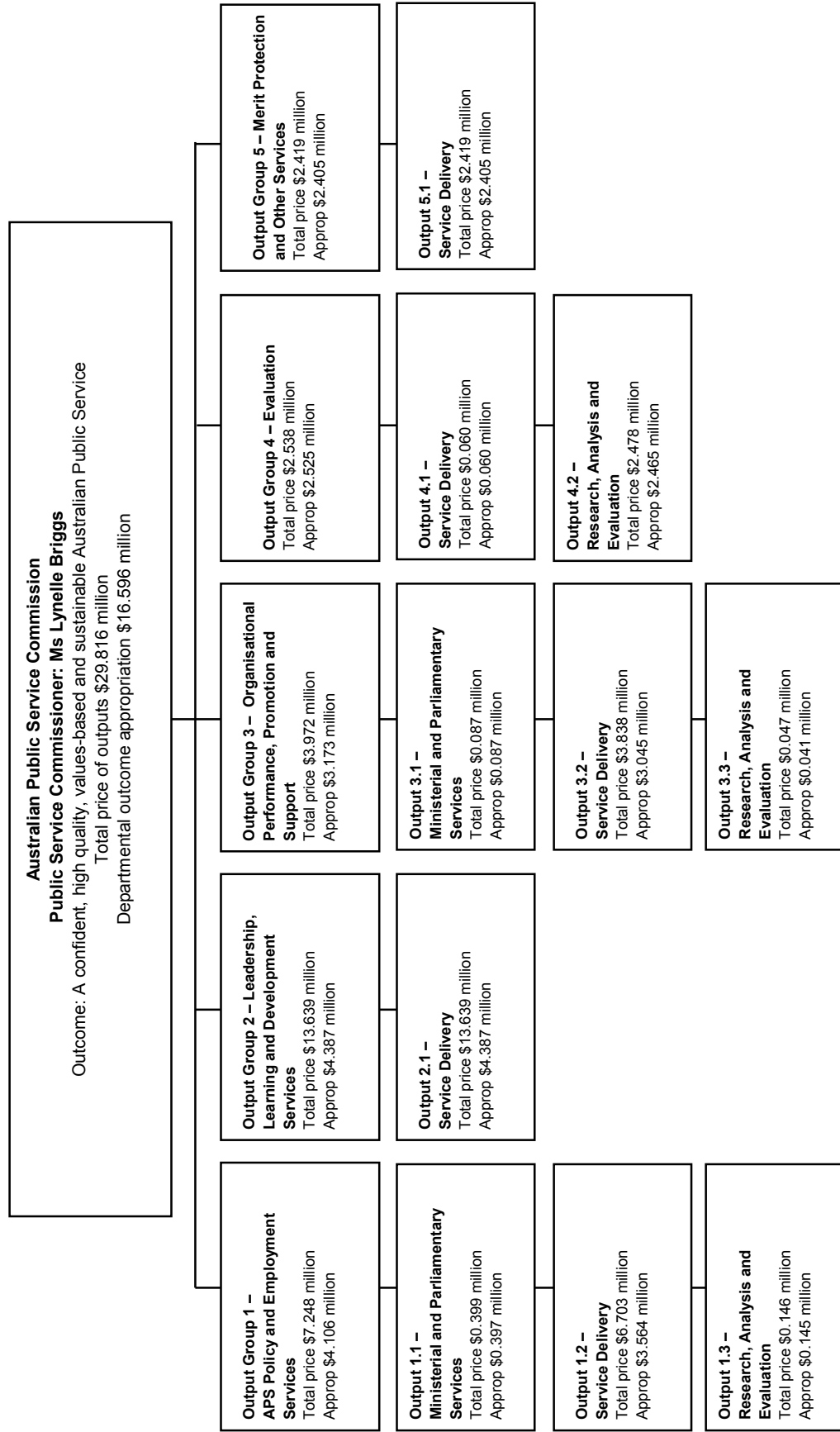
AUSTRALIAN PUBLIC SERVICE COMMISSION

Section 1: Overview, variations and measures

OVERVIEW

The Commission's role is unchanged from that presented in the 2004–05 Portfolio Budget Statements. Map 1 shows the Commission's outcome and output structure.

Map 1: Outcomes and output groups for the Australian Public Service Commission



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Commission's appropriation for 2004–05 is increasing by a net \$0.071 million from \$16.525 million to \$16.596 million. This change comprises a budget measure of \$0.096 million for the Commission's implementation of the Government Procurement Chapter of the Australia–United States Free Trade Agreement which has been partly offset by the reduction of \$0.025 million associated with the government's Comcover Premium Supplementation Clawback.

Variations — Measures

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Outcome 1				
Increase in departmental appropriations:				
Australia-US Free Trade Agreement	96	-	-	-

The Commission is seeking funding for the resourcing associated with the Commission's implementation of the revised Commonwealth Procurement Guidelines that reflect the Australia–United States of America Free Trade Agreement related changed procurement obligations.

Other variations to appropriations

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Outcome 1				
Variations in departmental appropriations:				
Comcover Premium Supplementation Clawback	(25)	-	-	-

In the 2004–05 Portfolio Budget Statements, the Commission was provided supplementation for the 2004–05 Comcover premium based on 2003–04 premium levels. The actual 2004–05 Comcover premium has now been calculated and is lower than 2003–04 due to improved claims experience and more favourable reinsurance market conditions. Accordingly a reduction of \$0.025 million has been made to the Commission's appropriation.

MEASURES — AGENCY SUMMARY

The Commission is seeking funding for resourcing associated with the Commission’s implementation of the revised Commonwealth Procurement Guidelines that reflect the Australia-United States of America Free Trade Agreement related changed procurement obligations.

Table 1.1: Summary of measures since the 2004–05 Budget

Measure	Outcome	Output groups affected	Appropriations 2004–05 \$'000			Appropriations 2005–06 \$'000			Appropriations 2006–07 \$'000			Appropriations 2007–08 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Australia–US Free Trade Agreement	1	All	-	96	96	-	-	-	-	-	-	-	-	-
Total			-	96	96	-	-	-	-	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The total appropriation for the Commission in the 2004–05 is \$16.596 million. Table 1.2 shows the appropriation for the Australian Public Service Commission for 2004–05 by Outcome and by price of output appropriation.

The total price of outputs is \$29.816 million, of which \$16.596 million (56%) is contributed from government appropriation. Of the total 2004–05 appropriation net additional funding of \$0.071 million was provided from Appropriation Bill (No. 3) 2004–05. The balance of the price of output funding of \$13.220 million is revenue from other sources which is mainly accounted for by:

- sales of goods and services (eg fees from leadership, learning and development activities, employment-related fee for service activities and gazette subscriptions);
- resources received free of charge from the Australian National Audit Office.

The Commission’s departmental appropriation has increased by a net \$0.071 million as a result of a measure and an appropriation adjustment associated with the government’s Comcover Premium Supplementation Clawback announced since the 2004–05 Budget. The measure relates to government-approved resourcing for the Commission’s implementation of the revised Commonwealth Procurement Guidelines that reflect the Australia–United States of America Free Trade Agreement related changed procurement obligations.

Table 1.2: Appropriation Bill (No. 3) 2004–05

	2003–04 available \$'000	2004–05 budget \$'000	2004–05 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
A confident, high quality, values-based and sustainable Australian Public Service	16,506	16,525	16,596	71	-
Total	16,506	16,525	16,596	71	-

Note 1 2003–04 available appropriation is included to allow a comparison of this year’s appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: *Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM – Savings – Rephasings – Other reductions +/- Section 32.*

Note 2 No appropriation is provided in Appropriation Bill 3 for the agency where the total funding change across outcomes for departmental outputs is negative.

SUMMARY OF STAFFING CHANGES

There have been no changes to the average staffing level of 189 for 2004–05.

SUMMARY OF AGENCY SAVINGS

There are no savings from the 2004–05 budget.

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

There is no change from the 2004–05 budget of \$13.027 million.

REVENUE FROM INDEPENDENT SOURCES

There is no change from the 2004–05 budget of \$13.182 million.

ESTIMATED SPECIAL ACCOUNT FLOWS

There is no change from Budget for 2004–05.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There has been no change to the structure of the Commission's outcome or outputs.

Explanation of variations

The Additional Estimates net funding of \$0.071 million, being \$0.096 million associated with the Implementation of the Government Procurement Chapter of the Australia-United States Free Trade Agreement and an appropriation reduction \$0.025 million associated with the government's Comcover Premium Supplementation Clawback, has been reflected in accordance with the Commission's Output Pricing Cost Attribution, which results in changes across all Output Components.

Output cost attribution

The Commission derives its output pricing information via a two-step allocation process. Firstly, direct output pricing components are identified and allocated to outputs. Secondly, the corporate overhead, which includes staff on-costs, information technology and communications, payroll processing, security vetting, office services, property operating expenses and equipment maintenance is distributed to the outputs on a per capita basis.

Revised performance information and level of achievement – 2004–05

The effectiveness indicators for Outcome 1 and the performance information relating to quality and quantity for Outcome 1 by Output Component for each Output Group are unchanged from the 2004–05 Portfolio Budget Statements.

**Table 2.1: Performance information for Outputs affected by Additional Estimates
— Outcome 1**

Output		Performance information 2004-05 budget Price: \$'000	Performance information 2004-05 revised Price: \$'000
Output Group 1	APS policy and employment services		
Output 1.1	Ministerial and Parliamentary Services	397	399
Output 1.2	Service Delivery	6,688	6,703
Output 1.3	Research, Analysis and Evaluation	146	146
		7,231	7,248
Output Group 2	Leadership, learning and development services		
Output 2.1	Service Delivery	13,614	13,639
		13,614	13,639
Output Group 3	Organisational performance, promotion and support		
Output 3.1	Ministerial and Parliamentary Services	87	87
Output 3.2	Service Delivery	3,825	3,838
Output 3.3	Research, Analysis and Evaluation	47	47
		3,959	3,972
Output Group 4	Evaluation		
Output 4.1	Service Delivery	60	60
Output 4.2	Research, Analysis and Evaluation	2,471	2,478
		2,531	2,538
Output Group 5	Merit Protection and other services		
Output 5.1	Service Delivery	2,410	2,419
		2,410	2,419
Total Outcome 1		29,745	29,816

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Statement of financial performance

The Commission is budgeting to achieve a balanced operating outcome for 2004–05. This follows an operating loss of \$1.229 million incurred in 2003–04. The loss largely arose from a greater than estimated expenditure in providing leadership, learning and development programs to APS employees that was not matched by revenue growth.

The Commission was granted approval at 2003–04 Additional Estimates to access its accumulated reserves to fund work during 2003–04, 2004–05 and 2005–06 to develop the Integrated Leadership Strategy and the Indigenous Employment Strategy. The Integrated Leadership Strategy will refresh the Commission’s learning and development programs, ensuring that they meet the contemporary and emerging needs of agencies. This will result in increased operating revenue from 2004–05, with the Commission budgeting for a balanced operating outcome for 2004–05 and following years.

Total revenue is estimated to be \$29.816 million in 2004–05, an increase of \$0.963 million from 2003–04.

The Commission’s appropriation for 2004–05 is increasing by a net \$0.071 million from \$16.525 million to \$16.596 million. This change comprises a budget measure of \$0.096 million for the Commission’s implementation of the Government Procurement Chapter of the Australia–United States Free Trade Agreement which has been partly offset by an a reduction \$0.025 million associated with the government’s Comcover Premium Supplementation Clawback.

Appropriation funding will decline from 2005–06 onwards as access to accumulated reserves to fund these two strategies approved at 2003–04 Additional Estimates concludes. This decrease in appropriations will be offset by increased training revenue, so that the level of total operating revenue will be maintained.

Statement of financial position

Planned investment in intangible assets (intellectual property) related to strategic priorities results in a net increase of \$1.084 million in 2004–05. The net value of land and buildings will increase by \$0.751 million during the year after office fit-outs.

The decrease in receivables in 2004–05 represents the investment of funds in non-financial assets. The gradual increase in receivables from 2005–06 reflects the

increased monies held in the Official Public Account for the building of reserves for future asset reinvestment.

The increase in leases is associated with the outsourced IT infrastructure finance lease, which reflects the consumption of the cost of these resources in 2003-04 with limited refreshment of equipment. The programme to refresh IT infrastructure commenced in 2004-05.

Statement of Cash Flows

Investing cash outflows of \$2.799 million in 2004-05 reflect investment associated with strategic priorities and other intellectual property; and office fitouts. Investment will be at lower levels from 2005-06 onwards.

The financing outflow of \$3.025 million in 2003-04 represented the return of funds to government to fund the Commission's strategic priorities approved at 2003-04 Additional Estimates – the Indigenous Employment Strategy and the Integrated Leadership Strategy.

Capital Budget Statement

Purchase of non-current assets includes investment associated with the strategic priorities during 2004-05. The balance of expenditure in 2004-05 includes expected reinvestment in intellectual property and office fitouts.

Non-financial Assets — Summary of Movement

Additions to building assets during 2004-05 are for office fitouts. Intangible asset additions include investment in strategic priorities. Additions to other infrastructure, plant and equipment mainly comprise the refresh of leased IT assets.

Table 3.1: Budgeted departmental statement of financial performance (for the period ended 30 June)

	Actual 2003–04 \$'000	Revised Budget 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenue from government	16,506	16,596	16,198	15,959	16,115
Goods and services	12,289	13,182	13,473	13,799	14,087
Revenue from sale of assets	20	-	-	-	-
Other revenues	38	38	38	38	38
Revenues from ordinary activities	28,853	29,816	29,709	29,796	30,240
EXPENSE					
Expenses from ordinary activities (Excluding borrowing costs expense)					
Employees	15,061	15,115	14,955	15,003	15,144
Suppliers	14,026	13,170	13,188	13,193	13,560
Depreciation and amortisation	933	1,486	1,519	1,553	1,489
Write-down of assets	14	15	15	15	15
Value of assets sold	24	-	-	-	-
Expenses from ordinary activities (Excluding borrowing costs expense)	30,058	29,786	29,677	29,764	30,208
Borrowing costs expense	24	30	32	32	32
Operating surplus or (deficit) from ordinary activities	(1,229)	-	-	-	-
Net credit (debit) to asset revaluation reserve	200	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	(1,029)	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	(1,029)	-	-	-	-

Table 3.2: Budget departmental statement of financial position

	Actual 2003–04 \$'000	Revised Budget 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
ASSETS					
Financial assets					
Cash	612	458	450	450	450
Receivables	6,254	4,610	5,507	6,121	6,815
Accrued revenues	402	550	562	575	587
Other financial assets	20	20	20	20	20
Total financial assets	7,288	5,638	6,539	7,166	7,872
Non-financial assets					
Land and buildings	660	1,411	1,253	1,024	843
Infrastructure, plant and equipment	803	450	199	123	312
Inventories	106	101	101	101	101
Intangibles	866	1,950	1,563	1,114	1,031
Other non-financial assets	411	440	440	452	466
Total non-financial assets	2,846	4,352	3,556	2,814	2,753
Total assets	10,134	9,990	10,095	9,980	10,625
LIABILITIES					
Interest bearing liabilities					
Leases	237	482	423	142	555
Other interest bearing liabilities	42	14	8	2	-
Total interest bearing liabilities	279	496	431	144	555
Provisions					
Employees	4,730	4,849	4,985	5,133	5,286
Other provisions	66	-	-	-	-
Total provisions	4,796	4,849	4,985	5,133	5,286
Payables					
Suppliers	1,570	1,642	1,649	1,649	1,695
Other payables	1,307	1,123	1,150	1,174	1,209
Total payables	2,877	2,765	2,799	2,823	2,904
Total liabilities	7,952	8,110	8,215	8,100	8,745
EQUITY¹					
Parent entity interest					
Contributed equity	(1,868)	(1,899)	(1,899)	(1,899)	(1,899)
Reserves	1,290	1,090	1,090	1,090	1,090
Retained surpluses or accumulated deficits	2,760	2,689	2,689	2,689	2,689
Total parent entity interest	2,182	1,880	1,880	1,880	1,880
Total equity	2,182	1,880	1,880	1,880	1,880
Current assets	7,805	6,179	7,080	7,719	8,439
Non-current assets	2,329	3,811	3,015	2,261	2,186
Current liabilities	4,253	3,980	4,041	4,101	4,219
Non-current liabilities	3,699	4,130	4,174	3,999	4,526

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

	Actual 2003–04 \$'000	Revised Budget 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	13,207	14,344	14,795	15,146	15,478
Appropriations	16,506	16,596	16,198	15,959	16,115
Other	5,379	1,908	26	24	24
Total cash received	35,092	32,848	31,019	31,129	31,617
Cash used					
Employees	14,768	14,975	14,819	14,855	14,991
Suppliers	16,802	15,044	14,803	14,856	15,204
Borrowing costs	24	30	32	32	32
Other	208	162	873	587	670
Total cash used	31,802	30,211	30,527	30,330	30,897
Net cash from/ (used by)					
Operating activities	3,290	2,637	492	799	720
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3	-	-	-	-
Total cash received	3	-	-	-	-
Cash used					
Purchase of property, plant and equipment	230	1,481	182	499	69
Other	277	1,318	318	300	651
Total cash used	507	2,799	500	799	720
Net cash from/(used by)					
investing activities	(504)	(2,799)	(500)	(799)	(720)
FINANCING ACTIVITIES					
Cash received					
Other	-	8	-	-	-
Total cash received	-	8	-	-	-
Cash used					
Other	3,025	-	-	-	-
Total cash used	3,025	-	-	-	-
Net cash from/(used by)					
financing activities	(3,025)	8	-	-	-
Net increase or (decrease)					
in cash held	(239)	(154)	(8)	-	-
Cash at the beginning of the reporting period	851	612	458	450	450
Cash at the end of the reporting period	612	458	450	450	450

Table 3.4: Departmental capital budget statement

	Actual 2003–04 \$'000	Revised Budget 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by					
Purchase of Non-Financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	507	2,799	500	799	720

Table 3.5: Departmental non-financial assets — summary of movement (Budget year 2004–05)

	Land	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	\$'000	\$'000	military	infrastructure	and cultural	software	intangibles	
	\$'000	\$'000	equipment	plant and	assets			\$'000
				equipment				
Carrying amount at the start of year	-	347	-	358	-	599	500	1,804
Additions	-	1,220	-	955	-	178	1,140	3,493
Disposals	-	-	-	-	-	-	-	-
Net revaluation increment / decrement	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(156)	-	(863)	-	(191)	(276)	(1,486)
Write-off of assets	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	1,411	-	450	-	586	1,364	3,811
Total additions	-	1,220	-	955	-	178	1,140	3,493
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	1,220	-	955	-	178	1,140	3,493
Total	-	1,220	-	955	-	178	1,140	3,493

BUDGETED FINANCIAL STATEMENTS

Budgeted departmental statement of financial performance

This statement provides a picture of the expected operating result for the Commission by identifying full accrual expenses and revenues.

Budgeted departmental statement of financial position

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

Budgeted departmental statement of cash flows

Budgeted cash flows provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental capital budget statement

This statement shows all planned capital expenditure on non-financial assets, whether funded through capital appropriations for additional equity or borrowings, or from internal sources.

Departmental non-financial assets — summary of movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Departmental

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (Departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses

Part C: Agency Additional Estimates Statements – APS Commission

include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments, and Administered revenues include taxes, fees, fines and excises.