
A Management and accountability

This appendix provides information on the management and accountability of the Commission, as well as additional information in accordance with parliamentary requirements for departmental annual reports.

Overview

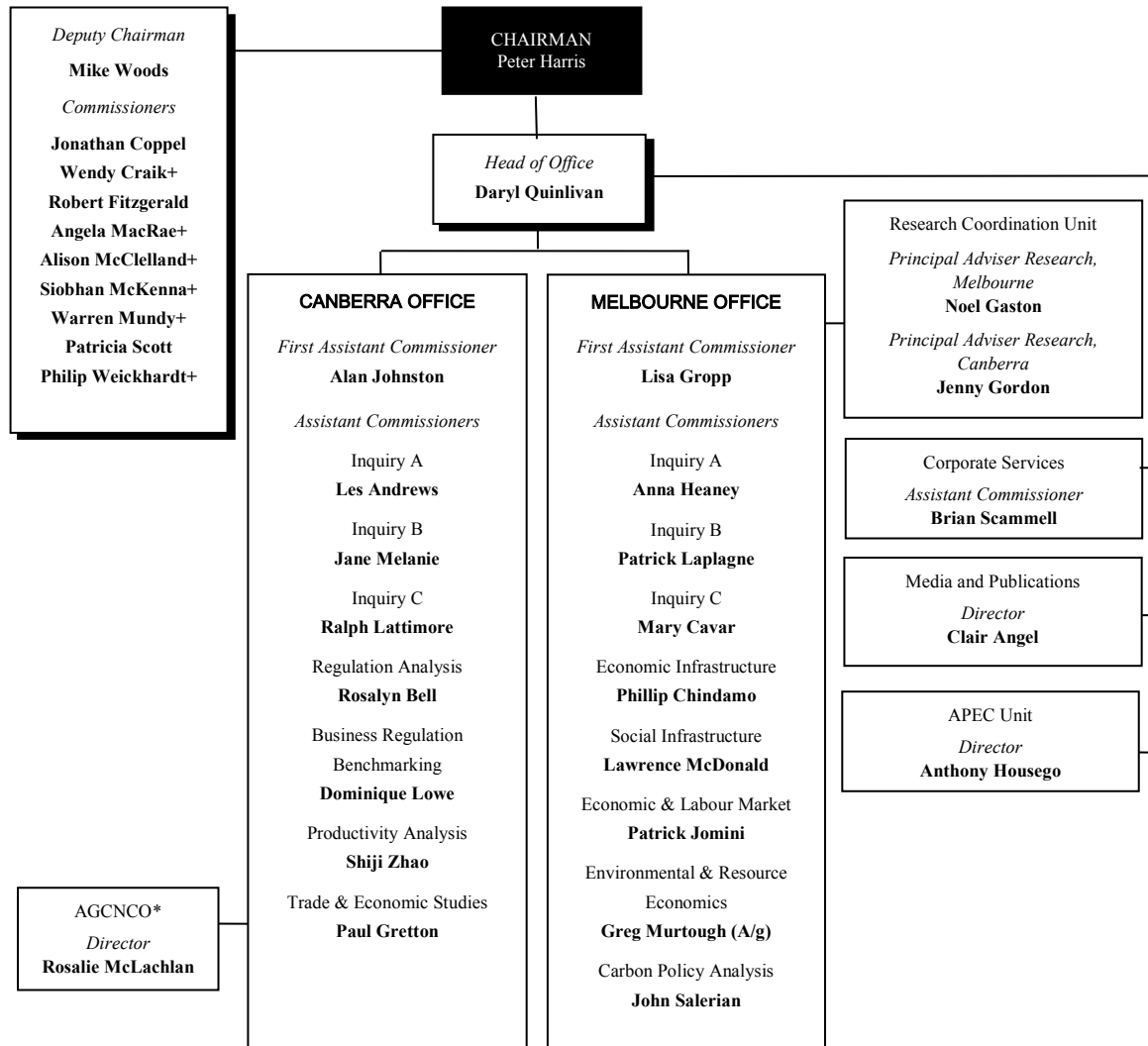
Role and structure

The Commission — established under the *Productivity Commission Act 1998* — is the Australian Government’s independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Information about the Commission’s objectives is contained in the overview to chapter 2. Further information on the Commission’s role is available on its website and in its first annual report (PC 1998a, pp. 25–36).

The Commission comprises its Chairman and between four and 11 other Commissioners, appointed by the Governor-General for periods of up to five years. Associate Commissioners can be appointed by the Assistant Treasurer for terms of up to five years or for the duration of specific inquiries. The work of the Commission is assisted by employees who are employed under the *Public Service Act 1999*.

The Commission’s structure and senior staff at 30 June 2013 are shown in figure A.1.

Figure A.1 Productivity Commission structure and senior staff, 30 June 2013



+ Part-time Commissioners

* Australian Government Competitive Neutrality Complaints Office

Commissioners Fitzgerald and McKenna on long-term leave of absence.

Commissioners

At 30 June 2013 there were eleven members of the Commission, including the Chairman. Six Commissioners held part-time appointments. Two Commissioners are on long-term leave of absence to undertake other senior appointments.

Mr Gary Banks AO retired from the position of Chairman of the Commission with effect from 31 December 2012.

Mr Peter Harris AO was appointed Chairman of the Commission for a period of five years from 11 March 2013. Mr Harris had previously served as Secretary of the Commonwealth Department of Broadband, Communications and the Digital Economy, and the Victorian Government agencies responsible for Sustainability and the Environment; Primary Industries; and Public Transport.

He had previously worked for the Ansett-Air New Zealand aviation group and as a consultant on transport policy. He also worked in Canada on exchange with the Privy Council Office (1993-94). His career with the government started in 1976 with the Department of Overseas Trade and included periods with the Treasury; Finance; the Prime Minister's Department and Transport; and he worked for two years in the Prime Minister's Office on secondment from the Prime Minister's Department as a member of then Prime Minister Bob Hawke's personal staff.

In 2013, Mr Harris was made an Officer of the Order of Australia 'for distinguished service to public administration through leadership and policy reform roles in the areas of telecommunications, the environment, primary industry and transport'.

Biographical information on all Commissioners is available on the Commission's website and their terms of appointment are listed in table A1.1 of Attachment A1.

Associate Commissioners

At 30 June 2013, one Associate Commissioner appointment was current (table A1.2 of Attachment A1).

On 21 June 2013 Mr Paul Barratt AO was appointed on a part-time basis for the duration of the inquiries into whether safeguard action is warranted against imports of processed fruit and tomato products on Australian producers. Mr Barratt, an independent consultant and Chair of Australia 21 Limited, has more than 40 years' experience in policy advising and international negotiations. His past appointments include Secretary of Defence and of Primary Industries and Energy; Deputy Secretary of the Department of Foreign Affairs and Trade; Special Trade Representative to North Asia; and Executive Director of the Business Council of Australia.

Associate Commissioner appointments completed during 2012-13 are listed in table A1.3 of Attachment A1.

Staff

The average staffing level during 2012-13 was 199 compared to 197 in 2011-12.

The Commission recruited 16 staff during the year, including four through its graduate recruitment program. Staff turnover was approximately 14 per cent.

Statistical information on staffing is provided in tables A1.3 to A1.5 of Attachment A1.

Outcome objective and resources

The financial and staffing resources devoted to the achievement of the Government's desired outcome objective for the Commission — outlined on page 65 — are summarised in table A.1. An agency resource statement for 2012-13 is included at Attachment A2. Performance information in respect of this outcome is provided in appendix B.

Table A.1 **Financial and staffing resources summary**

	<i>Budget *</i> 2012-13 \$'000	<i>Actual</i> 2012-13 \$'000	<i>Variation</i> \$'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	(a)	(b)	(a-b)
Program 1.1			
Departmental Expenses			
Ordinary annual services (Appropriation Bill No. 1)	37 429	35 300	2 129
Revenues from independent sources (Section 31)	1 071	1 071	–
Expenses not requiring appropriation in the Budget year	1 010	1 010	–
Total for Outcome 1	39 510	37 381	2 129
	2011-12	2012-13	
Average Staffing Level (number)	197	199	

* Full-year budget, including any subsequent adjustment made to the 2012-13 Budget.

Governance

The Commission's governance arrangements are designed to achieve efficient, effective and ethical use of resources in the delivery of 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 Chairman is responsible for the overall management and governance of the Commission.

He is assisted in these tasks by the Head of Office and a Management Committee which addresses matters of strategic direction, organisational development, policies and practices, monitoring of performance and resource allocation. Management Committee comprises the Chairman (as chair), Deputy Chairman, the Head of Office, the Melbourne and Canberra First Assistant Commissioners and the Assistant Commissioner, Corporate Services. It meets monthly, or more frequently as necessary.

The Research Committee is responsible for approving research proposals and ensuring that these are consistent with the Commission's objectives and current research themes. More generally, it also promotes the effectiveness and efficiency of the Commission's research program. It meets monthly and comprises the Chairman (as chair), the Deputy Chairman, the Head of Office, Melbourne and Canberra Principal Advisers Research, the Melbourne and Canberra First Assistant Commissioners and two Assistant Commissioners.

Commissioners have a role in strategic coordination and are responsible for the conduct of the individual inquiries, studies or other activities to which they are assigned by the Chairman. Responsibility extends to the quality and timeliness aspects of the assigned project or activity.

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:

- presiding Commissioners on government-commissioned projects report monthly on significant issues and progress against key milestones
- the Research Committee reports on a quarterly basis on the status and future directions of the research program
- the activities of the Steering Committee for the Review of Government Service Provision, chaired by the Chairman of the Commission, are reported on a quarterly basis
- a Commissioner designated with responsibility for competitive neutrality issues reports to the Commission on a quarterly basis
- the Head of Office provides Commissioners with a monthly update on key management issues.

The Audit Committee is a further source of accountability through its periodic review of particular aspects of the Commission's operations. Its membership comprises a chairperson (currently a Commissioner), two senior members of staff and an external member. The Commission's contracted internal auditors generally attend meetings, as does a representative of the Australian National Audit Office on an 'as required' basis. The Audit Committee meets at least four times a year.

Risk management and fraud control

Risk assessments are undertaken within a formal risk management model specified in the Commission's risk management plan. The plan is reviewed annually by senior management and the Audit Committee.

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 Guidelines. The Chair's certification in respect of fraud control is at Attachment A3.

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 undertaken periodically.

Ethical standards

The Commission has adopted a range of measures to promote ethical standards.

- It has embraced the Australian Public Service (APS) Values and Code of Conduct. The Commission's various employment agreements contain a commitment from employees to at all times conduct themselves in a manner consistent with the Values and Code.
- All employees have been provided with a copy of the Values and Code, while new employees receive a copy as part of their induction.
- Senior managers in particular are encouraged to set an example through the ethical and prudent use of Commonwealth resources.

The Commission has developed a number of specific policies relating to ethical standards which have regard to its own operational context. These deal with matters such as email and internet use, harassment and bullying, discrimination, fraud, disclosure of information, and managing conflicts of interest. The policies are readily available to all employees. Staff awareness and training sessions are offered periodically on these topics.

External and internal scrutiny

The Commission's processes, which provide for transparency and community participation in its work, are a key means of promoting external scrutiny. These processes are outlined in some detail in the corporate chapters of the Commission's annual reports.

External scrutiny is also promoted through the Commission's extensive reporting, in various publications, of different aspects of its work. This annual report is an example and, in particular, appendix B provides an account of the Commission's performance.

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 2012-13 in respect of either charter.

The Auditor-General issued an unqualified independent audit report on the Commission's 2012-13 financial statements.

References to particular reports of the Commission made by federal parliamentary committees during the year are detailed in appendix B. Details of the Commission's appearances at Senate Estimates hearings in 2012-13 are included in appendix B.

Internal scrutiny occurs through an ongoing review program of policies, procedures and activities for effectiveness, efficiency and public accountability. Particular matters addressed during the year included the following.

Website and publications: 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 2012-13 the Commission continued to enhance the structure, presentation and accessibility of website content.

Information technology: Maintenance, review and upgrade of Commission ICT infrastructure has continued. In 2012-13, this included the introduction of new software for referencing and editing; piloting electronic records management software; upgrade of the storage area network; and continuing work on disaster recovery preparedness.

Human Resources: During 2012-13, the Commission continued a system of performance appraisal for staff and senior executives, intended to enhance individual development and improve organisational performance. The program of internal seminars on a range of topical economic, social and environmental issues continued, while the Commission's staff development program, based around a series of 'staff development days' every 18-24 months, focused on improving communication skills and understanding user perspectives on the Commission's work. A mentoring program for Executive Level 1 staff commenced in 2012-13, and a review of the Commission's plan regarding gender balance was completed.

Shared services: During 2012-13, the Commission provided ICT infrastructure and support, and payroll system and services, to another small co-located Commonwealth agency in Melbourne, the Tertiary Education Quality and Standards Agency, on a cost recovery basis.

Internal Audit: The Commission engages an accounting firm to undertake a program of internal audits. Internal audits conducted in 2012-13 focused on

commitments to spend public money and asset management. No control or compliance deficiencies involving unacceptable risk were identified.

Audit Committee: The Audit 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 and associated issues
- scrutiny of the Commission's risk management, fraud control and business continuity plans
- reviews of relevant ANAO reports.

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 through a range of feedback mechanisms, including through standing reports to its monthly meetings.

Workforce planning

Management Committee plays the key role for ensuring alignment between the Commission's resources and its future capability requirements.

The Commission regularly considers a range of workforce planning issues associated with the attraction, retention and development of staff. In particular, the Commission has been actively monitoring the age profile of its workforce and is seeking to retain mature aged employees by making available flexible working arrangements.

The Commission reviews its graduate recruitment process annually with a view to increasing the awareness of graduating university students of the Commission as a potential employer. Four new employees were engaged during 2012-13 through the Commission's graduate recruitment program.

An important input to workforce planning is the information obtained from departing employees through exit questionnaires and, in many cases, personal interviews on exit. Such information is considered regularly by Management

Committee and applied to a variety of initiatives including conditions of service, developing employment agreements, and employee retention strategies.

Remuneration and employment conditions

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

The Commission's 21 Senior Executive Service (SES) employees are employed under individual determinations under the *Public Service Act 1999*. SES remuneration is set in the context of public and private sector benchmarks, including those contained in the APS Remuneration Report published by the Australian Public Service Commission.

Information on Commissioners and SES employees total remuneration is set out in Note 12 to the Financial Statements (appendix G).

APS salary ranges for non-SES staff which correspond to the Commission's broadbanded classifications are shown in the enterprise agreement which is available on the Commission's website.

Table A1.6 provides details of salary ranges at 30 June 2013.

The Commission's non-SES employees are covered by an enterprise agreement which has a nominal expiry date of 30 June 2014. The levels of remuneration and terms and conditions of employment of approximately 170 employees are covered by this agreement. Six individual flexibility agreements are in place

The enterprise agreement provides for improvements in remuneration and other conditions, while also providing a basis for productivity improvements. The agreement includes a number of provisions aimed at providing work/life balance and a satisfying and rewarding environment for employees.

Performance management and pay

All employees participate in the Commission's performance management scheme. The scheme seeks to:

- clarify the understanding by individual employees of their work tasks, their responsibilities and the performance standards expected (through performance agreements)

-
- provide feedback on performance and improve communication between supervisors and their staff (through performance appraisals)
 - provide a basis for determining salary advancement
 - identify learning and development needs
 - assist in identifying and managing underperformance.

Ahead of each appraisal round — which occurs at six-monthly intervals — training is conducted for new employees and new managers to ensure employee readiness for the appraisal round.

Under the Commission’s enterprise agreement, all salary increases are conditional upon employees being rated fully effective in their performance appraisal. Performance bonuses are no longer a feature of remuneration for Commission employees.

Consultative arrangements

The key employee consultative mechanism is the Productivity Commission Consultative Committee (PCCC). The PCCC comprises five elected employee representatives, a CPSU representative, and four management representatives. The PCCC met on several occasions during the year to discuss a range of workplace issues.

In addition, direct consultation between management and employees occurs on a regular basis, including through the Chairman’s ‘all staff’ meetings, a range of topic-specific committees, and regular team and branch meetings.

Learning and development

The Commission encourages employees to undertake learning and development in an appropriate mix of four core competencies:

- management and leadership
- conceptual and analytical skills
- time and work management
- oral and written communication.

The need for learning and development can be employee identified (including through individual development plans settled with supervisors as part of

performance appraisals), be supervisor-encouraged or directed, or reflect organisation-wide initiatives.

Recorded expenditure on learning and development in 2012-13 was 2 per cent of the annual salary budget. This expenditure related to:

- 138 employees who undertook a total of 480 days of specific training and development
- 111 employees attended general development programs
- 10 employees who received studies assistance in the form of paid leave and assistance with fees in the pursuit of tertiary qualifications.

The above activities are in addition to one-on-one coaching to address particular 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 contributes to staff development.

Workplace health & safety

A Workplace Health and Safety (WHS) Committee oversees the Commission's workplace health and safety program. Committee membership includes health and safety representatives and staff observers from both offices. The Committee met three times during 2012-13.

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* were given to the Commission during 2012-13.

Training is provided for employees who have specific WHS related responsibilities.

WHS activities during the year included:

- Commission-funded flu vaccinations (take up rate in 2012-13 was around 50 per cent)
- ergonomic work station assessments (58 were completed, including 27 as part of the induction program).
- regular workplace hazard inspections conducted by members of the WHS Committee
- desk calendars promoting emergency evacuation and threat procedures
- the opportunity for employees to complete working hours questionnaires
- workplace health-related seminars.

An indicator of the effectiveness of the Commission's WHS programs is Comcare's workers' compensation rate. The Commission's rate for 2012-13 was 0.08 per cent of payroll, compared to 1.77 per cent for all agencies combined. There was one claim for injury in 2012-13.

Employee Assistance Program

The Commission offers its employees independent, confidential and professional counselling, consultation and training assistance for work-related or personal issues. Fourteen employees or their families utilised the service in 2012-13.

Workplace diversity

The Commission continues to foster a culture that is supportive of employees achieving their potential and which values employee diversity. This is facilitated through the commitment — in the Commission's enterprise agreement, equity and diversity plan and related policies — to promote workplace diversity.

National Disability Strategy

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report 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.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy 2010-2020 which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in 2014, and will be available at www.fahcsia.gov.au.

The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability

matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency Annual Reports. More detail on social inclusion matters can be found at www.socialinclusion.gov.au.

Financial performance

The Productivity Commission is a prescribed agency under the *Financial Management and Accountability Act 1997*.

Revenue from government decreased in 2012-13 to \$37.4 million (\$38.0 million in 2011-12). Revenue from other sources increased in 2012-13 to \$1.1 million (\$0.5 million in 2011-12).

Operating expenses increased in 2012-13 to \$37.4 million (\$36.6 million in 2011-12). The major expenses in 2012-13 were \$29.2 million in respect of employee expenses, \$7.1 million relating to supplier payments, and \$1.1 million in asset depreciation, amortisation and related expenses.

The operating result for 2012-13 was a \$1.2 million surplus (\$1.9 million in 2011-12).

Table A.1 provides a summary of financial and staffing resources. The agency resource statement is provided at Attachment A2. The audited financial statements for 2012-13 are shown in appendix G.

Purchasing

The Commission applies the Commonwealth Procurement Guidelines. The Commission's purchases of goods and services during 2012-13 were consistent with the 'value-for-money' principle underpinning those guidelines.

The Commission did not enter into any contracts or standing offers that were exempt from being published on AusTender. Contracts of \$100 000 or more let during 2012-13 included a provision for the Auditor-General to have access to the contractor's premises if required.

Consultancies

The Commission continued to utilise the services of a range of consultants during the year where it was cost-effective to do so. Many of the consultancies are for the

purpose of refereeing particular pieces of work and are generally of relatively low cost.

During 2012-13, fifteen new consultancy contracts were entered into involving total actual expenditure of \$39 890. There were no ongoing consultancy contracts active during the 2012-13 year.

Table A.2 provides information on expenditure on consultants in the five years to 2012-13.

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.

Table A.2 Expenditure on consultancies, 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	2012-13
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenditure	124	49	36	153	40

Legal services

Total expenditure on legal services in 2012-13 was \$14 561. Further details are published on the Commission's website, in accordance with *Legal Services Directions 2005* issued by the Attorney-General.

Ecologically sustainable development (ESD)

Under the *Environment Protection and Biodiversity Conservation Act 1999*, agencies are required — through their annual reports — to report on 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' (section 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' (section 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. Examples of Commission projects where different aspects of ESD have arisen have been provided in past annual reports. Recent Commission reports on *Barriers to effective climate change adaptation* and *Mineral and energy resource exploration* are further examples of work undertaken requiring 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 the actions able to be taken are somewhat limited. However, the Commission adopts measures aimed at the efficient management of waste and minimising energy consumption.

In order to manage its impacts on the environment in a systematic and ongoing way, the Commission maintains an Environmental Management System. The Environmental Management System contains the Commission's environmental policy, an environmental management program to address identified impacts, and provision for monitoring and reporting on performance.

During 2012-13, the Commission recorded energy usage of 7 237 MJ/person/annum (2011-12: 7 243 MJ/person/annum) against the Government's energy target of 7 500 MJ/person/annum for tenant light and power usage in office buildings.

The Commission did not enter into any new lease agreements for office accommodation during 2012-13. The building in which the Commission has its Melbourne office has a 5 star NABERS Energy rating. In Canberra, the Commission's lease contains a Green Lease Schedule targeting a 4.5 star NABERS Energy tenancy rating.

The Commission provides a small number of vehicles under the Executive Vehicle Scheme. The average Green Vehicle Guide rating for these vehicles is 12.8.

Publications and submissions

Appendix F lists all the Commission's publications in 2012-13.

Freedom of information

Agencies 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.

Advertising and market research

The Commission does not undertake 'advertising campaigns'. However, the Commission publicises 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, regular distribution of *PC Update*, press releases, an email alert service, notification on the Commission's website and distribution of Commission circulars.

A total of \$49 330 was paid for advertising (including recruitment advertising) in 2012-13 to Adcorp Australia Ltd.

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 2001*, section 49 of the *Financial Management and Accountability Act 1997* 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 the Prime Minister and Cabinet. A compliance index is provided in Attachment A4.

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

Assistant Commissioner
Corporate Services Branch
Productivity Commission
Locked Bag 2
Collins Street East Post Office
MELBOURNE VIC 8003
Telephone: (03) 9653 2251
Facsimile: (03) 9653 2304

The Commission's internet home page is at <http://www.pc.gov.au>

This annual report can be found at the above internet address. Inquiries about any Commission publication can be made to:

Director
Media and Publications
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601
Telephone: (02) 6240 3239
Facsimile: (02) 6240 3300

Attachment A1

Commissioner and employee statistics

Table A1.1 **Chair and Commissioners, 30 June 2013**

	<i>Current period of appointment</i>	
	<i>From</i>	<i>To</i>
Mr P Harris AO (Chairman)	11 Mar 2013	10 Mar 2018
Mr M C Woods (Deputy Chairman)	17 Apr 2011	16 Apr 2016
Mr J Coppel (M)	28 Jul 2011	27 Jul 2016
Dr W Craik AM (C) (p/t)	4 Jun 2009	3 Jun 2014
Mr R Fitzgerald AM (C)	27 Jan 2009	26 Jan 2014
Ms A McClelland (M) (p/t)	8 Dec 2010	7 Dec 2015
Ms A MacRae (M) (p/t)	8 Dec 2010	7 Dec 2015
Ms S McKenna (M) (p/t)	4 Jun 2009	3 Jun 2014
Dr W Mundy (C) (p/t)	8 Dec 2010	7 Dec 2015
Ms P Scott (C)	7 Sep 2009	6 Sep 2014
Mr P Weickhardt (M) (p/t)	4 Dec 2008	3 Dec 2013

(C) denotes Canberra based, (M) denotes Melbourne based and (p/t) denotes part-time.

Table A1.2 **Part-time Associate Commissioners, 30 June 2013**

	<i>Inquiry/Study</i>	<i>Period of appointment^a</i>	
		<i>From</i>	<i>To</i>
Mr P Barratt AO	Import of Processed Fruit and Tomato Products – Safeguards Inquiries	21 Jun 2013	20 Jan 2014

^a Engagement ceases at the conclusion of the inquiry/study or the period of appointment, whichever is the earlier.

Table A1.3 Part-time Associate Commissioners completing appointments during 2012-13

	<i>Inquiry/Study</i>	<i>Period of appointment</i>	
		<i>From</i>	<i>To</i>
Mr B Wonder PSM	Business Regulation Benchmarking: Role of Local Government as Regulator	20 Jul 2011	19 Aug 2012
Dr N Byron	Climate Change Adaptation	8 Sep 2011	7 Oct 2012
Mr P Costello	Default Superannuation Funds in Modern Awards	9 Jan 2012	8 Nov 2012
Mr P Coghlan	Regulatory Impact Analysis: Benchmarking	24 Feb 2012	23 Dec 2012

Table A1.4 Employees by location and gender, 30 June 2013

<i>Level</i>	<i>Melbourne</i>			<i>Canberra</i>			<i>Total</i>		
	<i>Female</i>	<i>Male</i>	<i>Total</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>
SES Band 3	0	0	0	0	1	1	0	1	1
SES Band 2	1	1	2	1	1	2	2	2	4
SES Band 1	2	7	9	4	5	9	6	12	18
Staff Level 4	9	14	23	6	13	19	15	27	42
Staff Level 3	22	16	38	3	9	12	25	25	50
Staff Level 2	17	16	33	7	8	15	24	24	48
Staff Level 1	8	5	13	8	2	10	16	7	23
Total^b	59	59	118	29	39	68	88	98	186
Corresponding totals at 30 June 2012 ^a	63	62	125	34	42	76	97	104	201

^a Totals exclude 9 inoperative employees at 30 June 2012. ^b Totals exclude 9 inoperative employees at 30 June 2013; 2013 totals include one acting SES Band 1, two Staff Level 4's, and one Staff Level 2.

Table A1.5 Employees by employment status and gender, 30 June 2013

Level	Female			Male			Total		
	F/t	P/t	Total	F/t	P/t	Total	F/t	P/t	Total
SES Band 3	0	0	0	1	0	1	1	0	1
SES Band 2	2	0	2	2	0	2	4	0	4
SES Band 1	6	0	6	12	0	12	18	0	18
Staff Level 4	14	1	15	24	3	27	38	4	42
Staff Level 3	19	6	25	24	1	25	43	7	50
Staff Level 2	20	4	24	23	1	24	43	5	48
Staff Level 1	10	6	16	7	0	7	17	6	23
Total^b	71	17	88	93	5	98	164	22	186
Corresponding totals at 30 June 2012 ^a	72	25	97	96	8	104	168	33	201

^a Totals exclude 9 inoperative employees at 30 June 2012. ^b Totals exclude 9 inoperative employees at 30 June 2013; 2012 totals also include one acting SES Band 1, two Staff Level 4's, and one Staff Level 2.

Table A1.6 Salary ranges, 30 June 2013 ^a

Level	Minimum (\$)	Maximum(\$) ^b
SES Band 2	203,496	264,222
SES Band 1	158,883	217,419
Staff Level 4 ^c	113,936	142,929
Staff Level 3	93,968	118,999
Staff Level 2	68,089	90,515
Staff Level 1	47,094	74,185

^a The major non-salary benefits superannuation, which is not included in the table. During 2012-13 the Commission employed one SES Band 3 employee not included in this table. ^b The maximum shown above in respect of SES employees includes a vehicle allowance. The above salary ranges for SL1 to SL4 are those available under the Commission's current Enterprise Agreement. Due to 'grandfathering' of provisions from a previous agreement, some employees continue to receive a higher salary – the maximum salaries actually paid at each level are: SL1 \$74 185; SL2 \$98 807; SL3 \$125 413; SL4 \$167 085. ^c Under the Commission's Enterprise Agreement, progression to a maximum of \$150 648 is available at the SL4 level in limited circumstances (not through incremental advancement)

Table A1.7 Employees by level and reason for separation, 2012-13

<i>Level</i>	<i>Promotion</i>	<i>Transfer</i>	<i>Resignation</i>	<i>Invalidity Retirement</i>	<i>RPA^a</i>	<i>Other</i>	<i>Total</i>
SES	0	0	1	0	0	0	1
Staff Level 4	0	1	2	0	1	0	4
Staff Level 3	0	3	3	0	0	0	6
Staff Level 2	0	1	4	0	3	0	8
Staff Level 1	0	0	5	0	3	0	8
Total	0	5	15	0	7	0	27
Corresponding totals at 30 June 2012	0	5	11	1	0	1	18

^a Redundancy Package

Attachment A2

Agency Resource Statement — 2012-13

	<i>Actual Available Appropriation 2012-13</i>	<i>Payments Made 2012-13</i>	<i>Balance Remaining</i>
	\$'000	\$'000	\$'000
	(a)	(b)	(a-b)
Ordinary Annual Services			
Departmental appropriation¹			
Prior year Departmental appropriation	20 310		
Departmental appropriation 2012-13	37 709	34 448	
S.31 Relevant agency receipts²	1 927	1 927	
Total ordinary annual services	<u>59 946</u>	<u>36 375</u>	<u>23 571</u>
Total Resourcing and Payments	<u>59 946</u>	<u>36 375</u>	<u>23 571</u>

¹ Appropriation Bill (No.1) 2012-13 and Appropriation Bill (No.3) 20123.

² Receipts received under section 31 of the *Financial Management and Accountability Act 1997*.

Attachment A3



Australian Government
Productivity Commission

Locked Bag 2
Collins Street East
Melbourne VIC 8003
Telephone 03 9653 2100
Facsimile 03 9653 2199
www.pc.gov.au

22 August 2013

From the Chairman's Office

Annual Report 2012-13 – Fraud Control Certification

In accordance with Guideline 5.8 of the *Commonwealth Fraud Control Guidelines 2011* (the Guidelines), issued pursuant to Regulation 16A of the *Financial Management and Accountability Regulations 1997*, I hereby certify that I am satisfied that the Productivity Commission has:

- prepared fraud risk assessments and fraud control plans;
- in place appropriate fraud prevention, detection and investigation and reporting and data collection procedures and processes that meet the specific needs of the Commission and comply with the Guidelines; and
- taken all reasonable measures to minimise the incidence of fraud in the Commission and to investigate and recover the proceeds of fraud against the Commission.

A handwritten signature in black ink, appearing to read 'Peter Harris AO', with a long, sweeping flourish extending to the right.

Peter Harris AO

Attachment A4

Compliance index

Compliance with the Joint Committee of Public Accounts and Audit requirements for annual reports

	<i>page</i>
Letter of transmittal	III
Table of contents	VII
Index	235
Glossary	XI
Contact officer	56
Internet addresses	56
Review	
Review by the Chair and Commissioners	17-35
Role and functions of the Commission	39
Organisational structure	40
Outcome and outputs structure	66
Where outcome and output structures differ from PBS format	n.a.
Report on performance	
Performance in relation to outputs and contribution to outcomes	17-35, appendix B
Actual performance in relation to performance targets set out in PBS/PAES	appendix B
Narrative discussion and analysis of performance	chapter 2
Trend information	chapter 2, appendix B
Performance against service charter customer service standards	45
Discussion of financial performance	52
Discussion of significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	42
Agency resource statement and summary resources table by outcomes	42
Management accountability	
Corporate governance practices	42-45
Senior management committees and their roles	43, 46
Risk management and fraud control measures	44
Fraud control certificate	62
Ethical standards	45
Determination of remuneration for SES employees	48
External scrutiny	
Significant developments	45-47

	<i>page</i>
Judicial decisions and decisions of administrative tribunals	n.a.
Reports by Auditor-General, a parliamentary committee or the Commonwealth Ombudsman	45-47
Appearances at Senate Estimates hearings	80
Management of human resources	
Effectiveness in managing and developing human resources	47-52
Workforce planning, staff turnover and retention	42
Learning and development	49-50
Enterprise agreements	48
Statistics on staffing	58-59
Performance pay	48-49
Assets management	appendix G
Purchasing	52
Consultants	52
Legal services	53
Absence of provisions in CTC contracts allowing access by the Auditor-General	n.a.
Contracts exempt from the AusTender	n.a.
Performance in implementing the Commonwealth Disability Strategy	51
Financial statements	appendix G
Other information	
Workplace health and safety	50-51
Information Publication Scheme statement	55
Advertising and market research	55
ESD and environmental performance	53-55
<i>Carer Recognition Act 2010</i> – care agency reporting	n.a.
Discretionary grants	n.a.
Disability reporting	51-52

Compliance with the Productivity Commission Act

The annual report is also prepared in accordance with the general provisions of s.10 of the Productivity Commission Act, as well as the following specific requirements:

s.10(1) Commission operations	chapter 2 and appendix B
s.10(2) matters referred to the Commission	appendix D
s.10(4) competitive neutrality complaints	appendix C

In association with this annual report, the Commission is preparing two companion publications:

- *Productivity Update 2014*
- *Trade & Assistance Review 2012-13*