

PRIME MINISTER AND CABINET PORTFOLIO

CONTENTS

Page No.

SECTION 1: USER GUIDE

- PURPOSE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS 3
- STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS..... 3
- STYLE CONVENTIONS 3

SECTION 2: PORTFOLIO OVERVIEW

- PORTFOLIO ROLE AND MAJOR AREAS OF RESPONSIBILITY 5
- SCHEMATIC PRESENTATION OF THE PORTFOLIO'S PROGRAMME STRUCTURE 10

SECTION 3: ADDITIONAL ESTIMATES AND VARIATIONS TO PORTFOLIO PROGRAMMES

- INTRODUCTION..... 11
- SUMMARY OF ADDITIONAL ESTIMATES 12
- RECONCILIATION TABLE OF ADDITIONAL ESTIMATES TO PORTFOLIO PROGRAMMES.13

SECTION 4: SUMMARIES - PORTFOLIO SAVINGS AND ESTIMATED RECEIPTS THROUGH ANNOTATED APPROPRIATIONS

- SUMMARY OF PORTFOLIO SAVINGS 15
- SUMMARY OF VARIATIONS TO ESTIMATED RECEIPTS THROUGH ANNOTATED APPROPRIATIONS (SECTION 31) RECEIPTS 15

SECTION 5: PROGRAMME RESOURCES AND VARIATIONS

- INTRODUCTION..... 16
- RESOURCE VARIATIONS 17

APPENDIX

- GLOSSARY OF TECHNICAL TERMS 40

SECTION 1

USER GUIDE

PURPOSE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The purpose of the Portfolio Additional Estimates Statements (PAES), like the Portfolio Budget Statements, is to inform Senators and Members of reasons for the inclusion of proposed provisions in Appropriation Bills Nos 3 and 4.

The major role of the PAES is to explain and provide a rationale for requests for funds through the Additional Estimates Appropriation Bills. The PAES are intended to provide sufficient information, explanation and justification to enable Parliament to understand the purpose of each item in the Bills.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The programme based format for the PAES is intended to make clear the links between programme objectives and performance and the Appropriation Bills. The format draws together all the appropriation items, including special appropriations, contributing to a programme.

Information in the PAES is presented in six sections.

Section 1 - User guide: outlines the purpose and structure of the PAES and provides information on style conventions used throughout the document.

Section 2 - Portfolio overview: briefly explains the role of the portfolio and major areas of responsibility and provides a schematic presentation of the portfolio programme structure.

Section 3 - Additional Estimates and variations to portfolio programmes: provides a link between the Appropriation Bills and the amounts shown against the portfolio's programmes identified throughout this document. A reconciliation table is included which attributes the items in the Appropriation Bills to the sub-programmes of the portfolio.

Section 4 - Summaries: Portfolio savings and estimated receipts through Annotated Appropriations (Section 31): explains the savings consistent with those in the Information Paper presented to Parliament, *Statement of Savings Expected in Annual Appropriations* and variations to Section 31 receipts where new arrangements have come into effect since the Budget.

Section 5 - Programme resources and variations: summarises the resources for the programme areas seeking additional estimates. Details are provided down to the relevant component level.

A **glossary of technical terms** has also been included at the end of the document to assist the reader.

STYLE CONVENTIONS USED IN THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The style convention used in the PAES is to round the amount in the tables to the nearest \$'000. All totals are rounded additions of unrounded figures.

SECTION 2

PORTFOLIO OVERVIEW

PORTFOLIO ROLE AND MAJOR AREAS OF RESPONSIBILITY

The Prime Minister is supported by the Department, six agencies and a number of budget funded entities. Their roles and major areas of responsibility are set out below.

Department of the Prime Minister and Cabinet

It is the role of the Department:

- to ensure that the policy proposals put to the Prime Minister, other ministers in the Portfolio, and to Cabinet are developed in a coherent, informed and coordinated fashion and to provide relevant and timely policy advice on such proposals;
- where directed, to coordinate the administrative response to Government policies and decisions, recognising that ministers are responsible individually for the administration of their departments and collectively for matters decided in Cabinet;
- to provide services to the Prime Minister and to the Government to enable the business of government to be managed in an efficient, effective and coordinated manner; and
- to monitor the implementation of the Government's objectives where charged with doing so.

The Department provides advice and information to the Prime Minister on major policy matters of domestic and international concern. There is a particular responsibility to advise on the implications of proposals for Federal-State relations and to facilitate those relations.

The Department also participates in the development of policy proposals working with people in the departments which bear direct responsibility for the matters concerned. It provides comment on proposals brought forward for consideration by ministers, contributes to the preparation of speeches and messages, and prepares correspondence for the consideration of the Prime Minister and other ministers in the Portfolio.

The Department is the primary source of advice on government and parliamentary policy matters covering such issues as Cabinet processes, accountability and the management of the public service. The Department also provides a range of support services to the Government.

These services include developing and coordinating the Government's legislative programme, assisting the Leader of the House and the Manager of Government Business in the Senate to programme government business in Parliament, providing a Secretariat to the Executive Council, and arranging and coordinating government hospitality and official ceremonial occasions.

The Cabinet Secretariat advises the Prime Minister on Cabinet programmes and procedures as well as providing comprehensive support services for Cabinet and its committees.

The Department provides support services to the Prime Minister and his family. It also advises on the maintenance and restoration of the official residences.

Governor-General

The Office of the Governor-General was established by the Constitution of the Commonwealth of Australia. The Constitution provides for the executive power of the Commonwealth to be exercisable by the Governor-General as the Queen's representative in the Commonwealth, and extends to the execution and maintenance of the Constitution, and of the laws of the Commonwealth.

Broadly, the Governor-General's duties fall into three categories:

- constitutional and statutory duties;
- ceremonial duties; and
- non-ceremonial duties.

Support for the Governor-General in carrying out these duties is provided by the statutory office of Official Secretary to the Governor-General, which was established in December 1984 following Parliament's amending of the Governor-General Act 1974. Prior to this date, the Governor-General's Office was administered as part of the Department of the Prime Minister and Cabinet. There is a separately published Portfolio Additional Estimates Statements covering this programme.

Office of National Assessments (ONA)

ONA's role is to enhance the basis for Australian government policy making by anticipating and analysing international change and its implications for Australia.

Its major areas of responsibility are to provide the highest quality analysis of international political, strategic and economic matters of importance to Australia and to ensure Australia's international intelligence activities are effective, well coordinated and focused on issues of high national priority.

Office of the Strategic Investment Co-ordinator (OSIC)

OSIC is responsible for advising Cabinet, through the Prime Minister and in consultation with relevant departments, on the possible use of incentives for strategic investment projects, and for facilitating government approval processes for major projects. The Strategic Investment Co-ordinator reports directly to the Prime Minister.

Public Service and Merit Protection Commission (PSMPC)

The PSMPC corporate goal is to achieve an efficient, effective and accountable public service which:

- applies merit, fairness and equity;
- demonstrates a high standard of professional and ethical behaviour;
- develops and maintains high quality leadership;
- promotes best practice in people management; and

- recognises and develops the diverse skills of all its people.

The PSMPC sees its role as:

- articulating and preserving the ethos of public service;
- contributing to the collective leadership of the public service;
- working in partnership with public service agencies;
- providing external review of public sector decisions;
- facilitating continuous improvement; and
- acting as a repository of best practice in people management.

Commonwealth Ombudsman

The role of the Commonwealth Ombudsman is to improve public administration by Commonwealth agencies and ensure fairness. The Ombudsman's Office operates under

- the *Ombudsman Act 1976*;
- the *Complaints (Australian Federal Police) Act 1981*; and
- the *Telecommunications (Interception Act) 1979*.

The Office is one of the arms of independent administrative review. The Ombudsman has a statutory obligation to impartially investigate complaints, resolve disputes and to identify and address defective public administration. The Office also has a responsibility to:

- facilitate access to the Office for the community - particularly those facing language, cultural, education, social, geographical, or physical disadvantage;
- encourage agencies to provide equitable remedies for those affected by defective administration;
- identify and pursue issues which indicate underlying legislative, policy and procedural deficiencies, and encourage systemic improvements to overcome those deficiencies; and
- provide timely, comprehensive and professional advice concerning the range of administrative review mechanisms and service standards.

The Office provides a service for all persons who believe themselves to have been adversely affected by defective Commonwealth administration, regardless of ethnic or cultural background, sex, language differences, or disability. In accordance with relevant legislation, the Ombudsman resolves complaints and submits reports to agencies, the Prime Minister and Parliament.

Office of the Inspector-General of Intelligence and Security

The Inspector-General of Intelligence and Security provides independent external review of the intelligence and security community to assist the Prime Minister and the Ministers responsible for the Australian Security Intelligence Organization (ASIO), the Australian Secret Intelligence Service (ASIS), the Defence Signals Directorate (DSD), the Defence Intelligence Organisation (DIO) and the Office of National Assessments (ONA) in overseeing the activities of these agencies. The purpose of the oversight and review is to ensure that the agencies act legally and

with propriety, comply with ministerial guidelines and directives and respect human rights.

The Office was established in 1987 under the *Inspector-General of Intelligence and Security Act 1986*. The Inspector-General can undertake an inquiry into the activities of an agency in response to a complaint or a reference from a Minister or can act independently to initiate inquiries.

Budget Funded Entities

These are the Portfolio budget funded entities responsible for policies and programmes of assistance to Aborigines and Torres Strait Islanders, namely the Aboriginal and Torres Strait Islander Commission (ATSIC), the Australian Institute of Aboriginal and Torres Strait Islander Studies, Aboriginal Hostels Ltd, the Torres Strait Regional Authority, the Aboriginal and Torres Strait Islander Commercial Development Corporation and the Indigenous Land Corporation, and associated organisations.

Australian National Audit Office (ANAO)

The role of the ANAO is to provide professional and independent audit advice and assurance to the Parliament, Ministers, and public entities. It will achieve this by:

- undertaking performance and financial statement audits of Commonwealth entities;
- providing independent, objective, focussed and balanced reports; and
- contributing to public sector reforms and initiatives.

The ANAO has adopted the following challenges:

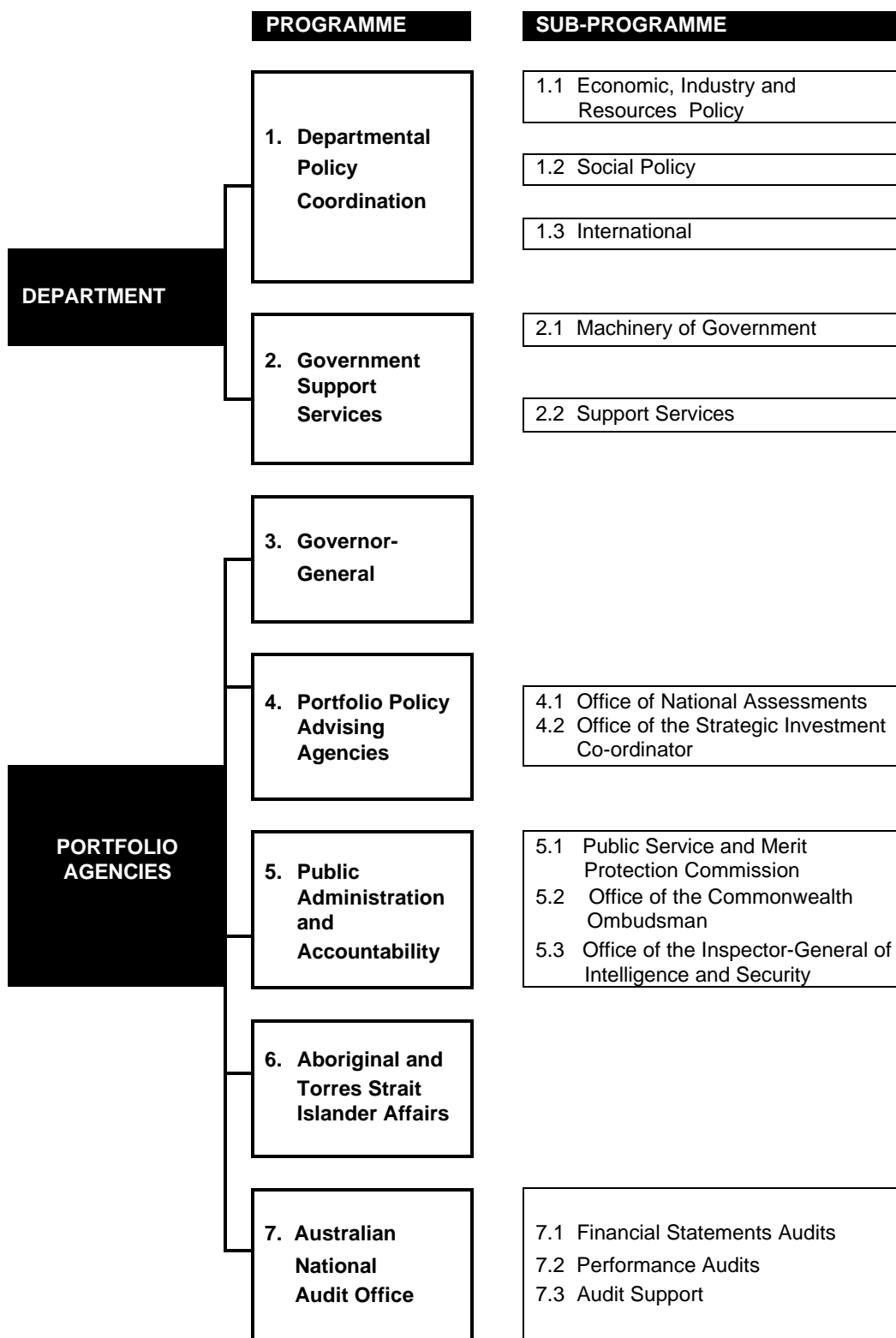
- The Parliament - be attuned to the needs, expectations and priorities of the Parliament, adding value through auditing services;
- Public Sector Entities - add value to Commonwealth entities through auditing services;
- Our People - provide an environment that enables the staff of the ANAO to enhance their skills and achieve their full potential;
- Our Audit Products - achieve audit excellence; and
- Management - manage the operations of the ANAO efficiently and effectively.

CHANGES TO PROGRAMME STRUCTURE AND ORGANISATION STRUCTURE

The following changes to the programme structure have occurred since the 1998-99 Budget:

- The Office of the Strategic Investment Co-ordinator (OSIC) has been added to the structure as sub-programme 4.2. The Office was not previously included in the structure because it was funded by the former Department of Industry, Science and Tourism;
- The Australian National Audit Office (ANAO) has been added to the structure as programme 7 as a result of the Administrative Arrangements Order of 18 June 1998;
- Government Communications has been incorporated into sub-programme 2.2 as a result of the Administrative Arrangements Order of 21 October 1998;
- Responsibility for Native Title has been removed from sub-programme 1.2 as a result of the Administrative Arrangements Order of 21 October 1998;

PRIME MINISTER AND CABINET PORTFOLIO PROGRAMME STRUCTURE



All Portfolio Agencies are budget dependent.

SECTION 3

ADDITIONAL ESTIMATES AND VARIATIONS TO PORTFOLIO PROGRAMMES

This section provides a link between the numbers in Appropriation Bills 3 and 4 currently before the Senate and the amounts shown against this portfolio's programmes in the *Programme Resources and Variations* section of this document.

The Summary of Additional Estimates provides a summary of the additional annual appropriations sought and an explanation of those variations which are common to some or most of the programmes of the portfolio.

The Reconciliation of Additional Estimates to the portfolio programmes tables in the *Programme Resources and Variations* section reconciles line items in the Bills to requests for increased resources to fund the portfolio's programmes. Page references are to explanations of the variations in the *Programme Resources and Variations* section of this document.

SUMMARY OF ADDITIONAL ESTIMATES

The Portfolio is seeking an increase of \$12.219m in appropriations (equivalent to 0.94% of the total estimated Portfolio outlays at Budget time) composed of an increase of \$9.179m in running costs and \$3.040m in other annually appropriated funding. The variations consist of the following:

Running Costs

- \$1.714m adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome for the Portfolio (refer to explanations of variations for each sub-programme within the Portfolio);
- \$5.434m funding for preparations for the referendum on the republic;
- \$2.031 transfer of funds from ATSIC for Attorney-General's Department legal professional fees (ATSIC's funding will be reduced at the 1999-2000 Budget);

Other Annual Appropriations

- \$2.47m increase in funding to *Compensation and legal expenses* for the Department;
- \$0.191m increase to reflect the carryover of funds from 1996-97 *Reconciliation Process between the Commonwealth and Aboriginals*;
- \$0.079m increase to reflect the carryover of funds from 1996-97 *Women's Programmes*;
- \$0.2m increase to reflect the carryover of funds from 1997-98 *Official Establishments, other than Governor-General's residences*; and
- \$0.1m additional funding for *Flood Relief – Wollongong*, being the Commonwealth's contribution to the Lord Mayor's Relief Fund.

Staff Years

There have been some minor variations to staff years estimates to more accurately reflect estimated resource usage.

RECONCILIATION TABLE OF ADDITIONAL ESTIMATES TO PORTFOLIO PROGRAMMES

This table links variations in the Additional Estimates Bills to the portfolio's programme structure, and provides page references to explanations for those variations in the *Programme Resources and Variations* section of this document.

The table in effect replicates each amount in the Bills, but also provides programme, sub-programme and component details for the line items.

Appropriation Item	Programme / sub-programme / component number and title	1998-99 Budget Estimate (\$'000)	1998-99 Additional Estimate		Page reference
			(\$'000)	% increase	
Appropriation Bill No.3					
Division 500 – ADMINISTRATIVE					
1. - Running Costs	1.1 Economic, Industry and Resources Policy	9,333	160	1.7	18
	1.2 Social Policy	19,083	2,310	12.1	20
	1.3 International	3,828	61	1.6	22
	2.1 Machinery of Government	11,243	5,616	50.0	25
	2.2 Support Services	7,013	108	1.5	27
2. – Other Services					
.02 Women's Programmes		4,514	79	1.8	20
.03 Official Establishments other than Governor-General's residences		1,801	200	11.1	27
.04 Compensation and legal expenses		225	2,470	1,097.8	20
.06 Reconciliation process between the Commonwealth and Aboriginals		3,174	191	6.0	20
Division 501 – COMMONWEALTH OMBUDSMAN					
1. - Running Costs	5.2 Office of the Commonwealth Ombudsman	8,162	326	4.0	36
Division 502 – GOVERNOR-GENERAL'S OFFICE AND ESTABLISHMENTS					
1. - Running Costs	3 Governor-General	8,481	48	0.6	29
Division 503 – OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY					
1. - Running Costs	5.3 Office of the Inspector-General of Intelligence and Security	657	4	0.6	38
Division 504 – OFFICE OF NATIONAL ASSESSMENTS					
1. - Running Costs	4.1 Office of National Assessments	6,767	546	8.1	31
Total Appropriation Bill No. 3		84,281	12,119	14.65	
Appropriation Bill No. 4					
Division 939 – OTHER SERVICES					
01. Flood Relief – Wollongong	1.3 International	0	100	100	22
Total Appropriation Bill No. 4		0	100	100	

SECTION 4

SUMMARIES - PORTFOLIO SAVINGS AND ESTIMATED RECEIPTS THROUGH ANNOTATED APPROPRIATIONS (SECTION 31) RECEIPTS

SUMMARY OF PORTFOLIO SAVINGS

The Public Service and Merit Protection Commission (PSMPC) has identified \$1.370m savings being an adjustment to the carryover for the difference between the estimated carryover for 1997-98 included in the 1998-99 Budget and the actual 1997-98 outcome (refer to explanations of variations for PSMPC on page 35).

SUMMARY OF VARIATIONS TO ESTIMATED RECEIPTS THROUGH ANNOTATED APPROPRIATIONS (SECTION 31) RECEIPTS

Annotated appropriations (section 31) receipts are a form of appropriation which allows a department access to certain money it receives in payment for services. These moneys are known as annotated appropriations (section 31) receipts, reflecting their authority under section 31 of the *Financial Management and Accountability Act 1997*.

The total expected receipts under annotated appropriations (section 31) for the portfolio are included in Budget Paper No. 4, *The Commonwealth Public Account*, Table 7, page 68.

The 1998-99 Prime Minister and Cabinet *Portfolio Budget Statement* provides a breakdown of these receipts by programme in the table on page 17.

There have been no changes to the estimates of net annotated appropriations (section 31) receipts from those provided in the Budget documents.

SECTION 5

PROGRAMME RESOURCES AND VARIATIONS

This section gathers information on portfolio resources and variations due to Additional Estimates line items, annotated appropriations (section 31) receipts revisions and savings from annual appropriations.

PROGRAMME 1: DEPARTMENTAL POLICY CO-ORDINATION**Objectives**

To advise and inform in a clear, concise and timely manner, the Prime Minister on those matters requiring his attention as the Head of Government and the Chairman of Cabinet.

To assist the Prime Minister, other ministers in the portfolio and the Government more generally, to reach soundly based decisions and to assist in the clear presentation of those decisions to Parliament and the Australian people.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	24,076	32,244	2,531	7.8%
Other programme costs	1,007,929	7,913	2,840	35.9%
TOTAL APPROPRIATIONS	1,032,005	40,157	5,371	13.4%
Less adjustments ⁴	1,000,996	-98,837	n/a	n/a
TOTAL OUTLAYS	31,009	138,994	n/a	n/a
STAFF YEARS	230.2	261.5	243.8	-6.8%

1. As presented on page 23 of the Department of the Prime Minister and Cabinet 1997-1998 Annual Report, amended for changes in the Programme structure since the Budget.
2. As presented on page 21 and 22 of the 1998-99 Portfolio Budget Statements, amended for changes in the Programme structure since the Budget.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

SUB-PROGRAMME 1.1: ECONOMIC, INDUSTRY AND RESOURCES POLICY**Objectives**

Effective advice, briefing and support to the Prime Minister on economic, industry and resource policy issues. Management of the Federation Fund, Olympic and Forests Taskforces and the overall work programme of the Council of Australian Governments. Quality advice, information and administrative support for presentation of the Government's decisions in these areas.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	7,473	9,333	160	1.7%
Other programme costs	1,000,000	0	0	0.0%
TOTAL APPROPRIATIONS	1,007,473	9,333	160	1.7%
Less adjustments ⁴	1,000,719	-99,102	0	n/a
TOTAL OUTLAYS	6,754	108,435	n/a	n/a
STAFF YEARS	70.0	74.9	77.0	2.8%

1. As presented on page 24 of the Department of the Prime Minister and Cabinet 1997-1998 Annual Report.
2. As presented on page 23 and 24 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>500-01</u> (part item)	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	160
TOTAL ADDITIONAL FUNDS SOUGHT	160

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is at pages 25 to 27 of the Department's Annual Report. Performance forecasts for 1998-99 are at pages 24 and 25 of the 1998-99 Portfolio Budget Statements.

SUB-PROGRAMME 1.2: SOCIAL POLICY**Objectives**

Effective advice, briefing and support on social, indigenous and women's policy matters for the Prime Minister, the Minister for Aboriginal and Torres Strait Islander Affairs and the Minister for the Status of Women. Quality advice, information and administrative support for presentation of the Government's decisions in these areas.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	13,618	19,083	2,310	12.1%
Other programme costs	7,764	7,913	2,740	34.6%
TOTAL APPROPRIATIONS	21,382	26,996	5,050	18.7%
Less adjustments ⁴	237	223	0	n/a
TOTAL OUTLAYS	21,145	26,773	n/a	n/a
STAFF YEARS	129.9	154.0	135.2	-12.2%

1. As presented on page 30 of the Department of the Prime Minister and Cabinet 1997-1998 Annual Report, amended for changes in the Programme structure since the Budget.
2. As presented on page 26 and 27 of the 1998-99 Portfolio Budget Statements, amended for changes in the Programme structure since the Budget.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>500-01</u> (part item)	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	279
Additional funding for Attorney-General's Department legal professional fees (transfer from ATSIIC)	2,031
Other Services	
<u>500-02-02</u> – <i>Women's Programmes</i>	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	79
<u>500-02-04</u> – <i>Compensation and Legal Expenses</i>	
Increase in funding to meet expected compensation and legal expenses	2,470
<u>500-02-06</u> – <i>Reconciliation process between the Commonwealth and Aboriginals</i>	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	191
TOTAL ADDITIONAL FUNDS SOUGHT	5,050

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is at pages 31 to 36 of the Department's Annual Report. Performance forecasts for 1998-99 are at page 28 of the 1998-99 Portfolio Budget Statements.

SUB-PROGRAMME 1.3: INTERNATIONAL**Objectives**

Effective advice, briefing and support to the Prime Minister on international issues, including trade, defence and aid policy, security and intelligence issues. Quality advice, information and administrative support for presentation of the Government's decisions in these areas.

	1997-98 Actual (\$'000)¹	1998-99 Budget (\$'000)²	1998-99 Additional Estimate (\$'000)	Variation %
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	2,985	3,828	61	1.6%
Other programme costs	165	0	100	100.0%
TOTAL APPROPRIATIONS	3,150	3,828	161	4.2%
Less adjustments ⁴	40	42	0	n/a
TOTAL OUTLAYS	3,110	3,786	n/a	n/a
STAFF YEARS	30.2	32.4	31.6	-2.5%

1. As presented on page 37 of the Department of the Prime Minister and Cabinet 1997-1998 Annual Report.
2. As presented on page 29 to 30 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>500-01</u> (part item)	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	61
Other Services	
939-00-01 – <i>Flood Relief – Wollongong</i>	
Funding for the Commonwealth's contribution to the Lord Mayor's Relief Fund	100
TOTAL ADDITIONAL FUNDS SOUGHT	161

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is at pages 38 and 39 of the Department's Annual Report. Performance forecasts for 1998-99 are at pages 30 and 31 of the 1998-99 Portfolio Budget Statements.

PROGRAMME 2: GOVERNMENT SUPPORT SERVICES

Objectives To facilitate the management and co-ordination of the business of Government.

	1997-98 Actual (\$'000) ¹	1998-99 Budget (\$'000) ²	1998-99 Additional Estimate (\$'000)	Variation %
SPECIAL APPROPRIATIONS	393	440	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	19,447	18,256	5,724	31.4%
Other programme costs	2,981	5,050	200	4.0%
TOTAL APPROPRIATIONS	22,821	23,746	5,924	24.9%
Less adjustments ⁴	211	156	n/a	n/a
TOTAL OUTLAYS	22,610	23,590	n/a	n/a
STAFF YEARS	143.7	134.5	131.3	-2.4%

1. As presented on page 40 of the Department of the Prime Minister and Cabinet 1997-1998 Annual Report, amended for changes in the Programme structure since the Budget.
2. As presented on page 32 of the 1998-99 Portfolio Budget Statements, amended for changes in the Programme structure since the Budget.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

SUB-PROGRAMME 2.1: MACHINERY OF GOVERNMENT**Objectives**

To facilitate the smooth operation of the Cabinet system and the Federal Executive Council and the efficient management of government business including the legislation programme. To provide effective advice, briefing and support to the Prime Minister on the machinery and processes of government.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	11,543	11,243	5,616	50.0%
Other programme costs	9	20	0	0.0%
TOTAL APPROPRIATIONS	11,552	11,263	5,616	49.9%
Less adjustments ⁴	140	111	0	n/a
TOTAL OUTLAYS	11,412	11,152	n/a	n/a
STAFF YEARS	87.5	84.0	80.9	-3.7%

1. As presented on page 41 of the Department of the Prime Minister and Cabinet 1997-1998 Annual Report.
2. As presented on page 34 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>500-01</u> (part item)	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	182
Funding for preparations for the referendum on the republic	5,434
TOTAL ADDITIONAL FUNDS SOUGHT	5,616

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is at pages 42 to 45 of the Department's Annual Report. Performance forecasts for 1998-99 are at page 35 and 36 of the 1998-99 Portfolio Budget Statements.

SUB-PROGRAMME 2.2: SUPPORT SERVICES**Objectives**

To provide support services to the Executive Government in the areas of visits overseas by the Prime Minister, government hospitality for overseas dignitaries, official ceremonies and ministerial offices relating to the Portfolio.

To provide strategic government communications and photographic services.

To maintain the Prime Minister's official residences and preserve their heritage value.

To provide support services to former Governors-General.

	1997-98 Actual (\$'000) ¹	1998-99 Budget (\$'000) ²	1998-99 Additional Estimate (\$'000)	Variation %
SPECIAL APPROPRIATIONS	393	440	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	7,904	7,013	108	1.5%
Other programme costs	2,972	5,030	200	4.0%
TOTAL APPROPRIATIONS	11,269	12,483	308	2.5%
Less adjustments ⁴	71	45	0	n/a
TOTAL OUTLAYS	11,198	12,438	n/a	n/a
STAFF YEARS	56.2	50.5	50.4	-0.2%

1. As presented on page 46 of the Department of the Prime Minister and Cabinet 1997-1998 Annual Report, amended for changes in the Programme structure since the Budget.
2. As presented on page 37 of the 1998-99 Portfolio Budget Statements, amended for changes in the Programme structure since the Budget.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>500-01</u> (part item)	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	108
Other Services	
<u>500-02-03</u>	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	200
TOTAL ADDITIONAL FUNDS SOUGHT	308

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is at page 47 and 48 of the Department's Annual Report. Performance forecasts for 1998-99 are at page 38 and 39 of the 1998-99 Portfolio Budget Statements.

PROGRAMME 3: GOVERNOR-GENERAL

OBJECTIVE: To assist the Governor-General in performing the constitutional, statutory, ceremonial and public duties associated with the appointment, ensuring that standards relating to the significance of the Office, and maintenance of the heritage value of the Governor-General's residences and grounds, are in keeping with the expectations of the Australian community.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	58	58	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	6,801	8,481	48	0.6%
Other programme costs	1,284	1,939	0	0.0%
TOTAL APPROPRIATIONS	8,143	10,478	48	0.5%
Less adjustments ⁴	316	130	n/a	n/a
TOTAL OUTLAYS	7,827	10,348	n/a	n/a
STAFF YEARS	74.1	74.1	74.1	0.0%

1. As presented on page 8 of the Official Secretary to the Governor-General 1997-1998 Annual Report.
2. As presented on page 40 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

SEE SEPARATE STATEMENTS PREPARED BY THE OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL FOR EXPLANATIONS OF VARIATIONS AND PERFORMANCE INFORMATION.

PROGRAMME 4: PORTFOLIO POLICY ADVISING AGENCIES

OBJECTIVE: To assist Government decision making by having available for consideration a full range of views on matters of concern to the Government.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)	(\$'000)¹	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS²				
Running costs ³	6,163	6,767	546	8.1%
Other programme costs	0	0	0	0.0%
TOTAL APPROPRIATIONS	6,163	6,767	546	8.1%
Less adjustments ³	6	18	n/a	n/a
TOTAL OUTLAYS	6,157	6,749	n/a	n/a
STAFF YEARS	58.4	63.0	63.0	0.0%

1. As presented on page 42 of the 1998-99 Portfolio Budget Statements.
2. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
3. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

SUB-PROGRAMME 4.1: OFFICE OF NATIONAL ASSESSMENTS

OBJECTIVE: To enhance the basis for Australian government policy making by anticipating and analysing international change and its implications for Australia. To help ensure coordination of the national intelligence effort.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	6,163	6,767	546	8.1%
Other programme costs	0	0	0	0.0%
TOTAL APPROPRIATIONS	6,163	6,767	546	8.1%
Less adjustments ⁴	6	18	0	n/a
TOTAL OUTLAYS	6,157	6,749	n/a	n/a
STAFF YEARS	58.4	63.0	63.0	0.0%

1. As presented on page 17, Annexe I of the Office of National Assessments 1997-1998 Annual Report.
2. As presented on page 43 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>504-01</u>	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	546
TOTAL ADDITIONAL FUNDS SOUGHT	546

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is in the Office's Annual Report. Performance forecasts for 1998-99 are at page 44 of the 1998-99 Portfolio Budget Statements.

PROGRAMME 5: PUBLIC ADMINISTRATION AND ACCOUNTABILITY

Objectives

To ensure a high performance public administration that is values based and that provides the best possible service to the Parliament, the Government and the community.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)	(\$'000)¹	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS²				
Running costs ³	29,758	30,972	-1,040	-3.4%
Other programme costs	0	10	0	0.0%
TOTAL APPROPRIATIONS	29,758	30,982	-1,040	-3.4%
Less adjustments ³	7,484	7,197	n/a	n/a
TOTAL OUTLAYS	22,274	23,785	n/a	n/a
STAFF YEARS	274.1	263.6	253.6	-3.8%

1. As presented on page 45 of the 1998-99 Portfolio Budget Statements.
2. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
3. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

**SUB-PROGRAMME 5.1: PUBLIC SERVICE AND MERIT PROTECTION
COMMISSION**

To foster the achievement of a high performing, ethical and client focussed public service, promoting quality management of people and work.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	21,611	22,153	-1,370	-6.2%
Other programme costs	0	10	0	0.0%
TOTAL APPROPRIATIONS	21,611	22,163	-1,370	-6.2%
Less adjustments ⁴	6,905	6,648	0	n/a
TOTAL OUTLAYS	14,706	15,515	n/a	n/a
STAFF YEARS	181.0	175.0	165.0	-5.7%

1. As presented in the financial statements in the 1997-1998 Annual Report of the Public Service and Merit Protection Commission.
2. As presented on page 46 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
SAVINGS	
Running Costs	
<u>505-01</u>	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	-1,370
TOTAL ADDITIONAL FUNDS SOUGHT	-1,370

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is in the Commission's Annual Report. Performance forecasts for 1998-99 are at page 47 of the 1998-99 Portfolio Budget Statements.

SUB-PROGRAMME 5.2: OFFICE OF THE COMMONWEALTH OMBUDSMAN

To investigate and resolve complaints in an impartial and objective way.

To give priority to complaints:

- which are the most serious;
- which raise systemic problems in delivery of Government services;
- where there is no other appropriate means of redress for that person;
- where we are likely to be able to achieve a useful result.

To advise people of other more appropriate avenues to resolve their complaints.

To seek fair remedies for people affected by defective administration.

To make our services accessible to the community.

To identify and pursue issues which indicate underlying legislative, policy and procedural deficiencies.

To encourage debate about accountability and customer service.

	1997-98 Actual	1998-99 Budget	1998-99 Additional Estimate	Variation
	(\$'000)¹	(\$'000)²	(\$'000)	%
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	7,632	8,162	326	4.0%
Other programme costs	0	0	0	0.0%
TOTAL APPROPRIATIONS	7,632	8,162	326	4.0%
Less adjustments ⁴	578	548	0	n/a
TOTAL OUTLAYS	7,054	7,614	n/a	n/a
STAFF YEARS	88.5	84.0	84.0	0.0%

1. As presented on page 179 of the Office Ombudsman's 1997-1998 Annual Report.
2. As presented on page 48 to 49 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>501-01</u>	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	326
TOTAL ADDITIONAL FUNDS SOUGHT	326

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is at pages 35 to 52 of the Ombudsman's Annual Report. Performance forecasts for 1998-99 are at page 50 of the 1998-99 Portfolio Budget Statements.

SUB-PROGRAMME 5.3: OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY

Objectives

To assist the Prime Minister and responsible Ministers in their oversight and review of the agencies that make up Australia's intelligence and security community to ensure that they act legally and with propriety, comply with ministerial guidelines and directives and respect human rights.

	1997-98 Actual (\$'000) ¹	1998-99 Budget (\$'000) ²	1998-99 Additional Estimate (\$'000)	Variation %
SPECIAL APPROPRIATIONS	0	0	0	0.0%
ANNUAL APPROPRIATIONS³				
Running costs ⁴	515	657	4	0.6%
Other programme costs	0	0	0	0.0%
TOTAL APPROPRIATIONS	515	657	4	0.6%
Less adjustments ⁴	1	1	0	n/a
TOTAL OUTLAYS	514	656	n/a	n/a
STAFF YEARS	4.6	4.6	4.6	0.0%

1. As presented on page 41 of the Office of the Inspector-General of Intelligence and Security 1997-1998 Annual Report.
2. As presented on page 51 of the 1998-99 Portfolio Budget Statements.
3. One line agencies and authorities will show appropriations data under the "other programme costs" category only, ie no separate line for running costs.
4. Includes actual and estimated receipts under Annotated Appropriations (Section 31) and other adjustments.

EXPLANATION OF VARIATIONS	VARIATION (\$'000)
ADDITIONAL ESTIMATES	
Running Costs	
<u>503-01</u>	
Adjustment to reflect the difference between the estimated 1997-98 carryover included in the 1998-99 Budget and the final 1997-98 outcome	4
TOTAL ADDITIONAL FUNDS SOUGHT	4

Performance of the sub-programme in 1997-98 and performance forecasts for 1998-99.

Information on the performance of this sub-programme in 1997-98 is in the Inspector-General's Annual Report. Performance forecasts for 1998-99 are at page 52 of the 1998-99 Portfolio Budget Statements.

GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Additional Estimates - where amounts appropriated at Budget time (Appropriation Acts 1 and 2) are insufficient, Parliament may appropriate more funds to Portfolios through Appropriation Acts 3 and 4. This is the Additional Estimates process.

Appropriation - an authorisation by Parliament to spend moneys from the **Consolidated Revenue Fund**.

Annotated appropriation - Annotated Appropriations are a form of appropriation which allow a department access to moneys it receives as payments for services. The nature and extent of the amount to be appropriated are specified in agreements made under Section 31 of the FMA Act between the financial manager and the responsible Minister. See Section 9, *Appropriation Bill (No.1) 1998-99*.

Annual appropriation - Two Appropriation Bills are introduced into Parliament in May and comprise the Budget. Two further Bills are introduced later in the financial year as part of the **Additional Estimates**. Parliamentary departments have their own appropriations.

Special appropriations - Moneys appropriated by Parliament in an Act separate to an annual Appropriation Act, where the payment is for a specified amount. Special appropriations are not subject to Parliament's annual budget control, unlike the annual appropriations.

Financial Management and Accountability (FMA) Act 1997 – The principal legislation governing the proper use and management of public money and public property and other Commonwealth resources. FMA Regulations and FMA Orders are made pursuant to the Act.

Budget measure - a decision by the Cabinet or Ministers that has been finalised since the 1997-98 Budget and has resulted in a cost or saving to underlying outlays in the years 1998-99 to 2001-02.

Commonwealth funds

All accounting transactions are recorded in the **Official Commonwealth Public Account (CPA)**. The CPA is the Commonwealth's official bank account kept at the Reserve Bank. The CPA reflects the operation of four funds:

Consolidated Revenue Fund (CRF) - This is the principal working fund of the Commonwealth and is mainly financed by taxation, fees and other current receipts. The Constitution requires an appropriation of moneys by the Parliament before any expenditure can be made from the CRF(s83).

Loan Fund - Established by the FMA Act 1997, the Loan Fund contains all moneys raised by loan on the public credit of the Commonwealth. Expenditure from the Loan Fund is limited to the purpose for which the moneys were raised.

Reserved Money Fund (RMF) – Accounts for money which the Commonwealth holds on trust for, or otherwise for the benefit of, a person other than the

Commonwealth and moneys which are “reserved” for future Commonwealth purposes. Components of the RMF, specifying the nature of receipts that may be credited to, and payments that may be made from each component, may be established by the Finance Minister under section 20 of the FMA Act, or by specific legislation. The transfer of receipts from the CRF to, and payments from, component of the RMF are authorised by standing appropriations in section 20 of the FMA Act.

Efficiency dividend - An annual deduction of a percentage of running costs from an agency’s budget which acts both as an incentive to efficiency and a quantification of some of the efficiency gains made by an agency in the previous year.

Financing transaction - The Government funds shortfalls in revenue over underlying outlays by borrowing from financial markets or running down financial assets. Such activities are regarded as financing transactions. If a surplus of revenue over underlying outlays is recorded then financing transactions will show how the surplus is used.

Forward estimates - a system of rolling three year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for next year’s Budget bid, and another outyear is added to the forward estimates.

Objective - A statement of rationale behind a **programme**; they relate to the purpose, as opposed to the nature, of the activities undertaken within programmes.

Outlays (underlying) is an economic concept that has its roots in international standards for government reporting. In the budget context, underlying outlays measures the net resources cost of the Budget provision of public goods and services.

- Not only payments are included in underlying outlays. For example, some receipts are netted off against related payments. Moreover not all payments are underlying outlays, for example, payments of principal to government security holders are classified as financing transactions and as such are not underlying outlays, whereas interest payments are.
- It is important to distinguish between appropriations and underlying outlays. Appropriations derive from Acts of the Parliament which authorise the drawing down of Commonwealth money for the functions and activities of Government.

Underlying outlays = total appropriations - adjustments

Adjustments to appropriations to derive underlying outlays are:

- payments that are not underlying outlays (for example loan repayments – these are financial transactions - and tax refunds – netted against taxation revenues);
- receipts that are offset within underlying outlays - these are charges for goods and services, sales of physical assets and repayments of governments loans or repayment of equity in government enterprises; and

- RMF transactions regarded as underlying outlays – the table shows how the components of appropriations are adjusted to derive underlying outlays for each of the portfolios programmes; and
- net advances – these are government transactions which simply involve the transfer or exchange of financial assets. Net advances include:
 - the sale and purchase of equity assets;
 - the injection and withdrawal of equity from entities outside the Government’s accounts; and
 - public policy lending and repayments to other sectors.
- It is important to distinguish between appropriations and underlying outlays. Appropriations derive from Acts of the Parliament which authorise the drawing down of Commonwealth money for the functions and activities of Government.

Programme and sub-programme- A programme is an identifiable group of **underlying outlays** administered by Portfolios. The programme structure provides a basis for resource management decisions centred on objectives and results, and for allocation decisions. Programmes are subdivided between sub-programmes.

Portfolio Budget Statements - statements prepared by Portfolios to explain the Budget appropriations in terms of **programmes**.

Receipts - The total or gross amount received by the Commonwealth. Each receipt item is either **revenue**, an **offset within underlying outlays**, or **financing transactions**. Receipts include taxes, interest, charges for goods and services, borrowings and GBE dividends received.

Revenue - The main way the government funds its **underlying outlays**. It is mainly tax receipts, fees for regulatory services performed by government and interest and dividends received. Tax refunds are correcting transactions and are regarded as **offsets within revenue**.

RMF – See Reserve Money Fund (**Commonwealth Funds**)

Running costs - The full current and minor capital costs consumed by an agency in providing government services for which the agency is responsible.

Section 31 receipts - see Annotated Appropriation (**Appropriation**).

Staff Year - An aggregate measure of employment based on the hours worked by employees over the period of one year. It is the unit of measurement for staff resource use.

RMF components – An account held under the RMF. It is used to hold moneys in trust for specific purpose under legislation.

Trust fund transactions regarded as underlying outlays - **Underlying outlays** is a net measure of government activity with other sectors in the economy, and therefore transactions between the **Consolidated Revenue Fund**, the **RMF** and the **Loan Fund** are consolidated and inter fund transfers disregarded. Thus an

appropriation from the CRF to a **RMF component** would not be an outlay. A transfer from a trust account would be an outlay, to be taken into account when reconciling total **appropriations** to total underlying outlays.

Underlying outlays – see **Outlays (underlying)**