

PART C
AGENCY ADDITIONAL ESTIMATES
STATEMENTS

DEPARTMENT OF THE PRIME MINISTER
AND CABINET

DEPARTMENT OF THE PRIME MINISTER AND CABINET

Section 1: Overview, variations and measures

Overview

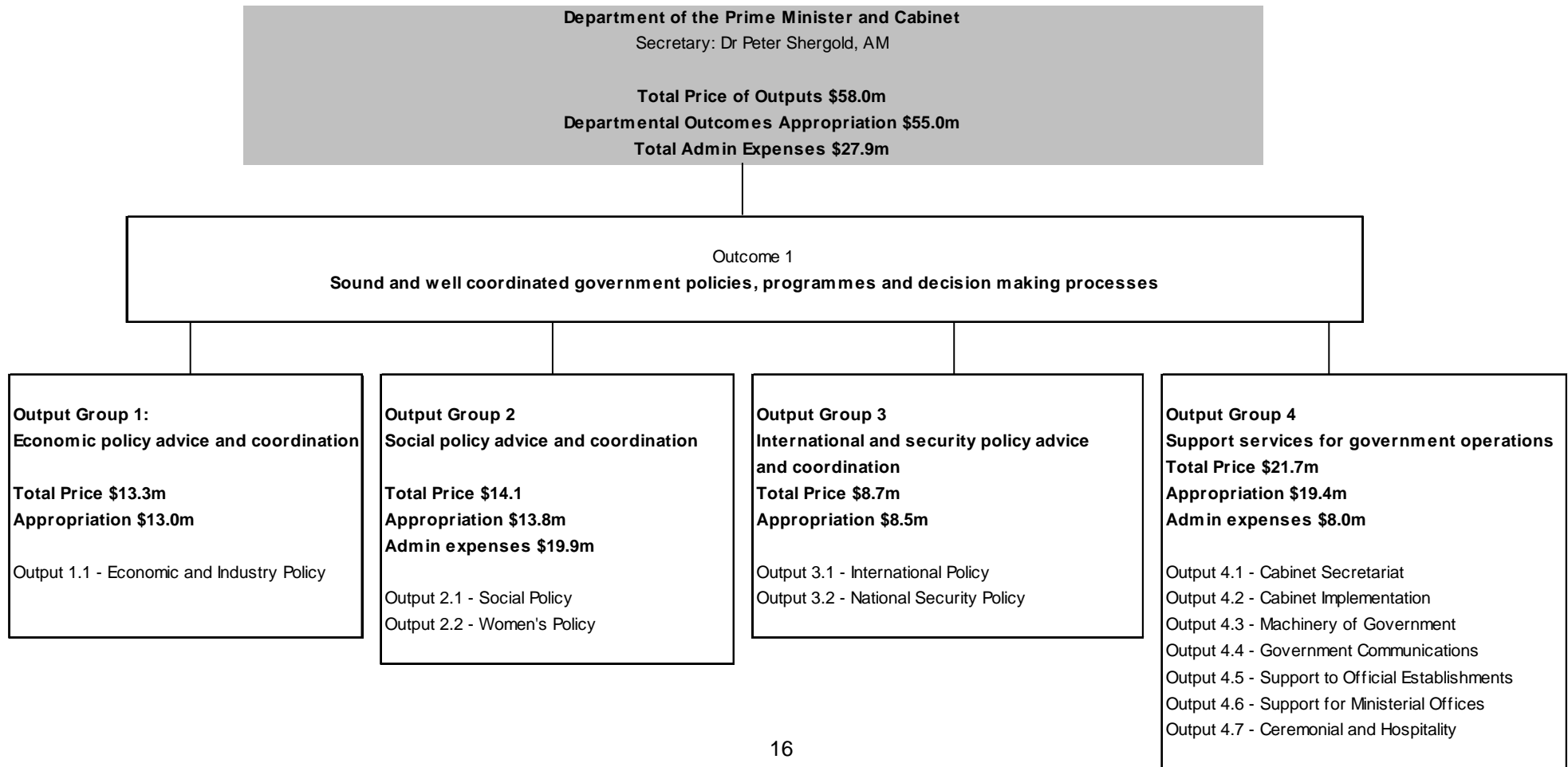
The appropriation changes being provided through the AEs process and their financial and non-financial impact on the department are set out in this part.

The total departmental appropriation for 2003-04 will increase from \$50.8 million to \$55 million. The total administered appropriation for 2003-04 will be reduced from \$28.9 million to \$27.9 million.

There are no changes in the department's role/mission, outcomes, administered items and outputs, and/or its evaluation, competitive tendering and contracting and purchaser provider practices as a result of AEs.

The total departmental price of outputs and the allocation of appropriation and administered expenses to output groups are shown on the next page.

Map 2: Outcome and output groups for the Department of the Prime Minister and Cabinet



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The department's departmental 2003-04 appropriation will increase by \$4.2 million from \$50.8 million to \$55.0 million. \$3.8 million of this is being provided through the AEs process for operating expenses and \$0.328 million was transferred earlier this financial year from the Attorney General's Department (following transfer of responsibility for the NCTC). The Government is also providing \$0.02 million in capital funding.

Additional departmental funding will be provided for the following measures:

- improved research capabilities and accessibility to the website;
- a number of new taskforces and an increase in the department's activities in relation to security matters; and
- Budget estimates – enhanced quality and timeliness.

Other variations to the departmental appropriations include supplementation for the increase in Comcover premiums and an adjustment to the estimates for indexation.

An increase of \$0.5 million in administered appropriation and capital funding of \$0.2 million is being provided for 2003-04 through the AEs process. The department's administered appropriation will, however, decrease by \$1.1 million from \$28.9 million to \$27.9 million due to the rephasing of \$1.6 million of women's programme funding from 2003-04 to the later years (see below).

Additional administered funding will be provided for the following measures:

- combating trafficking in persons: whole of government strategy (2005-06 and 2006-07); and
- Budget estimates - enhanced quality and timeliness (National Australia Day Council).

Other variations to the administered appropriation include:

- an increase of \$0.4 million and capital of \$0.2 million to meet increased support requirements of an additional former Governor-General;
- the transfer to the department of the NCTC activity from the Attorney General's Department of \$0.062 million;
- one-off supplementation of \$0.002 million for the National Australia Day Council (NADC) due to 2003-04 Comcover premium increases;

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- adjustments to the administered appropriations in line with the application of indexation parameters; and
- the rephasing of \$2.5 million of women’s programme funding (\$1.6m from 2003-04 and \$0.9m from 2004-05).

The Government is also providing an increase in ongoing funding for the Allowance to former Governors-General special appropriation from \$0.6 million to \$0.7 million following the unforeseen retirement of the previous Governor-General and an increase in rate of allowance from 1 July 2003. See Table 1.6 for details.

The relevant measures and variations are listed in the following tables:

Measures

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)
Outcome 1				
Expenses				
Increase in departmental appropriations				
Increased activities and new taskforces	3245	1607	1637	1671
A more informed public – improved research capabilities and accessibility to the website	435	543	553	572
Budget estimates – enhanced quality and timeliness	90	92	94	95
Total variation in departmental appropriations	3770	2242	2284	2338
Increase in administered appropriations				
Combating trafficking in persons: whole of government strategy	-	-	755	755
Budget estimates – enhanced quality and timeliness	16	16	17	17
Total variation in administered appropriations	16	16	772	772
Capital				
Increase in departmental capital				
A more informed public – improved research capabilities and accessibility to the website	20	-	-	-
Total variation in departmental capital	20	-	-	-

Other variations to appropriations

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)
Outcome 1				
Expenses				
Increase in departmental appropriations				
Funding for amortisation of website capitalisation	20	-	-	-
Comcover supplementation	52	-	-	-
National Counter Terrorism Committee - transfer from AGD	328	333	337	342
Indexation adjustment	-	-232	-407	-538
Total variation in departmental appropriations	400	101	-70	-196
Increase in administered appropriations				
Former Governors-General – additional support	434	442	451	439
NADC - Comcover supplementation	2	-	-	-
National Counter Terrorism Committee - transfer from AGD	62	63	65	66
Women's programmes - rephasing	-1631	-859	2170	320
Indexation adjustment	-	-62	-59	-67
Total variation in administered appropriations	-1133	-416	2627	758
Capital				
Increase in administered capital				
Former Governors-General – additional support	200	-	-	-
Total variation in administered capital	200	-	-	-

MEASURES — AGENCY SUMMARY

Explanations for the measures and policy outcomes being provided through the AEs process are:

*Departmental Measures***A more informed public – improved research capabilities and accessibility to the website**

The Government will provide ongoing additional funding of \$1.3 million over four years to the Department of the Prime Minister and Cabinet for improved research capabilities aimed at creating community awareness of the international and national security work of the Government. Ongoing additional funding of \$0.8 million over four years and one-off capital funding of \$0.02 million in 2003-04 will also be provided to enable the provision of more comprehensive information on the Government's policies to be accessed through the Internet.

Increased activities and new taskforces

The Government will provide additional funding for increased activities within the Department of the Prime Minister and Cabinet in the following areas:

- ongoing additional funding of \$5.8 million over four years to increase the capacity to develop and implement whole-of-government approaches for critical elements of the Government's national security agenda;
- one-off funding of \$0.9 million in 2003-04 to support the establishment of a taskforce to develop a number of intergovernmental agreements (IGAs) to ensure the sustainability of Australia's water supplies;
- one-off funding of \$1.3 million in 2003-04 to support an independent inquiry, conducted by an expert panel, into bushfire mitigation and management in Australia; and
- one-off funding of \$0.2 million in 2003-04 to support a public consultation process on the Government's discussion paper on options for resolving constitutional deadlocks.

Budget estimates – enhanced quality and timeliness

The Government will provide additional funding to agencies of \$88.5 million over five years (including \$0.1 million in 2007-08) to implement the BEFR recommendations. This funding includes capital of \$7.4 million over four years. In the 2003-04 Budget the Government made provision for \$78 million over five years to improve the accuracy, responsiveness and effectiveness of agencies' contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations. The Government has provided an extra \$10.5 million over five years to fund agencies to implement the BEFR recommendations.

See Table 1.1: Summary of measures since the 2003-04 Budget for details of the department's funding for this measure.

Administered Measures

Combating trafficking in persons: whole of government strategy

The Government will provide \$1.5 million in additional funding to enable the department to fulfil its role in the whole of government initiative for combating trafficking and sexual servitude in Australia.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2 - Appropriation Bill (No 3) 2003-04

	2002-03 available \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
Sound and well coordinated government	32461	28328	27149		1179
Total	32461	28328	27149		1179
DEPARTMENTAL OUTPUTS					
Outcome 1					
Sound and well coordinated government	44526	50824	54666	3842	
Total	44526	50824	54666	3842	
Total Administered and Departmental	76987	79152	81815	3842	1179

Note 1: 2002-03 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:
Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions

Note 2: The Revised 2003-04 estimate does not include the transfer by section 32 determination of \$0.328 million from the Attorney-General's Department for the NCTC.

Table 1.3: Appropriation Bill (No. 4) 2003-04

	2002-03 available \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 1					
Sound and well coordinated government					
OTHER ADMINISTERED ITEMS					
Outcome 1					
Sound and well coordinated government					
Total					
Non-Operating					
Equity injections					
Loans					
Previous year's outputs					
Administered assets and liabilities					
Total capital					
Department of the Prime Minister and Cabinet					
Total					

Note 1: 2002-03 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:

Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings

- Rephasings - Other Reductions

SUMMARY OF STAFFING CHANGES

There is expected to be an increase of 26 ASL due to the additional effort required to achieve the new measures being funded through the Additional Estimates process.

Table 1.4 - Average Staffing Level (ASL)

	2003-04 Budget	2003-04 Revised	Variation
Outcome 1			
Sound and Well Co-ordinated Government, Programmes and Decision Making Processes	374	392	18
Total			

SUMMARY OF AGENCY SAVINGS

Table 1.5 - Summary of agency savings

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S	Savings from annual appropriations	\$0.000 million
T	Transfer appropriation monies across outcomes	\$0.000 million
M	Movements of funding between years (Any other categories if applicable)	\$1.195 million
Total agency savings		\$1.195 million

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

There has been no change from Budget.

REVENUE FROM INDEPENDENT SOURCES

There has been no change from Budget.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.6: Estimates of expenses from special appropriations

	Budget estimate 2003-04 \$'000	Revised estimate 2003-04 \$'000
Estimated expenses		
Allowance to former Governors-General	615	735
Special Appropriation Name 2 - GG Act 1974 (A)		
Total estimated expenses		

D = Departmental A = Administered

Acts Glossary:

GG Act 1974 = *Governor-General Act, 1974*

ESTIMATED SPECIAL ACCOUNT FLOWS

Special Account Flows have been updated to incorporate the results of the 2002-03 audited financial statements and to take into account any new information since Budget.

Table 1.7: Estimated special account flows

	Revised Estimate - 2003-04, Heavy Figures			
	Final Actual - 2002-03, Light figures ⁽¹⁾			
	Opening Balance	Receipts	Payments	Closing Balance
	2003-04 ⁽¹⁾	2003-04	2003-04	2003-04
	2002-03 ⁽¹⁾	2002-03	2002-03	2002-03
	\$'000	\$'000	\$'000	\$'000
Media Commissions Account - S20 FMA Act (A)	7,994	3,600	4,000	7,594
	7,314	3,894	3,214	7,994
Campaign Account - S20 FMA Act (D)	2,466	1,275	900	2,841
	2,369	890	793	2,466
Services for other Government and Non-Agency Bodies Account - S20 FMA Act (D)	1,200	44	50	1,194
	1,171	47	18	1,200
Other Trust Monies Account - S20 FMA Act (D)	0	0	0	0
	0	0	0	0
Total Special Accounts	11,660	4,919	4,950	11,629

D = Departmental A = Administered

Acts Glossary:

FMA Act = *Financial Management and Accountability Act, 1997*

Notes 1 The revised Opening Balance for 2003-04 is the same as the final actual closing balance for 2002-03. This balance may have changed from that shown in the 2003-2004 FBS as the actual for 2002-03 will have been updated to reflect the final budget outcome for that year.

2 This amount includes \$2.6m returned to the OPA in June 2003.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There has been no change to the structure of outcomes or outputs as a direct result of Additional Estimates.

The department has one outcome and all changes being provided through the AEs process are against that outcome. The impact on outputs is detailed in the Explanations of Variance section below.

Output cost attribution

Corporate services, information technology and communications are predominantly driven by staff numbers and are allocated on this basis. These constitute approximately 65% of overheads. Property operating expenses, which make up most of the remaining 35% are allocated to output areas on the basis of square metres occupied.

EXPLANATION OF VARIATIONS

Departmental Variations

The Government is providing the following departmental variations:

- Additional departmental appropriation of \$3.8 million together with a capital injection of \$0.02 million. These funds will largely be expended on increased employee and supplier expenses required to achieve a number of important new initiatives that were unforeseen at Budget, such as supporting an independent inquiry into bushfire mitigation in Australia, the water taskforce and addressing increasing security concerns. These funds have been included in Outputs 1.1 – Economic and Industry Policy, Output 3.1 – International Policy and Output 4.3 – Government and Output 4.6 – Support to Ministerial Offices.
- Additional departmental appropriation to meet the Budget estimates enhanced quality and timeliness requirements (\$0.090m). This increase has been spread across all departmental outputs in accordance with the department's attribution model.
- Supplementation for increases of the 2003-04 Comcover insurance premiums (\$0.052m). This increase has been spread across all departmental outputs in accordance with the department's attribution model.
- Transfer of appropriation for support of the NCTC following the transfer of this function from the Attorney-General's portfolio to the Prime Minister and Cabinet portfolio (\$0.328m ongoing). These funds have been included in Output 3.2 – National Security Policy.

- Adjustment of the forward estimates due to changes in indexation parameters (no impact on 2003-04 estimate and minor reductions for the forward estimates). These reductions have been spread across all departmental outputs in accordance with the department's attribution model. The total 2003-04 departmental appropriation after AEs will be \$55.0 million.

Administered Variations

The Government is also providing the following administered variations:

- Additional administered appropriations of \$0.4 million together with administered capital of \$0.2 million to meet the increased support costs for former Governors-General due to the retirement of the previous Governor-General.
- An increase of \$0.1 million in the Allowance to former Governors-General special appropriation due to an increase in the rate of allowance for former Governors-General from 1 July 2003 and the increase in the number of former Governors-General.
- An increase of \$0.018 million for the NADC for Budget estimates enhanced quality and timeliness requirements (\$0.016m) and supplementation for the increases in 2003-04 Comcover insurance premium (\$0.002m).
- Transfer of the appropriation for support of the NCTC following the transfer of this function from the Attorney-General's portfolio to the Prime Minister and Cabinet portfolio (\$0.062m ongoing).
- Other variations to the administered appropriations include the rephasing of \$2.5 million (\$1.6m from 2003-04 and \$0.9m from 2004-05) of funding for women's programmes to engage the Australian Bureau of Statistics (ABS) to conduct a follow-up survey to the 1996 Women's Safety Survey. This rephasing will ensure that the government maintains its commitment to women's programmes.
- Adjustment of the forward estimates due to changes in indexation parameters (no impact on 2003-04 and minor impact on forward estimates).

The total 2003-04 administered appropriation after AEs will be \$27.9 million.

Revised performance information and level of achievement – 2003-04

The appropriations adjustments being provided through the AEs process are being allocated to existing outputs. The performance information for these outputs (as advised at Budget) remains appropriate for assessing the

effectiveness of the output changes brought about by the AEs process and is detailed below:

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.1: Performance information for outputs affected by additional estimates — Outcome 1

Performance information across output groups
<p>For all or most of the department’s output groups, performance is monitored on the basis of:</p> <p>QUALITY</p> <ul style="list-style-type: none"> • The degree of satisfaction of the Prime Minister, the other portfolio Minister, the Parliamentary Secretaries or their Offices and of the departmental executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of advice and the achievement of key tasks. • An assessment of outputs against annual divisional work plans and individual performance agreements. <p>TIMELINESS</p> <ul style="list-style-type: none"> • The department aims to meet specific deadlines as follows: <ul style="list-style-type: none"> – for correspondence on substantive issues from Heads of State, Premiers, Chief Ministers, etc a response is to be prepared within 10 working days; – for other correspondence a response is to be prepared or appropriate action is to be carried out within 20 working days; – the various timing requirements for Freedom of Information requests as specified in the Freedom of Information Act 1982; – the preparation of responses to Parliamentary Questions on Notice within 60 days for the House of Representatives and 30 days for the Senate; and – the preparation of briefings reasonably in advance of when they are required or within such other time periods as may be specified by the Prime Minister, the other portfolio Minister, the Parliamentary Secretaries or their Offices.

<p>QUANTITY</p> <ul style="list-style-type: none"> • On the basis of recent experience, in 2003-04 the department would expect to have to: <ul style="list-style-type: none"> – process in excess of 120,000 items of Ministerial correspondence; – provide over 4,700 briefings to the Prime Minister, other portfolio Minister and their Offices; – prepare draft answers to 145 Parliamentary Questions on Notice; and – respond to 35 Freedom of Information requests. <p>PRICE (APPROPRIATION)</p> <ul style="list-style-type: none"> • The price of the department’s revised outputs in 2003-04 is estimated to be \$58.0m

Performance Information for Individual Outputs	
In addition to the foregoing performance indicators and assessment that apply to all, or most, of the department’s output groups, the following indicators and assessments apply to the individual outputs indicated.	
Output	Performance Information
Output Group 1: Economic policy advice and coordination	
Output 1.1: Economic and Industry policy	
Advice and support to the Prime Minister and assistance in coordination of government policies on economic, industry, infrastructure and environment issues, including on presentation of the government’s decisions in these areas.	<i>Quality:</i> The degree of satisfaction of the Prime Minister, the Prime Minister’s Office and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of advice and the achievement of key tasks.
Manage and coordinate the work programme of the Council of Australian Governments.	Annual evaluation of Budget preparation and coordination process and ad hoc internal evaluation of major policy advising activities.

Output Group 2: Social policy advice and coordination	
Output 2.1: Social policy	
Policy development and advice to government on social policy issues, including health, community services, education, employment, immigration, indigenous policy, veterans' affairs, income support and families, including on presentation of the government's decisions in these areas.	<i>Quality:</i> The degree of satisfaction of the Prime Minister, the Prime Minister's Office and the departmental Executive as expressed through formal and informal feedback mechanisms, with the quality and timeliness of policy advice and the achievement of key tasks.
Output 2.2: Women's policy	
Research and advice to government and assistance in coordination, communication and consultation on a range of issues affecting women.	<i>Quality:</i> The degree of satisfaction of the Prime Minister, the Prime Minister's Office, the Minister Assisting the Prime Minister for the Status of Women, The Parliamentary Secretary to the Prime Minister and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of advice and the achievement of key tasks. Feedback from non-government organisations and other stakeholders concerning consultation and communication processes.

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Administered item	
Partnerships Against Domestic Violence	<i>Quality:</i> The extent to which feedback from stakeholders, researchers and the general public indicates that activities have assisted in raising community awareness and reducing incidence of domestic violence. The extent to which activities have developed innovative and effective responses from services and systems that address violence. The extent to which the initiative has progressed the development of a sound evidence base to inform policy development.
National Initiative to Combat Sexual Assault	<i>Quality:</i> The extent to which feedback from stakeholders indicates that activities are effective in raising community awareness of sexual assault. The extent to which the initiative has progressed the development of a sound evidence base to inform policy development.
Informed Choices for Women	<i>Quality:</i> The extent to which feedback from users and participants shows that input and access to government research data and information for, and about women, has improved.
National Leadership Initiative	<i>Quality:</i> The extent to which feedback from stakeholders indicates increased commitment to women’s participation in leadership positions.
Women’s Development Programme	<i>Quality:</i> The extent to which feedback from non-government organisations and other relevant stakeholders indicates satisfaction with OSW’s support for women’s organisations and its research and development projects.
Other Women’s Programmes	<i>Quality:</i> The degree of satisfaction of stakeholders, with the quality and usefulness of research and activities undertaken.

Output Group 3: International and security policy advice and coordination	
Output 3.1: International policy	
Advice, briefing and support to the Prime Minister on international issues including trade and aid policy, including on presentation of the government's decisions in these areas.	<i>Quality:</i> The degree of satisfaction of the Prime Minister, the Prime Minister's Office and the Secretary with the timeliness and quality of material for the Prime Minister's consideration, including in developing and pursuing Australia's key foreign and trade policy interests.
Output 3.2: National Security policy	
Advice, briefing and support to the Prime Minister on national security issues including defence policy, intelligence, counter-terrorism, border protection and certain law enforcement issues, including through co-ordination across Australian Government agencies and, as appropriate, with the States and Territories.	<i>Quality:</i> The degree of satisfaction of the Prime Minister, the Prime Minister's Office and the department's Executive with the timeliness and quality of advice and achievement of key tasks.

Output Group 4: Support Services for Government Operations	
Output 4.1: Cabinet Secretariat	
Coordination of Cabinet and Executive Council business.	<p><i>Quality:</i> Degree of satisfaction of the Prime Minister, the Secretary, the Secretary to Cabinet and of the Governor-General with the services provided by the Cabinet Secretariat and the Executive Council Secretariat.</p> <p><i>Timeliness:</i> Submissions or Memoranda are distributed as soon as practicable after clearance by Cabinet Secretariat.</p> <p>Cabinet Minutes are circulated within 24 hours of Cabinet meetings.</p> <p>Papers and schedules are delivered to Government House 2 working days prior to an Executive Council meeting.</p> <p><i>Quantity:</i> 70 meetings of the Cabinet and its Committees are expected to be organised and coordinated.</p> <p>30 meetings of the Executive Council are expected to be organised and coordinated.</p>
Provision of secretariat services to the National Security Committee of Cabinet (NSC) and the Secretaries' Committee on National Security (SCNS).	The degree of satisfaction of the Prime Minister, other NSC Ministers, the Secretary to Cabinet and the departmental Secretaries associated with SCNS with the support required for the smooth operation of the NSC and SCNS.
Output 4.2: Cabinet Implementation Unit	

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Monitoring of the implementation of strategic Cabinet decisions.	<i>Quality:</i> Degree of satisfaction of the Prime Minister, the Secretary, the Secretary to Cabinet and the departmental Executive, as expressed through formal and informal feedback mechanisms with the monitoring role provided by the Cabinet Implementation Unit.
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<p>Output 4.3: Machinery of Government</p>	
<p>Advice briefing and support on parliamentary, machinery of government, legal and cultural (including the National Australia Day Council) issues, including on presentation of the government's decisions in these areas.</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Parliamentary Secretary to the Prime Minister, the Parliamentary Business Committee, the Prime Minister's Office and departmental Executive as expressed through formal and informal feedback mechanisms, with the timelines and quality of material for the Prime Minister's and other Ministers' consideration.</p> <p>Maintenance of clear and up-to-date guidelines for annual reports, caretaker conventions, Guide for Official Witnesses Appearing before Parliamentary Committees and the Legislation Handbook.</p> <p>Timely introduction of amendments to portfolio legislation, as necessary.</p> <p>Extent to which legal actions involving the department is successful.</p> <p>The degree of satisfaction of the Parliamentary Business Committee with the timeliness and accuracy of the production and distribution of:</p> <ul style="list-style-type: none"> • the legislation programme; • public lists of proposed legislation; and • reports of unproclaimed legislation.

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<p>Policy, coordination and promotion of awards and national symbols.</p>	<p>The degree of satisfaction with support and promotion of the Australian honours system, including:</p> <ul style="list-style-type: none"> • the quality and timeliness of policy advice; accurate and timely processing of nominations for awards; • the accurate and timely preparation of congratulatory messages; and • effective coordination with Government House on promotional activities related to the national honours and awards system.
<p>Administered item National Australia Day Council</p>	<p><i>Quality:</i> Grant administered in compliance with the reporting mechanisms, objectives and other provisions of the grant funding deed with the National Australia Day Council so as to contribute to achieving the vision of the NADC (to inspire national pride and spirit to enrich the life of the nation).</p>

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<p>Output 4.4: Government Communications</p>	
<p>Coordination of government communications, including management of the Central Advertising System (CAS).</p>	<p><i>Quality:</i> The degree of satisfaction of the Chairman and members of the Ministerial Committee on Government Communications (MCGC) with the advice and secretariat support provided by the Government Communications Unit (GCU).</p> <p>The degree of satisfaction with the Central Advertising System among clients of the master placement agencies.</p> <p><i>Timeliness:</i> Maximise compliance with the requirement that agenda papers be provided by departments and agencies seven working days prior to an MCGC meeting.</p> <p><i>Quantity:</i> On the basis of recent experience, the GCU would expect to organise and coordinate 45 meetings of the MCGC covering 25 public information activities in 2003-04.</p>
<p>Provision of photographic and related services by AUSPIC (the government photographic service).</p>	<p><i>Quality:</i> The degree of customer satisfaction with AUSPIC services. Price: Achievement of a break-even financial position from trading activities by AUSPIC.</p>
<p>Output 4.5: Support to Official Establishments</p>	
<p>Management of the Prime Minister's official residences.</p>	<p><i>Quality:</i> The degree of satisfaction of the occupants and the departmental Executive with the management of the Prime Minister's official residences. This must be consistent with their status as part of the National Estate and in line with statutory heritage and planning obligations.</p>

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Secretariat support for the Official Establishment Trust.	<i>Quality:</i> The degree of satisfaction of the Official Establishments Trust members with the timeliness and quality of advice and secretariat support.
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Administered item	
Prime Minister’s official residences	<i>Quality:</i> The serviceability and standard of The Lodge and Kirribilli House, including practicality, level of amenity, style and presentation. This must be consistent with their status as part of the National Estate and in line with statutory heritage and planning obligations.
Output 4.6: Support for Ministerial Offices	
Provision of office services for the Prime Minister’s Office, the other Minister’s and the Parliamentary Secretaries offices in the Prime Minister’s portfolio.	<i>Quality:</i> The degree of satisfaction of the Prime Minister, the other portfolio Minister, Parliamentary Secretaries, their advisers and office managers with the office services provided.
Administered item	
Allowances and support to former Governors-General	<i>Quality:</i> Former Governors-General receive allowances and support in accordance with their entitlement.

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Output 4.7: Ceremonial and hospitality	
Provision of support services to the government relating to overseas visits by the Prime Minister, government hospitality for overseas dignitaries and official ceremonies.	<i>Quality:</i> The degree of satisfaction of the Prime Minister, the Prime Minister’s Office and the departmental Executive with management of the government’s ceremonial and hospitality services.

Administered item	
State occasions and official visits	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Prime Minister’s Office, the Governor-General’s Office and the departmental Executive, as expressed through formal and informal feedback mechanisms, with:</p> <ul style="list-style-type: none"> • visits to Australia by Heads of State and Government; • arrangements for the Prime Minister’s overseas visits; • state occasions; and • advice on relevant matters, including official gifts. <p>Assessment by the sponsoring minister, minister’s office or department together with Australian and foreign diplomatic representatives, as expressed through formal and informal feedback mechanisms, of:</p> <ul style="list-style-type: none"> • the benefits from the programme of official visits; and • the efficient organisation and presentation of ceremonial occasions and hospitality services. <p><i>Quantity:</i> On the basis of recent experience, the CERHOS branch would</p>

	expect to facilitate 8 head of state and head of government visits, 30 ministerial visits and 4 state funerals.
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SECTION 3: BUDGETED FINANCIAL STATEMENTS

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted Financial Statements

Budgeted departmental statement of financial performance

The department will use the additional departmental appropriations of \$3.8 million in 2003-04 and forward years to meet increased employee and supplier expenses to deliver the new measures and achieve the increased activity for which this funding is being provided. Additional funding has also been provided to the department as a result of the transfer of the \$0.328 million from the Attorney-General’s Department for the NCTC. Operating surpluses for the current and forward years, as advised at Budget, are therefore not expected to change.

Budgeted departmental statement of financial position

The department’s financial position is expected to remain unchanged as a result of AEs.

Budgeted departmental statement of cash flows

Cash inflows and outflows will increase following the AEs process. The increase in appropriations will result in higher cash inflows and the higher employee and supplier expenses will result in higher cash outflows. The closing cash position is expected to remain unchanged, as the higher inflows will be offset by the higher outflows.

Departmental capital budget statement

The department’s capital budget statement remains unchanged except for the inclusion of the amortisation, over one year, of the \$0.02 million capitalised component for the public website.

Departmental non-financial assets — summary of movement

There are no significant changes to the department’s non-financial assets from AEs. However, following the publication of the Portfolio Budget Statements \$7.475 million was transferred to the Official Public Account in line with the recommendations of the BEFR. These funds came from surplus departmental cash holdings the Campaign Account and the Services to Other Government and Non-Agency Bodies Account.

Schedule of administered activity

Schedule of budgeted revenues and expenses administered on behalf of government

\$2.5 million of funding from the women's programmes is being rephased from 2003-04 and 2004-05 to 2005-06 and 2006-07 and there will therefore be a corresponding reduction in administered revenue for both years. An increase of \$0.5 million is also being provided in 2003-04 principally to meet the increased allowances and support costs for the former Governors-General.

Schedule of budgeted assets and liabilities administered on behalf of government

The principal changes since Budget are the \$6 million increase in land and buildings following a revaluation of the Prime Minister's official residences by the Australian Valuation Office.

A revaluation was also undertaken of the allowances for the former Governors-General. This revaluation was undertaken by the Australian Government Actuary and resulted in an increase to the employee provisions of \$3 million. The department will now be undertaking an actuarial assessment of these allowances on an annual basis.

Also following the publication of the Portfolio Budget Statements \$5.3 million was transferred to the Official Public Account in line with the recommendations of the BEFR. These funds were identified as surplus funds from the Media Commissions Account.

Schedule of budgeted administered cash flows

There is expected to be a reduction in administered cash flows of \$1.1 million in

2003-04 due to the rephasing of funding from the women's programmes from 2003-04 exceeding the additional appropriation that is being provided in 2003-04 by this amount.

Schedule of administered capital budget

The only change in the administered capital budget is the additional \$0.2 million capital being provided through the AEs process for the office fitout for the additional former Governor-General. This capital funding will be fully expended in 2003-04.

Schedule of administered non-financial assets — summary of movement

There are no changes to administered non-financial assets as a result of the AEs process.

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

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
Revenues from ordinary activities					
Revenue from Government	44,526	54,994	53,111	51,773	51,331
Goods and Services	1,146	621	621	623	623
Interest	220	-	-	-	-
Revenue from sales of assets	5	60	60	60	60
Other	1,456	2,315	2,323	2,325	2,325
Revenues from ordinary activities	47,353	57,990	56,115	54,781	54,339
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	29,314	35,259	35,573	34,284	34,262
Suppliers	14,622	19,098	16,929	16,884	16,464
Grants	66				
Depreciation and amortisation	2,490	3,123	3,103	3,103	3,103
Value of assets sold	33	60	60	60	60
Other					
Expenses from ordinary activities (excluding borrowing costs expense)	46,525	57,540	55,665	54,331	53,889
Borrowing cost expense	95	-	-	-	-
Operating surplus or deficit from ordinary activities	733	450	450	450	450
Net surplus or deficit	733	450	450	450	450
Capital Use Charge	-	-	-	-	-
Net surplus or deficit attributable to Commonwealth	733	450	450	450	450

Part C: Agency Additional Estimates Statements – PM&C

Table 3.2: Budget departmental statement of financial position *as at 30 June*

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	1,887	800	139	890	1,544
Receivables	8,840	7,423	8,840	8,840	8,840
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	10,727	8,223	8,979	9,730	10,384
Non-financial assets					
Infrastructure, plant and equipment	7,641	10,596	10,536	10,476	10,416
Intangibles	920	920	920	920	920
Other	753	638	523	408	390
Total non-financial assets	9,314	12,154	11,979	11,804	11,726
Total assets	20,041	20,377	20,958	21,534	22,110
LIABILITIES					
Debt					
Leases	667	667	667	667	667
Total debt	667	667	667	667	667
Provisions and payables					
Employees	10,502	10,617	10,732	10,842	10,952
Suppliers	2,314	2,329	2,344	2,359	2,374
Other	330	66	67	68	69
Total provisions and payables	13,146	13,012	13,143	13,269	13,395
Total liabilities	13,813	13,679	13,810	13,936	14,062
EQUITY					
Parent equity interest					
Contributed equity		20			
Reserves	2,347	2,347	2,347	2,347	2,347
Retained surpluses or accumulated deficits	3,881	4,331	4,781	5,231	5,681
Total equity	6,228	6,698	7,128	7,578	8,028
Current liabilities	11,480	8,618	8,700	8,780	8,859
Non-current liabilities	8,561	5,061	5,110	5,156	5,203
Current assets	5,854	8,223	8,979	9,730	10,384
Non-current assets	7,959	12,154	11,979	11,804	11,726

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

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	44,526	54,994	53,111	51,773	51,331
Goods and Services	1,795	622	621	623	623
Interest	299	-	-	-	-
GST Input Tax Credits from ATO	1,895	1,696	1,694	1,694	1,694
GST Receipts from Customers	369	181	182	182	182
Other	1,243	1,310	1,310	1,310	1,310
Total cash received	50,127	58,803	56,918	55,582	55,140
Cash used					
Employees	29,009	31,734	33,094	31,954	32,012
Suppliers	14,813	21,393	18,150	17,959	17,556
GST Payments to ATO	332	105	105	105	105
GST Payments to Suppliers	1,879	1,772	1,770	1,770	1,770
Cash to the OPA	7,475	-	-	-	-
Other	128	-	-	-	-
Total cash used	53,636	55,004	53,119	51,788	51,443
Net cash from/(used by) operating activities	(3,509)	3,799	3,799	3,794	3,697
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	60	60	60	60
Total cash received	-	60	60	60	60
Cash used					
Purchase of property, plant and equipment	2,127	6,138	3,103	3,103	3,103
Total cash used	2,127	6,138	3,103	3,103	3,103
Net cash from/(used by) investing activities	(2,127)	(6,078)	(3,043)	(3,043)	(3,043)
FINANCIAL ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Capital use charge	1,420	-	-	-	-
Repayments of debt	365	-	-	-	-
Return of Contributed Equity	8,000	-	-	-	-
Total cash used	9,785	265	-	-	-
Net cash from/(used by) financing activities	(9,785)	(245)	-	-	-
Net increase in cash held	(15,421)	(2,524)	756	751	654
Cash at the beginning of the reporting period	17,308	9,784	7,260	8,016	8,767
Cash at the end of the reporting period	1,887	7,260	8,016	8,767	9,421

Table 3.4: Departmental capital budget statement

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections		20			
Total loans					
Total		20			
Represented by					
Purchase of non-financial assets		20			
Other					
Total		20			
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations		20			
Funded internally by departmental resources		6118	3103	3103	3103
Total		6138	3103	3103	3103

Part C: Agency Additional Estimates Statements – PM&C

Table 3.5: Departmental non-financial assets — summary of movement (Budget year 2003-04)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer Software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year				7,641		920		8,561
Additions				6,138				6,138
Disposals				(60)				(60)
Revaluation increments								-
Recoverable amount write-downs								-
Net transfers free of charge								-
Depreciation/amortisation expense				(3,123)				(3,123)
Write-off of assets								-
Carrying amount at the end of year				10,596		920		11,516
Total additions				2,955		-		2,955
Self funded				2,935				2,935
Appropriations				20				20
Total				2,955		-		2,955

Table 3.6: Schedule of budgeted revenues and expenses administered on behalf of government for the period ended 30 June

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
REVENUES					
Non-taxation					
Goods and services	3190				
Net foreign exchange gains					
Revenue from sales of assets		10	10	10	10
Other sources of non-taxation revenues	24	3610	3610	3610	3610
Total non-taxation	3214	3620	3620	3620	3620
Total revenues administered on behalf of the Government	3214	3620	3620	3620	3620
EXPENSES					
Employees	840				
Grants	3556	3704	2294	1694	1694
Personal benefits	4176	735	784	785	787
Suppliers	31624	26988	18573	13296	11447
Depreciation and amortisation	124	113	113	113	113
Value of assets sold		10	10	10	10
Other					
Total expenses administered on behalf of the Government	40320	31550	21774	15898	14051

Table 3.7: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	85	182	279	372	465
Receivables	322	318	314	314	314
Accrued revenue	656	656	656	656	656
Other					
Total financial assets	1,063	1,156	1,249	1,342	1,435
Non-financial assets					
Land and buildings	32,127	32,087	32,047	32,007	31,967
Infrastructure, plant and equipment	320	467	414	361	308
Inventory	231	231	231	231	231
Other non-financial assets	15	15	15	15	15
Total non-financial assets	32,693	32,800	32,707	32,614	32,521
Total assets administered on behalf of the Government	33,756	33,956	33,956	33,956	33,956
LIABILITIES					
Provisions and payables					
Employees	9,834	9,834	9,834	9,834	9,834
Suppliers	1,541	1,541	1,541	1,541	1,541
Total provisions and payables	11,375	11,375	11,375	11,375	11,375
Total liabilities administered on behalf of the Government	11,375	11,375	11,375	11,375	11,375
Current liabilities	4,983	4,983	4,983	4,983	4,983
Non-current liabilities	6,392	6,392	6,392	6,392	6,392
Current assets	1,063	1,156	1,249	1,342	1,435
Non-current assets	32,693	32,800	32,707	32,614	32,521

Table 3.8: Schedule of budgeted administered cash flows for the period ended 30 June

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and services	3,703				
GST input credit receipts	3,104	1,484	1,484	1,480	1,480
GST receipts from customers	372	360	360	360	360
Cash from Official Public Account	32,995	28,943	18,350	8,670	8,663
Other		3,610	3,610	3,610	3,610
Total cash received	40,174	34,397	23,804	14,120	14,113
Cash used					
GST payments (agency)	90				
GST payments (suppliers)	3,251	1,840	1,840	1,840	1,840
Employees	864				
Suppliers	31,864	27,131	18,642	13,348	11,504
Grant payments	3,575	3,720	2,310	1,711	1,711
Personal benefits	826	635	784	785	787
Cash to Official Public Account	6,152				
Other					
Total cash used	46,622	33,326	23,576	17,684	15,842
Net cash from operating activities	(6,448)	1,071	228	(3,564)	(1,729)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment		10	10	10	10
Total cash received		10	10	10	10
Cash used					
Purchase of property, plant and equipment	11	220	20	20	20
Total cash used	11	220			
Net cash from investing activities	(11)	(210)	10	10	10
FINANCING ACTIVITIES					
Cash used					
Cash to Official Public Account	2,600				
Other					
Total cash used	(2,600)	-	-	-	-
Net cash from financing activities	(2,600)	-	-	-	-
Net increase/decrease in cash held	(9,059)	861	238	(3,554)	(1,719)
Cash at beginning of reporting period	9,144	5,164	5,228	5,292	5,352
Cash at end of reporting period	85	6,025	5,466	1,738	3,633

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Table 3.9: Schedule of administered capital budget

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS					
Administered capital		200			
Special appropriations					
Total		200			
Represented by:					
Purchase of non-financial assets		220			
Other					
Total		220			
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations		200			
Funded internally by departmental resources		20			

Part C: Agency Additional Estimates Statements – PM&C

Table 3.10: Schedule of administered non-financial assets — summary of movement (Budget year 2003-04)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Carrying amount at start of year	28,000	4,127		321				32,448
Additions				229				229
Disposals				(10)				(10)
Revaluation increments								-
Recoverable amount write-downs								-
Net transfers free of charge								-
Depreciation/amortisation expense		(40)		(73)				(113)
Write-off of assets								-
Carrying amount at end of year	28,000	4,087	-	467	-	-	-	32,554
Total additions	-	(40)	-	146	-	-	-	106

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Revenue

Appropriation Revenue accounts for 95% of departmental revenue. Other revenue relates to the activities of the GCU Campaign Account and resources received free of charge.

Expenses

Employee expenses comprise 62% of departmental expenses for 2003-04.

Other expenses relate to the activities of the GCU Campaign Account.

Assets

Infrastructure, Plant and Equipment comprises office fit-out and office equipment (including IT equipment under finance lease).

Intangibles are computer software applications.

Other assets are prepayments.

Liabilities

Leases relate to the information technology infrastructure that is leased as part of the department's information technology contract arrangements.

Employee liabilities are provisions for recreation leave, long service leave and accrued salaries.

Suppliers are creditors (usually invoices on hand, but not yet due for payment).

Equity

Reserves are asset revaluation reserves resulting from the revaluation undertaken during 2002-03.

Administered

Revenue

Other revenue relates to the activities of the GCU Media Commissions Account.

Expenses

Grants relate to grants made from funding from the Women's programmes and grants made to the National Australia Day Council.

Personal benefits relate to the allowances for the former Governors-General. Suppliers includes Women's programmes, State occasions and official visits, the Prime Minister's official residences, support to former Governors-General and compensation and legal expenses.

Depreciation relates to the Prime Minister's official residences, plant and equipment and other.

Other expenses relate to the activities of the GCU Media Commissions Account.

Assets

Cash and receivables relate to the activities of the GCU Media Commissions Account.

Land and Buildings are the Prime Minister's official residences, the Lodge and Kirribilli House.

Infrastructure, Plant and Equipment comprises furniture and fittings within the Prime Minister's official residences and within the offices of the former Governors-General.

Other assets are prepayments and inventory (official gifts held in the gift store relating to the State occasions and official visits item).

Liabilities

Employee liabilities are provisions relating to staff at the Lodge and Kirribilli House and the entitlements for former Governors-General.

Suppliers are creditors (usually invoices on hand, but not yet due for payment).

Departmental Financial Statements and Schedules of Administered Items

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

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

administrative costs, which are incurred by the agency in providing its goods and services.

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

Appropriations in the Accrual Budgeting Framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the government's purchase of outputs from agencies.
- Departmental capital appropriations: for investments by the government for either additional equity or loans in agencies.
- Administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states.
- Administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

Special appropriations continue under the accrual appropriation framework, and fund the majority of payments from the Consolidated Revenue Fund.

Capital Use Charge

The application of the Capital Use Charge ceased in 2002-03.

Administered investments in controlled entities

Each Commonwealth department is required to show an administered investment in each Commonwealth Authority and Company Act entity within their portfolio. These administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

Asset valuation

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The department's assets were revalued at fair value during 2002-03.