

OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

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OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

Section 1: Overview, appropriations and budget measures summary

AGENCY OVERVIEW

The planned outcome for the Office of the Official Secretary to the Governor-General is that *the Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.*

The office of Governor-General was established by the Constitution of the Commonwealth of Australia. Under the Constitution, the executive power of the Commonwealth is exercisable by the Governor-General as Her Majesty The Queen's representative in Australia, and extends to the execution and maintenance of the Constitution and the laws of the Commonwealth.

Broadly, the Governor-General's duties fall into three categories: constitutional and statutory duties, ceremonial duties and representational duties.

The statutory office of the Official Secretary to the Governor-General was established in December 1984 by amendment to the *Governor-General Act 1974*. Before that date, the Governor-General's Office was administered as part of the Department of the Prime Minister and Cabinet. Under the Administrative Arrangements Order, the *Governor-General Act 1974* is administered by the Prime Minister.

The Office contributes to its planned outcome by providing two outputs:

Output 1.1 – Support of the Governor-General.

Output 1.2 – Administration of the Australian Honours and Awards system.

APPROPRIATIONS AND RESOURCING

The total appropriation for the Office of the Official Secretary to the Governor-General in the 2004–05 Budget is \$11.461 million. Table 1.1 shows the total appropriations for the Office for 2004–05 by government outcome, by Administered expenses, by price of the output appropriation and by Departmental equity injections.

Office of the Official Secretary to the Governor-General — appropriations 2004–05

Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('000)					Administered (\$'000)			Total appropriations (\$'000)
	Revenue from government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total administered appropriations		
	Bill No. 1	Special approps ⁽⁵⁾	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾		
	(A)	(B)	(C = A+B) (C1) ⁽¹⁾	(D)	(E = C+D) (E1) ⁽¹⁾	(F)	(G)	(H)	(I = F+G+H) (I1) ⁽¹⁾
Outcome 1 – The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment	9,214		9,214	96	9,310	1,157		365	1,522
Total	9,214		9,214 (K1) ⁽¹⁾	96	9,310	1,157		365	1,522 (K2) ⁽¹⁾
Departmental capital (equity injections and loans)									(K3) ⁽¹⁾
Administered assets and liabilities									(K4) ⁽¹⁾
Total appropriations									11,461

1. Cells C1, E1 and I1 refer to information provided in Table 2.1, and amounts K1 to Table 3.1, K2 to Table 3.6 and K3 to Table 3.4.
2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
4. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources. Non-appropriated departmental and administered revenues are detailed in Table 1.3.
5. Estimated expenses from individual Special Appropriations are shown in Table 1.4.

MEASURES — DEPARTMENT SUMMARY

Table 1.2: Summary of measures disclosed in the 2004–05 Budget

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2005–06 (\$'000)			Appropriations forward estimate 2006–07 (\$'000)			Appropriations forward estimate 2007–08 (\$'000)		
			2004–05 (\$'000)			Admin expense	Dept outputs	Total	Admin expense	Dept outputs	Total	Admin expense	Dept outputs	Total
			Admin expense	Dept outputs	Total									
Budget measure Australian Honours and Awards System – Technology Development	1	1.2	-	253	253	-	305	305	-	329	329	-	355	355
Capital measure Australian Honours and Awards System – Technology Development	1	1.2	-	-	-	-	-	-	-	-	-	-	-	-

1. The Australian Honours system will be developed at a capital cost of \$0.6 million in 2004–05. This system will be funded from within the Office's cash reserves.
2. The cross-portfolio measure, Budget estimates – enforced quality and timeliness was appropriated through the 2003–04 Additional Estimates and is therefore not included in this table.

RECEIPTS FROM INDEPENDENT SOURCES

Table 1.3: Receipts from independent sources

	Estimated revenue 2003–04 \$'000	Estimated revenue 2004–05 \$'000
Sale of goods and services	21	21
Proceeds from sales of property, plant and equipment	50	50
Total estimated revenue	71	71

MOVEMENT OF ADMINISTERED FUNDS FROM 2003–04 TO 2004–05

The Office has no movement of Administered funds.

SPECIAL APPROPRIATIONS

Table 1.4: Estimates of expenses from special appropriations

	Outcome affected	Estimated expenses 2003–04 \$'000	Estimated expenses 2004–05 \$'000
Governor-General's salary <i>Governor-General Act 1974</i>		326	365
Total estimated expense		326	365

SPECIAL ACCOUNTS

Table 1.5: Estimates of special account flows and balances

	Estimate, 2004–05 – Bold figures				
	Estimated actual, 2003–04 – Light figures				
	Opening balance	Receipts	Payments	Adjustments ⁽²⁾	Closing balance
	2004–05 ⁽¹⁾	2004–05	2004–05	2004–05	2004–05
	2003–04 ^(1a)	2003–04	2003–04	2003–04	2003–04
	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys Account – s.20 FMA Act (D)	0 0	0 0	0 0	0 0	0 0
Services for Other Governments and Other Non-Agency Bodies Account – s.20 FMA Act (D)	0 0	0 0	0 0	0 0	0 0
Total Special Accounts	0 0	0 0	0 0	0 0	0 0

D = Departmental A = Administered

Acts Glossary:

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

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Office will receive an equity injection of \$0.725 million in 2004–05 (see Table 1.1 and Table 3.4) which is to be spent on restoration work, refurbishment and capital improvements to the official properties as outlined in the Office’s strategic works plan. The capital works expenditure for the year is estimated at \$2.076 million, which will be funded from this equity injection and capital works funding carried forward from prior years.

Section 2: Outcomes and outputs information

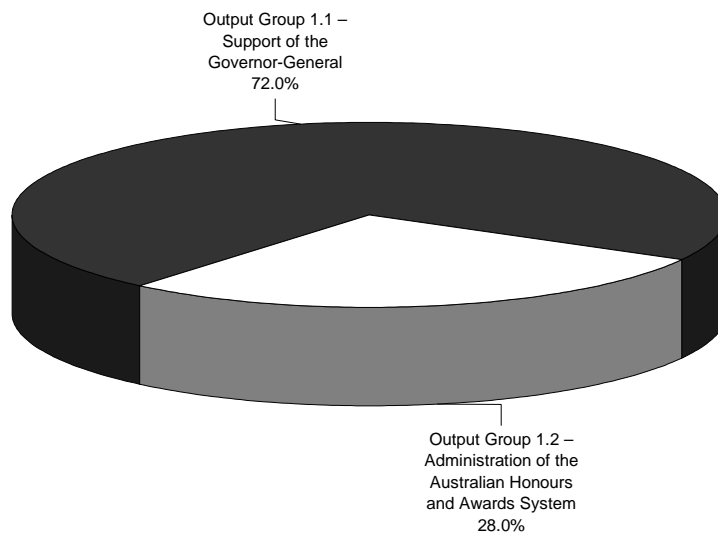
OUTCOMES AND OUTPUT GROUPS

The Office of the Official Secretary to the Governor-General works to achieve one outcome specified by government. Chart 1 shows a breakdown of the Departmental appropriation across the Office's two outputs. Map 1 shows the relationship between the outcome, output group and contributing outputs for the Office. Financial details for the outcome by output group and contributing outputs appear in Table 2.1 (Total resources for Outcome 1), while non-financial information for the outcome appears in Table 2.2 (Performance information for Outcome 1).

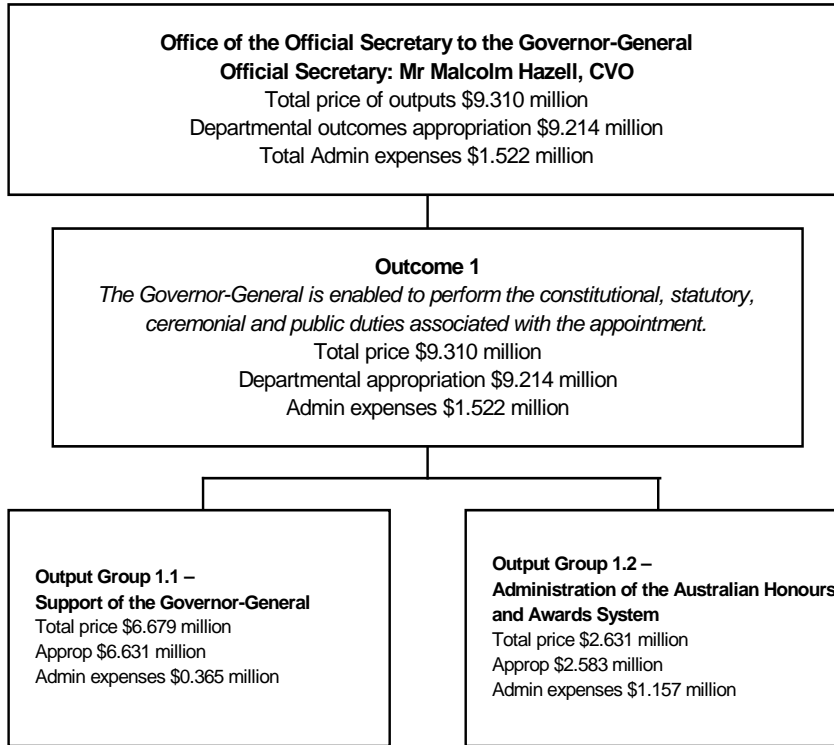
Output cost attribution

The allocation of overheads between the Office's two outputs is based on estimated resources consumed by each output. Factors considered include staffing levels, area of floor space occupied and information technology requirements.

Chart 1: Departmental appropriations by output group, 2004–05 (%)



Map 1: Outcomes and output groups



CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the Office’s outcomes and outputs structure since the 2003–04 Portfolio Budget Statements.

TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 2: Trends in Departmental revenue (\$'000)

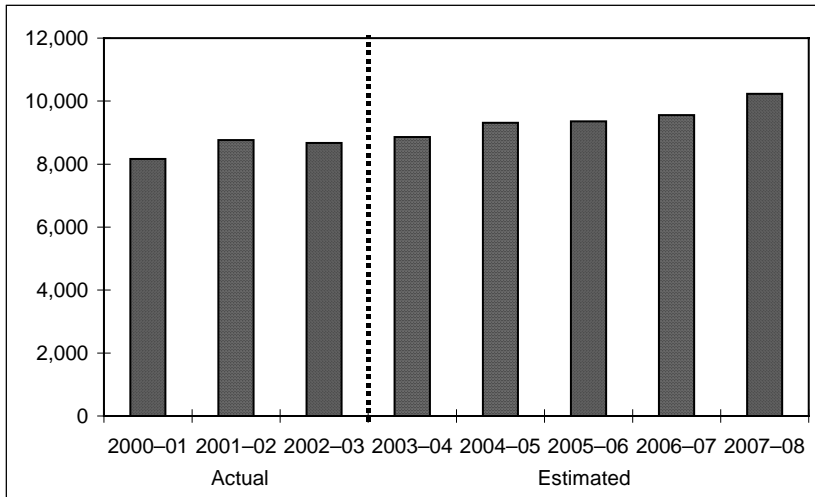


Chart 3: Trends in Departmental expenses (\$'000)

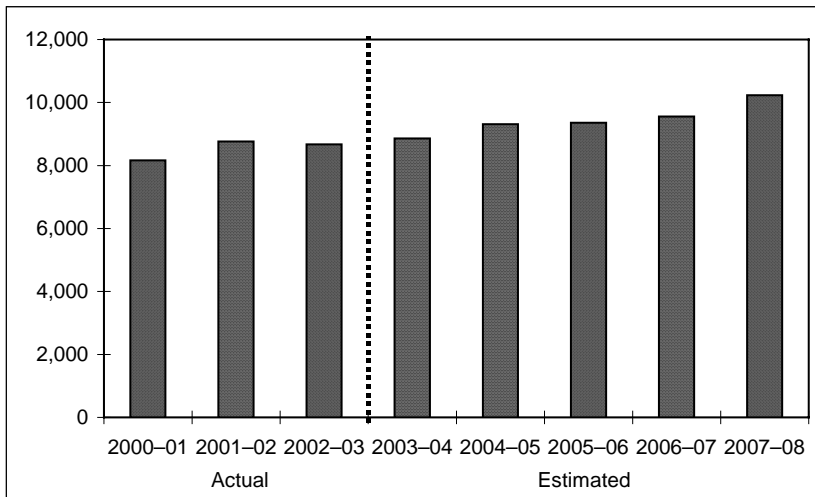
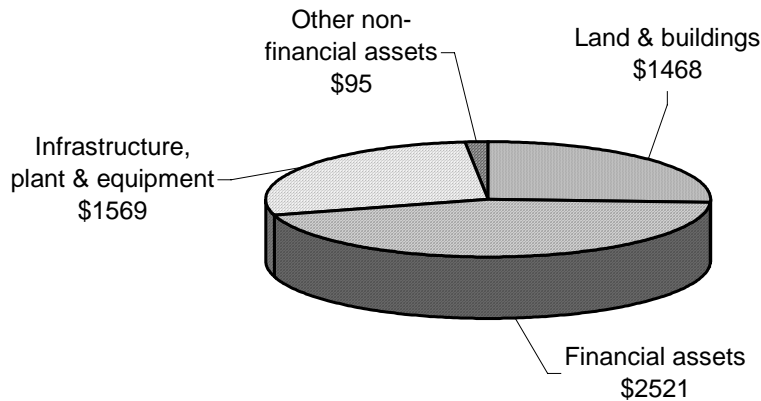


Chart 4: Budgeted assets 2004–05 (\$'000)



OUTCOME 1 — DESCRIPTION

The planned outcome of the Office of the Official Secretary to the Governor-General is that *the Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.*

Measures affecting Outcome 1¹

Australian Honours and Awards System – information technology development

The government will provide \$1.3 million over four years for the operation and maintenance of a new information system, which will assist in the processing of honours and awards to meet the community expectation for timely processing of awards nominations.

The capital funding of \$0.6 million will be used to redevelop the Australian Honours information technology system. The Office of the Official Secretary to the Governor General will meet this cost from internal cash reserves.

¹ This relates to measures disclosed in the 2004–05 budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO)).

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2004–05 Budget appropriations translate to total resourcing for Outcome 1, including Administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references C1, E1 And I1 show the links back to Table 1.1 (Appropriations and other revenue).

Table 2.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000	
Administered appropriations			
Governor-General's salary	326	365	
Depreciation	373	374	
Australian Honours and Awards	786	783	
Total administered appropriations	1,485	1,522	(K1) ⁽¹⁾
Departmental appropriations			
Output Group 1			
Output 1.1 – Support of the Governor-General	6,469	6,631	
Output 1.2 – Administration of Australian Honours and Awards System	2,291	2,583	
Subtotal Output Group 1	8,760	9,214	
Total revenue from government (appropriations)	8,760	9,214	(C1) ⁽¹⁾
Contributing to price of departmental outputs	99%	99%	
Revenue from other sources			
Sale of Goods and services	21	21	
Proceeds on sale of assets	50	50	
Resources received free of charge	25	25	
Total revenue from other sources	96	96	
Total price from departmental outputs (Total revenue from government and from other sources)	8,856	9,310	(E1) ⁽¹⁾
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	10,341	10,832	
	2003–04	2004–05	
Average staffing level (number)	79	80	

1. These cells link to I1, C1 and E1 in Table 1.1 Appropriations and other revenue.

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The outputs of the Office of the Official Secretary to the Governor-General contribute to the achievement of the government's outcome: *The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.*

Output 1.1 resources are directed to:

- assisting Their Excellencies with their representational activities, including through management of the forward programme of events and activities, liaising with representatives of governments, governmental authorities, Buckingham Palace, vice-regal offices, community groups and individuals, and preparing drafts of messages, speeches and correspondence; the Output also provides advice on policy, precedent and practice
- managing the households at Government House in Canberra and Admiralty House in Sydney to a high standard through providing hospitality services for official functions, ongoing support for Their Excellencies while in residence, maintenance of the household assets and equipment, and driver services to the Governor-General
- managing and providing the caretaking, building maintenance and gardening functions at each of the official residences.

Output 1.2 resources are directed to:

- conducting comprehensive and independent research and analysis of nominations for awards
- providing high-level secretariat support to honours advisory councils
- interpreting and applying gazetted regulations for defence, meritorious and long service awards to ensure that applicants meet eligibility criteria
- making cost-effective resource decisions for acquisition of timely and high-quality insignia, warrants and honours publications
- maintaining registers of all awards.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2: Performance information for Outcome 1

Effectiveness — overall achievement of Outcome 1	
The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.	
Performance information by output component	
Output and measurement	Performance information
Output group 1.1: Support of the Governor-General	
Quality	The Governor-General is satisfied as to the level of support provided and standard of household operations management. Properties are maintained to high professional standards.
Quantity	Support of the Governor-General's programme of internal and external commitments. Management of household operations at Government House and Admiralty House Management of Government House and Admiralty House heritage properties with 20 buildings and 55 hectares of grounds.
Price	\$6.679 million
Output group 1.2: Administration of the Australian Honours and Awards system	
Quality	Satisfaction of the Awards and Bravery councils with secretariat support. Awards administration reflects gazetted regulations.
Quantity	4 Council meetings held. 1,800 nominations researched for OA/Bravery councils. 6,000 long service and occupation-based awards processed.
Price	\$2.631 million
Administered item: Acquisition of Australian Honours medals, insignia, warrants and investiture items	
Quality	Medals/insignia meet design specifications.
Quantity	An estimated 20,000 sets of medals/insignia to be purchased.
Price	\$1.522 million

EVALUATIONS

No major evaluations are planned for the Office in the 2004–05 financial year.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Statement of Financial Performance

The Office of the Official Secretary to the Governor-General is budgeting for a balanced budget in 2004–05 before the transfer of capital expenditure on completed works to the Administered accounts.

Total revenue and expenses are estimated at \$9.310 million in 2004–05. This is an increase of \$0.454 million on the 2003–04 appropriation. The increase is primarily the result of additional appropriations for the upgrade of technology supporting the Australian Honours and Awards System and full year funding to improve the policy and operational environment in support of the Governor-General (part year funding was provided in 2003–04).

Statement of Financial Position

Movement in the Office's net asset position is principally the result of the capital works programme, the transfer of completed projects to the Administered accounts and the movement in receivables as funds are drawn down to meet requirements.

The Office's primary liability is accrued employee entitlements.

Administered

Budgeted Revenue and Expenses

The Office will receive appropriation revenue of \$ 1.522 million in 2003–04. This is an increase of \$0.037 million on the 2003–04 appropriation. The increase in funding is to meet the full year cost of the Governor-General's salary.

Budgeted Assets and Liabilities

Total assets are expected to continue to increase reflecting non-financial asset revaluations and the transfer of completed capital projects from Departmental accounts.

DEPARTMENTAL FINANCIAL STATEMENTS

Budgeted Departmental Statement of Financial Performance

This statement provides a picture of the expected financial results for the Office by identifying full accrual expenses and revenues.

Budgeted Departmental Statement of Financial Position

This statement shows the Office's financial position and tracks the management of the Office's assets and liabilities.

Budgeted Departmental Statement of Cash Flows

Cash flow statements provide information on the movement of cash to and from the Office, categorised as operating, investing and financing activities.

Departmental Capital Budget Statement

This statement shows all planned capital expenditure funded from internal resources and equity injections.

Departmental Non-financial Assets — Summary of Movement

This statement shows budgeted acquisitions, disposals and depreciation of non-financial assets during 2004–05.

SCHEDULE OF ADMINISTERED ACTIVITY

Schedule of Budgeted Revenues and Expenses Administered on behalf of government

This table identifies the main revenue and expenses administered on behalf of the government.

Schedule of Budgeted Assets and Liabilities Administered on behalf of government

This schedule summarises the assets and liabilities administered on behalf of the government.

Schedule of Budgeted Administered Cash Flows

Cash flow statements provide information on the movement of cash to and from the Office, categorised as operating, investing and financing activities.

Schedule of Administered Non-financial Assets — Summary of Movement

This statement discloses the movement of administered non-financial assets during 2004–05.

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

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	8,760	9,214 (K1)(1)	9,266	9,458	10,133
Goods and services	21	21	21	22	22
Revenue from sales of assets	50	50	50	50	50
Other	25	25	25	25	25
Revenues from ordinary activities	8,856	9,310	9,362	9,555	10,230
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	4,723	4,890	5,107	5,144	5,197
Suppliers	3,851	4,106	3,772	3,905	4,500
Depreciation and amortisation	232	264	433	456	483
Value of assets sold	50	50	50	50	50
Expenses from ordinary activities (excluding borrowing costs expense)	8,856	9,310	9,362	9,555	10,230
Operating surplus or (deficit) from ordinary activities					
	-	-	-	-	-
Transfer of assets to Administered	(318)	(934)	(2,818)	(892)	(708)
Net surplus or (deficit)	(318)	(934)	(2,818)	(892)	(708)

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

Receivables	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
ASSETS					
Financial assets					
Cash	300	300	300	300	300
Receivables	4,311	2,221	1,551	1,601	1,698
Total financial assets	4,611	2,521	1,851	1,901	1,998
Non-financial assets					
Infrastructure, plant and equipment	1,197	2,438	1,293	1,347	962
Inventories	65	67	67	68	69
Intangibles	51	600	400	200	600
Other non-financial assets	28	28	28	28	28
Total non-financial assets	1,341	3,133	1,788	1,643	1,659
Total assets	5,952	5,654	3,639	3,544	3,657
LIABILITIES					
Provisions					
Employees	1,565	1,469	1,540	1,598	1,658
Total provisions	1,565	1,469	1,540	1,598	1,658
Payables					
Suppliers	310	317	322	330	337
Total payables	310	317	322	330	337
Total liabilities	1,875	1,786	1,862	1,928	1,995
EQUITY*					
Parent entity interest					
Contributed equity	3,345	4,070	4,797	5,528	6,283
Reserves	59	59	59	59	59
Retained surpluses or accumulated deficits	673	(261)	(3,079)	(3,971)	(4,680)
Total parent entity interest	4,077	3,868	1,777	1,616	1,662
Total equity	4,077	3,868	1,777	1,616	1,662
Total assets and liabilities by maturity:					
Current assets	4,704	2,616	1,946	1,997	2,095
Non-current assets	1,248	3,038	1,693	1,547	1,562
Current liabilities	978	867	906	934	961
Non-Current liabilities	897	919	956	994	1,034

*Note: 'Equity' is the residual interest in assets after deduction of liabilities.

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

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	21	21	21	22	22
Appropriations	8,049	11,303	9,936	9,408	10,037
Total cash received	8,070	11,324	9,957	9,430	10,059
Cash used					
Employees	4,669	4,986	5,036	5,086	5,136
Suppliers	3,821	4,075	3,741	3,874	4,470
Total cash used	8,490	9,061	8,777	8,960	9,606
Net cash from or (used by) operating activities	(420)	2,263	1,180	470	453
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	50	50	50	50	50
Total cash received	50	50	50	50	50
Cash used					
Purchase of property, plant and equipment	712	3,038	1,956	1,252	1,258
Total cash used	712	3,038	1,956	1,252	1,258
Net cash from or (used by) investing activities	(662)	(2,988)	(1,906)	(1,202)	(1,208)
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	808	725	726	732	755
Other					
Total cash received	808	725	726	732	755
Cash used					
Other					
Total cash used	0	0	0	0	0
Net cash from/(used by) financing activities	808	725	726	732	755
Net increase or (decrease) in cash held	(274)	-	-	-	-
Cash at the beginning of the reporting period	574	300	300	300	300
Cash at the end of the reporting period	300	300	300	300	300

Table 3.4: Departmental capital budget statement

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	808	725 (K3)	726	732	755
Total capital appropriations					
Represented by:					
Purchase of non-financial assets	716	725	726	732	755
Other	92				
Total represented By	808	725	726	732	755
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	716	725	726	732	755
Funded internally by departmental resources	324	962	269	304	323
Total	1,040	1,687	995	1,036	1,078

1 This line links to (K3) in Table 1.1

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

	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	-	326	-	871	-	51	-	1248
Additions	-	2,076	-	362	-	600	-	3038
Disposals	-	-	-	(50)	-	-	-	(50)
Depreciation/amortisation expense	-	-	-	(213)	-	(51)	-	(264)
Other movements ⁽¹⁾	-	(934)	-	-	-	-	-	(934)
Carrying amount at the end of year	-	1,468	-	970	-	600	-	3,038
Total additions	-	2,076	-	362	-	600	-	3,038
Represented by:								
Self-funded	-	1,351	-	362	-	600	-	2,313
Appropriations	-	725	-	-	-	-	-	725
Total represented by:	-	2,076	-	362	-	600	-	3,038

1. Transfer of assets to Administered.

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

	Estimated actual 2003–04 \$'000	Budget estimates 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
REVENUES					
Non-taxation (revenues from government)					
Revenues from Government	1,485	1,522 (K2) ⁽¹⁾	1,541	1,552	1,567
Other sources of non-taxation	13	13	13	13	13
Total non-taxation	1,498	1,535	1,554	1,565	1,580
Total revenues administered on behalf of government	1,498	1,535	1,554	1,565	1,580
EXPENSES					
Personal benefits	326	365	365	365	365
Suppliers	786	783	792	799	814
Depreciation and amortisation	373	374	384	388	388
Other	13	13	13	13	13
Total expenses administered on behalf of government	1,498	1,535	1,554	1,565	1,580
Transfer of assets from departmental	318	934	2,818	892	708

1. This cell links to K2 in Table 1.1 Appropriations and other revenue.

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

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
ASSETS					
Financial assets					
Receivables	384	758	1,142	1,530	1,918
Total financial assets	384	758	1,142	1,530	1,918
Non-financial assets					
Land and buildings	60,861	61,461	63,935	64,479	64,840
Infrastructure, plant and equipment	1,290	1,250	1,210	1,170	1,130
Heritage and cultural assets	5,788	5,788	5,788	5,788	5,788
Total non-financial assets	67,939	68,499	70,933	71,437	71,758
Total assets administered on behalf of government	68,323	69,257	72,075	72,967	73,676
LIABILITIES					
Payables					
Suppliers	3	3	3	3	3
Total payables	3	3	3	3	3
Total liabilities administered on behalf of government	3	3	3	3	3

Part C: Agency Budget Statements — OOSGG

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

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000	Forward estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000
OPERATING ACTIVITIES					
Cash received					
Cash from Official Public Account –					
Appropriations	1,112	1,148	1,157	1,164	1,179
Other	13	13	13	13	13
Total cash received	1,125	1,161	1,170	1,177	1,192
Cash used					
Personal benefits	326	365	365	365	365
Suppliers	786	783	792	799	814
Cash to Official Public Account from –					
Other	13	13	13	13	13
Total cash used	1,125	1,161	1,170	1,177	1,192
Net cash from/(used by) operating activities	-	-	-	-	-

Table 3.9: Schedule of administered non-financial assets — summary of movement (Budget year 2004–05)

	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 start of year	52,420	8,441	-	1,290	5,788	-	-	67,939
Additions	-	934	-	-	-	-	-	934
Disposals	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(334)	-	(40)	-	-	-	(374)
Carrying amount at end of year	52,420	9,041	-	1,250	5,788	-	-	68,499
Total additions	-	934	-	-	-	-	-	934

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Schedule of Administered Activity

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

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

Appropriations in the accrual budgeting framework

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

- Departmental price of outputs appropriations: representing the government's funding for 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 fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to state governments).

Administered investments in controlled entities

Each Australian Government Department is required to show an Administered investment in each *Commonwealth Authorities and Companies (CAC) Act 1997* 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, Australian Government agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

Numbered notes to the Financial Statements

Note 1. The Australian National Audit Office (ANAO) is responsible for auditing annual financial statements of the Office of the Official Secretary to the Governor-General. This service is provided free of charge.

Note 2. Under this Office's accounting policy (agreed with the ANAO) the buildings, property, household furniture and fine arts of the Governor-General's official establishments and his primary official vehicle are classed as Administered assets. Capital improvements to the official establishments are presently purchased from Departmental appropriations and are recorded in the operating statements as a Departmental expense. The approved accounting treatment that enables capitalisation of these assets as administered in the financial statements requires recognition of an expense in the Departmental Statement of Financial Performance and a revenue in the Schedule of Budgeted Administered Revenue and Expenses.

Note 3. As advised under the Administered Capital and Departmental Equity Injections and Loans heading in Section 1 of the Office's budget statement, a Departmental equity injection is included in the Office's budget base for implementation of the Office's strategic works plan covering both Admiralty House and Government House.

Note 4. The funding for capital works allocated this year is estimated to be fully spent. The balance of funds required to meet capital works expenditure in 2004–05 have been carried forward from previous years. Where funds are not required in the year of appropriation the funds are carried forward to meet the future strategic works requirements for Government House and Admiralty House.

Note 5. This refers to the planned capital improvements to the official establishments for 2004–05 being funded from Departmental equity injections for capital works (see Note 4). In keeping with the Office's current accounting policy (see Note 2), these capital improvements are funded from a Departmental capital injection and are then transferred to the Administered accounts for capitalisation.

Section 4: Purchaser–provider and cost recovery arrangements

The Office of the Official Secretary to the Governor-General has no purchaser–provider or cost recovery relationships in place with other agencies.