

# DEPARTMENT OF THE PRIME MINISTER AND CABINET

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## DEPARTMENT OF THE PRIME MINISTER AND CABINET

### Section 1: Overview, appropriations and budget measures summary

#### DEPARTMENT OVERVIEW

The planned outcome for the Department of the Prime Minister and Cabinet is *sound and well-coordinated government policies, programmes and decision-making processes*.

The department contributes to the achievement of this outcome through four output groups:

- Group 1 outputs include policy advice on economic, industry, infrastructure and environment issues; and effective servicing of the Council of Australian Governments (COAG).
- Group 2 outputs include policy advice on social and women's issues, as well as administering on behalf of the government, a number of women's programmes.
- Group 3 outputs include policy advice on international, defence, intelligence and security issues.
- Group 4 outputs include provision of a range of support services for government operations including coordination of Cabinet and Executive Council business; monitoring the implementation of Cabinet decisions; policy advice on parliamentary, machinery of government and legal and cultural issues; policy advice on coordination and promotion of national awards and symbols; coordination of government communications and advertising; administration of the Prime Minister's official residences; support services to ministerial offices within the portfolio; and administration of the visits and hospitality programme.

The department comprises an executive and nine divisions, all of which are supported by corporate service units that purchase a range of goods and services from private sector providers. The costs of corporate services are apportioned as a component of each of the four output groups' price of outputs. The methodology for apportionment is explained under 'Output cost attribution' on page 26.

## **APPROPRIATIONS AND RESOURCING**

The total of Departmental and Administered appropriations for the department in the 2004–05 Budget is \$77.4 million.

Table 1.1 shows the total appropriations for the department. The department receives price of outputs, annual administered and special administered appropriations.

The department's price of outputs is \$57.6 million, of which 95% (\$54.6 million) is contributed from Appropriation Bill No.1. The balance of \$3.0 million is obtained from revenue from other sources (see Table 1.3 for breakdown).

The second part of Table 2.1 on page 32 shows a breakdown of the departmental appropriation to output level.

Administered expenses are \$19.8 million.

Table 2.1 on page 32 shows a breakdown of the administered appropriation to each administered item. In addition, Appendix 1 on page 64 provides a detailed breakdown of anticipated expenditure for the women's programmes administered item.

**Department of the Prime Minister and Cabinet — 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 <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)	Special appropriations <sup>(5)</sup>	Total administered appropriations	Total appropriations		
	Bill No. 1	Special approps <sup>(5)</sup>	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup>			
	(A)	(B)	(C = A+B) (C1) <sup>(1)</sup>	(D)	(E = C+D) (E1) <sup>(1)</sup>	(F)	(G)	(H)	(I = F+G+H) (I1) <sup>(1)</sup>	(J=C+I)
<b>Outcome 1 – Sound and well coordinated government policies, programmes and decision making processes</b>	54,614	-	54,614 (94.78%)	1,931 (5.22%)	56,545	18,989	-	784	19,773	76,318
<b>Total</b>			<b>54,614 (K1)<sup>(1)</sup></b>	<b>1,931</b>	<b>56,545</b>	<b>18,989</b>	<b>-</b>	<b>784</b>	<b>19,733 (K2)<sup>(1)</sup></b>	<b>76,318</b>
Departmental capital (equity injections and loans)									(K3) <sup>(1)</sup>	-
Administered capital									(K4) <sup>(1)</sup>	-
Total appropriations										76,318

1. Cells C1, E1 and I1 refer to information provided in the Total Resources for Outcome table (Table 2.1); amounts K1 to Budgeted Statement of Financial Performance (Table 3.1) and K2 to Schedule of Budgeted Revenues and Expenses Administered on Behalf of Government (Table 3.6); and amounts K3 to the Departmental Capital Budget Statement (Table 3.4) and K4 to the Schedule of Administered Capital Budget (Table 3.9).
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 sales of goods and services (AUSPIC) and special accounts, but not resources received free of charge or sale of assets (see Table 1.3 for complete list of revenue from other sources).
5. Percentage figures indicate the percentage contribution of Revenue from government (Departmental appropriations) to the Total Price of Outputs, by outcome.

## 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									
Long-term departmental accommodation	1	All	-	500	500	-	500	500	-	-	-	-	-	-
Research support for counter-terrorism	1	3		1,000	1,000		2,000	2,000		2,100	2,100		2,100	2,100
National campaign for the elimination of violence against women	1	2	1,600	-	1,600	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>1,600</b>	<b>1,500</b>	<b>3,100</b>	<b>-</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>2,100</b>	<b>2,100</b>	<b>-</b>	<b>2,100</b>	<b>2,100</b>

1. 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
Resources received free of charge	1,005	1,013
Sales of good and services	621	621
Sale of assets	60	60
Other	1,310	1,310
<b>Total estimated revenue</b>	<b>2,996</b>	<b>3,004</b>

Notes:

1. Sales of goods and services is mainly from AUSPIC photographic services.
2. Other revenue is mainly made up of contributions from other agencies to task forces, and the Campaign Account and the Services for Other Governments and Non-Agency Bodies Account special accounts.

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

There is no further movement of Administered funds since the 2003–04 Additional Estimates.

## SPECIAL APPROPRIATIONS

**Table 1.4: Estimates of expenses from special appropriations**

	Outcome affected	Estimated expenses 2003–04 \$'000	Estimated expenses 2004–05 \$'000
Provision of superannuation surcharge for former Governors-General – s4(7) GG Act 1974 (A)	1	0	0
Allowance to former Governors-General – s5 GG Act 1974 (A)	1	735	784
Remuneration and allowances of members and other expenses – s10 PCI Act 1986 (A)	1	0	0
Repayments required or permitted by law (where no other appropriation for repayment exists) – s28(2) FMA Act 1997 (D)	1	0	0
<b>Total estimated expense</b>		<b>735</b>	<b>784</b>

D = Departmental A = Administered

Acts Glossary:

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

PCI Act 1986 = *Parliamentary Commission of Inquiry (Repeal) Act 1986*

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

1. The total estimated expense figure in this table is cross-referenced to the figure in column H in Table 1.1.

The department has a number of special appropriations, with only the Allowances for former Governors-General special appropriation expected to be operative in 2004–05.

The special account for the remuneration and allowances of members of the Parliamentary Commission of Inquiry and for other expenses has not been operative for some years and its ongoing requirement will be reviewed.

## 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 (3)	Closing balance
	<b>2004–05<sup>(1)</sup></b>	<b>2004–05</b>	<b>2004–05</b>	<b>2004–05</b>	<b>2004–05</b>
	2003–04	2003–04	2003–04	2003–04	2003–04
	\$'000	\$'000	\$'000	\$'000	\$'000
Media Commissions Account	<b>7,594</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>	<b>7,594</b>
– s20 FMA Act (A)	7,994	3,600	4,000	0	7,594
Campaign Account – s20 FMA Act (D)	<b>2,841</b>	<b>1,200</b>	<b>794</b>	<b>0</b>	<b>3,247</b>
	2,466	1,275	900	0	2,841
Services for other Government and Non-Agency Bodies Account	<b>1,194</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>1,194</b>
– s20 FMA Act (D)	1,200	44	50	0	1,194
Other Trust Monies Account	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
– s20 FMA Act (D)	0	0	0	0	0
<b>Total Special Accounts</b>	<b>11,629</b>	<b>4,900</b>	<b>4,494</b>	<b>0</b>	<b>12,035</b>
	11,660	4,919	4,950	0	11,629

D = Departmental; A = Administered  
FMA Act = *Financial Management and Accountability Act 1997*

1. The opening balance for 2004–05 is the same as the closing balance for 2003–04.
2. Receipts from appropriations and other sources are further specified in Table 2.1 Total resources for outcome.
3. There are no adjustments.
4. The department has no investment powers under s. 39 of the FMA Act.

## ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The department is not receiving any Administered capital or equity injections through the Budget.

## Section 2: Outcomes and outputs information

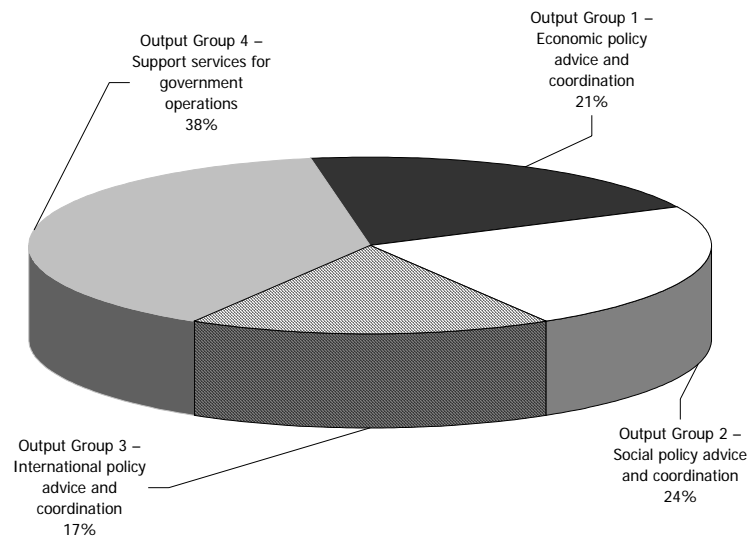
### OUTCOMES AND OUTPUT GROUPS

Map 1 on the following page shows the relationship between the department's outcome and its contributing outputs. Financial details for this outcome, by outputs and output groups, appear in Table 2.1 (Total Resources for Outcome 1) on pages 32 and 33, while non-financial information appears in Table 2.2 (Performance Information for Outcome 1), commencing on page 35.

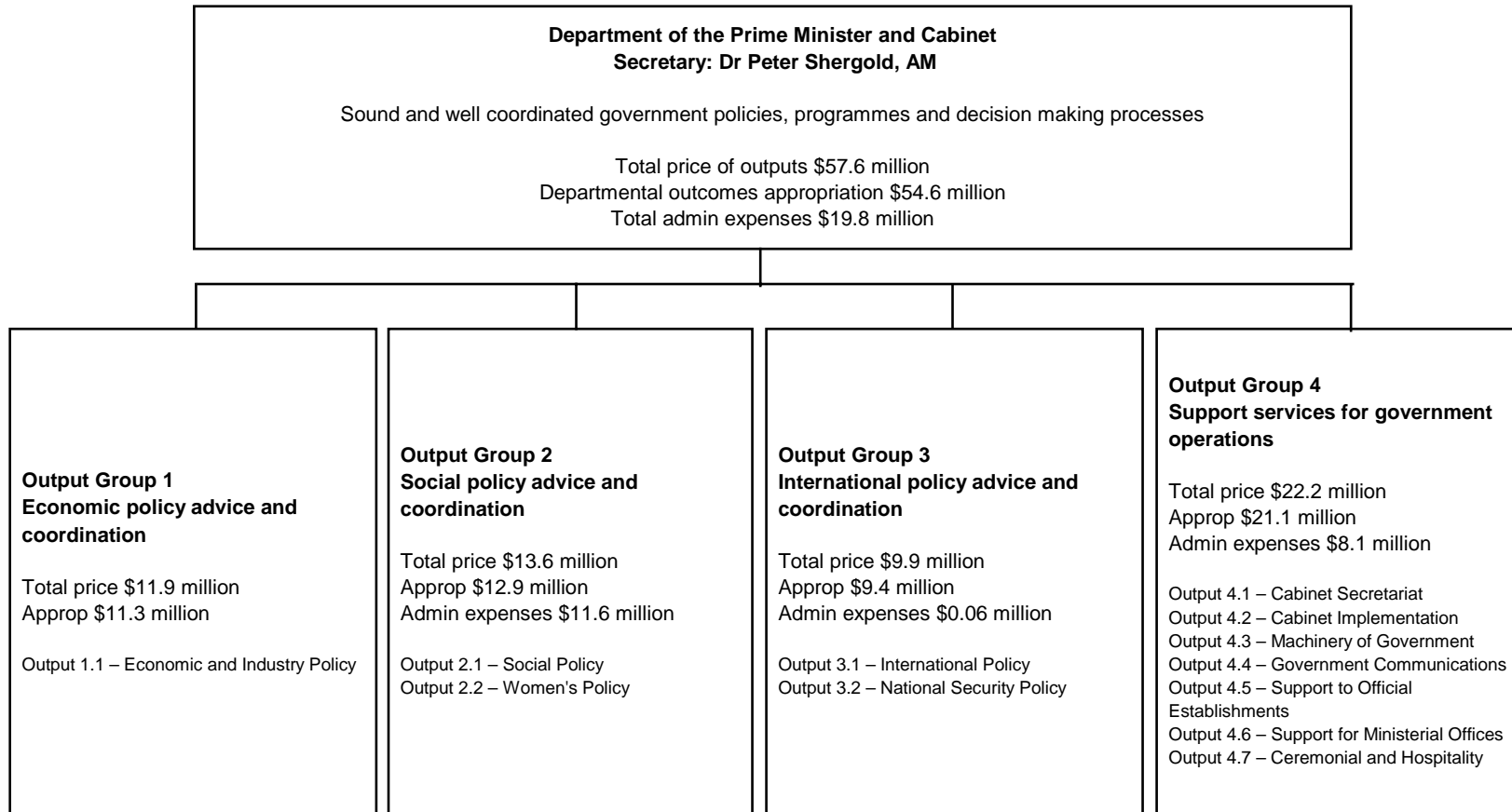
### Output cost attribution

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.

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



**Map 1: Outcomes and output groups**



## CHANGES TO OUTCOMES AND OUTPUTS

There are no changes to the department's outcome or outputs.

## TRENDS IN RESOURCING ACROSS OUTCOMES

### Departmental

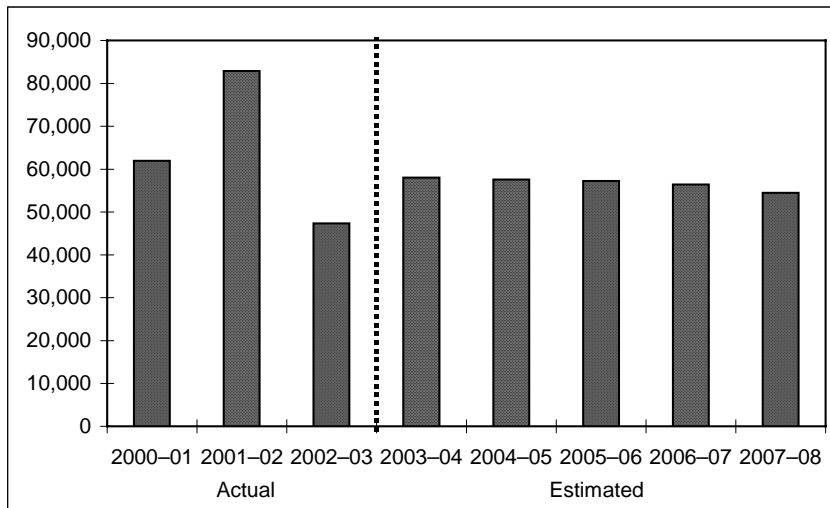
The department is receiving an additional \$1.5 million in 2004–05 through the Budget for:

- project management costs associated with the fitting out of new long-term departmental accommodation (\$0.5 million)
- research in counter-terrorism technology (\$1.0 million)
- Comcover supplementation (\$0.052 million).

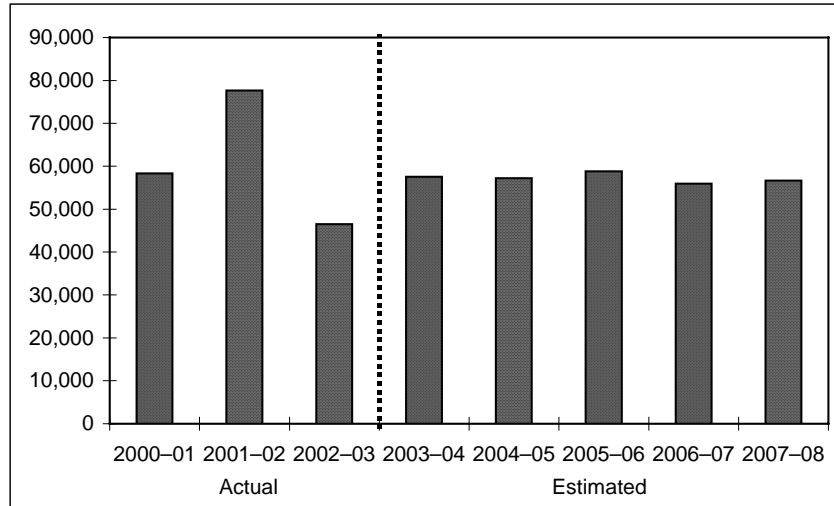
The department's average staffing level of 392 for 2004–05 is unchanged from the Additional Estimates.

The 2003–04 appropriation and average staffing level are therefore relevant comparators for the 2004–05 estimates.

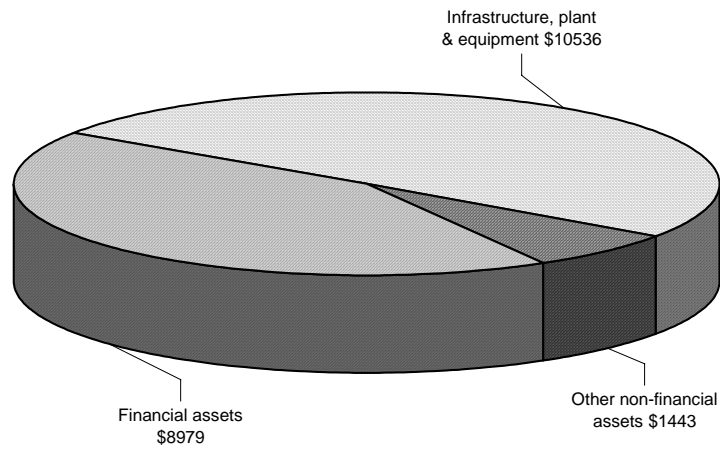
**Chart 2: Trends in Departmental revenue (\$'000)**



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



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



**Administered expenses**

Administered expenses for 2004-05 are expected to decrease by \$12.0 million due to the expenses for women’s programmes decreasing by \$13.5 million, partly offset by slight increases in other Administered items.

## OUTCOME 1 — DESCRIPTION

The department's planned outcome is *sound and well-coordinated government policies, programmes and decision-making processes*.

The key task the department undertakes to achieve this outcome with the funds appropriated by the Parliament is to provide quality advice and timely support for the Prime Minister in his capacity as Head of Government and Chairman of Cabinet. Advice and support is also provided to the ministers and the Parliamentary Secretary appointed to assist the Prime Minister to carry out his portfolio responsibilities.

The department contributes to the coordination of the development and implementation of government policies through its secretariat support for Cabinet and its responsibility to brief the Prime Minister on all ministerial submissions brought forward for Cabinet consideration. The department will now also monitor the implementation of strategic Cabinet decisions.

The department also manages projects through task forces and administers the women's programmes for which the Prime Minister and the Minister Assisting the Prime Minister for the Status of Women are responsible.

### Measures affecting Outcome 1<sup>1</sup>

The department is being provided with additional Departmental funding of \$1 million over two years from 2004–05 to meet new accommodation requirements, and \$7.2 million over four years for counter-terrorism research projects. The department is also receiving additional Administered funding of \$1.6 million in 2004–05 for the National Campaign for the Elimination of Violence Against Women.

See the following measures descriptions and Table 1.2 Measures summary on page 22 for further details.

#### Prime Minister and Cabinet – long-term departmental accommodation

The government will provide \$1 million over two years to the Department of the Prime Minister and Cabinet (PMC) for project management costs associated with the fit-out of and move to a purpose-built leased building. This will provide PMC with efficient and secure accommodation for expanded staffing resources and to accommodate task forces that are formed to respond to urgent and emerging issues.

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

Provisions have been made in the Contingency Reserve for the cost of the fit-out and additional funding for rent from 2006–07 to bring the resources provided to PMC up to a level comparable to those provided to similarly located agencies.

**Investing in Australia’s security – Research support for counter-terrorism**

The government will provide \$7.2 million over four years, to support research in counter-terrorism technology. Funding will enhance Australia’s counter-terrorism efforts by stimulating new research and enabling Australia to engage in international research projects.

See also the related expense measure titled *Backing Australia’s Ability – National Competitive Grants Programme* in the Education, Science and Training portfolio.

**National Campaign for the Elimination of Violence Against Women**

The government will provide funding of \$6.7 million over two years (including \$5.1 million in 2003–04) to enhance the National Campaign for the Elimination of Violence Against Women.

**Variations affecting Outcome 1**

The department is receiving an additional \$0.052 million by way of supplementation due to the projected increases in 2004–05 Comcover premiums.

Departmental parameters were unchanged since the Additional Estimates adjustments and there are therefore no Departmental parameter adjustments. There were, however, slight reductions in the Administered parameters for 2006–07 and 2007–08, and these have resulted in slight reductions in Administered expenses for these years.

**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.

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

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000
<b>Administered appropriations</b>		
Allowance to former Governors-General	735	784
Support to former Governors-General	1,082	1,102
Provision of superannuation surcharge for former Governors-General	0	0
State occasions and official visits	2,120	2,886
Women's programmes	25,011	11,589
Prime Minister's official residences	1,520	1,747
Compensation and legal expenses	45	476
National Australia Day Council	1,127	1,126
National Counter Terrorism Committee	62	63
<b>Total administered appropriations</b> <sup>(2)</sup>	<b>31,702</b>	<b>19,773</b> (11) <sup>(1)</sup>
<b>from Special Accounts (estimated payments from Special Account balances)</b>	<b>3,600</b>	<b>3,600</b>
Media Commissions Account - S20 FMA Act		
<b>Total Special Account outflows</b>	<b>3,600</b>	<b>3,600</b>
<b>Departmental appropriations</b>		
Output Group 1 – Economic policy advice and coordination		
Output 1.1 – Economic and Industry Policy	14,310	11,852
<b>Subtotal Output Group 1</b>	<b>14,310</b>	<b>11,852</b>
<b>Departmental appropriations</b>		
Output Group 2 – Social policy advice and coordination		
Output 2.1 – Social Policy	5,873	6,030
Output 2.2 – Women's Policy	7,378	7,577
<b>Subtotal Output Group 2</b>	<b>13,251</b>	<b>13,607</b>
<b>Departmental appropriations</b>		
Output Group 3 – International policy advice and coordination		
Output 3.1 – International Policy	3,804	3,907
Output 3.2 – Defence, Intelligence and Security Policy	4,980	6,024
<b>Subtotal Output Group 3</b>	<b>8,784</b>	<b>9,931</b>
<b>Departmental appropriations</b>		
Output Group 4 – Support services for government operations		
Output 4.1 – Cabinet Secretariat	3,303	3,392
Output 4.2 – Cabinet Implementation	1,342	1,379
Output 4.3 – Government	7,589	7,793
Output 4.4 – Government Communications	3,379	3,470
Output 4.5 – Official Establishments	703	722
Output 4.6 – Support to Ministerial Offices	2,586	2,655
Output 4.7 – Ceremonial and Hospitality	2,743	2,817
<b>Subtotal Output Group 4</b>	<b>21,645</b>	<b>22,228</b>
<b>Total revenue from government (appropriations)</b>	<b>54,994</b>	<b>54,614</b> (C1) <sup>(1)</sup>
<b>Contributing to price of departmental outputs</b>	<b>95%</b>	<b>95%</b>

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

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000
<b>Revenue from other sources</b>		
Resources received free of charge	1,005	1,013
Sale of goods and services	621	621
Sale of assets	60	60
Other	1,310	1,310
<b>Total revenue from other sources</b>	<b>2,996</b>	<b>3,004</b>
<b>Total price from departmental outputs</b>		
(Total revenue from government and from other sources)	57,990	57,618 (E1) <sup>(1)</sup>
<b>from Special Accounts (estimated payments from Special Account balances)</b>		
Campaign Account	1,275	1,200
Services for other Governments and Non-Agency Bodies Account	44	100
<b>Total Departmental Special Account outflows</b>	<b>1,319</b>	<b>1,300</b>
<b>Total estimated resourcing for Outcome 1</b>	<b>89,692</b>	<b>77,391</b>
(Total price of outputs and administered appropriations)		
	2003–04	2004–05
<b>Average staffing level (number)</b>	<b>392</b>	<b>392</b>

Notes:

- References C1, E1 and I1 link back to Table 1.1 (the Appropriations and other revenue table for the department). The difference between E1 of 57,618 in this table and 56,545 in Table 1.1 is due to revenue from resources free of charge and sale of assets being included in this table but not in Table 1.1.
- The 2003–04 figure includes new expenses of \$5.1 million for the National Campaign for the Elimination of Violence Against Women.

The special account receipts are shown for information only and do not feed into the total Administered expenses, the total price from Departmental outputs or the total estimated resourcing for Outcome 1. These receipts are also shown in the receipts column of the Special Accounts table (Table 1.5).

## **OUTCOME 1 — CONTRIBUTION OF OUTPUTS**

The department's contribution to the achievement of the government's outcome is assessed using indicators and processes which cover all, or most, of the department's output groups, as well as using indicators and processes which are specific to particular output groups. Indicators and assessment processes covering quality, timeliness, quantity and price are outlined in Table 2.2 commencing on page 35.

Achievement of planned performance will be reported in the Department of the Prime Minister and Cabinet's 2004–05 annual report.

## PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2: Performance information for 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><b>Quality</b></p> <ul style="list-style-type: none"><li>• the degree of satisfaction of the Prime Minister and other portfolio ministers, their offices and the departmental Executive – as expressed through formal and informal feedback – with the quality and timeliness of advice and the achievement of key tasks</li><li>• an assessment of outputs against the annual divisional work plans and individual performance agreements.</li></ul> <p><b>Timeliness</b></p> <p>The department aims to meet specific deadlines as follows:</p> <ul style="list-style-type: none"><li>• for correspondence on substantive issues from Australian Government ministers, heads of state, Premiers and Chief Ministers etc, a response is to be prepared within 10 working days.</li><li>• for other correspondence, a response is to be prepared or appropriate action is to be carried out within 20 working days.</li><li>• the various timing requirements for Freedom of Information requests as specified in the <i>Freedom of Information Act 1982</i></li><li>• the preparation of responses to Parliamentary Questions on Notice within 60 days for the House of Representatives and 30 days for the Senate</li><li>• 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 ministers, the Parliamentary Secretary or their offices.</li></ul> <p><b>Quantity</b></p> <p>On the basis of recent experience, in 2004–05 the department would expect to have to:</p> <ul style="list-style-type: none"><li>• process in excess of 120,000 items of Ministerial correspondence</li><li>• provide over 4,700 briefings to the Prime Minister, the portfolio ministers and their offices</li><li>• prepare draft answers to 145 Parliamentary Questions on Notice</li><li>• respond to 35 Freedom of Information requests.</li></ul> <p><b>Price (Appropriation)</b></p> <p>The price of the department's outputs in 2004–05 is estimated to be \$57.6 million.</p>

Part C: Agency Budget Statements — PM&C

<b>Performance information for individual outputs</b>	
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.	
<b>Output</b>	<b>Performance information</b>
<b>Output Group 1: Economic policy advice and coordination</b>	
<b>Output 1.1: Economic and Industry Policy</b>	
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.
<b>Output 2.1: Social policy</b>	
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.
<b>Output 2.2: Women's policy</b>	
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, 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-governmental organisations and other stakeholders concerning consultation and communication processes.

<b>Administered item</b>	
Partnerships Against Domestic Violence	<i>Quality:</i> The extent to which feedback from stakeholders, researchers and the general public indicates that awareness raising and other activities have been effective in reducing domestic and family 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.
<b>Output 3.1: International policy</b>	
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 departmental Executive 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.
<b>Output 3.2: National Security policy</b>	
Advice, briefing and support to the Prime Minister on national security issues including defence policy and operations, intelligence, non-proliferation, counter-terrorism, border protection and certain criminal law enforcement issues, including through coordination 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.

<p><b>Output 4.1: Cabinet Secretariat</b></p>	
<p>Coordination of Cabinet business</p>	<p><i>Quality:</i> Degree of satisfaction of the Prime Minister, the Secretary, and the Secretary to Cabinet with the services provided by the Cabinet Secretariat.</p> <p><i>Timeliness:</i> Submissions or memoranda are cleared and distributed as soon as practicable after clearance by Cabinet Secretariat.</p> <p>Cabinet minutes are circulated within 24 hours of Cabinet meetings.</p> <p><i>Quantity:</i> 65 meetings of the Cabinet and its committees are expected to be organised and coordinated.</p>
<p>Provision of secretariat services to the National Security Committee of Cabinet (NSC) and the Secretaries' Committee on National Security (SCNS).</p>	<p>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.</p> <p><i>Timeliness:</i> As for Cabinet business.</p>
<p>Support for Federal Executive Council.</p>	<p>Degree of satisfaction of the Governor-General and his Official Secretary with the support provided by the Executive Council Secretariat.</p> <p>Papers and schedules are delivered to Government House two working days prior to an Executive Council meeting.</p> <p>30 meetings of the Executive Council are expected to be organised and coordinated.</p>
<p><b>Output 4.2: Cabinet Implementation Unit</b></p>	
<p>Monitoring of the implementation of strategic Cabinet decisions.</p>	<p><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.</p>

<p><b>Output 4.3: Machinery of Government</b></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>Policy, coordination and promotion of awards and national symbols.</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Parliamentary Secretary to the Prime Minister, the Minister Assisting 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 timeliness 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 are 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"> <li>• the legislation programme</li> <li>• public lists of proposed legislation</li> <li>• reports of unproclaimed legislation.</li> </ul> <p>The degree of satisfaction with support and promotion of the Australian honours system, including:</p> <ul style="list-style-type: none"> <li>• the quality and timeliness of policy advice</li> <li>• accurate and timely processing of nominations for awards</li> <li>• the accurate and timely preparation of congratulatory messages</li> <li>• effective coordination with Government House on promotional activities related to the national honours and awards system.</li> </ul>
<p><b>Administered item</b></p> <p>National Australia Day Council (NADC)</p>	<p><i>Quality:</i> Grant administered in compliance with the reporting mechanisms, objectives and other provisions of the grant funding deed with the NADC so as to contribute to achieving the vision of the council (to inspire national pride and spirit to enrich the life of the nation).</p>

<p><b>Output 4.4: Government Communications</b></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 40 meetings of the MCGC covering 25 public information activities in 2004–05.</p>
<p>Provision of photographic services by AUSPIC (the government photographic service).</p>	<p><i>Quality:</i> The degree of customer satisfaction with AUSPIC services.</p> <p><i>Price:</i> Achievement of a break-even financial position from trading activities by AUSPIC.</p>
<p><b>Output 4.5: Support to Official Establishments</b></p>	
<p>Management of the Prime Minister's official residences.</p>	<p><i>Quality:</i> The degree of satisfaction of the occupants and 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>
<p>Secretariat support for the Official Establishments Trust.</p>	<p><i>Quality:</i> The degree of satisfaction of Official Establishments Trust members with the timeliness and quality of advice and secretariat support.</p>
<p><b>Administered item</b></p>	
<p>Prime Minister's official residences</p>	<p><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.</p>
<p><b>Output 4.6: Support for Ministerial Offices</b></p>	
<p>Provision of office services for the Prime Minister's Office, the other ministers' and the Parliamentary Secretary's offices in the Prime Minister's portfolio.</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the other portfolio ministers and the Parliamentary Secretary, their advisers and office managers with the office services provided.</p>

<p><b>Administered item</b></p> <p>Allowances and support to former Governors-General.</p>	<p><i>Quality:</i> Former Governors-General receive allowances and support in accordance with their entitlement.</p>
<p><b>Output 4.7: Ceremonial and Hospitality</b></p> <p>Provision of support services to the government relating to overseas visits by the Prime Minister, government hospitality for overseas dignitaries and official ceremonies.</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Minister assisting the Prime Minister, the Prime Minister's Office and the departmental Executive with management of the government's ceremonial and hospitality services.</p>
<p><b>Administered item</b></p> <p>State occasions and official visits</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Minister assisting 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"> <li>• visits to Australia by heads of state and government</li> <li>• arrangements for the Prime Minister's overseas visits</li> <li>• state occasions</li> <li>• advice on relevant matters, including official gifts.</li> </ul> <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"> <li>• the benefits from the programme of official visits</li> <li>• the efficient organisation and presentation of ceremonial occasions and hospitality services.</li> </ul> <p><i>Quantity:</i> On the basis of recent experience, Ceremonial and Hospitality branch (CERHOS) would expect to facilitate eight head-of-state and head-of-government visits, 30 ministerial visits and four state funerals.</p>

## **EVALUATIONS**

The performance of the department's activities is evaluated through both internal and external audits. The Audit Committee is an important part of the department's evaluation strategy. Reviews conducted throughout the year are tabled at each Audit Committee meeting and members consider the findings and recommendations. Agreed recommendations are incorporated in the department's practices and procedures.

The audit programme includes a combination of compliance and comprehensive reviews. For the 2004–05 financial year, the following areas within the department may be subject to an internal audit:

- physical security
- financial management information system reporting
- recruitment and transfer processes.

The proposed internal audit programme for 2004–05 will be finalised in consultation with divisional management and considered by the Audit Committee in June 2004.

The department is also covered by the programme of the Australian National Audit Office (ANAO) and may be involved in some cross-portfolio audits or benchmarking activities.

## Section 3: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

An analysis of each of the department's budgeted financial statements and administered schedules is provided below.

#### **Departmental**

##### **Statement of Financial Performance**

The department is budgeting for revenue of \$57.6 million. This is a slight decrease of \$0.3 million from the 2003–04 estimated actual and is due to:

- the lapsing of funding of \$2.4 million provided in 2003–04 for the national bushfire and water task forces (–\$2.2 million), and the public consultation process on Senate reform (–\$0.2 million),
- offset by an increase in funding of \$1.5 million for project management costs associated with the department obtaining new accommodation (\$0.5 million), research for counter-terrorism (\$1.0 million) and Comcover premium increases (\$0.052 million).

Total expenses for 2004–05 are expected to be \$57.2 million and mirror the changed activities above. This represents a decline of \$0.3 million from the 2003–04 estimated actual and will result in a small operating surplus of \$0.45 million. This surplus will provide the department with a buffer against any unforeseen pressures and, if realised, will help reduce unfunded employee liabilities.

##### **Statement of Financial Position**

The department's financial position is expected to improve by \$0.45 million due to the addition of the operating surplus above. The department's mix of assets and liabilities is expected to remain relatively unchanged. The department's assets of \$21.0 million comprise \$8.6 million receivable from the OPA (of which \$2 million is due to special accounts and is not available for ordinary departmental activities) and \$11.9 million in non-financial assets (from a combination of building fit-out, office equipment and IT equipment). This is offset by liabilities of \$13.8 million. Of this amount, employee liabilities comprise \$10.7 million; approximately 80% is unfunded, because prior to 1999–2000, the department was not funded for such liabilities.

## **Administered**

### **Schedule of Budgeted Revenues and Expenses Administered on behalf of Government**

Administered expenses are expected to decline by \$13.2 million for the estimated actual expenses for 2003–04, largely due to increased expenses in that year of \$5.1 million for the National Campaign for the Elimination of Violence Against Women and reduced funding for two women’s programmes from 2004–05 (–\$9.9 million).

### **Schedule of Budgeted Assets and Liabilities Administered on behalf of Government**

Assets and liabilities are expected to remain unchanged from 2003–04. Assets are almost exclusively made up of the book values of the two official residences (\$32 million), and liabilities are made up of supplier payables (\$1.5 million) and superannuation entitlements of the former Governors-General (\$9.6 million).

## **DEPARTMENTAL FINANCIAL STATEMENTS**

The budgeted financial statements comprise full financial statements for the department and budgeted estimates in tabular form for Administered items. Together, these show the planned financial performance for the 2004–05 Budget year and each of the forward years from 2005–06 to 2007–08. The statements also include the estimated actual for 2003–04 for comparative purposes.

The budgeted statements contain estimates prepared in accordance with the requirements of the government’s financial budgeting and reporting framework, including the principles of the Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration.

### **Budgeted Departmental Statement of Financial Performance**

This statement provides a picture of the expected financial results for the department by identifying full accrual expenses and revenues, which highlights whether the department is operating at a sustainable level.

### **Budgeted Departmental Statement of Financial Position**

This statement shows the financial position of the department. It helps decision makers to track the management of assets and liabilities.

### **Budgeted Departmental Statement of Cash Flows**

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

**Departmental Capital Budget Statement**

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

**Departmental Non-financial Assets — Summary of Movement**

This summary shows budgeted acquisitions and disposals of non-financial assets during the Budget year.

**SCHEDULE OF ADMINISTERED ACTIVITY**

**Schedule of Budgeted Revenues and Expenses Administered on behalf of Government**

This schedule identifies the main revenues and expenses administered on behalf of government.

**Schedule of Budgeted Assets and Liabilities Administered on behalf of Government**

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

**Schedule of Budgeted Administered Cash Flows**

This schedule shows cash flows administered on behalf of government.

**Schedule of Administered Capital Budget**

This schedule shows details of planned Administered capital expenditure.

**Schedule of Administered Non-financial Assets — Summary of Movement**

This schedule discloses details of movements in Administered non-financial assets.

**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
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	54,994	54,614	54,225	53,384	53,471
Goods and services	621	621	623	623	623
Interest					
Dividends					
Revenue from sales of assets	60	60	60	60	60
Reversals of previous asset write-downs					
Rents					
Royalties					
Net foreign exchange gains					
Correction of fundamental error					
Other	2,315	2,323	2,325	2,325	2,315
<b>Revenues from ordinary activities</b>	<b>57,990</b>	<b>57,618</b>	<b>57,233</b>	<b>56,392</b>	<b>56,469</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	35,259	35,524	34,236	34,215	35,653
Suppliers	19,098	18,481	19,384	18,564	17,818
Grants					
Subsidies					
Depreciation and amortisation	3,123	3,103	3,103	3,103	3,103
Write-down of assets					
Value of assets sold	60	60	60	60	60
Net foreign exchange losses					
Correction of fundamental error					
Other					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>57,540</b>	<b>57,168</b>	<b>56,783</b>	<b>55,942</b>	<b>56,634</b>
Borrowing costs expense					
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method					
Correction of fundamental error					
<b>Operating surplus or (deficit) from ordinary activities</b>					
Gain or (loss) on extraordinary items	450	450	450	450	(165)
Correction of fundamental error					
<b>Net surplus or (deficit)</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>(165)</b>

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

	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
Outside equity interests in net surplus or (deficit)					
<b>Net surplus or deficit attributable to the Australian Government</b>	450	450	450	450	(165)
Net credit or (debit) to asset revaluation reserve					
Net exchange difference recognised as a direct debit or (credit) to equity					
Adjustments arising from Standards recognised as direct debit or (credit) to equity					
Initial adjustments from transitional UIG consensus view recognised as direct debit or (credit) to equity					
<b>Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity</b>	450	450	450	450	(165)
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	450	450	450	450	(165)

**Table 3.2: Budgeted departmental statement of financial position  
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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	(617)	139	890	1,544	1,549
Receivables	8,840	8,840	8,840	8,840	8,840
Investments accounted for under the equity method					
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)					
Other investments					
Accrued revenues					
Other financial assets					
<b>Total financial assets</b>	<b>8,223</b>	<b>8,979</b>	<b>9,730</b>	<b>10,384</b>	<b>10,389</b>
<b>Non-financial assets</b>					
Land and buildings					
Infrastructure, plant and equipment	10,596	10,536	10,476	10,416	10,356
Heritage and cultural assets					
Inventories					
Intangibles	920	920	920	920	920
Other non-financial assets	638	523	408	390	390
<b>Total non-financial assets</b>	<b>12,154</b>	<b>11,979</b>	<b>11,804</b>	<b>11,726</b>	<b>11,666</b>
<b>Total assets</b>	<b>20,377</b>	<b>20,958</b>	<b>21,534</b>	<b>22,110</b>	<b>22,055</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans					
Leases	667	667	667	667	667
Deposits					
Overdraft					
Other interest bearing liabilities					
<b>Total interest bearing liabilities</b>	<b>667</b>	<b>667</b>	<b>667</b>	<b>667</b>	<b>667</b>
<b>Provisions</b>					
Employees	10,617	10,732	10,842	10,952	11,062
Capital use charge					
Other provisions	2,329	2,344	2,359	2,374	2,374
<b>Total provisions</b>	<b>12,946</b>	<b>13,076</b>	<b>13,201</b>	<b>13,326</b>	<b>13,436</b>
<b>Payables</b>					
Suppliers					
Grants					
Dividends					
Borrowing costs					
Other payables	66	67	68	69	69
<b>Total payables</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>69</b>	<b>69</b>
<b>Total liabilities</b>	<b>13,679</b>	<b>13,810</b>	<b>13,936</b>	<b>14,062</b>	<b>14,172</b>

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

	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
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	4,351	4,801	5,251	5,701	5,536
Reserves	2,347	2,347	2,347	2,347	2,347
Statutory funds					
Retained surpluses or accumulated deficits					
<b>Total parent entity interest</b>	<b>6,698</b>	<b>7,148</b>	<b>7,598</b>	<b>8,048</b>	<b>7,883</b>
<b>Outside equity interest</b>					
Contributed equity					
Reserves					
Retained surpluses or accumulated deficits					
<b>Total outside equity interest</b>					
<b>Total equity</b>	<b>6,698</b>	<b>7,148</b>	<b>7,598</b>	<b>8,048</b>	<b>7,883</b>
<b>Total assets and liabilities by maturity:</b>					
<b>Current assets</b>	8,223	8,979	9,730	10,384	10,389
<b>Non-current assets</b>	12,154	11,979	11,804	11,726	11,666
<b>Current liabilities</b>	5,061	5,110	5,156	5,203	5,244
<b>Non-current liabilities</b>	8,618	8,700	8,780	8,859	8,928

\*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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	622	621	623	623	623
Appropriations	54,994	54,614	54,225	53,384	53,471
Interest					
Dividends					
Other	3,187	3,186	3,186	3,186	3,186
Extraordinary items					
<b>Total cash received</b>	<b>58,803</b>	<b>58,421</b>	<b>58,034</b>	<b>57,193</b>	<b>57,280</b>
<b>Cash used</b>					
Employees	31,734	33,045	32,657	32,619	32,083
Suppliers	18,869	21,454	20,059	19,656	20,279
Grants	1,877	1,875	1,875	1,875	1,875
Borrowing costs					
Other					
Extraordinary items					
<b>Total cash used</b>	<b>52,480</b>	<b>56,374</b>	<b>54,591</b>	<b>54,150</b>	<b>54,237</b>
<b>Net cash from or (used by) operating activities</b>	<b>6,323</b>	<b>2,047</b>	<b>3,443</b>	<b>3,043</b>	<b>3,043</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	60	60	60	60	60
Proceeds from sales of financial instruments					
Bills of exchange and promissory notes					
Repayments of loans made					
Proceeds from sales of Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)					
Other					
Extraordinary items					
<b>Total cash received</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	6,138	3,103	3,103	3,103	3,103
Purchase of financial Instruments					
Bills of exchange and promissory notes					
Loans made					
Purchase of Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)					
Other					
Extraordinary items					
<b>Total cash used</b>	<b>6,138</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>
<b>Net cash from or (used by) investing activities</b>	<b>(6,078)</b>	<b>(3,043)</b>	<b>(3,043)</b>	<b>(3,043)</b>	<b>(3,043)</b>

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

	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
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	20				
Proceeds from issuing financial instruments					
Proceeds from loans					
Other					
Extraordinary items					
<b>Total cash received</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt					
Capital use charge paid					
Dividends paid	265	-	-	-	-
Other					
Extraordinary items					
<b>Total cash used</b>	<b>265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>(245)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>-</b>	<b>(996)</b>	<b>400</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	800	800	800	800	800
Effect of exchange rate movements on cash at the beginning of reporting period					
<b>Cash at the end of the reporting period</b>	<b>800</b>	<b>(196)</b>	<b>1,200</b>	<b>800</b>	<b>800</b>

**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
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	20	(K3) <sup>(1)</sup>	-	-	-
Total loans	-	(K3) <sup>(1)</sup>	-	-	-
<b>Total capital appropriations</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	20	-	-	-	-
Other	-	-	-	-	-
<b>Total represented By</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	20	-	-	-	-
Funded internally by departmental resources	6,118	3,103	3,103	3,103	3,103
<b>Total</b>	<b>6,138</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>

1. These two lines link 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				10,596		920		11,516
Additions				3,103				3,103
Disposals				(60)				(60)
Net revaluation increments/decrements								-
Recoverable amount write-downs								-
Depreciation/amortisation expense				(3,103)				(3,103)
Recoverable amount write-downs								-
Other movements (give details below)								-
Carrying amount at the end of year	-	-	-	10,536	-	920	-	11,456
<b>Total additions</b>				<b>(60)</b>		<b>-</b>		<b>(60)</b>
<b>Represented by:</b>								
Self-funded				(60)				(60)
Appropriations				-				-
<b>Total represented by:</b>				<b>(60)</b>				<b>(60)</b>

**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
<b>REVENUES</b>					
<b>Taxation</b>					
Income tax					
Indirect tax					
Other taxes, fees and fines					
<b>Total taxation</b>	-	-	-	-	-
<b>Non-taxation (revenues from government)</b>					
Goods and services					
Interest					
Dividends					
Net foreign exchange gains					
Revenue from sale of assets revenues	10	10	10	10	10
Rents					
Royalties					
Correction of fundamental error					
Other sources of non-taxation	3,610	3,610	3,610	3,610	3,610
<b>Total non-taxation</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>
<b>Total revenues administered on behalf of government</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>
<b>EXPENSES</b>					
Grants	3,720	2,311	1,711	1,712	1,652
Subsidies					
Personal benefits	735	784	785	787	820
Employees					
Suppliers	32,088	20,175	13,293	11,429	10,670
Depreciation and amortisation	113	113	113	113	113
Write-down and impairment of assets					
Value of assets sold	10	10	10	10	10
Net foreign exchange losses					
Interest					
Correction of fundamental error					
Other					
Extraordinary items					
<b>Total expenses administered on behalf of government</b>	<b>36,666</b>	<b>23,393</b>	<b>15,912</b>	<b>14,051</b>	<b>13,265</b>

**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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	182	279	372	465	558
Receivables	318	314	314	314	314
Investments					
Investments (s.39 FMA Act; s.18 CAC ACT; s.19 CAC Act)					
Accrued revenues	656	656	656	656	656
Other financial assets					
<b>Total financial assets</b>	<b>1,156</b>	<b>1,249</b>	<b>1,342</b>	<b>1,435</b>	<b>1,528</b>
<b>Non-financial assets</b>					
Land and buildings	32,087	32,047	32,007	31,967	31,927
Infrastructure, plant and equipment	467	414	361	308	255
Heritage and cultural assets					
Inventories	231	231	231	231	231
Intangibles					
Other non-financial assets	15	15	15	15	15
<b>Total non-financial assets</b>	<b>32,800</b>	<b>32,707</b>	<b>32,614</b>	<b>32,521</b>	<b>32,428</b>
<b>Total assets administered on behalf of government</b>	<b>33,956</b>	<b>33,956</b>	<b>33,956</b>	<b>33,956</b>	<b>33,956</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Australian Government securities					
Loans					
Leases					
Deposits					
Overdrafts					
Other interest bearing liabilities					
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	234	234	234	234	234
Taxation refunds provided					
Australian currency on issue					
Other provisions					
<b>Total provisions</b>	<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>
<b>Payables</b>					
Suppliers	1,541	1,541	1,541	1,541	1,541
Grants and subsidies					
Personal benefits payable	9,600	9,600	9,600	9,600	9,600
Taxation refunds due					
Other payables					
<b>Total payables</b>	<b>11,141</b>	<b>11,141</b>	<b>11,141</b>	<b>11,141</b>	<b>11,141</b>
<b>Total liabilities administered on behalf of government</b>	<b>11,375</b>	<b>11,375</b>	<b>11,375</b>	<b>11,375</b>	<b>11,375</b>

**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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Income tax					
Indirect tax					
Other taxes, fees and fines	1,844	1,844	1,840	1,840	1,840
Sale of goods					
Rendering of services					
Interest					
Dividends					
Cash from Official Public Account –					
Appropriations	27,946	19,773	12,292	10,431	9,645
Special Accounts					
Other	3,610	3,610	3,610	3,610	3,610
Transfer from other entities (Finance – Whole of Government)					
Other					
<b>Total cash received</b>	<b>33,400</b>	<b>25,227</b>	<b>17,742</b>	<b>15,881</b>	<b>15,095</b>
<b>Cash used</b>					
Borrowing costs					
Employees					
Grant payments	21,989	11,276	1,619	1,618	1,652
Interest paid					
Subsidies paid					
Personal benefits	635	784	785	787	810
Suppliers	8,862	9,656	13,420	11,577	10,706
Cash to Official Public Account from –					
Appropriations					
Special Accounts					
Other					
Transfers to other entities (Finance – Whole of Government)					
Other	1,840	1,840	1,840	1,840	1,840
<b>Total cash used</b>	<b>33,326</b>	<b>23,556</b>	<b>17,664</b>	<b>15,822</b>	<b>15,008</b>
<b>Net cash from/(used by) operating activities</b>	<b>74</b>	<b>1,671</b>	<b>78</b>	<b>59</b>	<b>87</b>

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

	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
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	10	10	10	10	10
<b>Total cash received</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	220	20	20	20	20
<b>Total cash used</b>	<b>220</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Net cash from / (used by) investing activities</b>	<b>(210)</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrowing					
Cash from Official Public Account					
Other					
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Net repayment of borrowings					
Dividends paid					
Cash to Official Public Account					
Other					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from / (used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(136)</b>	<b>1,661</b>	<b>68</b>	<b>49</b>	<b>77</b>
Cash at beginning of reporting period	200	200	200	200	200
Effect of exchange rate movements on cash at beginning of reporting period					
<b>Cash at end of reporting period</b>	<b>64</b>	<b>1,861</b>	<b>268</b>	<b>249</b>	<b>277</b>

Part C: Agency Budget Statements — PM&C

**Table 3.9: Schedule of administered capital budget**

	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
<b>CAPITAL APPROPRIATIONS</b>					
Administered capital	200	-	-	-	-
Special appropriations					
<b>Total capital appropriations</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	200	-	-	-	-
Other					
<b>Total represented by</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	200	-	-	-	-
Funded internally by departmental resources	20	20	20	20	20
<b>Total</b>	<b>220</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**Table 3.10: 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	28,000	4,087		467				32,554
Additions				20				20
Disposals				(10)				(10)
Net revaluation increments/decrements				10				
Recoverable amount write-downs								
Depreciation/amortisation expense		(40)		(73)				(113)
Recoverable amount write-downs								
Carrying amount at end of year	28,000	4,047	-	414	-	-	-	32,461
<b>Total additions</b>		<b>(40)</b>		<b>(53)</b>				<b>(93)</b>

## 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 department's assets were revalued at fair value during 2002–03.

### **Departmental**

#### **Revenue**

Appropriation revenue accounts for 95% of departmental revenue. Other revenue, which accounts for the remaining 5%, relates to the activities of the Campaign Account special account, sales of goods and services (AUSPIC), sale of assets, and resources received free of charge.

#### **Expenses**

Employee expenses comprise approximately 65% of departmental expenses for 2003–04. The remainder is largely made up of supplier expenses.

Other expenses relate to the activities of the Campaign Account special account.

#### **Assets**

Infrastructure, plant and equipment comprises office fit-out and office equipment (including information technology 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 Media Commissions Account special 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 Media Commissions Account special account.

### **Assets**

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

## Section 4: Purchaser–provider and cost recovery arrangements

### **PURCHASER–PROVIDER ARRANGEMENTS**

The department does not have any purchaser–provider arrangements.

### **COST RECOVERY ARRANGEMENTS**

AUSPIC operates on a cost-recovery basis to provide photographic services to the government, the Parliament, senators and members.

The activities of AUSPIC are not considered significant enough to warrant the inclusion of a cost recovery impact statement. The value of receipts subject to cost recovery arrangements is disclosed in Table 1.3 (see Sales of goods and services line).

The department will undertake an initial review of AUSPIC’s cost recovery practices during 2004–05 to ensure that they comply with the Commonwealth’s Cost Recovery Guidelines.

## Appendix 1: OSW Administered funding

	Estimated actual 2003–04 \$'000s	Budget estimate 2004–05 \$'000s	Forward estimate 2005–06 \$'000s
Total Partnerships Against Domestic Violence 2	8,872	3,402	-
Total National Approach Against Sexual Assault <sup>(1)</sup>	12,742	5,101	2,170
Total Women's Development Programmes	1,500	1,500	500
Total National Leadership Initiative	496	496	-
Total Informed Choices for Women	853	533	-
Total Other Women's Programmes	548	557	694
<b>Total Administered Funding</b>	25,011	11,589	3,364

Note 1: Includes new \$5.1 million expenses for the National Campaign for the Elimination of Violence Against Women.