

DEPARTMENT OF THE PRIME MINISTER AND CABINET

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DEPARTMENT OF THE PRIME MINISTER AND CABINET

Section 1: Agency overview

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 also 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 also monitors the implementation of strategic Cabinet decisions.

The department achieves its outcome through four output groups:

- Output groups 1-3 provide advice to the Prime Minister and other ministers in the portfolio on economic, industry, infrastructure, environmental, social, international and national security policy, and coordinate relevant portfolios and other stakeholders in the policy advising process.
- Output Group 4 provides a range of support services for government operations, including secretariat services to Cabinet and its committees and to the Executive Council; monitoring the implementation of Cabinet decisions; developing and coordinating the government's legislative programme; advising on the coordination and promotion of national awards and symbols; coordinating government communications and advertising; providing support to the official establishments and former Governors-General; and arranging and coordinating government hospitality and official ceremonial occasions.

For the next two years, the APEC Taskforce will also be responsible for an extensive range of organisational, logistical and security matters necessary to bring the APEC meeting of leaders and other associated activities to realisation in 2007. Given the size of these undertakings, the department has established a new Output 3.3 for the Taskforce.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Sound and well coordinated government policies, programmes and decision making processes	The primary role of the department is to provide support to the Prime Minister and to achieve a coordinated approach to the development and the implementation of government policies.	<u>Output Group 1</u> Output 1.1 – Economic and Industry Policy <u>Output Group 2</u> Output 2.1 – Social Policy <u>Output Group 3</u> Output 3.1 – International Policy Output 3.2 – National Security Policy Output 3.3 – APEC Taskforce <u>Output Group 4</u> Output 4.1 – Cabinet Secretariat Output 4.2 – Cabinet Implementation Output 4.3 – Machinery of Government Output 4.4 – Government Communications Output 4.5 – Support to Official Establishments Output 4.6 – Support for Ministerial Offices Output 4.7 – Ceremonial and Hospitality

Section 2: Agency resources for 2005–06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the appropriations and other revenues available to the department to meet its price of outputs and administered expenses.

The department's price of outputs is \$87.5 million, of which 97% (\$84.5 million) is contributed from Appropriation Bill No. 1. The balance of \$3 million is obtained from other sources, including special accounts and resources provided free of charge (see Table 2.3 for a breakdown).

Total administered expenses are \$11.9 million. \$8.3 million of these will be met by appropriations (including special appropriations), with the balance of \$3.6 million being met from special account receipts.

Table 2.1: Appropriations and other revenue 2005–06 ('000)

Outcome	Appropriations					Other revenue available to be used ⁵		Total resources ⁷
	\$'000	\$'000	\$'000	\$'000	% ⁶	\$'000	% ⁶	\$'000
	Bill No. 1	Bill No. 2 ²	Special approp ³	Total approp ⁴				
Outcome 1 – Sound and well coordinated government policies, programmes and decision making processes								
Administered	7,518	-	785	8,303	70%	3,600	30%	11,903
Departmental	84,515	-		84,515	97%	3,008	3%	87,523
Total outcome 1	92,033	-	785	92,818	93%	6,608	7%	99,426
Total agency	92,033	-	785	92,818	93%	6,608	7%	99,426
Departmental capital (equity injections)		10,405		10,405				10,405
Previous year's outputs								
Administered assets and liabilities								
Total resources	92,033	10,405	785	103,223	94%	6,608	6%	109,831

- 1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.
 - 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 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1 etc.
 - 4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
 - 5 Revenue from other sources includes FMA s. 31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
 - 6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental and Administered Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
 - 7 Total resources = Total appropriations + Revenue from other sources.
- Note: Refer to Budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the department as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: Department measures

Measures	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
			2005–06 (\$'000)			2006–07 (\$'000)			2007–08 (\$'000)			2008–09 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Expense Measures														
Asia Pacific Economic Cooperation 2007 ¹	1	3		29,220	29,220		45,570	45,570	-	40,131	40,131	-	-	-
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent	1	All		(108)	(108)		(401)	(401)	-	(611)	(611)		(326)	(326)
Total Expenses				29,112	29,112		45,169	45,169		39,520	39,520		(326)	(326)
Capital measures														
Asia Pacific Economic Cooperation 2007 ¹	1	3		5,605	5,605		2,904	2,904	-	-	-	-	-	-
Total Capital				5,605	5,605		2,904	2,904		-	-		-	-

1 This measure is a cross-portfolio measure, with the Department of Foreign Affairs and Trade being the lead agency.

See Budget Paper No. 2 for an explanation of the measures in this table.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and includes FMA s. 31 receipts, special accounts (non-appropriation receipts) and resources received free of charge. The total of this table appears in the 'Revenue from other sources' column in Table 2.1.

Table 2.3: Other receipts available to be used

	Estimated receipts 2004–05 \$'000	Budget estimate 2005–06 \$'000
Departmental other receipts		
Sale of goods and services ¹	541	623
Sale of assets	10	60
Resources provided free of charge	1,013	1,015
Other ²	1,278	1,310
Total departmental other receipts available to be used	2,842	3,008

1. Sales of goods and services are mainly from AUSPIC photographic services.
2. Other revenue is mainly made up of contributions from the Campaign Advertising special account for Central Advertising System expenses and from the Services for Other Governments and Non-Agency Bodies special account for other agencies' share of task forces expenses
3. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05 TO 2005–06

The department has no movement of administered funds from 2004–05 to 2005–06.

2.5: SPECIAL APPROPRIATIONS

The department has a number of special appropriations, with only the Allowances for former Governors-General special appropriation expected to be operative in 2005–06.

The total special appropriations in Table 2.4 also appear in the ‘Special appropriations’ column in Table 2.1.

Table 2.4: Estimates of expenses from special appropriations

	Outcome	Note	Estimated expenses 2004–05 \$'000	Budget estimate 2005–06 \$'000
	\$'000	\$'000	\$'000	\$'000
Estimated expenses				
Provision of superannuation surcharge for former Governors-General – s. 4(7) GG Act (A)	1		-	-
Allowance to former Governors-General – s. 5 GG Act (A)	1		784	785
Remuneration and allowances of members and other expenses – s. 10 PCI Act (A)	1		-	-
Repayments required or permitted by law (where no other appropriation for repayment exists) – s. 28(2) FMA Act (D)	1		-	-
Total estimate expenses	1		784	785

D = Departmental A = Administered

GG Act = *Governor-General Act 1974*; PCI Act = *Parliamentary Commission of Inquiry (Repeal Act) 1986*;
FMA Act = *Financial Management and Accountability Act 1997*.

2.6: SPECIAL ACCOUNTS

Table 2.5 summarises the special account flows and balances for the department's special accounts. Receipts from the Campaign Advertising and Media Commissions special accounts are included in Table 3.1 (Total resources for Outcome 1), as these are available to meet the department's price of outputs and administered expenses respectively.

Table 2.5: Estimates of special account flows and balances

	Outcome	Opening	Receipts	Payments	Adjustments	Closing
		balance	2005–06	2005–06	2005–06	2005–06
		2004–05	2004–05	2004–05	2004–05	2004–05
		\$'000	\$'000	\$'000	\$'000	\$'000
Media Commissions (A)	1	6,733	3,600	3,600	-	6,733
		13,328	3,600	10,195	-	6,733
Campaign Advertising (A)	1	1,751	1,210	1,210	-	1,751
		6,501	1,178	5,928	-	1,751
Services for other Government and Non-Agency Bodies Account (D)	1	1,179	100	100	-	1,179
		1,179	100	100	-	1,179
Other Trust Monies Account (D)	1	-	-	-	-	-
Total special accounts						
2005–06 Budget estimate		9,663	4,910	4,910	-	9,663
Total Special Accounts		21,008	4,878	16,223	-	9,663
2004–05 estimate actual						

D = departmental; A = administered

1. The opening balance for 2005–06 is the same as the closing balance for 2004–05.
2. Receipts from appropriations and other sources are further specified in Table 3.1 (Total resources for Outcome 1).
3. There are no adjustments.
4. The department has no investment powers under s. 39 of the *Financial Management and Accountability Act 1997*.
5. All accounts were established pursuant to s. 20 of the FMA Act.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The department is receiving two equity injections through the Budget in 2005–06.

The first is for \$4.8 million to enable preparatory work to be undertaken on the department's new accommodation prior to major construction. This funding is being brought forward from the funding approved in the 2004–05 Budget from 2006–07.

The second is for \$5.6 million to enable the APEC Taskforce to fit out and equip its new office accommodation in Sydney and to purchase information technology and other support equipment in preparation for the APEC Leaders' meeting and associated ministerial and business meetings in 2007.

Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the department's single outcome.

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

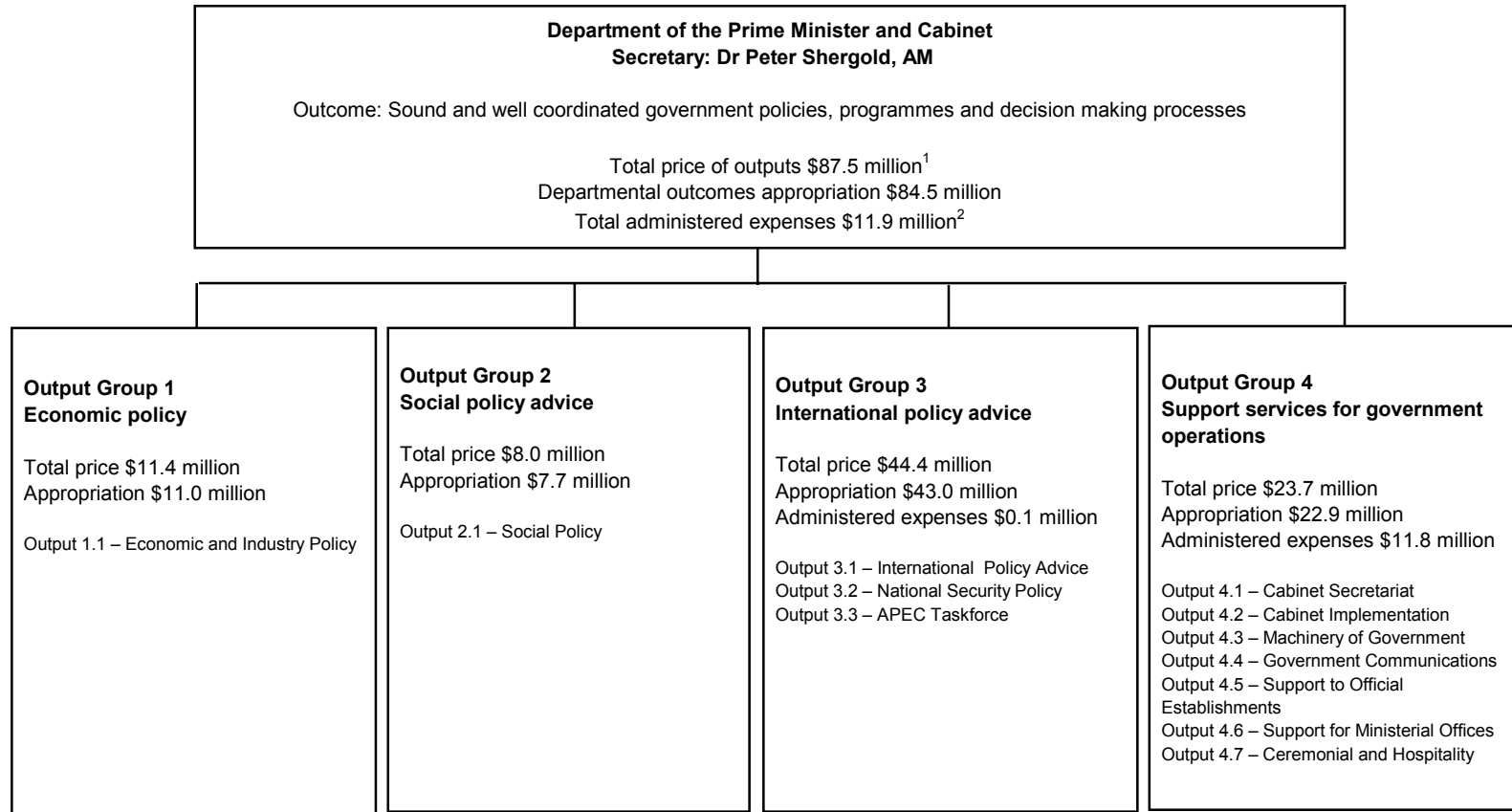
Figure 1 shows the relationship between the department's outcome and its contributing outputs. Financial details for this outcome, by outputs and output groups, appear in Table 3.1 (Total resources for Outcome 1), while non-financial information appears in Table 3.2 (Performance information for Outcome 1).

Output cost attribution

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.

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.

Figure 1: Outcomes and output groups and administered items



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1. Includes resources provided free of charge of \$1.015 million included in Budgeted departmental statement of financial performance in Section 5.
 2. Includes expenses of \$3.6 million from the Media Commissions special account included in Schedule of budgeted departmental revenues and expenses administered on behalf of government in Section 5.

3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

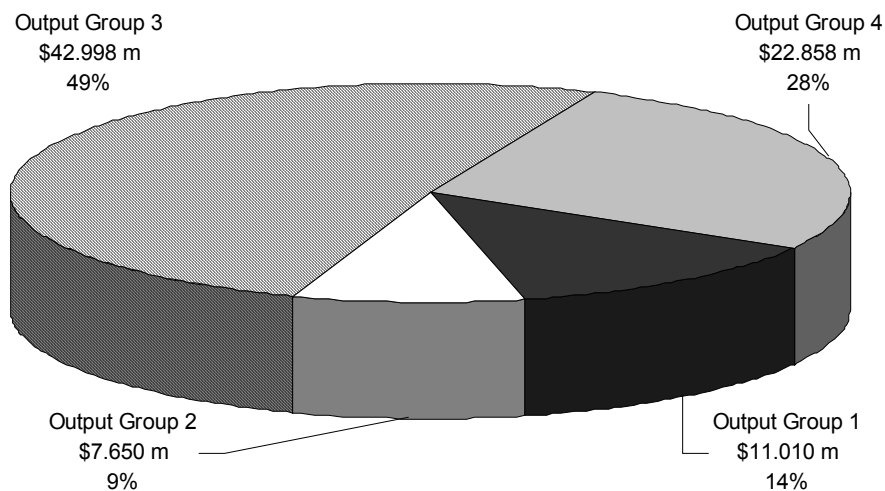
The department is budgeting for revenue of \$87.5 million in 2005–06 which represents an increase of \$25.7 million from the 2004–05 revised Budget estimates. This increase is mainly due to the additional funding of \$30 million for the APEC Taskforce and \$0.7 million for the new Indigenous functions, offset by a reduction of \$3.1 million following the transfer of Office for the Status of Women (OSW) to the Department of Family and Community Services (FaCS) in 2004–05.

The increased revenue above is not available to the department as a whole and the balance of the department continues to face a declining revenue base due to the cumulative effects of the application of the efficiency dividend (the increase of 0.25% over the next three years has increased these annual reductions to \$0.6 million from the previous \$0.5 million). The department has budgeted for a very small operating surplus of \$0.052 million in 2005–06.

Departmental appropriations by output group

Figure 2 shows departmental appropriations by output group for 2005–06.

Figure 2: Departmental appropriations by output group, 2005–06



Resourcing for output groups 1 and 4 remains relatively unchanged from 2004–05.

Output Group 2 resourcing has reduced significantly from 2004–05, following the transfer of the OSW to FaCS.

Output Group 3 resourcing has increased progressively from 2003–04, following the establishment of the National Security Division in the department from 1 July 2003 because of expanded security initiatives. Resourcing for the group will increase

significantly in 2005–06, with the APEC Taskforce expanding to full strength and undertaking a range of procurement activities in preparation for the Leaders’ meeting and other APEC activities in 2007.

Figures 3 and 4 show departmental revenues and expenses over the period 2001–02 to 2008–09. Base revenue and expenses have remained largely static. The significant revenues in 2001–02 relate to the holding of the Commonwealth Heads of Government Meeting in that year. The significant increases in 2005–06 to 2007–08 relate to the lead-up to and holding of the 2007 APEC meetings.

Figure 3: Trends in departmental revenues, 2001–02 to 2008–09

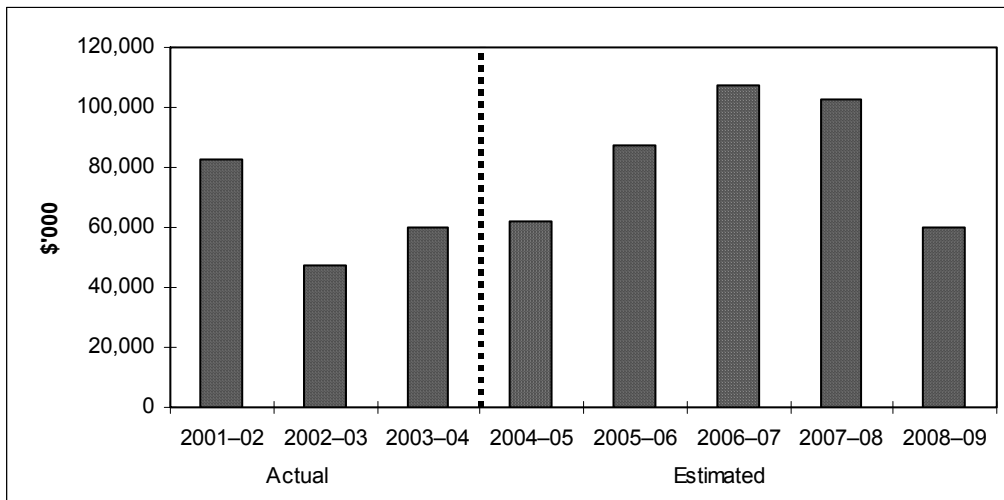
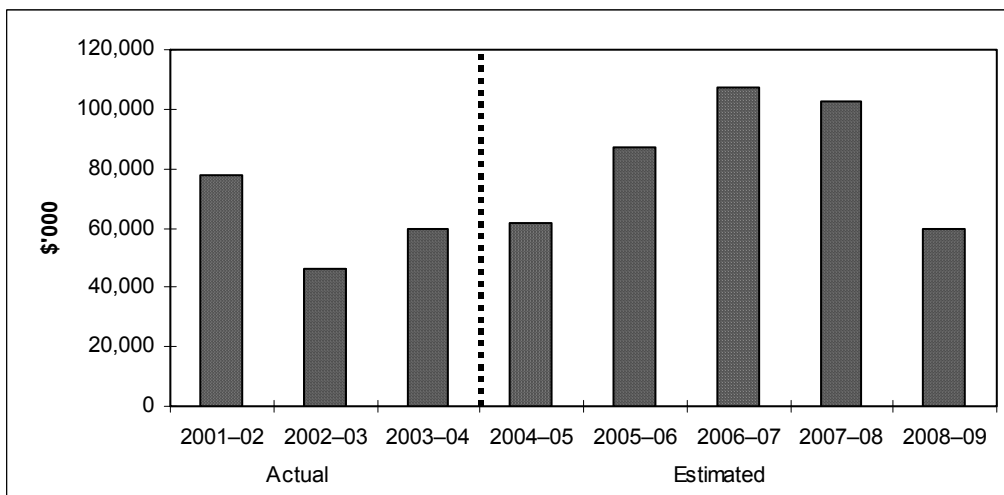


Figure 4: Trends in departmental expenses, 2001–02 to 2008–09

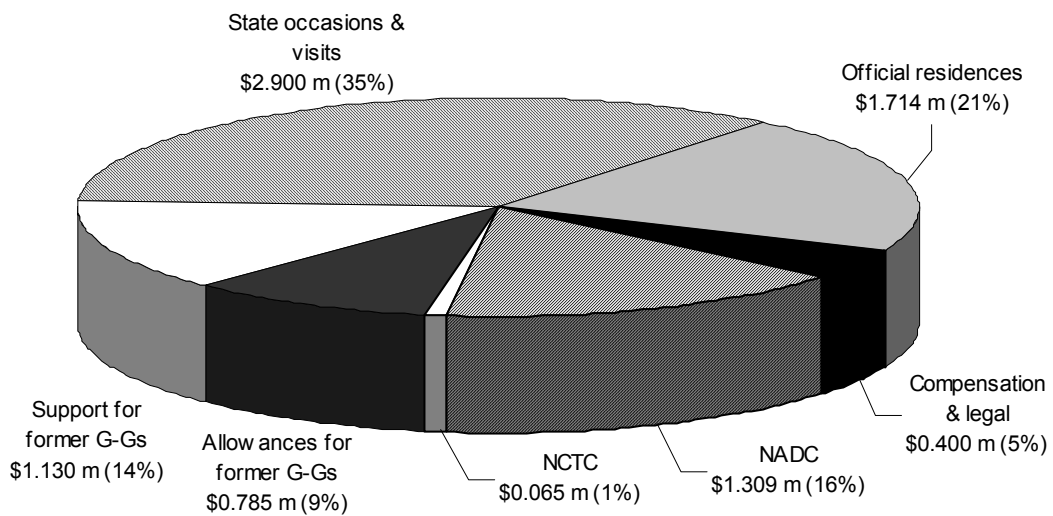


Administered appropriations by item

Administered expenses in 2005–06 have been reduced from 2004–05 levels by approximately \$13 million to \$11.9 million following the transfer of OSW and the Women’s Programmes and the one-off \$10 million Australia and New Zealand School of Government (ANZSOG) funding in 2004–05. Other expenses for 2005–06 and the forward estimates are expected to remain relatively unchanged from 2004–05 levels.

Figure 5 shows the department’s administered appropriations, including special appropriations, by item

Figure 5: Administered appropriations by item, 2005–06



NADC = National Australia Day Council; NCTC = National Counter-Terrorism Committee

3.3: OUTCOMES RESOURCING

The total price of outputs for 2005–06 is \$87.5 million. This is made up of \$84.5 million from appropriations and \$3.0 million from revenue from other sources. Total administered expenses are estimated at \$11.9 million.

Table 3.1 shows how these appropriations and revenue from other sources, including from special accounts, translate to the total resourcing for Outcome 1.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000
Administered appropriations		
Special appropriations		
Allowance to former Governors-General	784	785
Total special appropriations	784	785 ¹
Annual appropriations		
Support to former Governors-General	1,102	1,130
Provision of superannuation surcharge for former Governors-General	-	-
State occasions and official visits	2,886	2,900
Women's programmes	3,920	-
Prime Minister's official residences	1,500	1,714
Compensation and legal expenses	45	400
National Australia Day Council	1,309	1,309
National Counter Terrorism Committee	95	65
ANZSOG funding	10,000	-
Total annual administered appropriations	20,857	7,518 ³
Payments from special account	3,600	3,600 ⁴
Total expenses administered on behalf of government	25,241	11,903 ⁵
from Special Accounts (estimated payments from Special Account balances)	3,600	3,600
Media Commissions Account – s. 20 FMA Act		
Total Special Account outflows	3,600	3,600 ⁶

Table 3.1: Total resources for Outcome 1 (\$'000) (cont.)

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000
Departmental appropriations		
Output Group 1 – Economic and industry policy advice		
Output 1.1 – Economic and Industry Policy	11,313	11,010
Subtotal Output Group 1	11,313	11,010
Departmental appropriations		
Output Group 2 – Social policy advice		
Output 2.1 – Social Policy	7,446	7,650
Output 2.2 – Women's Policy	2,767	-
Subtotal Output Group 2	10,213	7,650
Departmental appropriations		
Output Group 3 – International policy advice		
Output 3.1 – International Policy	6,747	4,519
Output 3.2 – National Security Policy	7,434	8,440
Output 3.3 – APEC Taskforce	-	30,039
Subtotal Output Group 3	14,181	42,998
Departmental appropriations		
Output Group 4 – Support services for government operations		
Output 4.1 – Cabinet Secretariat	3,610	3,545
Output 4.2 – Cabinet Implementation	1,828	1,798
Output 4.3 – Government	7,994	7,872
Output 4.4 – Government Communications	3,607	3,540
Output 4.5 – Official Establishments	558	556
Output 4.6 – Support to Ministerial Offices	2,608	2,564
Output 4.7 – Ceremonial and Hospitality	3,021	2,983
Subtotal Output Group 4	23,225	22,858
Total revenue from government (Bill 1 appropriations)	58,932	84,515
Contributing to price of departmental outputs	95%	97%
Revenue from other sources		
Resources received free of charge	1,013	1,015
Sale of goods and services	541	623
Sale of assets	10	60
Payments from special accounts	1,278	1,310
Total revenue from other sources	2,842	3,008
Total price from departmental outputs	61,774	87,523
(Total revenue from government and from other sources)		
from Special Accounts (estimated payments from Special Account balances)		
Campaign Advertising Account	1,200	1,210
Services for other Governments and Non-Agency Bodies Account	100	100
Total Departmental Special Account outflows	1,300	1,310
Total estimated resourcing for Outcome 1	87,015	99,426
(Total price of outputs and administered appropriations)		
	2004–05	2005–06
Average staffing level (number)	375	450

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FMA Act = *Financial Management and Accountability Act 1997*

Notes:

1. This total corresponds with special appropriations totals in Tables 2.1 and 2.4.
2. The revised 2004–05 and 2005–06 figures have been adjusted for the transfer of resources for the Women's Programmes to FaCS.
3. This total corresponds with the total in the Bill 1 administered appropriations in Table 2.1.
4. These payments correspond to the Media Commission payments in Table 2.5 and are used to pay supplier expenses associated with this account.
5. This total reconciles with the total administered expenses in the Schedule of budgeted revenues and expenses administered on behalf of government in the financial statements.
6. Special account boxes are included for information only. Special account payments are included elsewhere through separate entries.
7. This number reduces in 2005–06 due to the APEC Taskforce moving to new Output 3.3.
8. These totals reconcile with departmental appropriations in Table 2.1 and in the Statement of financial performance in the financial statements.
9. This total includes payments from the Campaign Advertising and Services for Other Government and Non-Agency Bodies special accounts and relates back to Table 2.5.
10. This total corresponds with the total Revenue from other sources in Table 2.1.
11. This total corresponds with total departmental and administered resources for Outcome 1 in Table 2.1.

Measures affecting Outcome 1

For measures affecting Outcome 1, see Table 2.2.

Variations affecting Outcome 1

The department is also subject to a number of variations through the Budget; these are summarised in the table below. The principal one is the transfer of the OSW to FaCS, which was previously mentioned in the Portfolio Additional Estimates Statements. The other is the transfer of ongoing funding from the Department of Immigration and Multicultural and Indigenous Affairs for the department's new Indigenous functions following the disestablishment of the Aboriginal and Torres Strait Islander Commission (ATSIC) and Aboriginal and Torres Strait Islander Services (ATSIS) programmes.

	2004–05 \$'000	2005–06 \$'000	2006–07 \$'000	2007–08 \$'000	2008–09 \$'001
Outcome 1					
Variations in departmental appropriations:					
Parameter adjustment	-	-	-	(7)	(50)
Transfer of OSW to FaCS	(2,028)	(3,075)	(3,112)	(3,184)	(3,294)
Transfer of function from DIMIA	695	702	715	736	765
Total variation in departmental appropriations	(1,333)	(2,373)	(2,397)	(2,455)	(2,579)
Variations in administered appropriations:					
Parameter adjustment	-	-	-	9	9
Transfer of OSW to FaCS	(7,669)	(4,119)	(2,219)	(1,144)	(1,144)
Total variation in administered appropriations	(7,669)	(4,119)	(2,219)	(1,135)	(1,135)

Performance information for Outcome 1

The performance information has been amended to include performance information for new Output 3.3.

Table 3.2: 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>Quality</p> <ul style="list-style-type: none"> • 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 • an assessment of outputs against the annual divisional work plans and individual performance agreements. <p>Timeliness</p> <p>The department aims to meet specific deadlines as follows:</p> <ul style="list-style-type: none"> • 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 • for other correspondence, a response is to be prepared or appropriate action is to be carried out within 20 working days • the various timing requirements for Freedom of Information requests as specified in the <i>Freedom of Information Act 1982</i> • the preparation of responses to Parliamentary Questions on Notice within 60 days for the House of Representatives and 30 days for the Senate • 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. <p>Quantity</p> <p>On the basis of recent experience, in 2005–06 the department would expect to have to:</p> <ul style="list-style-type: none"> • process in excess of 120,000 items of Ministerial correspondence • provide over 4,700 briefings to the Prime Minister, the portfolio ministers and their offices • prepare draft answers to 145 Parliamentary Questions on Notice • respond to 35 Freedom of Information requests. <p>Price</p> <p>The price of the department's outputs in 2005–06 is estimated to be \$87.5 million.</p>

Performance information for individual outputs	
In addition to the foregoing performance indicators and assessment that apply to all, or most, of the department's output groups, the following indicators and assessments apply to the individual outputs indicated.	
Output	Performance information
Output Group 1: Economic and industry policy	
<p>Output 1.1: Economic and Industry</p> <p>Advice and support to the Prime Minister and assistance in coordination of the Budget, government policies on economic, industry, infrastructure and environment policy issues, including matters relating to regional, communications, transport, science, resources, energy, competition, sport, tourism, small business and natural resources, including on presentation of the government's decisions in these areas.</p> <p>Manage and coordinate the work programme of the Council of Australian Governments.</p>	<p><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. Annual evaluation of Budget preparation and coordination process.</p>
Total price for Output Group 1	\$11.4 million
Output Group 2: Social policy	
<p>Output 2.1: Social Policy</p> <p>Advice, briefing and support to the Prime Minister 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.</p>	<p><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.</p>
Total price for Output Group 2	\$8.0 million
Output Group 3: International and national security policy	
<p>Output 3.1: International Policy</p> <p>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.</p>	<p><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.</p>
<p>Output 3.2: National Security Policy</p> <p>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.</p>	<p><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>

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Output	Performance information
<p>Administered item National Counter Terrorism Committee (NCTC)</p>	<p><i>Quality:</i> Secretariat support is provided to the satisfaction of the NCTC.</p>
<p>Output 3.3: APEC Taskforce</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Minister for Foreign Affairs, the Minister for Transport and Regional Services, the Treasurer, and the Minister for Industry, Tourism and Resources as ministers hosting APEC meetings during 2007, and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of advice and achievement of key tasks.</p>
<p>Total price for Output Group 3</p>	<p>\$44.4 million</p>
<p>Output Group 4: Support services for government operations</p>	
<p>Output 4.1: Cabinet Secretariat Coordination of Cabinet business</p> <p>Provision of secretariat services to the National Security Committee of Cabinet (NSC) and the Secretaries' Committee on National Security (SCNS).</p> <p>Support for Federal Executive Council.</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> 60 meetings of the Cabinet and its committees are expected to be organised and coordinated.</p> <p><i>Quality:</i> 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><i>Quality:</i> Degree of satisfaction of the Governor-General and his Official Secretary with the support provided by the Executive Council Secretariat.</p> <p><i>Timeliness:</i> Papers and schedules are delivered to Government House two working days prior to an Executive Council meeting.</p> <p><i>Quantity:</i> 30 meetings of the Executive Council are expected to be organised and coordinated.</p>
<p>Output 4.2: Cabinet Implementation Unit 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>

Agency Budget Statements – Agency outcomes – PM&C

Output	Performance information
<p>Output 4.3: Machinery of Government</p> <p>Advice, briefing and support on parliamentary, machinery of government, legal and cultural (including the National Australia Day Council) issues, including on presentation of the government's decisions in these areas.</p> <p>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 the interests of the Commonwealth are successfully protected in legal actions involving the department or the portfolio's ministers.</p> <p>The degree of satisfaction of the Parliamentary Business Committee with the timeliness and accuracy of the production and distribution of:</p> <ul style="list-style-type: none"> • the legislation programme • public lists of proposed legislation • reports of unproclaimed legislation. <p>The degree of satisfaction with support and promotion of the Australian honours system, including:</p> <ul style="list-style-type: none"> • the quality and timeliness of policy advice • accurate and timely processing of nominations for awards • the accurate and timely preparation of congratulatory messages • effective coordination with Government House on promotional activities related to the national honours and awards system.
<p>Administered item</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>Output 4.4: Government Communications</p> <p>Coordination of government communications, including management of the Central Advertising System (CAS).</p>	<p><i>Quality:</i> The degree of satisfaction of the Chairman and members of the Ministerial Committee on Government Communications (MCGC) with the advice and secretariat support provided by the Government Communications Unit (GCU).</p> <p>The degree of satisfaction with the CAS among clients of the master placement agencies.</p>

Agency Budget Statements – Agency outcomes – PM&C

Output	Performance information
<p>Output 4.4: Government Communications (continued)</p> <p>Coordination of government communications, including management of the Central Advertising System (CAS).</p> <p>Provision of photographic services by AUSPIC (the government photographic service).</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 2005–06.</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>Output 4.5: Support to Official Establishments</p> <p>Management of the Prime Minister's official residences.</p> <p>Secretariat support for the Official Establishments Trust.</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><i>Quality:</i> The degree of satisfaction of Official Establishments Trust members with the timeliness and quality of advice and secretariat support.</p>
<p>Administered item</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>Output 4.6: Support for Ministerial Offices</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>Administered item</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>Output 4.7: Ceremonial and Hospitality</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>

Output	Performance information
<p>Administered item</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"> • visits to Australia by heads of state and government • arrangements for the Prime Minister's overseas visits • state occasions • advice on relevant matters, including official gifts. <p>Assessment by the sponsoring minister, minister's office or department, together with Australian and foreign diplomatic representatives, as expressed through formal and informal feedback mechanisms, of:</p> <ul style="list-style-type: none"> • the benefits from the programme of official visits • the efficient organisation and presentation of ceremonial occasions and hospitality services. <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>
<p>Total price for Output Group 4</p>	<p>\$23.7 million</p>

Evaluations for Outcome 1

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 2005–06 financial year, the following areas within the department may be subject to an internal audit:

- records management
- management of long-term accommodation needs
- management of non-permanent interagency staff transfers.

The current 2004–05 program extends to September 2005 to align with the market testing of internal audit services. The proposed internal audit programme for 2005–06 will be finalised in consultation with divisional management and considered by the Audit Committee in October 2005.

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

Section 4: Other reporting requirements

4.1: PURCHASER–PROVIDER ARRANGEMENTS

The department has no purchaser–provider arrangements.

4.2: COST RECOVERY ARRANGEMENTS

The department has no cost recovery operations that fall within the reporting requirements of the government’s Cost Recovery Guidelines.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

The department’s expenditure on Indigenous matters for 2004–05 and planned expenditure for 2005–06 is shown in Table 4.1.

Table 4.1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000 (A)	Bill No. 2 \$'000 (B)	Special Approp \$'000 (C)	Total Approp \$'000 (D)		
Department of the Prime Minister and Cabinet						
Outcome 1						
Departmental 2005–06	702	-	-	702	-	702
Departmental 2004–05	731	-	-	731	-	731

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Statement of financial performance

The department is budgeting for revenue of \$87.5 million in 2005–06. Although this is a significant increase of \$25.7 million from the 2004–05 revised Budget, expenses are expected to increase in line with this, with the APEC Taskforce engaging in major procurement contracts in preparation for the APEC meetings in 2007, and the Indigenous policy area operating at full staffing levels.

Revenue and expenses for 2006–07 and 2007–08 are expected to remain at these high levels while the APEC Taskforce remains in operation, and are expected to return to normal levels in 2008–09 when the taskforce will cease operation.

The department will also experience increased depreciation expenses from 2005–06 through to 2007–08 from the combined effects of the accelerated depreciation of the fit-out in its existing building in the lead-up to the move to its new building in 2006–07, the depreciation of the considerable support equipment being procured by the APEC Taskforce to support the APEC meetings in 2007, and the depreciation of the fit-out of the department's new accommodation from early 2007. The department received some additional funding in the Additional Estimates process and is receiving the balance through the Budget to offset these expenses.

The department has budgeted for a small operating surplus of \$0.052 million.

Statement of financial position

The department's financial position is expected to improve considerably in 2005–06 and 2006–07 due to a capital injection of over \$10 million in 2005–06 (nearly \$6 million to fund the APEC Taskforce's fit-out, office equipment and IT purchases and \$4.8 million to the department to fund work in preparation for its move to new accommodation in 2006–07) and over \$18 million in 2006–07 (\$15.3 million to enable the department to fit out its new accommodation and a further \$2.9 million for the APEC Taskforce's procurement). This will significantly increase the department's holdings in non-financial assets during 2005–06 and 2006–07, but these holdings will be progressively reduced through depreciation in the forward years.

Depreciation funding which is being provided to offset the increased depreciation expenses from the expanded asset holdings will be accumulated in the absence of the immediate need for replacement assets and this will lead to the increases in receivables across the years as shown.

Liabilities remain relatively unchanged, with the overall position being a moderate increase in liabilities in 2005–06 and the forward estimates. The department continues to provide for its employees in line with recommended scales. Along with ongoing salary increases, employee provisions are also increasing at a similar rate and will have reached nearly \$11 million in 2005–06. Approximately 80% of these are unfunded, because before 1999–2000 the department was not funded for such liabilities.

Following the \$10 million equity injection in 2005–06, contributed equity has increased by this amount. This is expected to continue in 2006–07 with a further equity injection of over \$18 million as mentioned above.

Statement of cash flows

The Statement of cash flows mirrors the revenue, expenses, capital injections and purchases of non-financial assets discussed in the statements above.

Capital budget statement

The Capital budget statement shows the capital injections, purchases and funding of non-financial assets as mentioned above.

Administered

Schedule of budgeted revenues and expenses administered on behalf of government

Administered expenses in 2005–06 have been reduced from 2004–05 levels by approximately \$13 million to \$11.9 million. This is largely due to the transfer of \$7.7 million for OSW and the Women’s Programmes and the one-off \$10 million ANZSOG funding in 2004–05. Other expenses for 2005–06 and the forward estimates are expected to remain relatively unchanged from 2004–05 levels.

Schedule of budgeted assets and liabilities administered on behalf of government

Assets and liabilities are expected to remain relatively unchanged from 2004–05 for 2005–06 and across the forward estimates. The assets are almost exclusively made up of the book values of the two official residences (\$32 million), and these do not change until a valuation is undertaken. Liabilities are made up of supplier payables, employee provisions for permanent staff at the residences and the superannuation entitlements of the former Governors-General (\$10 million).

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	58,932	84,515	104,397	99,613	56,245
Goods and services	541	623	623	623	623
Revenue from sales of assets	10	60	60	60	60
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Other	2,291	2,325	2,325	2,315	2,810
Revenues from ordinary activities	61,774	87,523	107,405	102,611	59,738
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	37,969	41,392	47,944	43,465	34,961
Suppliers	18,534	38,872	48,544	48,618	19,926
Grants	1,088	2,088	2,188	2,188	88
Subsidies	-	-	-	-	-
Depreciation and amortisation	4,143	5,059	8,569	8,180	4,603
Write-down of assets and impairment of assets	-	-	-	-	-
Value of assets sold	10	60	60	60	60
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Expenses from ordinary activities (excluding borrowing costs expense)	61,744	87,471	107,305	102,511	59,638
Borrowing costs expense	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-

**Table 5.1: Budgeted departmental statement of financial performance (cont.)
for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
Operating surplus or (deficit) from ordinary activities	30	52	100	100	100
Gain or (loss) on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or (deficit)					
Outside equity interests in net surplus or (deficit)	-	-	-	-	-
Net surplus or deficit attributable to the Australian Government	30	52	100	100	100
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	-	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	30	52	100	100	100

Table 5.2: Budgeted departmental statement of financial position as at 30 June

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
ASSETS					
Financial assets					
Cash	307	273	273	273	273
Receivables	8,545	10,888	16,658	22,005	23,775
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	8,852	11,161	16,931	22,278	24,048
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	13,307	21,696	34,374	29,237	27,677
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	1,345	1,345	1,345	1,345	1,345
Other non-financial assets	357	242	224	224	224
Total non-financial assets	15,009	23,283	35,943	30,806	29,246
Total assets	23,861	34,444	52,874	53,084	53,294
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	10,381	10,491	10,601	10,711	10,821
Other provisions	-	-	-	-	-
Total provisions	10,381	10,491	10,601	10,711	10,821
Payables					
Suppliers	2,786	2,801	2,816	2,816	2,816
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	79	80	81	81	81
Total payables	2,865	2,881	2,897	2,897	2,897
Total liabilities	13,246	13,372	13,498	13,608	13,718

**Table 5.2: Budgeted departmental statement of financial position (cont.)
as at 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
EQUITY					
Parent entity interest					
Contributed equity	5,120	15,525	33,729	33,729	33,729
Reserves	2,347	2,347	2,347	2,347	2,347
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	3,148	3,200	3,300	3,400	3,500
Total parent entity interest	10,615	21,072	39,376	39,476	39,576
Total equity	10,615	21,072	39,376	39,476	39,576
Current assets	8,852	11,161	16,931	22,278	24,048
Non-current assets	15,009	23,283	35,943	30,806	29,246
Current liabilities	2,865	2,881	2,897	2,897	2,897
Non-current liabilities	10,381	10,491	10,601	10,711	10,821

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

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	621	623	623	623	623
GST input credit receipts	1,694	1,694	1,694	1,694	1,694
GST receipts from customers	182	182	182	182	200
Appropriations	59,078	84,515	104,397	99,613	56,245
Other	1,310	1,310	1,310	1,310	1,310
Extraordinary items	-	-	-	-	-
Total cash received	62,885	88,324	108,206	103,422	60,072
Cash used					
GST payments (agency)	105	105	105	105	300
GST payments to suppliers	1,700	2,000	2,700	2,100	1,700
Employees	37,122	40,545	46,397	42,518	32,149
Suppliers	19,644	40,577	53,773	53,468	22,792
Grants	1,088	2,088	2,188	2,188	88
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	59,659	85,315	105,163	100,379	57,029
Net cash from or (used by) operating activities	3,226	3,009	3,043	3,043	3,043
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	10	60	60	60	60
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	10	60	60	60	60
Cash used					
Purchase of property, plant and equipment	6,168	13,508	21,307	3,103	3,103
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	6,168	13,508	21,307	3,103	3,103
Net cash from or (used by) investing activities	(6,158)	(13,448)	(21,247)	(3,043)	(3,043)

**Table 5.3: Budgeted departmental statement of cash flows (cont.)
for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	3,065	10,405	18,204	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	3,065	10,405	18,204	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	3,065	10,405	18,204	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	133	(34)	-	-
Cash at the beginning of the reporting period	307	307	273	273	273
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	307	273	273	273	273

Table 5.4: Departmental capital budget statement

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	3,065	10,405	18,204	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	3,065	10,405	18,204	-	-
Other	-	-	-	-	-
Total represented by	3,065	10,405	18,204	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	3,065	10,405	18,204	-	-
Funded internally by departmental resources	3,103	3,103	3,103	3,103	3,103
Total	6,168	13,508	21,307	3,103	3,103

Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005–06)

	Land	Investment property	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	\$'000
As at 1 July 2005									
Gross book value	-	-	-	-	27,126	-	3,898	-	31,024
Accumulated depreciation	-	-	-	-	13,819	-	2,553	-	16,372
Opening net book value	-	-	-	-	13,307	-	1,345	-	14,652
Additions:									
by purchase	-	-	-	-	13,508	-	-	-	13,508
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	5,059	-	-	-	5,059
Recoverable amount write-downs	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	60	-	-	-	60
As at 30 June 2006									
Gross book value	-	-	-	-	40,574	-	3,898	-	44,472
Accumulated depreciation	-	-	-	-	18,878	-	2,553	-	21,431
Closing net book value	-	-	-	-	21,696	-	1,345	-	23,041

Table 5.6: Schedule of budgeted revenues and expenses administered on behalf of government for the period ended 30 June

	Estimated actual 2004–05 \$'000	Budget estimates 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation (revenues from government)					
Goods and services	3,600	3,600	3,600	3,600	3,600
Interest	-	-	-	-	-
Revenues from sale of assets	10	10	10	10	10
Other sources of non-taxation revenues	10	10	10	10	10
Correction of fundamental error	-	-	-	-	-
Total non-taxation	3,620	3,620	3,620	3,620	3,620
Total revenues administered on behalf of government	3,620	3,620	3,620	3,620	3,620
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	12,449	1,821	1,824	1,767	1,767
Subsidies	-	-	-	-	-
Personal benefits	784	785	787	820	820
Employees	900	900	900	900	900
Suppliers	11,606	8,274	8,310	8,635	8,751
Depreciation and amortisation	113	113	113	113	113
Write down and impairment of assets	-	-	-	-	-
Value of assets sold	10	10	10	10	10
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total expenses administered on behalf of government	25,862	11,903	11,944	12,245	12,361

Table 5.7: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	530	623	716	809	809
Receivables	1,590	1,590	1,590	1,590	1,590
Accrued revenues	897	897	897	897	897
Other financial assets	-	-	-	-	-
Total financial assets	3,017	3,110	3,203	3,296	3,296
Non-financial assets					
Land and buildings	32,018	31,978	31,938	31,898	31,858
Infrastructure, plant and equipment	436	383	330	277	204
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	231	231	231	231	231
Intangibles	-	-	-	-	-
Other non-financial assets	15	15	15	15	15
Total non-financial assets	32,700	32,607	32,514	32,421	32,308
Total assets administered on behalf of government	35,717	35,717	35,717	35,717	35,604
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions					
Employees	175	175	175	175	175
Taxation refunds provided	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	175	175	175	175	175
Payables					
Suppliers	278	278	278	278	278
Grants and subsidies	-	-	-	-	-
Personal benefits payable	10,300	10,300	10,300	10,300	10,300
Taxation refunds due	-	-	-	-	-
Other payables	-	-	-	-	-
Total payables	10,578	10,578	10,578	10,578	10,578
Total liabilities administered on behalf of government	10,753	10,753	10,753	10,753	10,753

**Table 5.8: Schedule of budgeted administered cash flows
for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods	3,600	3,600	3,600	3,600	3,600
Rendering of services	-	-	-	-	-
GST input credit receipts	650	500	500	500	500
GST receipts from customers	300	300	300	300	300
Cash from the Official Public Account –	23,094	8,734	8,234	8,625	8,618
Appropriations	-	-	-	-	-
Special Accounts	-	-	-	-	-
Other	-	-	-	-	-
Other	10	10	10	10	10
Total cash received	27,654	13,144	12,644	13,035	13,028
Cash used					
GST payments to Suppliers	1,200	800	800	800	800
Borrowing costs	-	-	-	-	-
Employees	950	950	950	950	950
Grant payments	12,449	1,821	1,824	1,767	1,767
Interest paid	-	-	-	-	-
Subsidies paid	-	-	-	-	-
Personal benefits	784	785	787	810	820
Suppliers	11,312	8,234	8,180	8,605	8,701
Cash to the Official Public Account	852	451	-	-	-
Other	-	-	-	-	-
Total cash used	27,547	13,041	12,541	12,932	13,038
Net cash from/(used by) operating activities	107	103	103	103	(10)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	10	10	10	10	10
Repayments of advances	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	10	10	10	10	10

**Table 5.8: Schedule of budgeted administered cash flows (cont.)
for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	20	20	20	20	20
Advances and loans made	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	20	20	20	20	20
Net cash from/(used by) investing activities	(10)	(10)	(10)	(10)	10
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	97	93	93	93	-
Cash at beginning of reporting period	433	530	623	716	809
Cash from Official Public Account for					
Appropriations	-	-	-	-	-
Special accounts	-	-	-	-	-
Transfers from other entities (Finance – whole of government)	-	-	-	-	-
Cash to Official Public Account for					
Appropriations	-	-	-	-	-
Special accounts	-	-	-	-	-
Transfers from other entities (Finance – whole of government)	-	-	-	-	-
Cash at end of reporting period	530	623	716	809	809

Table 5.9: Schedule of administered capital budget

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
CAPITAL APPROPRIATIONS					
Administered capital	-	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	20	20	20	20	-
Total	20	20	20	20	-

Table 5.10: Schedule of property, plant, equipment and intangibles — summary of movement (Budget year 2005–06)

	Land	Investment property	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	\$'000
As at 1 July 2005									
Gross book value	28,000	-	6,719	-	1,231	-	-	-	35,950
Accumulated depreciation	-	-	2,701	-	795	-	-	-	3,496
Opening net book value	28,000	-	4,018	-	436	-	-	-	32,454
Additions:									
by purchase	-	-	-	-	20	-	-	-	20
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	40	-	73	-	-	-	113
Recoverable amount write-downs	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	10	-	-	-	10
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	10	-	-	-	10
As at 30 June 2006									
Gross book value	28,000	-	6,719	-	1,251	-	-	-	35,970
Accumulated depreciation	-	-	2,741	-	868	-	-	-	3,609
Closing net book value	28,000	-	3,978	-	383	-	-	-	32,361

5.3: NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Departmental

Revenue

Appropriation revenue accounts for 97% of departmental revenue. The remaining 3% of revenue is from goods and services (AUSPIC), sale of assets and other (comprising the activities of the Campaign Advertising special account and resources received free of charge).

Expenses

Employee expenses comprise approximately 65% of departmental expenses for 2005–06. The remainder is largely made up of supplier expenses.

Grants relate to research grants on security technology and grants to the Australian Fund.

Assets

Infrastructure, plant and equipment comprises office fit-out and office equipment.

Intangibles are computer software applications.

Receivables relates to funding for depreciation and employee entitlements that has been returned to the Official Public Account.

Other assets are prepayments.

Liabilities

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 special account.

Expenses

Grants relate to grants made to the National Australia Day Council.

Personal benefits relate to the allowances for the former Governors-General. These are adjusted each year in line with an actuarial assessment based on the number of former Governors-General, their and their spouses' life expectancies, and projected increases in their retirement allowances.

Suppliers includes 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.

Goods and services revenue relate to the activities of the Media Commissions special account.

Assets

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

Land and buildings are the Prime Minister's official residences: the Lodge and Kirribilli House.

Infrastructure, plant and equipment comprise 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 relinquished as part of the state occasions and official visits item).

Liabilities

Employee liabilities are provisions relating to staff at the Lodge and Kirribilli House.

Personal benefits payable relates to the entitlements of the former Governors-General. These are adjusted each year on the basis of an actuarial assessment.

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