

OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

Section 1: Overview	191
1.1 Summary of agency contributions to outcomes.....	191
Section 2: Resources for 2007–08.....	193
2.1 Appropriations and other resources.....	193
2.2 2007–08 Budget measures.....	193
2.3 Other resources available to be used.....	195
2.4 Movement of administered funds.....	195
2.5 Special appropriations	195
2.6 Movements in Special Accounts.....	196
Section 3: Outcomes	197
3.1 Summary of outputs and contribution to outcome	197
3.2 Outcome resources and performance information	198
Section 4: Other reporting requirements.....	202
4.1 Purchaser–provider arrangements	202
4.2 Cost recovery arrangements.....	202
4.3 Australian Government indigenous expenditure.....	202
Section 5: Budgeted financial statements.....	203
5.1 Analysis of budgeted financial statements.....	203
5.2 Budgeted financial statements tables	204
5.3 Notes to the financial statements.....	214

OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

Section 1: Overview

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

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

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

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

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

Output 1.1 – Support of the Governor-General

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

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the Office (outputs and administered policies, products and services) which contribute to achievement of outcomes for the Office of the Official Secretary to the Governor-General are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

Outcome	Description	Output groups
Outcome 1		
The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment	The Office of the Official Secretary to the Governor-General supports the Governor-General in the fulfilment of his duties.	Output 1.1 Support of the Governor-General Output 1.2 Administration of the Australian Honours and Awards System

Section 2: Resources for 2007–08

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007–08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for the Office of the Official Secretary to the Governor-General in the 2007–08 Budget is \$15.7 million, which includes \$11.7 million for departmental, \$1.6 million for administered and \$2.4 million for capital.

2.2 2007–08 BUDGET MEASURES

There are no Budget measures relating to the Office of the Official Secretary to the Governor-General in the 2007–08 Budget.

Table 2.1: Appropriations and other resources 2007–08 ('000)

Prime Minister and Cabinet Portfolio
Agency Resourcing—2007–08

	Departmental				Administered					Total
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPP \$'000	Bill No. 2 Other (b) \$'000	Special Appropriation \$'000	Receipts (a) \$'000	
Office of the Official Secretary to the Governor-General										
Outcome 1	11,658	-	-	72	1,225	-	-	365	-	13,320
Equity injections	-	2,381	-	-	-	-	-	-	-	2,381
TOTAL	11,658	2,381	-	72	1,225	-	-	365	-	15,701

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used (does not include resources received free of charge).

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new administered expenses within new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Income Statement for application of agency revenue.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.2 provides details of resources obtained by the department/agency for provision of goods or services. These resources are approved for use by the department/agency and are included in Table 2.1.

Table 2.2: Other resources available to be used

	Estimated receipts 2006–07 \$'000	Budget estimate 2007–08 \$'000
Departmental resources		
Sale of goods and services (FMA Act s. 31)	22	22
Proceeds from sale of property plant and equipment (FMA Act s. 31)	50	50
Resources received free of charge	25	25
Total departmental other resources available to be used	97	97

Note: This table represents own source receipts available for spending on departmental purposes.

2.4 MOVEMENT OF ADMINISTERED FUNDS

The Office has no movement of administered funds from 2006–07 to 2007–08.

2.5 SPECIAL APPROPRIATIONS

Table 2.3: Estimates of expenses from special appropriations

	Outcome	Estimated expenses 2006–07 \$'000	Budget estimate 2007–08 \$'000
Estimated expenses			
Governor-General's Salary	1	365	365
<i>Commonwealth of Australia Constitution Act s. 3 (A)</i>			
Total estimate expenses		365	365

A = administered

2.6 MOVEMENTS IN SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part.

Table 2.4 shows the expected additions (credits) and reductions (debits) for each account used by the Office.

Table 2.4: Estimates of Special Account cash flows and balances

	Opening balance 2007-08	Receipts 2007-08	Payments 2007-08	Adjustments 2007-08	Closing balance 2007-08
	<i>2006-07</i>	<i>2006-07</i>	<i>2006-07</i>	<i>2006-07</i>	<i>2006-07</i>
	Outcome \$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys Account (D) <i>FMA Act 1997 s. 20¹</i>	1 -	25	25	-	-
	-	28	28	-	-
Services for other Governments and Non-Agency Bodies Account (D) <i>FMA Act 1997 s. 20¹</i>	1 -	-	-	-	-
	-	-	-	-	-
Total special accounts					
2007-08 Budget estimate	-	25	25	-	-
Total special accounts 2006-07 estimate actual	-	28	28	-	-

D = departmental; A = administered

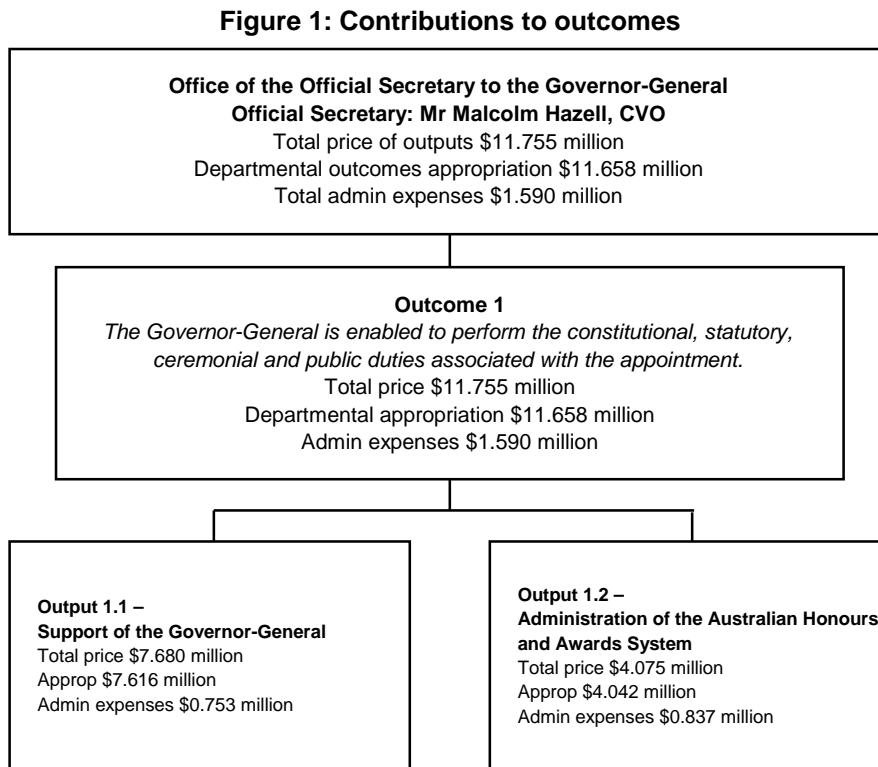
a Legal authority: *Financial Management and Accountability Act 1997*, s. 20

Section 3: Outcomes

This section summarises how the resources identified in Section 2 will be used to contribute to the single outcome of the Office of the Official Secretary to the Governor-General. Emphasis is placed on estimating the contribution to outcomes through administered items and outputs delivered by the agency. Key performance measures and performance evaluation activities are specified for each outcome. More detailed information on output and administered item attributes is maintained by agencies for internal management purposes.

3.1 SUMMARY OF OUTPUTS AND CONTRIBUTION TO OUTCOME

The relationship between activities of the Office and the outcomes is summarised in Figure 1.



3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007–08 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 3.1: Total resources for Outcome 1

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000
Administered appropriations		
Governor-General's salary	365	365
Depreciation	388	388
Australian Honours and Awards	808	837
Total administered appropriations	1,561	1,590
Departmental appropriations		
Output Group 1		
Output 1.1 – Support of the Governor-General	6,923	7,616
Output 1.2 – Administration of the Australian Honours and Awards System	3,915	4,042
Subtotal Output Group 1		
Total revenue from government (appropriations)	10,838	11,658
Contributing to price of departmental outputs		
Revenue from other sources		
Sale of goods and services	22	22
Proceeds on sale of assets	50	50
Resources received free of charge	25	25
Total revenue from other sources	97	97
Total price from departmental outputs		
(Total revenue from government and from other sources)	10,935	11,755
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)	12,496	13,345
	2006–07	2007–08
Average staffing level (number)	88	91

3.2.2 Measures affecting Outcome 1

There are no new measures affecting the Office's Outcome for the budget year.

3.2.3 Contributions to achievement of Outcome 1

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

Output 1.1 resources are directed to:

- assisting Their Excellencies with their representational activities, including through planning and organising functions and events, liaising with representatives of governments, governmental authorities, Buckingham Palace, community groups and individuals, and preparing drafts of messages, speeches and correspondence; the output also provides advice on policy, precedent and practice
- managing the households at Government House, Canberra, and Admiralty House, Sydney, to a high standard through providing hospitality services for official functions, ongoing support for Their Excellencies while in residence and servicing the needs of visiting Royalty, heads of state and other guests who remain at one of the residences during visits to Australia
- managing and providing property development and maintenance, caretaking, and gardening functions at each of the Office's official residences.

Output 1.2 resources are directed to:

- conducting comprehensive and independent research and analysis of nominations for awards
- providing high-level secretariat support to honours advisory bodies
- interpreting and applying gazetted regulations for defence, meritorious and long service awards to ensure that applicants meet eligibility criteria
- the procurement of high-quality insignia, warrants and honours publications
- maintaining the official registers of all national awards.

3.2.4 Performance information for Outcome 1

Performance information for administered items, individual outputs and output groups relating to the Office of the Official Secretary to the Governor-General are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Effectiveness—overall achievement of Outcome 1	
The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.	
Performance information by output component	
Output and measurement	Performance information
Output 1.1: Support of the Governor-General	
Quality	The Governor-General is satisfied as to the level of support provided and standard of household operations management. Properties are maintained to high professional standards.
Quantity	Support of the Governor-General's programme of internal and external commitments. Management of household operations at Government House and Admiralty House. Management of Government House and Admiralty House heritage properties, with 20 buildings and 55 hectares of grounds.
Price	\$7.680 million
Administered item: Governor-General salary	
Quality	The Governor-General receives salary in accordance with entitlements.
Price	\$0.365 million
Administered item: Management of heritage properties	
Quality	Heritage properties are managed in accordance with legislative requirements and to meet operational needs of the Governor-General and the Office (depreciation component only)
Price	\$0.388 million
Output 1.2: Administration of the Australian Honours and Awards System	
Quality	Satisfaction of the Awards and Bravery councils with secretariat support. Awards administration reflects gazetted regulations.
Quantity	4 Council meetings held. 2,340 nominations researched for OA/Bravery councils. 7,600 long service and occupation-based awards processed.
Price	\$4.075 million
Administered item: Australian Honours medals, insignia, warrants and investiture items	
Quality	Medals/insignia meet design specifications.
Quantity	An estimated 20,000 sets of medals/insignia to be purchased.
Price	\$0.837 million

3.2.5 Evaluations for Outcome 1

The performance of the Office's activities is evaluated through both internal and external audits. The Audit Committee is an important part of the Office'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 into the Office's practices and procedures. The Audit Committee is chaired by the Official Secretary.

The audit programme includes a combination of compliance and performance reviews. Internal audit activity is undertaken by WalterTurnbull Chartered Accountants.

The Office 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 4: Other reporting requirements

4.1 PURCHASER–PROVIDER ARRANGEMENTS

Agencies may need to provide resources to other general government sector bodies, for example in payment for services rendered or as part of cross-agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not equal total resourcing at the whole-of-government level (as reproduced in Budget Paper No. 1).

The Office has no purchaser–provider arrangements with other agencies.

4.2 COST RECOVERY ARRANGEMENTS

The Office has no cost recovery arrangements with other agencies.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

The Office has no specific Indigenous expenditure programmes.

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Statement of financial performance

The Office is budgeting for a balanced budget in 2007-08 before the transfer of capital expenditure on completed works to the administered accounts.

Total revenue and expenses are estimated at \$11.8 million in 2007-08. This is an increase of \$0.8 million on the 2006-07 appropriation. The increase is principally due to variations in the cost of works and maintenance associated with the implementation of the property works programme (compared to the 2006-07 programme) and parameter adjustments to the Office's budget estimates.

Statement of financial position

Movement in the Office's net asset position is principally the result of the implementation of the property works programme and the construction of a replacement building for the Honours and Awards Secretariat. Capital works projects are funded in departmental expenses and on completion of the project the expense is then moved to the administered accounts for capitalisation. The movement in receivables also reflects this process as funds are drawn down to meet capital works requirements.

The Office's primary liability is accrued employee entitlements.

Administered

Budgeted revenue and expenses

The Office will receive appropriation revenue of \$1.6 million in 2007-08. This is an increase of \$0.03 million on the 2006-07 appropriation. The increase in funding is due to the application of parameter adjustments to the Office's budget estimates.

Budgeted assets and liabilities

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

5.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from government	10,838	11,658	11,861	11,811	11,828
Goods and services	22	22	22	22	22
Resources received free of charge ^a	25	25	23	23	30
Total revenue	10,885	11,705	11,906	11,856	11,880
Gains					
Sale of assets	50	50	50	50	50
Total gains	50	50	50	50	50
Total income	10,935	11,755	11,956	11,906	11,930
EXPENSE					
Employees	6,370	7,147	7,392	7,658	8,010
Suppliers	4,003	4,019	3,950	3,599	3,236
Depreciation and amortisation	512	539	564	599	634
Expense on sale of assets	50	50	50	50	50
Total expenses	10,935	11,755	11,956	11,906	11,930
Surplus (Deficit) before income tax	-	-	-	-	-
Transfer of assets to administered ^a (deficit)	(5,485)	(1,887)	(2,424)	(3,058)	(2,399)
Surplus (deficit) attributable to the Australian Government	(5,485)	(1,887)	(2,424)	(3,058)	(2,399)

^a See Note 1 to the financial statements.

Table 5.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
ASSETS					
Financial assets					
Cash and equivalents	300	300	300	300	300
Trade and other receivables	3,535	3,987	4,400	5,108	5,994
Total financial assets	3,835	4,287	4,700	5,408	6,294
Non-financial assets					
Infrastructure, plant and equipment	1,076	1,368	756	912	1,033
Inventories	40	40	41	41	41
Intangibles	478	327	277	226	175
Other	36	36	36	36	36
Total non-financial assets	1,630	1,771	1,109	1,215	1,285
Total assets	5,465	6,058	5,809	6,623	7,579
LIABILITIES					
Provisions					
Employees	1,736	1,824	1,894	1,963	2,118
Total provisions	1,736	1,824	1,894	1,963	2,118
Payables					
Suppliers	487	497	507	517	527
Total payables	487	497	507	517	527
Total liabilities	2,223	2,321	2,401	2,480	2,645
Net assets	3,242	3,737	3,408	4,143	4,934
EQUITY^a					
Parent entity interest					
Contributed equity	8,654	11,036	12,950	16,743	19,933
Reserves	44	44	44	44	44
Retained surpluses or accumulated deficits	(5,456)	(7,343)	(9,585)	(12,644)	(15,043)
Total parent entity interest	3,242	3,737	3,408	4,143	4,934
Total equity	3,242	3,737	3,408	4,143	4,934
Current assets	3,911	4,363	4,777	5,485	6,371
Non-current assets	1,554	1,695	1,032	1,138	1,208
Current liabilities	1,442	1,494	1,540	1,584	1,713
Non-current liabilities	811	827	860	895	931

a '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 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	22	22	22	22	22
Appropriations	12,156	11,205	11,448	11,103	10,942
Total cash received	12,178	11,227	11,470	11,125	10,964
Cash used					
Employees	6,274	7,057	7,323	7,589	7,855
Suppliers	3,991	3,984	3,917	3,566	3,196
Total cash used	10,265	11,042	11,241	11,155	11,051
Net cash from or (used by) operating activities	1,913	186	229	(30)	(88)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	50	50	50	50	50
Total cash received	50	50	50	50	50
Cash used					
Purchase of property, plant and equipment	4,081	2,236	1,792	3,558	2,899
New capital works	1,073	381	401	254	252
Total cash used	5,154	2,617	2,193	3,813	3,152
Net cash from or (used by) investing activities	(5,104)	(2,567)	(2,143)	(3,763)	(3,102)
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	3,191	2,382	1,914	3,793	3,190
Total cash received	3,191	2,382	1,914	3,793	3,190
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	3,191	2,382	1,914	3,793	3,190
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	300	300	300	300	300
Cash at the end of the reporting period	300	300	300	300	300

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007–08)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	(5,456)	44	-	8,654	3,242
Adjusted opening balance	(5,456)	44	-	8,654	3,242
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	(1,887)	-	-	-	(1,887)
Total income and expenses recognised directly in equity	(1,887)	-	-	-	(1,887)
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	2,382	2,382
Sub-total transactions with owners	-	-	-	2,382	2,382
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	(7,343)	44	-	11,036	3,737

Table 5.5: Departmental capital budget statement

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections ^a	3,191	2,381	1,914	3,793	3,190
Total capital appropriations	3,191	2,381	1,914	3,793	3,190
Represented by:					
Purchase of non-financial assets	3,191	2,381	1,914	3,793	3,190
Total represented by	3,191	2,381	1,914	3,793	3,190
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	3,191	2,381	1,914	3,793	3,190
Funded internally by					
Departmental resources	473	381	401	254	252
Total	3,664	2,762	2,315	4,047	3,442

a See Note 3 to the financial statements.

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007–08)

	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 2007									
Gross book value	-	-	397	-	1,692	-	888	-	2,977
Accumulated depreciation	-	-	-	-	(1,013)	-	(410)	-	(1,423)
Opening net book value	-	-	397	-	679	-	478	-	1,554
Additions:									
by purchase ^a	-	-	2,236	-	381	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(388)	-	(151)	-	-
Disposals:									
other disposals	-	-	-	-	(50)	-	-	-	-
Transfer to Administered ^b	-	-	(1,887)	-	-	-	-	-	-
As at 30 June 2008									
Gross book value	-	-	746	-	2,023	-	888	-	3,657
Accumulated depreciation	-	-	-	-	(1,401)	-	(561)	-	(1,962)
Estimated closing net book value	-	-	746	-	622	-	327	-	1,695

a See Note 3 to the financial statements.

b See Note 4 to the financial statements.

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	13	13	13	13	13
Transfer of assets from departmental ^a	5,485	1,887	2,242	3,058	2,399
Total non-taxation	5,498	1,900	2,255	3,071	2,412
Total revenues administered on behalf of government	5,498	1,900	2,255	3,071	2,412
Total income administered on behalf of government	5,498	1,900	2,255	3,071	2,412
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	365	365	365	365	365
Employees					
Suppliers	808	837	841	831	830
Depreciation and amortisation	388	388	397	417	437
Other	13	13	13	13	13
Total expenses administered on behalf of government	1,574	1,603	1,616	1,626	1,645

a See Note 2 to the financial statements.

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	946	1,334	1,731	2,148	2,585
Total financial assets	946	1,334	1,731	2,148	2,585
Non-financial assets					
Land and buildings	74,960	76,075	77,323	77,872	77,746
Infrastructure, plant and equipment	1,765	1,684	1,609	1,535	1,457
Heritage and cultural assets	6,710	7,175	7,847	10,013	12,179
Total non-financial assets	83,435	84,934	86,779	89,420	91,382
Total assets administered on behalf of government	84,381	86,268	88,510	91,569	93,967
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	3	3	3	3	3
Total payables	3	3	3	3	3
Total liabilities administered on behalf of government	3	3	3	3	3

Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	13	13	13	13	13
Total cash received	13	13	13	13	13
Cash used					
Personal benefits	365	365	365	365	365
Suppliers	808	836	841	831	830
Other	13	13	13	13	13
Total cash used	1,186	1,214	1,219	1,209	1,208
Net cash from or (used by) operating activities	(1,173)	(1,201)	(1,206)	(1,196)	(1,195)
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for: - appropriations	1,173	1,201	1,206	1,196	1,195
Cash at end of reporting period	-	-	-	-	-

Table 5.10: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget Year 2007–08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software internally developed	Computer software	Other intangibles internally developed	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007											
Gross book value	60,900	-	14,609	-	2,040	6,710	-	-	-	-	84,259
Accumulated depreciation/amortisation and impairment	-	-	(549)	-	(275)	-	-	-	-	-	(824)
Opening net book value	60,900	-	14,060	-	1,765	6,710	-	-	-	-	83,435
Additions:											
by transfer from departmental ^a	-	-	1,422	-	-	465	-	-	-	-	1,887
Depreciation/amortisation expense	-	-	(140)	-	(81)	(167)	-	-	-	-	(388)
As at 30 June 2008											
Gross book value	60,900	-	16,031	-	2,040	7,175	-	-	-	-	86,146
Accumulated depreciation/amortisation and impairment	-	-	(689)	-	(356)	(167)	-	-	-	-	(1,212)
Estimated closing net book value	60,900	-	15,342	-	1,684	7,008	-	-	-	-	84,934

a See Note 4 to the financial statements.

5.3 NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs), being the Financial Management and Accountability Orders
- Australian Equivalents of International Financial Reporting Standards (AEIFRS) issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period
- interpretations issued by the AASB and Urgent Issues Group (UIG) that apply for the reporting period.

The statements have been prepared on an accrual basis.

Resources received free of charge

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

Capitalisation of assets derived from capital works activity

Note 2. Under the Office's accounting policy the buildings, property, household furniture and fine arts of the Governor-General's official establishments and his primary official vehicle are classed as administered assets. Capital improvements to the Office's official establishments are purchased from departmental appropriations and are recorded in the operating statements as a departmental expense. The approved accounting treatment that enables capitalisation of these assets as administered in the financial statements requires recognition of the expense in the *Budgeted departmental income statement* (Table 5.1) and as an item of revenue in the *Schedule of budgeted income and expenses administered on behalf of the government* (Table 5.7).

Note 3. As advised under *Administered capital and departmental equity injections and loans* in Section 2.7, departmental equity injection is being provided for the implementation of the property works programme covering both Admiralty House and Government House.

The funding for capital works allocated in 2007-08 is estimated to be fully spent. Where, because of changes in priorities or through delays in project implementation, funds are not spent in a particular year of appropriation, the funds are carried forward to future years to meet the Office's capital works requirements.

Note 4. This refers to the planned capital improvements to the official establishments in 2007-08 being funded from departmental equity injections for capital works (see Note 3). In keeping with the Office's current accounting policy (see Note 2), these capital improvements are funded from a departmental capital injection and are then transferred to the administered accounts for capitalisation.