

DEPARTMENT OF THE PRIME MINISTER AND CABINET

Section 1: Overview	13
1.1 Summary of agency contributions to outcomes.....	14
Section 2: Resources for 2007–08.....	15
2.1 Appropriations and other resources.....	15
2.2 2007–08 Budget measures.....	17
2.3 Other resources available to be used	18
2.4 Movement of administered funds.....	18
2.5 Special appropriations	19
2.6 Movements in Special Accounts	20
Section 3: Outcomes	21
3.1 Summary of outputs and contribution to outcome	21
3.2 Outcome resources and performance information	23
Section 4: Other reporting requirements.....	33
4.1 Purchaser–provider arrangements	33
4.2 Cost recovery arrangements.....	33
4.3 Australian Government indigenous expenditure.....	33
Section 5: Budgeted financial statements.....	34
5.1 Analysis of budgeted financial statements.....	34
5.2 Budgeted financial statements tables.....	37
5.3 Notes to the financial statements.....	49

DEPARTMENT OF THE PRIME MINISTER AND CABINET

Section 1: 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 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 Parliamentary Secretary appointed to assist the Prime Minister 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, coordinate relevant portfolios and other stakeholders in the policy advising process, and provide support for Australia's hosting of the Asia-Pacific Economic Cooperation (APEC) meeting of leaders and other associated activities in 2007.
- 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.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The outputs and administered items delivered by the department that contribute to the achievement of the department's outcome are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

Outcome	Description	Output groups/Administered items
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 Administered item – National Counter-Terrorism Committee Output 3.3 – APEC Taskforce <u>Output Group 4</u> Output 4.1 – Cabinet Support Output 4.2 – Machinery of Government Administered item – National Australia Day Council Output 4.3 – Government Communications Output 4.4 – Support to Official Establishments Administered item – Prime Minister's official residences. Output 4.5 – Support for Ministerial Offices Administered item – Allowances and support to former Governors-General Output 4.6 – Ceremonial and Hospitality Administered item – State occasions and official visits.

Section 2: Resources for 2007–08

This section provides details of the estimated resources available to the agency on an accrual basis using Australian Equivalents of International Financial Reporting Standards (AEIFRS). The methodology is consistent with the agency financial statements in Section 5 and agency annual reports.

Resources identified in this section include amounts proposed in Appropriation Bill No. 1 (ordinary net operating costs) and Appropriation Bill No. 2 (administered expenses and non-operating costs or 'capital costs') and legislation containing special appropriations. It also contains estimates of other resources, including revenue from the sale of goods, services and assets, and from resources provided to the department free of charge.

Total resourcing available to the department in 2007–08 for departmental outputs is \$140.7 million, reflecting appropriations, receipts and resources received free of charge.

Total administered expenses are \$14 million, of which \$8.9 million will be met by appropriations and the balance of \$5.1 million met from special account receipts. In addition the department will make cash payments of \$0.9 million from the special appropriation Allowances to former Governors-General.

Table 2.1 summarises total receipts, including appropriations.

Table 2.2 details funding provided in the Budget for new measures. Measures totalling \$19.2 million are included in the agency resources detailed in Table 2.1.

Table 2.3 details resources the department receives that are not appropriations from government but are available for use by the department.

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007–08, excluding resources received fee of charge. The table summarises how resources will be applied by outcome, separated into administered and departmental classifications.

Table 2.1: Appropriations and other resources 2007–08

Prime Minister and Cabinet Portfolio
Agency Resourcing—2007–08

Department of the Prime Minister and Cabinet	Departmental				Administered					Total \$'000
	Appropriation	Appropriation	Special	Receipts	Appropriation	Appropriation	Bill No. 2	Special	Receipts	
	Bill No. 1 \$'000	Bill No. 2 \$'000	Appropriation \$'000	(a) \$'000	Bill No. 1 \$'000	SPP \$'000	Other (b) \$'000	Appropriation (c) \$'000	(a) \$'000	
Outcome 1	134,860	-	-	2,007	8,908	-	-	909	5,047	151,731
TOTAL	134,860	-	-	2,007	8,908	-	-	909	5,047	151,731

(a) Departmental and administered receipts from other sources (that is other than appropriation amounts) that are available to be used (does not include resources received free of charge). Administered receipts relate to the Media Commissions special account.

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

(c) Relates to the Allowance to Former Governors-General in accordance with s. 5 *Governor-General Act 1974*. See Table 2.4.

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 and funding for previous years' outputs.
- Refer to Budgeted Income Statement for application of agency revenue.

2.2 2007–08 BUDGET MEASURES

Budget measures relating to the Department of the Prime Minister and Cabinet as detailed in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcome, administered expenses and departmental outputs associated with each measure.

Table 2.2: Department of the Prime Minister and Cabinet measures

Measure	Outcome	Output groups affected	Appropriations budget 2007–08 \$'000			Appropriations forward estimate 2008–09 \$'000			Appropriations forward estimate 2009–10 \$'000			Appropriations forward estimate 2010–11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Expense measures														
APEC 2007 - additional funding	1	3	-	15,469	15,469	-	-	-	-	-	-	-	-	-
Strengthening National Security - enhanced research support for counter-terrorism	1	3	-	2,888	2,888	-	5,020	5,020	-	5,138	5,138	-	5,241	5,241
Strengthening National Security - enhancing Australia's approach to Chemical, Biological, Radiological and Nuclear Security	1	3	-	755	755	-	760	760	-	-	-	-	-	-
Cole Inquiry - possible criminal offences ^a	1	All	-	95	95	-	32	32	-	-	-	-	-	-
Total expense measures			-	19,207	19,207	-	5,812	5,812	-	5,138	5,138	-	5,241	5,241
Total all measures			-	19,207	19,207	-	5,812	5,812	-	5,138	5,138	-	5,241	5,241

a This is a cross-portfolio measure led by the Attorney-General's Department.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources available to be used by the department for the provision of departmental outputs.

Table 2.3: Other resources available to be used

	Estimated resources 2006–07 \$'000	Budget estimate 2007–08 \$'000
Departmental resources		
Revenue		
Sale of goods and services ¹	492	497
Special Accounts ²	1,965	1,510
	2,457	2,007
Gains		
Resources provided free of charge	5,600	3,800
	5,600	3,800
Total departmental other resources available to be used	8,057	5,807

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

1. Sale of goods and services are mainly from AUSPIC photographic services.

2. Contributions from the Campaign Advertising Special Account for Central Advertising System expenses.

2.4 MOVEMENT OF ADMINISTERED FUNDS

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

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 2007-08.

Table 2.4: Estimates of expenses from special appropriations

	Outcome	Estimated expenses 2006-07 \$'000	Budget estimate 2007-08 \$'000
Estimated expenses			
Provision of superannuation surcharge for former Governors-General – s. 4(7) <i>Governor-General Act 1974</i> (A)	1	-	-
Allowance to former Governors-General – s. 5 <i>Governor-General Act 1974</i> (A)	1	895	909
Remuneration and allowances of members and other expenses – s. 10 <i>Parliamentary Commission of Inquiry (Repeal Act) 1986</i> (A)	1	-	-
Repayment required or permitted by law (where no other appropriation for repayment exists) – s. 28(2) <i>Financial Management and Accountability Act 1997</i> (D)	1	-	-
Total estimated expenses		895	909

D = departmental; 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 2.5 summarises the flows and balances for the department's special accounts by showing the expected additions (credits) and reductions (debits) for each account used by the department. Receipts from the Campaign Advertising and Media Commissions special accounts are available to meet the department's price of outputs and administered expenses, respectively.

Table 2.5: 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
		2006-07	2006-07	2006-07	2006-07	2006-07
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Media Commissions ¹	1	6,733	5,047	5,047	-	6,733
- s. 20 FMA Act (A)		6,733	6,299	6,299		6,733
Campaign Advertising ¹	1	1,751	1,510	1,510	-	1,751
- s. 20 FMA Act (D)		1,751	1,965	1,965		1,751
Services for other Government and Non-Agency Bodies ²	1	-	-	-	-	-
- s. 20 FMA Act (D)		1,058	-	-	1,058	-
Other Trust Moneys	1	-	-	-	-	-
- s. 20 FMA Act (D)		-	-	-	-	-
Total special accounts						
2007-08 Budget estimate		8,484	6,557	6,557	-	8,484
Total special accounts						
2006-07 estimated actual		9,542	8,264	8,264	1,058	8,484

FMA Act = *Financial Management and Accountability Act 1997*

D = departmental; A = administered

1. Due to difficulties in determining flows to and from these accounts (as such flows are demand driven), the figures here are estimates, based on historical data.

2. The balance of the special account has been transferred to the Official Public Account.

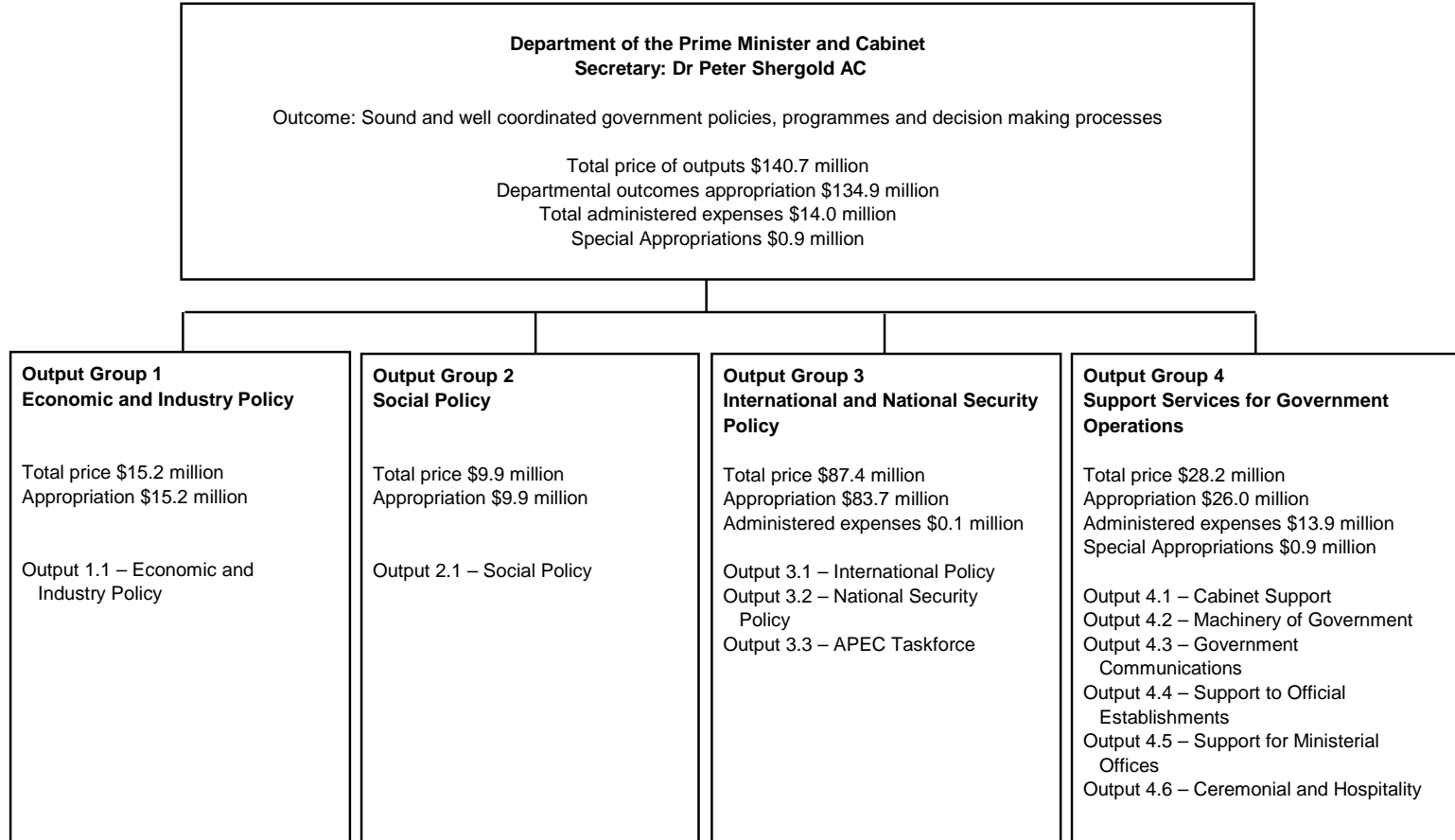
Section 3: Outcomes

General government sector agencies are required to plan, budget and report under an outcomes structure. Such agencies produce outputs (departmental items) and also administer items on behalf of the government. 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 outcome.

3.1 SUMMARY OF OUTPUTS AND CONTRIBUTION TO OUTCOME

The relationship between the department and its outcome is summarised in Figure 1. 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).

Figure 1: Contributions to outcome



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 appropriations, revenue from government (appropriation), other resources available to be used 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		
Special appropriations		
Allowances to former Governors-General	895	909
Total special appropriations	895	909
Annual appropriations		
Support to former Governors-General	1,127	1,175
State occasions and official visits	3,247	3,078
Prime Minister's official residences	1,712	1,782
Compensation and legal expenses	392	399
National Australia Day Council	2,303	2,370
National Counter Terrorism Committee	99	104
Total annual administered appropriations	8,880	8,908
Special Accounts (estimated payments from Special Account balances)		
Media Commissions Account – s. 20 FMA Act	6,299	5,047
Total Special Account outflows	6,299	5,047
Total ¹	16,074	14,864

Continued on next page.

1. Total administered expenses (comprising annual administered appropriations and special account outflows) are \$15.179 million in 2006–07 and \$13.955 million in 2007–08. The special appropriation for Allowances to former Governors-General is not an expense; rather, it reflects cash payments that reduce the Personal Benefits liability in the department's administered balance sheet.

Table 3.1: Total resources for Outcome 1—continued

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000
Departmental appropriations		
Output Group 1 – Economic and Industry Policy		
Output 1.1 – Economic and Industry Policy	21,523	15,244
Subtotal Output Group 1	21,523	15,244
Output Group 2 - Social Policy		
Output 2.1 – Social Policy	13,745	9,918
Subtotal Output Group 2	13,745	9,918
Output Group 3 – International and National Security Policy		
Output 3.1 – International Policy	4,461	3,988
Output 3.2 – National Security Policy	9,359	14,310
Output 3.3 – APEC Taskforce	60,723	65,369
Subtotal Output Group 3	74,543	83,667
Output Group 4 – Support Services for Government Operations		
Output 4.1 – Cabinet Support	6,057	6,171
Output 4.2 – Machinery of Government	8,274	8,061
Output 4.3 – Government Communications	5,687	5,602
Output 4.4 – Support to Official Establishments	548	541
Output 4.5 – Support for Ministerial Offices	2,669	2,723
Output 4.6 – Ceremonial and Hospitality	3,041	2,932
Subtotal Output Group 4	26,277	26,031
Total revenue from government (appropriations)	136,089	134,860
Contributing to price of departmental outputs	94%	96%
Other resources available to be used		
Resources received free of charge	5,600	3,800
Sale of goods and services	492	497
Special Accounts (estimated payments from Special Account balances)		
Campaign Advertising Account	1,965	1,510
Total revenue from other sources	8,057	5,807
Total price from departmental outputs		
(Total revenue from government and from other sources)	144,146	140,667
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)	160,220	155,531
	2006–07	2007–08
Average staffing level (number)	610	526

Note: The decrease in the average staffing level is related to the conclusion of the APEC Taskforce.

3.2.2 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 and executive services are apportioned as a component of each of the outputs.

Corporate services, executive 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 the remaining 35%, are allocated to output areas on the basis of square metres occupied. Property operating expenses in 2007–08 reflect the department's move to new premises. This has had a minor impact on the price of outputs.

3.2.3 Measures affecting Outcome 1

In the 2007–08 Budget, the department is receiving additional funding of \$19.2 million for four new measures. These measures are explained in Budget Paper No. 2 and are summarised in Table 2.2.

3.2.4 Contributions to achievement of Outcome 1

In 2007–08, the department will continue to support the Prime Minister and Cabinet in the effective development and implementation of policies and programmes across the whole of government and to demonstrate excellence in leadership in the Australian Public Service by undertaking the activities described in Table 3.2.

Administered activities

The department administers a range of items on behalf of the government, as described in Table 3.2.

Departmental outputs

The department delivers a range of outputs, as described in Table 3.2.

3.2.5 Performance information for Outcome 1

Performance information for administered items, individual outputs and output groups relating to the department are summarised in Table 3.2.

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, the Parliamentary Secretary, 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 Parliamentary Secretary, their offices and the departmental Executive. <p>Quantity</p> <p>On the basis of recent experience, in 2007–08 the department would expect to have to:</p> <ul style="list-style-type: none">• process in excess of 200,000 items of Ministerial correspondence• provide over 6,100 briefings to the Prime Minister, Parliamentary Secretary, their offices and the departmental Executive• prepare draft answers to 145 Parliamentary Questions on Notice• respond to 50 Freedom of Information requests. <p>Price</p> <ul style="list-style-type: none">• The price of the department's outputs in 2007–08 is estimated to be \$140.7 million

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, briefing 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 Parliamentary Secretary, their offices 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	\$15.2 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, families, natural disasters and human influenza pandemic, including on presentation of the government's decisions in these areas.</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Parliamentary Secretary, their offices 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	\$9.9 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 Parliamentary Secretary, their offices 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>

Output	Performance information
<p>Support for Federal Executive Council.</p> <p>Monitoring of the implementation of strategic Cabinet decisions.</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><i>Quality:</i> Degree of satisfaction of the Prime Minister, the Secretary, the Secretary to Cabinet and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the monitoring role provided by the Cabinet Implementation Unit.</p> <p><i>Timeliness:</i> Quarterly reports are produced within agreed timeframes.</p> <p><i>Quantity:</i> Some 200 policy measures are monitored throughout the year.</p>
<p>Output 4.2: 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 the national honours system and national symbols.</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Parliamentary Secretary, their offices and the 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 of the Prime Minister, Parliamentary Secretary, their offices, the departmental Executive and Government House with:</p> <ul style="list-style-type: none"> • the quality and timeliness of policy advice, secretariat support and operational matters • accurate and timely preparation of anniversary messages and flag announcements • effective promotion of national honours and symbols.
<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>

PM&C Budget Statement: Outcomes

Output	Performance information
<p>Output 4.3: 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>
<p>Coordination of government communications, including management of the CAS.</p> <p>Provision of photographic services by AUSPIC (the government photographic service).</p>	<p><i>Quantity:</i> On the basis of recent experience, the GCU would expect to organise and coordinate 45–50 meetings of the MCGC covering 25 public information activities in 2007–08.</p> <p><i>Quality:</i> The degree of customer satisfaction with AUSPIC services.</p> <p><i>Price:</i> Achievement of a balanced financial position from trading activities by AUSPIC.</p>
<p>Output 4.4: 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 the status of the residences 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 the status of the residences as part of the National Estate and in line with statutory heritage and planning obligations.</p>

PM&C Budget Statement: Outcomes

Output	Performance information
<p>Output 4.5: Support for Ministerial Offices</p> <p>Provision of office services for the Prime Minister, the Parliamentary Secretary, their offices and the departmental Executive.</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Parliamentary Secretary, their offices and the departmental Executive 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 4.6: 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 Parliamentary Secretary, their offices and the departmental Executive with management of the government's ceremonial and hospitality services.</p>
<p>Administered items</p> <p>State occasions and official visits</p>	<p><i>Quality:</i> The degree of satisfaction of the Prime Minister, the Parliamentary Secretary, their offices, the departmental Executive and the Governor-General's Office, 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, 25 ministerial visits and four state funerals.</p>
Total price for Output Group 4	\$28.2 million
Administered expenses	\$13.9 million

3.2.6 Evaluations for Outcome 1

The performance of the department's activities is evaluated through the internal and external audit programme. The departmental Audit Committee is an important part of the department's evaluation strategy. The internal audit programme is designed to address a combination of compliance and performance reviews. Internal audits 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 2006-07 internal audit programme included audits on financial compliance, knowledge management, payroll and record keeping.

The department is also covered by the audit programme of the Australian National Audit Office and may be involved in some cross-portfolio audits or benchmarking activities during 2007-08.

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 department does not have any purchaser–provider arrangements.

4.2 COST RECOVERY ARRANGEMENTS

The department's only significant cost recovery operations are undertaken by AUSPIC, but due to their limited nature do not fall within the reporting requirements of the government's Cost Recovery Guidelines.

The department regularly reviews these operations to ensure they remain consistent with the guidelines.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

The department's expenditure on indigenous affairs for 2006–07 and planned expenditure for 2007–08 are shown in Table 2 in the Portfolio Overview.

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

This section provides an analysis of the department's budgeted financial statements as reflected in the budgeted departmental financial statements and administered schedules for 2007-08.

Departmental financial statements

Budgeted departmental income statement

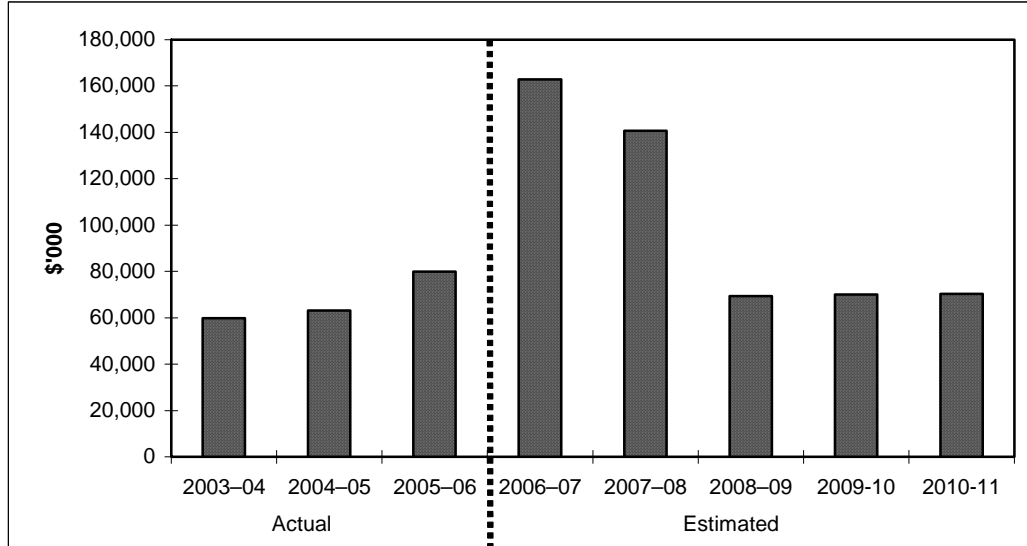
The department is budgeting for a balanced budget in 2007-08. The estimated actual result for 2006-07 is an operating loss of \$18.6 million due to timing differences between budgeted and actual expenditure in relation to the Asia-Pacific Economic Cooperation (APEC) Taskforce. APEC Taskforce expenses in 2005-06 were \$19.0 million lower than budget due to difficulties in estimating in advance the timing of the expenses required. Very largely as a result of this the department incurred a surplus of \$18.7 million in 2005-06. The expenses originally projected to occur in 2005-06 are now expected to occur in 2006-07, resulting in the operating loss.

Total income for the department in 2007-08 is estimated to be \$140.7 million. This figure remains high due to revenues from government for the APEC Taskforce and is expected to return to normal levels in 2008-09. The department will receive funding for new expense measures in 2007-08 totalling \$19.2 million (details are provided in Section 2, Table 2.2).

Following the transfer of the Office of Water Resources to the Environment and Water Resources portfolio as part of the machinery of government changes of 30 January 2007, the department's revenues from government have decreased by \$1.9 million in 2006-07 and \$3.1 million in 2007-08.

Total expenses for the department in 2007-08 are estimated to be \$140.7 million, a decrease of \$22.1 million from the 2006-07 estimated actual amount. This decrease is attributable to lower expenses for the APEC Taskforce in 2007-08 and taskforce activities ceasing in 2006-07. Figure 2 shows trends in departmental expenses.

Figure 2 Trends in departmental expenses



Note: The figures for the period 2003-04 to 2005-06 are actual expenses as reported in the department's financial statements in its annual report. The figures for 2006-07 to 2010-11 are estimates of expenses.

Budgeted departmental balance sheet

Total assets are expected to decrease by \$16.1 million in 2007-08 to \$58.1 million. This decrease is due to a \$11.4 million reduction in financial assets, resulting from the projected operating loss for 2006-07 explained above, and a decrease in non-financial assets of \$4.8 million, primarily due to the disposal of infrastructure, plant and equipment following the winding up of the APEC Taskforce.

The department's primary liability relates to accrued employee leave entitlements totalling \$12.6 million. Liabilities are expected to decrease by \$8.6 million in 2007-08 due to a reduction in employee provisions and supplier payables following the winding up of the APEC Taskforce.

Budgeted departmental statement of cash flows

The changes in cash inflows and outflows reflect the above movements.

Departmental statement of changes in equity—summary of movement

The department's equity of \$40.4 million represents a decrease of \$7.5 million from the 2006-07 estimated actual. This decrease reflects the above movement in assets.

Departmental capital budget

The department is not expecting to receive funding in 2007-08 for capital expenditure. The department is budgeting for capital expenditure of \$4.5 million to purchase additional property, plant and equipment which will be funded from departmental resources.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The department will receive appropriation revenue of \$8.9 million in 2007-08 for payments it will administer on behalf of the Australian Government, a slight increase on the 2006-07 estimated actual.

Schedule of budgeted assets and liabilities administered on behalf of government

Assets and liabilities are not expected to vary from 2006-07 or across the forward years. Assets, totalling \$32 million, consist largely of the two official residences and contents. Liabilities are supplier payables, employee provisions for permanent staff at the residences and the superannuation entitlements of the former Governors-General (\$10.7 million).

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	136,089	134,860	66,245	66,173	66,523
Goods and services	492	497	502	507	512
Campaign Advertising Special Account	1,965	1,510	1,525	1,540	1,556
Total revenue	138,546	136,867	68,272	68,220	68,591
Gains					
Resources received free of charge	5,600	3,800	1,800	1,800	1,800
Total gains	5,600	3,800	1,800	1,800	1,800
Total income	144,146	140,667	70,072	70,020	70,391
EXPENSE					
Employees	60,594	50,956	37,398	37,124	37,495
Suppliers	83,296	70,537	17,287	17,509	17,509
Lease payments	7,821	6,567	6,567	6,567	6,567
Depreciation and amortisation	8,878	8,797	5,220	5,220	5,220
Grants	2,200	3,600	3,600	3,600	3,600
Losses from sale of assets ^a	-	210	-	-	-
Total expenses	162,789	140,667	70,072	70,020	70,391
Operating results	(18,643)	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(18,643)	-	-	-	-

Note:

(a) Relates to estimated losses from the sale of APEC Taskforce assets.

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	582	536	510	475	473
Receivables	29,242	20,180	21,053	25,631	30,037
Accrued revenue	191	146	148	149	150
Total financial assets	30,015	20,862	21,711	26,255	30,660
Non-financial assets					
Infrastructure, plant and equipment	39,200	34,931	32,242	29,552	26,861
Intangibles	2,244	1,719	1,194	669	144
Prepayments	616	634	654	673	693
Total non-financial assets	42,060	37,284	34,090	30,894	27,698
Total assets	72,075	58,146	55,801	57,149	58,358
LIABILITIES					
Provisions					
Employees	16,874	12,574	12,058	12,537	13,035
Other	631	1,820	2,871	3,753	4,464
Total provisions	17,505	14,394	14,929	16,290	17,499
Payables					
Suppliers	6,645	3,344	464	451	451
Total payables	6,645	3,344	464	451	451
Total liabilities	24,150	17,738	15,393	16,741	17,950
Net assets	47,925	40,408	40,408	40,408	40,408
EQUITY^a					
Parent entity interest					
Contributed equity	38,944	31,427	31,427	31,427	31,427
Reserves	2,899	2,899	2,899	2,899	2,899
Retained surpluses or accumulated deficits	6,082	6,082	6,082	6,082	6,082
Total parent entity interest	47,925	40,408	40,408	40,408	40,408
Current assets	43,245	34,888	33,481	34,289	35,015
Non-current assets	28,830	23,258	22,320	22,860	23,343
Current liabilities	11,109	8,159	7,081	7,701	8,257
Non-current liabilities	13,041	9,579	8,312	9,040	9,693

Note:

(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	480	497	502	507	512
Appropriations	136,089	134,860	66,245	66,173	66,523
Campaign Advertising Special Account	2,244	1,550	1,520	1,535	1,550
GST refunds	8,623	7,968	3,180	2,464	2,453
Total cash received	147,436	144,875	71,447	70,679	71,038
Cash used					
Employees	57,702	55,256	37,914	37,293	37,652
Suppliers	84,880	75,418	23,908	20,783	20,935
GST payments	8,708	7,902	2,751	2,438	2,453
Grants	2,200	3,600	3,600	3,600	3,600
Total cash used	153,490	142,176	68,173	64,114	64,640
Net cash from or (used by) operating activities	(6,054)	2,699	3,274	6,565	6,398
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment ^a	-	272	-	-	-
Total cash received	-	272	-	-	-
Cash used					
Purchase of property, plant and equipment	36,161	4,500	2,000	2,000	2,000
Purchase of intangibles	1,579	-	-	-	-
Total cash used	37,740	4,500	2,000	2,000	2,000
Net cash from or (used by) investing activities	(37,740)	(4,228)	(2,000)	(2,000)	(2,000)

Table 5.3: Budgeted departmental statement of cash flows (for the period ended 30 June)—continued

	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
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	21,465	-	-	-	-
Total cash received	21,465	-	-	-	-
Cash used					
Return of contributed equity	-	7,517	-	-	-
Total cash used	-	7,517	-	-	-
Net cash from or (used by) financing activities	21,465	(7,517)	-	-	-
Net increase or (decrease) in cash held	(22,329)	(9,046)	1,274	4,565	4,398
Cash transferred to the Official Public Account	(17,098)	-	(1,300)	(4,600)	(4,400)
Cash transferred from the Official Public Account	22,616	9,000	-	-	-
Cash at the beginning of the reporting period	17,393	582	536	510	475
Cash at the end of the reporting period	582	536	510	475	473

Notes:

(a) Relates to moneys received from the sale of APEC Taskforce assets.

(b) Relates to the return of cash to the Official Public Account of depreciation funding for the APEC Taskforce following the winding up of the taskforce.

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	6,082	1,791	-	38,944	46,817
Adjusted opening balance	6,082	1,791	-	38,944	46,817
Income and expense					
property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Net operating result	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Appropriation (equity injection) ^a	-	-	-	(7,517)	(7,517)
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	6,082	1,791	-	31,427	39,300

Note:

(a) Relates to the return of cash to the Official Public Account of depreciation funding for the APEC Taskforce following the winding up of the taskforce.

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	21,465	-	-	-	-
Total capital appropriations	21,465	-	-	-	-
Represented by:					
Purchase of non-financial assets	21,465	-	-	-	-
Other	-	-	-	-	-
Total represented by	21,465	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	34,590	-	-	-	-
Funded internally by departmental resources	3,150	4,500	2,000	2,000	2,000
Total	37,740	4,500	2,000	2,000	2,000

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

	Other infrastructure plant and equipment \$'000	Heritage and cultural assets \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
As at 1 July 2007					
Gross book value	63,772	-	6,405	-	70,177
Accumulated depreciation	24,675	-	4,161	-	28,836
Opening net book value	39,097	-	2,244	-	41,341
Additions:					
by purchase	4,500	-	-	-	4,500
Depreciation/amortisation expense	1,027	-	525	-	1,552
Other movements	88	-	-	-	88
Disposals:					
from disposal of entities or operations (including restructuring) ^a	7,727	-	-	-	7,727
As at 30 June 2008					
Gross book value	60,633	-	6,405	-	67,038
Accumulated depreciation	25,702	-	4,686	-	30,388
Estimated closing net book value	34,931	-	1,719	-	36,650

Note:

(a) Relates to the return of cash to the Official Public Account of depreciation funding for the APEC Taskforce following the winding up of the taskforce.

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^a					
Goods and services	6,299	5,047	5,249	5,459	5,677
Total revenues administered on behalf of government	6,299	5,047	5,249	5,459	5,677
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employees	920	968	996	1,024	1,083
Suppliers	11,793	10,454	10,495	10,619	10,708
Depreciation	163	163	163	163	163
Grants	2,303	2,370	2,420	2,474	2,528
Total expenses administered on behalf of government	15,179	13,955	14,074	14,280	14,482

Note:

(a) Revenues from government are not reported on this schedule in accordance with the government's financial reporting framework.

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					
Cash	-	-	-	-	-
Receivables	135	113	114	116	117
Accrued Revenue	612	636	662	688	716
Total financial assets	747	749	776	804	833
Non-financial assets					
Land and buildings	31,914	31,871	31,807	31,747	31,667
Infrastructure, plant and equipment	465	371	277	183	89
Other	15	27	17	15	16
Total non-financial assets	32,394	32,269	32,101	31,945	31,772
Total assets administered on behalf of government	33,141	33,018	32,877	32,749	32,605
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions					
Employees	191	195	199	203	207
Other	81	85	74	78	58
Total provisions	272	280	273	281	265
Payables					
Suppliers	236	209	210	212	214
Personal benefits payable	11,660	10,751	9,832	8,904	7,956
Total payables	11,896	10,960	10,042	9,116	8,170
Total liabilities administered on behalf of government	12,168	11,240	10,315	9,397	8,435

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					
Goods and services	6,380	5,022	5,223	5,432	5,649
GST refunds	1,473	1,309	1,291	1,308	1,324
Total cash received	7,853	6,331	6,514	6,740	6,973
Cash used					
Employees	916	964	992	1,020	1,079
Suppliers	13,141	10,493	10,484	10,615	10,707
Grant payments	2,303	2,370	2,420	2,474	2,528
GST payments	1,546	1,287	1,291	1,309	1,325
Personal benefits	895	909	919	928	948
Total cash used	18,801	16,023	16,106	16,346	16,587
Net cash from or (used by) operating activities	(10,948)	(9,692)	(9,592)	(9,606)	(9,614)
INVESTING ACTIVITIES					
Total cash received					
-	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	20	20	10	10	10
Total cash used	20	20	10	10	10
Net cash from or (used by) investing activities	(20)	(20)	(10)	(10)	(10)
Net increase or (decrease) in cash held	(10,968)	(9,712)	(9,602)	(9,616)	(9,624)
Cash at beginning of reporting period	1	-	-	-	-
Cash from Official Public Account for:					
– appropriations	12,522	10,996	10,868	10,898	10,920
– other income	6,298	5,047	5,249	5,459	5,677
Cash to Official Public Account for:					
– s30A and GST	1,473	1,309	1,292	1,309	1,324
– other income	6,380	5,022	5,223	5,432	5,649
Cash at end of reporting period	-	-	-	-	-

Table 5.10: Schedule of administered capital budget

	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					
Administered capital	1,370	-	-	-	-
Total capital appropriations	1,370	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	1,370	-	-	-	-
Total represented by	1,370	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally	20	20	10	10	10
Total	20	20	10	10	10

Table 5.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget Year 2007–08)

	Land	Buildings	Other infrastructure plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007				
Gross book value	28,000	6,719	1,365	-
Accumulated depreciation/amortisation and impairment	-	2,798	859	-
Opening net book value	28,000	3,921	506	-
Additions:				
by purchase	-	20	-	-
by finance lease	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-
Revaluations and impairment through equity	-	-	-	-
Reclassifications	-	-	-	-
Depreciation/amortisation expense	-	70	135	-
Impairments recognised in operating result	-	-	-	-
Other movements	-	-	-	-
Disposals:				
from disposal of entities or operations (including restructuring)	-	-	-	-
other disposals	-	-	-	-
As at 30 June 2008				
Gross book value	28,000	6,739	1,365	-
Accumulated depreciation/amortisation and impairment	-	2,868	994	-
Estimated closing net book value	28,000	3,871	371	-

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 and are in accordance with historical cost principles except for certain assets, which, as noted, are at valuation.

Departmental Income

Income includes the following items:

- Revenues from Government—amounts appropriated for departmental outputs
- Goods and Services—revenue is recognised upon the delivery of goods and services to customers
- Campaign Advertising Special Account—revenue is derived through the imposition of a 1.5 per cent levy on all government campaign advertising (does not include party political campaigning)
- Resources Received Free of Charge—are recognised in the Income Statement as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those services is recognised as an expense.

Expenses

The department applies a uniform policy for all grants. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. Where grants moneys are paid in advance of performance or eligibility, a prepayment is recognised.

Assets

Land, buildings, plant and equipment are carried at their fair value.

Non-current assets are reviewed at balance date for internal and external indications of impairment. Where indications of impairment are identified for an asset, its recoverable amount is determined and where lower than its carrying amount, written down to that amount.

PM&C Budget Statement: Budgeted financial statements

The department's intangible assets comprise purchased computer software for internal use. These assets are carried at cost.

Liabilities

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. The liability for employee benefits includes provision for annual leave and long service leave.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled which represent their fair value. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Administered

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Agency items, including the application of Australian Accounting Standards

Administered Cash Transfers to and from the Official Public Account

Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Administration. Conversely, cash is drawn from the OPA to make payments under appropriations on behalf of government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items.

Revenue

Revenue collected by the department for use by the government rather than the department is administered revenue. Administered revenue is derived from the media commissions payable to the Commonwealth for its advertising. Revenue is recognised on receipt of confirmation of placement of advertisements with advertising agencies. It is recognised at its nominal amount due less any provision for bad or doubtful debts.

Former Governors-General allowances

The department has administrative responsibility for the payment of allowances (pensions) to former Governors-General. The liability in relation to these allowances is based on actuarial assessments.