

DEPARTMENT OF THE PRIME MINISTER AND CABINET

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DEPARTMENT OF THE PRIME MINISTER AND CABINET

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The primary role of the department is to provide policy advice and administrative support to the Prime Minister and the Cabinet and to achieve a coordinated approach to the development and implementation of government policies. Advice and support is also provided to the Cabinet Secretary and parliamentary secretaries appointed to assist the Prime Minister to carry out his portfolio responsibilities. The mission of the department is:

- To contribute to the good governance of Australia by supporting the Prime Minister and the Cabinet Secretary in the effective development and delivery of policy across the whole of government.
- To achieve that goal by demonstrating excellence in leadership in the Australian Public Service.

The principal matters dealt with by the department are: coordination of government administration; assistance to Cabinet and its committees; intergovernmental relations and communications with state and territory governments; and government ceremonial and hospitality.

The department's planned outcome is *sound and well-coordinated government policies, programs and decision-making processes*, which is delivered through five output groups. Further information can be found in Section 2 of this Agency Budget Statement.

There have been no changes to the department's functions or outcome structure since the publication of the Portfolio Additional Estimates Statements 2007–08. The output structure has been amended slightly to identify major activities as separate outputs. Further information on these changes is provided in Section 2 of this Agency Budget Statement.

1.2 AGENCY RESOURCE STATEMENT

This section provides details of the estimated resources available to the department on an accrual basis using Australian Equivalents of International Financial Reporting Standards (AEIFRS). The methodology is consistent with the agency financial statements in Section 3 and agency annual reports.

PM&C Budget Statements

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 income in 2008-09 for departmental outputs is \$94.8 million, reflecting an annual appropriation of \$93.0 million and resources received free of charge totalling \$1.8 million.

Total administered expenses are \$9.5 million which will be met by annual appropriation. In addition, the department will make cash payments of \$1.2 million from the special appropriation 'Allowances to former Governors-General'.

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.2 details the fiscal impact of the 2008-09 Budget measures.

Table 1.1: Agency resource statement — Budget estimates for 2008–09 as at Budget May 2008

	Estimate of prior year amounts available in 2008–09 ⁴ \$'000	Proposed at Budget = 2008–09 \$'000	Total estimate ⁵ 2008–09 \$'000	Estimated appropriation available * 2007–08 \$'000
Ordinary Annual Services¹				
Departmental outputs				
Departmental outputs	57,643	92,979	150,622	146,668
s. 31 relevant agency receipts ³	-	-	-	248
Total	57,643	92,979	150,622	146,916
Administered expenses				
Outcome 1	-	9,456	9,456	8,941
Total	-	9,456	9,456	8,941
Total ordinary annual services	A 57,643	102,435	160,078	155,857
Other services				
Administered expenses				
Specific payments to states, ACT, NT and local government				
Outcome 1	-	-	-	-
Total	-	-	-	-
New administered expenses				
Outcome 1	-	-	-	-
Total	-	-	-	-
Departmental non-operating²				
Equity injections	-	1,411	1,411	272
Previous years' outputs	-	2,604	2,604	-
Total	-	4,015	4,015	272
Administered non-operating				
Administered assets and liabilities	-	-	-	-
Total	-	-	-	-
Total other services	B -	4,015	4,015	1,249
Total Available Annual Appropriations	57,643	106,450	164,093	157,106
Special Appropriations⁷				
Special Appropriations limited by criteria/entitlement				
Allowance to former Governors- General – s. 5, GG Act (A)	-	1,249	1,249	909
Special Appropriations limited by amount				
NA	-	-	-	-
Total Special Appropriations	C -	1,249	1,249	909
Total Appropriations excluding Special Accounts	57,643	107,699	165,342	158,015

Continued on next page.

Table 1.1: Agency resource statement — Budget estimates for 2008–09 as at Budget May 2008 (continued)

	Estimate of prior ⁺ year amounts available in 2008–09 \$'000	Proposed at Budget ⁼ 2008–09 \$'000	Total estimate 2008–09 \$'000	Estimated appropriation available 2007–08 \$'000
Special Accounts ⁶				
Opening balance	-	-	-	18,471
Appropriation receipts	-	-	-	-
Appropriation receipts – other agencies	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	12,439
Total Special Account D	-	-	-	30,910
Total resourcing	57,643	107,699	165,342	188,925
A + B + C + D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
Total net resourcing for Department of the Prime Minister and Cabinet	57,643	107,699	165,342	188,925

1 Appropriation Bill (No. 1) 2008–09.

2 Appropriation Bill (No. 2) 2008–09.

3 s. 31 Relevant Agency receipts — estimate.

4 Estimated adjusted balance carried from previous year for Annual Appropriations.

5 The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the outcome resource statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

6 Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.

7 Appropriation receipts from agency annual and special appropriations for 2008–09 included above.

Third party drawdowns from and on behalf of other agencies

The department has no third party drawdown arrangements.

1.3 BUDGET MEASURES

Budget measures relating to the Department of the Prime Minister and Cabinet are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

Table 1.2: Agency 2008–09 Budget measures

	Output group	2007–08 \$'000	2008–09 \$'000	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000
<u>Expense measures</u>						
Council of Australian Governments - additional resources to support the COAG reform agenda ²						
Administered expense	na	-	-	-	-	-
Departmental outputs	1	271	3,080	3,106	1,644	1,644
Australia 2020 Summit						
Administered expense	na	-	-	-	-	-
Departmental outputs	5	2,604	-	-	-	-
Social inclusion agenda ¹						
Administered expense	na	-	-	-	-	-
Departmental outputs	2	1,030	3,517	3,233	3,555	3,304
Cabinet Committee Secretariat Support – additional funding						
Administered expense	na	-	-	-	-	-
Departmental outputs	1 & 5	-	790	797	804	812
Department of the Prime Minister and Cabinet - enhanced strategic capacity						
Administered expense	na	-	-	-	-	-
Departmental outputs	4	-	8,606	9,393	9,544	9,529
Total expense measures						
Administered		-	-	-	-	-
Departmental		3,905	15,993	16,529	15,547	15,289
Total		3,905	15,993	16,529	15,547	15,289
<u>Capital measures</u>						
Department of the Prime Minister and Cabinet - enhanced strategic capacity						
Administered capital	na	-	-	-	-	-
Departmental capital	na	-	1,039	-	-	-
Cabinet Committee Secretariat Support – additional funding						
Administered capital	na	-	-	-	-	-
Departmental capital	na	-	60	-	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	1,099	-	-	-
Total		-	1,099	-	-	-

1 This measure includes funding of \$8.7 million over four years appropriated at Additional Estimates 2007–08 and disclosed in the Portfolio Additional Estimates Statements. Refer measure title 'Social Inclusion Unit – establishment'.

2 This measure includes funding of \$0.3 million in 2007–08 appropriated at Additional Estimates 2007–08 and disclosed in the Portfolio Additional Estimates Statements. Refer measure title 'Commonwealth–State Relations and Regulatory Reform'.

Prepared on a Government Financial Statistics basis.

Section 2: Outcome and planned performance

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts on the Australian community or consequences of actions by the government. Agencies are required to identify the output groups which demonstrate their contribution to government outcomes over the coming year.

There have been no changes to the department's outcome, or outcome structure, since the Portfolio Additional Estimates 2007-08. However, the output structure has been amended to separately identify major activities. This has resulted in the creation of the following new outputs:

- Output 4.1: Strategic Policy
- Output 2.3: Social Inclusion
- Output 5.6: Freedom of Information and Privacy Policy
- Output 5.7: 2020 Summit (for 2007-08 only).

The creation of these new outputs has resulted in the renumbering of outputs formerly reported under Output Group 4 to Output Group 5.

The revised output group structure is presented on the following page.

Output group structure

Output Group 1: Economic and Industry

- 1.1 Economic and Industry Policy

Output Group 2: Social Policy

- 2.1 Social Policy
- 2.2 Work and Family
- 2.3 Social Inclusion

Output Group 3: International and National Security Policy

- 3.1 International Policy
- 3.2 National Security Policy
Administered Item – National Counter-Terrorism Committee
- 3.3 APEC Taskforce¹

Output Group 4: Strategic Policy

- 4.1 Strategic Policy

Output Group 5: Support Services for Government Operations

- 5.1 Cabinet Support
- 5.2 Machinery of Government
Administered Item – National Australia Day Council
- 5.3 Support to Official Establishments
Administered item – Prime Minister’s official residences
- 5.4 Support for Ministerial Offices
Administered item – Allowances and support to former
Governors-General
- 5.5 Ceremonial and Hospitality
Administered item – State occasions and official visits
- 5.6 Freedom of Information and Privacy Policy
- 5.7 2020 Summit¹
- 5.8 Government Communications²

1 Activity is reported against Output 3.3: APEC Taskforce and Output 5.7: 2020 Summit for 2007–08 only reflecting the lapsing nature of these activities.

2 The Administrative Arrangements Order of 3 December 2007 resulted in the abolition of the Government Communications Unit (GCU) and the transfer of the aggregated media buying function and AUSPIC to the Department of Finance and Deregulation. These functions were previously reported against Output 5.3. For the 2008–09 Budget the outputs have been renumbered with GCU and AUSPIC being reported against *Output 5.8: Government Communications* in 2007–08 for the period that these functions were part of the Department of the Prime Minister and Cabinet. The remaining functions from Output 5.3 were transferred to *Output 5.4: Support for Ministerial Offices*.

2.1 OUTCOME 1

Sound and well-coordinated government policies, programs and decision-making processes.

2.1.1 Outcome 1 Strategy

Through the provision of policy advice and administrative support to the Prime Minister and the Cabinet the department contributes to the development of sound and well-coordinated government policies, programs and decision-making processes. The major contributions to this outcome are:

- the analysis of major policy issues and design of strategic solutions, particularly in matters relating to economic and international policy agendas, industry, infrastructure, environmental, social, international and national security issues
- taking a lead role in coordinating relevant portfolios, state and territory governments and other stakeholders to progress priorities through the Council of Australian Governments (COAG) and the initiatives that were identified at the 2020 Policy Summit
- providing policy advice on parliamentary, machinery of government, legal and cultural issues
- providing a range of support services, 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 program
- coordinating and promoting awards and national symbols
- supporting the official establishments, former Governors-General and the Governor-General designate
- administering State occasions and the official visits program.

2.1.2 Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for Outcome 1.

Table 2.1: Total resources for Outcome 1

Outcome 1: Sound and well-coordinated government policies, programs and decision-making processes.	2008–09 Total estimate of available resources \$'000	2007–08 Estimated actual \$'000
Output Group 1.1:		
Departmental Outputs		
Economic and Industry	16,117	16,241
Revenues from other sources (s. 31)	-	-
Subtotal for Output Group 1.1	16,117	16,241
Output Group 1.2:		
Departmental Outputs		
Social Policy	18,732	17,584
Revenues from other sources (s. 31)	-	-
Subtotal for Output Group 1.2	18,732	17,584
Output Group 1.3:		
Administered items:		
National Counter Terrorism	105	104
Departmental Outputs		
International and National Security Policy ¹	21,267	86,896
Revenues from other sources (s. 31)	-	-
Subtotal for Output Group 1.3	21,372	87,000
Output Group 1.4:		
Departmental Outputs		
Strategic Policy	8,886	-
Revenues from other sources (s. 31)	-	-
Subtotal for Output Group 1.4	8,886	-

Continued on next page.

1 There is a significant decrease in funding between years reflecting the lapsing of APEC funding in 2007-08.

Table 2.1: Total resources for Outcome 1 (continued)

	2008–09 Total estimate of available resources \$'000	2007–08 Estimated actual \$'000
Output Group 1.5:		
Administered items:		
National Australia Day Council	2,403	2,370
Prime Minister's official residences	1,807	1,782
Compensation and legal expenses	405	399
Support to designated and former Governors-General	1,615	1,208
State occasions and official visits	3,121	3,078
Special Appropriations:		
s. 5 <i>Governor-General Act 1974 (Administered)</i>	1,249	909
Departmental Outputs		
Support Services for Government Operations	27,977	28,551
Revenues from other sources (s. 31)	-	248
Special Accounts		
Total of all Special Accounts		
Opening balance	-	18,471
Non-appropriation receipts to Special Accounts	-	12,439
Subtotal for Output Group 1.5	38,577	69,455
Total resources for Outcome 1	103,684	190,280
	2008–09	2007–08
Average staffing level (number)	506	528

Note Departmental appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

2.1.4 Contributions to Outcome 1

Output Group 1.1: Economic and Industry

Output Group 1.1: Economic and Industry	
<p>Policy advice, briefing and support to the Prime Minister and portfolio ministers in relation to domestic and international economic conditions; financial markets; workplace relations; fiscal policy; taxation; superannuation; industry; science, energy and resources; infrastructure (including transport and communications); environment; heritage, natural resource management, rural and regional; and small business.</p> <p>Development of reform proposals with other Commonwealth agencies and state and territory officials in relation to business regulation and competition, infrastructure, housing, and climate change and water for consideration by the Council of Australian Governments (COAG) before the end of 2008.</p> <p>The group also coordinates the department's contribution to the budget process and manages and coordinates the work program of COAG.</p> <p><i>Components of Output Group 1:</i></p> <p>1.1.1 Economic and Industry Policy</p>	
Key performance indicators	2008–09 target
Satisfaction of the Prime Minister, Cabinet Secretary and other agencies with the department's contribution to budget process coordination and policy advice.	High level of satisfaction with the quality, accuracy and timeliness of policy advice, including the provision of innovative solutions for advancing issues, as expressed through formal and informal feedback mechanisms.
Anticipate requirements of the Prime Minister, the Cabinet Secretary, their offices and the departmental Executive.	High level of satisfaction.
Satisfaction of other central agencies and portfolio departments, including in regard to the cooperation and collaboration of the department in managing its responsibilities and input to the budget process.	High level of satisfaction, as expressed through formal and informal feedback mechanisms.
Satisfaction of the Prime Minister and other agencies with the department's contribution to COAG. Successful coordination and support for COAG meetings and ensuring a well-coordinated delivery of the broad COAG agenda.	High level of satisfaction, as expressed through formal and informal feedback mechanisms.

Output Group 1.2: Social Policy

Output Group 1.2: Social Policy	
<p>Policy advice, briefing and support to the Prime Minister in relation to work and family; social inclusion; health and ageing; immigration; income support; Indigenous policy; education and employment assistance; community services; veterans' affairs; and family payments and services.</p> <p>Policy advice to the Deputy Prime Minister on social inclusion matters and support for the government's Australian Social Inclusion Board.</p> <p>Development of reform proposals with other Commonwealth agencies and state and territory officials in relation to health, education, housing and Indigenous affairs for consideration by COAG before the end of 2008. A key priority is to oversee the government's new directions for childcare and early childhood education, and the COAG early childhood agenda, including for Indigenous Australians.</p> <p>Design and implementation of national exercises on pandemic preparedness as part of whole-of-government planning to prevent and prepare for a possible human influenza pandemic.</p> <p><i>Components of Output Group 1.2:</i></p> <p>1.2.1 Social Policy</p> <p>Advice, briefing and support to the Prime Minister on social policy issues.</p> <p>1.2.2 Work and Family</p> <p>Advice, briefing and support to the Prime Minister on work and family issues, including childcare and early childhood education, childcare and family impact statements. Manage and develop the <i>State of the Family</i> report.</p> <p>1.2.3 Social Inclusion</p> <p>Advice to the Deputy Prime Minister on social inclusion matters and support to the Australian Social Inclusion Board (ASIB).</p>	
Key performance indicators	2008–09 target
Satisfaction of the Prime Minister, the Deputy Prime Minister (for social inclusion), the parliamentary secretaries, their offices and the departmental Executive.	High level of satisfaction with the quality, accuracy and timeliness of policy advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.
Satisfaction of the chair of the ASIB with the quality and timeliness of papers for consideration by the board and the support provided to the board by the department secretariat.	High level of satisfaction, as expressed through formal and informal feedback mechanisms. The ASIB is expected to hold six meetings during 2008–09.
Pandemic exercises achieve their exercise objectives and provide a basis for reviewing and refining plans and policies where appropriate.	Pandemic exercises held, consistent with agreed timeframe and budget.
Satisfaction of the Prime Minister, the Minister Assisting and the parliamentary secretaries, their offices and the departmental Executive with advice, briefing and support on work and family issues.	High level of satisfaction with the quality, accuracy and timeliness of policy advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.

Output Group 1.2: Social Policy (continued)	
Key performance indicators	2008–09 target
Satisfaction of the Prime Minister and key stakeholders with the first annual <i>State of the Family</i> report.	High level of satisfaction and public interest.

Output Group 1.3: International and National Security Policy

Output Group 1.3: International and National Security Policy	
<p>Policy advice, briefing and support to the Prime Minister on international issues, including trade and aid policy. Development of a targeted program of overseas visits by the Prime Minister designed to promote and protect Australia's major national interests.</p> <p>Policy advice, briefing and support to the Prime Minister on national security issues, including defence policy and operations, defence capabilities, intelligence, non-proliferation, counter-terrorism, border protection, hazardous materials control, research for national security, emergency management and certain criminal law enforcement issues, including through coordination across Australian Government agencies and, as appropriate, with the states and territories.</p> <p><i>Components of Output Group 1.3:</i></p> <p>1.3.1 International Policy</p> <p>Advice, briefing and support to the Prime Minister, the parliamentary secretaries and their officers on Australia's international relationships.</p> <p>1.3.2 National Security Policy</p> <p>Advice, briefing and support to the Prime Minister, the parliamentary secretaries, their officers and the departmental Executives on national security issues.</p> <p><i>Administered item:</i> National Counter-Terrorism Committee.</p> <p>1.3.3 APEC Taskforce (2007–08 only)</p>	
Key performance indicators	2008–09 target
Satisfaction of the Prime Minister with advice, briefing and support in relation to international issues.	High level of satisfaction with the quality, accuracy and timeliness of policy advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.
Satisfaction of the Prime Minister with advice, briefing and support in relation to national security issues.	High level of satisfaction with the quality, accuracy and timeliness of policy advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.

Output Group 1.3: International and National Security Policy (continued)	
Key performance indicators	2008–09 target
<p>Development of National Security Strategy Statement.</p> <p>Coordination of the government's response to the Homeland and Border Security Review.</p> <p>Review of Maritime Security Enforcement programs.</p> <p>Finalisation of the COAG Review of Hazardous Materials.</p> <p>Successful management of domestic and international collaborative research programs.</p>	<p>High level of satisfaction with the quality, accuracy and timeliness of advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.</p>
<p>Satisfaction with secretariat support provided to the National Counter-Terrorism Committee.</p>	<p>High level of satisfaction with the quality and timeliness of secretariat services.</p>

Output Group 1.4: Strategic Policy

Output Group 1.4: Strategic Policy	
<p>Strategic advice and analysis in relation to domestic and international issues. Supporting the Prime Minister and the Cabinet in delivering key priorities such as the Council of Australian Governments reform agenda and initiatives identified at the Australia 2020 Summit.</p> <p><i>Components of Output Group 1.4:</i></p> <p>1.4.1 Strategic Policy</p>	
Key performance indicators	2008–09 target
<p>Satisfaction of the Prime Minister with advice, briefing and support in relation to strategic policy.</p>	<p>High level of satisfaction with the quality, accuracy and timeliness of advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.</p>

Output Group 1.5: Support Services for Government Operations

Output Group 1.5: Support Services for Government Operations	
<i>Components of Output Group 1.5:</i>	
1.5.1 Cabinet Support	
Provision of secretariat and support services for the Cabinet Secretary, the Cabinet, its committees and the Federal Executive Council. The delivery of Community Cabinet meetings and the monitoring of the implementation of key government decisions.	
1.5.2 Machinery of Government	
Advice, briefing and support on parliamentary, machinery of government, legal and cultural issues, including on presentation of the government's decisions in these areas. Policy coordination and promotion of the national honours system and national symbols. Support to the National Australia Day Council in complying with its grant funding deed.	
<i>Administered item:</i> National Australia Day Council.	
1.5.3 Support to Official Establishments	
Management of the Prime Minister's official residences. Secretariat support for the Official Establishments Trust.	
1.5.4 Support for Ministerial Offices	
Provision of services for the Prime Minister, the Cabinet Secretary and the parliamentary secretaries. Administration of allowances and support to former and designated Governors-General.	
<i>Administered item:</i> Allowances and support to former and designated Governors-General.	
1.5.5 Ceremonial and Hospitality	
Management of state occasions and official visits. Support services to the government relating to overseas visits by the Prime Minister, government hospitality for overseas dignitaries and official ceremonies.	
<i>Administered item:</i> State occasions and official visits.	
1.5.6 Freedom of Information and Privacy Policy	
Provide advice, briefing and support to the Prime Minister and government on national and international freedom of information and privacy policy.	
1.5.7 2020 Summit (2007–08 only)	
Planning, logistics and secretariat support for the Australia 2020 Summit.	
1.5.8 Government Communications (2007–08 only)	
Coordination of government communications.	
Key performance indicators	2008–09 target
Satisfaction of the Prime Minister, the Cabinet Secretary, the parliamentary secretaries, their offices and the departmental Executive with the timeliness and quality of briefing material, advice provided and services delivered.	High level of satisfaction with the quality, accuracy and timeliness of advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.

Output Group 1.5: Support Services for Government Operations (continued)	
Key performance indicators	2008–09 target
The degree of satisfaction of the Prime Minister, the Cabinet Secretary, the Cabinet and its committees with the organisation, coordination and support provided to meetings of the Cabinet and its committees. The expectation is that there will be 148 Cabinet and committee meetings, with 14 to be held outside of Canberra.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes.
The degree of satisfaction of the Federal Executive Council with the organisation, coordination and support provided to its meetings. The expectation is that there will be 30 meetings.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes. Papers and schedules are delivered to Government House two working days prior to an Executive Council meeting.
The degree of satisfaction of the Secretaries Committee on National Security with the organisation, coordination and support provided to its meetings. The expectation is that there will be 13 meetings.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes.
The degree of satisfaction of the Prime Minister and the Cabinet with the organisation, coordination and support provided to the Community Cabinet. The expectation is that there will be 10 meetings.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes. Meetings, briefings, reports and minutes to be delivered within agreed timeframes.
The degree of satisfaction of the Prime Minister, ministers, Portfolio Secretaries, the Cabinet Secretary and the departmental Executive with the monitoring of and reporting on the implementation of key government decisions. The expectation is that some 100 policy initiatives will be monitored at any given time throughout the year.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes. Quarterly reports are of a high quality, delivered on time and consistent with agreed formats.
Satisfaction of the Prime Minister with the support services relating to overseas visits.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes, as expressed through formal and informal feedback mechanisms.
The degree of satisfaction of the Prime Minister, the Cabinet Secretary, the parliamentary secretaries, their offices, the departmental Executive and the Governor-General's Office with: <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. 	High level of satisfaction with the benefits from the program of official visits, as assessed by the sponsoring minister, minister's office or department, together with Australian and foreign diplomatic representatives.

Output Group 1.5: Support Services for Government Operations (continued)	
Key performance indicators	2008–09 target
Facilitation of eight head-of-state and head-of-government visits, 25 ministerial visits and four state funerals.	Delivered to agreed timeframes and high level of satisfaction.
Satisfaction of the Prime Minister, the Cabinet Secretary, the parliamentary secretaries, their offices and the departmental Executive with management of the government's hospitality for overseas dignitaries and official ceremonies.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes.
2020 Summit outcomes are presented for publication to an agreed quality and on a timely basis.	High level of satisfaction from 2020 Summit participants and the Prime Minister and achievement of key tasks delivered to agreed timeframes. High level of public interest in publication.
Satisfaction of the occupants with the management, serviceability and standard 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.	High level of satisfaction and achievement of key tasks delivered to agreed timeframes.
Satisfaction with secretariat support for the Official Establishments Trust.	High level of satisfaction with quality and timeliness of advice and secretariat support.
Provision of office services for the Prime Minister, the Cabinet Secretary, the parliamentary secretaries, their offices and the departmental Executive.	High level of satisfaction with the quality, accuracy and timeliness of advice and achievement of key tasks, as expressed through formal and informal feedback mechanisms.
Former Governors-General and the Governor-General designate receive allowances and support in accordance with their entitlements.	Payments made on time and in accordance with entitlements. High level of satisfaction from former Governors-General and the Governor-General designate with the level of support provided and payment of allowances.
National Australia Day Council grant administered in compliance with the reporting mechanisms, objectives and other provisions of the grant funding deed.	High level of satisfaction from council members and departmental Executive with management and reporting of the National Australia Day Council.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008–09. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009–10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	150,622
Less estimated payments in 2008–09	93,126
Estimated departmental outputs carried forward and available for 2009–10	57,496

3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation.

The Department of the Prime Minister and Cabinet has no movement of administered funds between years to report for the 2008–09 financial year.

3.1.3 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* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of the Prime Minister and Cabinet.

Table 3.1.3: Estimates of Special Account cash flows and balances

	Opening balance 2008-09 2007-08	Receipts 2008-09 2007-08	Payments 2008-09 2007-08	Adjustments 2008-09 2007-08	Closing balance 2008-09 2007-08
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Media Commissions – s. 20 FMA Act (A) ¹	- 1 13,819	- 9,127	- 1,371	- 21,575	- -
Campaign Advertising – s. 20 FMA (D) ¹	- 1 4,652	- 3,312	- 402	- 7,562	- -
Services for other Government and Non-Agency Bodies (D) ²	- 1,058	- -	- -	- 1,058	- -
Other Trust Moneys – s. 20 FMA Act (D) ²	- -	- -	- -	- -	- -
Total special accounts					
2008-09 Budget estimate	-	-	-	-	-
Total special accounts 2007-08 estimated actual	19,529	12,439	1,773	30,195	-

A = administered; D = departmental; FMA Act = *Financial Management and Accountability Act 1997*.

- 1 The AAO of 3 December 2007 transferred the media buying function to the Department of Finance and Deregulation. Thus these two special accounts were closed during the 2007-08 financial year.
- 2 Represents moneys temporarily held in trust for other persons and is therefore not included in the total resources available for this department. Budget estimates are not included as future transactions cannot be anticipated.

3.1.4 Australian Government Indigenous expenditure

Table 3.1.4: Australian Government Indigenous expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Output group
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000			
	Department of the Prime Minister and Cabinet						
Outcome 1							
Administered 2008–09	-	-	-	-	-	-	na
<i>Administered 2007–08</i>	-	-	-	-	-	-	na
Departmental 2008–09	736	-	-	736	-	736	2
<i>Departmental 2007–08</i>	1,336	-	-	1,336	-	1,336	2
Total Outcome 2008–09	736	-	-	736	-	736	2
<i>Total Outcome 2007–08</i>	<i>1,336</i>	-	-	<i>1,336</i>	-	<i>1,336</i>	<i>2</i>
Total AGIE 2008–09	736	-	-	736	-	736	2
<i>Total AGIE 2007–08</i>	<i>1,336</i>	-	-	<i>1,336</i>	-	<i>1,336</i>	<i>2</i>

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no significant differences between the resource information presented in the Budget Papers and PB Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

3.2.2 Analysis of budgeted financial statements

Budgeted departmental income statement

Departmental income for 2008-09 is estimated at \$94.8 million, \$93.0 million of which represents departmental output appropriation and \$1.8 million of which is for activities that are provided to the agency free of charge. When compared to the estimated actual income figure for 2007-08 this represents a decrease of \$59.9 million. This reduction principally reflects the effect of programs, such as APEC, that lapse in 2007-08, the full year impact of the additional 2% efficiency dividend, the abolition of the Government Communications Unit and the transfer of the aggregated media buying function and AUSPIC to the Department of Finance and Deregulation in 2007. These reductions have been partially offset by increased funding for the budget measures detailed in Table 1.2 of this Budget document.

A surplus in the order of \$7.9 million, representing unspent APEC funding, is anticipated for 2007-08. APEC was funded on a 'no win, no loss' basis and any unspent funds will be returned to the Budget. The department is budgeting to break-even in 2008-09 and the forward years.

Budgeted departmental balance sheet

There is very little movement expected in the balance sheet over the forward estimate period. Equity is estimated at over \$60 million, with total assets of \$89.8 million offset by liabilities of \$27.0 million. Financial assets are expected to be around \$61.5 million, compared to liabilities of \$27.0 million, which comprises payables of \$14.7 million and provisions of \$12.3 million.

Budgeted departmental cash flows

The cash flow is consistent with, and representative of, the transactions reported in the income statement, adjusted for any non-cash items and anticipated asset sales and purchases.

Schedule of budgeted income and expenses administered on behalf of government

In 2007-08 the only source of administered revenue was the receipt of funds through the Media Commissions Special Account. The AAO dated 3 December 2007 transferred the media buying function to the Department of Finance and Deregulation.

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Accordingly, the administered revenue estimates have been revised down to zero from 2008–09 onwards.

In 2008–09 the total expense administered on behalf of the government is expected to be \$9.5 million, \$2.0 million less than in 2007–08. This reduction reflects the transfer of the media buying function to the Department of Finance and Deregulation. The department will administer \$9.5 million of annual administered appropriation as detailed in Table 2.1.

Schedule of budgeted assets and liabilities administered on behalf of government

Administered assets are budgeted at \$42.5 million as at 30 June 2009, \$41.7 million of which represents the two official residences and their contents. When compared to 2007–08, this represents a reduction of \$2.3 million. This reduction principally reflects the transfer of the media buying function to Finance.

The department administers the payments of superannuation entitlements to former Governors-General in accordance with the Act. This is reflected in the reduction of the budgeted liability for personal benefits (superannuation entitlements) over the forward estimates period and is funded through a special appropriation. The liability is subject to actuarial assessment for financial reporting purposes.

Schedule of budgeted administered cash flows

The cash flow is consistent with, and representative of, the transactions reported in the schedule of income and expenses, adjusted for any anticipated asset sales and purchases.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
INCOME					
Revenue					
Revenues from government	149,272	92,979	90,337	89,041	88,396
Goods and services	248	-	-	-	-
Other	3,312	-	-	-	-
Total revenue	152,832	92,979	90,337	89,041	88,396
Gains					
Other	1,800	1,800	1,800	1,800	1,800
Total gains	1,800	1,800	1,800	1,800	1,800
Total income	154,632	94,779	92,137	90,841	90,196
EXPENSE					
Employees	57,135	55,264	54,470	53,301	53,157
Suppliers	76,934	30,279	28,426	28,333	28,023
Grants	3,600	3,600	3,600	3,600	3,600
Depreciation and amortisation	8,861	5,636	5,641	5,607	5,416
Write-down of assets and impairment of assets	210	-	-	-	-
Total expenses	146,740	94,779	92,137	90,841	90,196
Surplus (Deficit) before income tax	7,892	-	-	-	-
Income tax expense	-	-	-	-	-
Surplus/(Deficit)	7,892	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	7,892	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	193	483	65	462	462
Other receivables	57,192	59,652	65,953	71,047	76,992
GST receivable	848	400	379	382	382
Other	920	922	923	925	925
Total financial assets	59,153	61,457	67,320	72,816	78,761
Non-financial assets					
L&B, IPE and intangible assets	28,964	26,739	23,123	19,516	14,100
Work in progress	896	902	907	911	911
Prepayments	696	716	735	755	755
Total non-financial assets	30,556	28,357	24,765	21,182	15,766
Total assets	89,709	89,814	92,085	93,998	94,527
LIABILITIES					
Provisions					
Employees	12,741	12,225	12,704	13,202	13,202
Other	68	74	79	83	83
Total provisions	12,809	12,299	12,783	13,285	13,285
Payables					
Suppliers	14,115	13,319	15,081	16,492	17,021
Other	1,354	1,354	1,354	1,354	1,354
Total payables	15,469	14,673	16,435	17,846	18,375
Total liabilities	28,278	26,972	29,218	31,131	31,660
Net assets	61,431	62,842	62,867	62,867	62,867

Continued on next page.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June) (continued)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
EQUITY					
Parent entity interest					
Contributed equity	31,699	33,110	33,135	33,135	33,135
Reserves	4,915	4,915	4,915	4,915	4,915
Retained surpluses or accumulated deficits	24,817	24,817	24,817	24,817	24,817
Total parent entity interest	61,431	62,842	62,867	62,867	62,867
Total equity	61,431	62,842	62,867	62,867	62,867
Current assets	59,849	62,173	68,055	73,571	79,516
Non-current assets	29,860	27,641	24,030	20,427	15,011
Current liabilities	28,278	26,972	29,218	21,131	21,660
Non-current liabilities	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	262	-	-	-	-
Appropriations	137,419	94,126	89,041	87,961	82,453
Campaign Advertising Special Acc	3,312	-	-	-	-
GST refunds	8,184	3,217	2,570	2,511	2,511
Total cash received	149,177	97,343	91,611	90,472	84,964
Cash used					
Employees	61,345	55,780	53,991	52,803	53,157
Suppliers	76,046	29,296	24,883	25,142	25,694
Grants	3,600	3,600	3,600	3,600	3,600
GST paid	8,112	2,739	2,501	2,519	2,511
Total cash used	149,103	91,415	84,975	84,064	84,962
Net cash from or (used by) operating activities	74	5,928	6,636	6,408	2
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	272	-	-	-	-
Total cash received	272	-	-	-	-
Cash used					
Purchase of property, plant and equipment	4,772	3,411	2,025	2,000	-
Total cash used	4,772	3,411	2,025	2,000	-
Net cash from or (used by) investing activities	(4,500)	(3,411)	(2,025)	(2,000)	-

Continued on next page.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	272	1,411	25	-	-
Proceeds from issuing financial					
Total cash received	272	1,411	25	-	-
Net cash from or (used by) financing activities	272	1,411	25	-	-
Net increase or (decrease) in cash held	(4,154)	3,928	4,636	4,408	2
Cash at the beginning of the reporting period	774	193	483	65	(2)
Cash transferred to/(from) the OPA	(3,573)	3,638	5,054	4,011	-
Cash at the end of the reporting period	193	483	65	462	-

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008–09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	24,817	-	4,915	31,699	61,431
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	24,817	-	4,915	31,699	61,431
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Subtotal income and expense	24,817	-	4,915	31,699	61,431
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	24,817	-	4,915	31,699	61,431
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	1,411	1,411
Other:					
Restructuring	-	-	-	-	-
Subtotal transactions with owners	24,817	-	4,915	33,110	62,842
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2009	24,817	-	4,915	33,110	62,842

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	9,127	-	-	-	-
Total non-taxation	9,127	-	-	-	-
Total revenues administered on behalf of government	9,127	-	-	-	-
Total income administered on behalf of government	9,127	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	2,370	2,420	2,474	2,528	2,528
Employees	968	996	1,024	1,083	1,083
Suppliers	7,987	5,877	5,524	5,414	5,600
Depreciation and amortisation	163	163	163	163	163
Total expenses administered on behalf of government	11,488	9,456	9,185	9,188	9,374

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	17	13	21	22	22
Receivables	702	702	703	703	866
Taxation receivables	106	107	108	109	109
Other financial assets	2,143	-	-	-	-
Total financial assets	2,968	822	832	834	997
Non-financial assets					
Land and buildings	40,878	40,816	40,761	40,681	40,608
Infrastructure, plant and equipment	932	834	732	638	548
Other	37	27	25	26	26
Total non-financial assets	41,847	41,677	41,518	41,345	41,182
Total assets administered on behalf of government	44,815	42,499	42,350	42,179	42,179
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions					
Employees	182	186	190	194	194
Taxation refunds provided	94	94	94	94	94
Other provisions	347	348	350	352	352
Total provisions	623	628	634	640	640
Payables					
Suppliers	107	107	107	107	107
Personal benefits payable	11,307	10,058	8,800	7,522	7,192
Other payables	85	74	78	58	58
Total payables	11,499	10,239	8,985	7,687	7,357
Total liabilities administered on behalf of government	12,122	10,867	9,619	8,327	7,997

Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
OPERATING ACTIVITIES					
Cash received					
of services	9,127	-	-	-	-
Net GST received	1,309	1,291	1,308	1,323	1,323
Total cash received	10,436	1,291	1,308	1,323	1,323
Cash used					
Employees	964	992	1,020	1,079	1,083
Grant payments	2,370	2,420	2,474	2,528	2,528
Personal benefits	909	1,249	1,258	1,278	330
Suppliers	8,022	5,897	5,539	5,439	5,600
Net GST paid	1,287	1,291	1,310	1,325	1,325
Total cash used	13,552	11,849	11,601	11,649	10,866
Net cash from or (used by) operating activities	(3,116)	(10,558)	(10,293)	(10,326)	(9,543)
Cash used					
Purchase of property, plant and equipment and intangibles	20	10	10	10	-
Total cash used	20	10	10	10	-
Net cash from or (used by) investing activities	(20)	(10)	(10)	(10)	-
Net increase or (decrease) in cash held	(3,136)	(10,568)	(10,303)	(10,336)	(9,543)
Cash at beginning of reporting period	21	17	13	21	22
Cash from Official Public Account for:					
– appropriations	12,197	11,855	11,619	11,660	10,866
– special accounts	1,371	-	-	-	-
– s. 30A and GST	1,309	1,291	1,308	1,323	1,323
– special accounts	9,127	-	-	-	-
Cash at end of reporting period	17	13	21	22	22

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

The department has no further items or variances other than those explained in the analysis of the budgeted financial statements.