

Department of the Prime Minister and Cabinet

Agency resources and planned performance

DEPARTMENT OF THE PRIME MINISTER AND CABINET

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DEPARTMENT OF THE PRIME MINISTER AND CABINET

Section 1: Agency overview and resources

The planned outcome of the Department of the Prime Minister and Cabinet (PM&C) is:

Coordination of government activities; policy development; advice and program delivery to support and inform the Prime Minister, Cabinet and the Cabinet Secretary.

1.1 STRATEGIC DIRECTION

PM&C's principal function is to provide high-quality advice to the Prime Minister and the Cabinet on a range of matters that are at the forefront of public policy and government administration, including domestic and international affairs and, in particular, the implications of proposals for Commonwealth–state relations. These are often complex and involve change and rapid developments in many areas.

The department consults extensively across the Australian Public Service (APS) to ensure that the advice provided draws on the most appropriate sources. PM&C has a strong role in driving policy development and innovation and ensuring delivery of high-priority initiatives across the APS, in pursuit of the government's objectives.

In addition to its work on policy advice, innovation, coordination and implementation, it is the role of the department:

- to ensure that policy proposals put to the Prime Minister, to other ministers in the portfolio and to Cabinet are developed in a coherent, informed and coordinated fashion
- where appropriate, to coordinate and monitor implementation and delivery of government decisions, policies and priorities, recognising that ministers are responsible individually for the administration of their departments and collectively for matters decided by Cabinet
- to support the Prime Minister and the government to manage the business of government in an efficient, effective and coordinated manner
- to provide administrative support to the Prime Minister, the Cabinet Secretary, the parliamentary secretaries, the Cabinet and its committees

PM&C Budget Statements

- to coordinate and facilitate government administration, intergovernmental relations and communications with state and territory governments.

Further administrative and support services include:

- advice on government and parliamentary administrative and policy matters such as Cabinet processes, accountability and the management of the public service
- development and coordination of the government's legislative program
- assistance to the Leader of the House and the Manager of Government Business in the Senate in programming government business in parliament
- a secretariat to the Federal Executive Council
- coordination and arrangements for government hospitality and official ceremonial occasions
- advice on the maintenance and restoration of official residences
- support for the Prime Minister and his family.

To deliver on the government's priorities and provide high-quality administrative and support services, the department has implemented a streamlined structure that comprises five major groups:

- **Domestic Policy Group** works to ensure coherence in the development of economic, productivity and social policies. This includes coordinating the Council of Australian Governments (COAG) arrangements.
- The **National Security and International Policy Group** provides advice on Australia's foreign, trade and treaty matters, defence, intelligence, non-proliferation, counter-terrorism, law enforcement, border security and emergency management matters; coordinates security-related science and technology research matters; and plays a coordinating leadership role in the development of integrated, whole-of-government national security policy.
- **Strategic Policy and Implementation Group** works across the department, the broader APS, and with business, academic and community experts to provide advice to the Prime Minister and the government on major strategic issues and their implications for government priority setting and policy development. This group also monitors the development, implementation and ongoing delivery of the government's highest priority programs, policies and initiatives.
- The **Governance Group** oversees the department's support functions, and also takes a leadership role in providing advice on public governance and reform across the APS. This group also manages support to the Cabinet, its committees, the Executive Council, ministers and their offices, and matters relating to the machinery of government, including public sector, parliamentary and legislation programming matters; provides advice on accountability, integrity and Australian honours and symbols policy; and coordinates state occasions and official

ceremonies, which includes managing arrangements for the Pacific Islands Forum scheduled for August 2009.

- The **Office of the Commonwealth Coordinator-General** was established in 2009. The Commonwealth Coordinator-General has oversight responsibility for the implementation by all jurisdictions of the infrastructure elements of the government's Nation Building and Jobs Plan.

In addition, the COAG Reform Council (the Council) was established by COAG to monitor, assess and report on the performance of governments in implementing nationally agreed reforms. The Council is independent of individual governments and reports directly to the Prime Minister as Chair of COAG.

During 2008, COAG agreed to a significantly expanded role for the COAG Reform Council under the new framework for federal financial relations and under the Agreement on Murray-Darling Basin Reform. Additional resources will be provided to support the Council's activities under the new performance reporting framework. The COAG Reform Council is jointly funded by the Commonwealth and the states and territories.

On 24 March 2009 the Cabinet Secretary and Special Minister of State, Senator the Hon John Faulkner, released exposure drafts of the Information Commissioner Bill 2009 and the draft Freedom of Information Amendment (Reform) Bill 2009 for public consultation. After the consultation process, the Bills will be introduced into the Parliament in 2009. The establishment of the Office of the Information Commissioner (the Office) is a key element of the government's FOI reforms. The establishment of the Office, within the PM&C portfolio, will bring together the functions of information privacy protection and FOI in the same agency. Funding for the Office will be appropriated in the first instance to PM&C and transferred once the entity has been established.

The government has decided to rationalise policy responsibility for Australian Government superannuation. Accordingly, the policy responsibility and administration of the superannuation arrangements for former Governors-General will transfer from PM&C to the Department of Finance and Deregulation on 1 July 2009.

1.2 AGENCY RESOURCE STATEMENT

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 1.1: Department of the Prime Minister and Cabinet resource statement — Budget estimates for 2009–10 as at Budget May 2009

	Estimate of prior year amounts available in 2009–10 \$'000	Proposed at Budget = 2009–10 \$'000	Total Estimate 2009–10 \$'000	Actual Available Appropriation 2008–09 \$'000
Ordinary annual services¹				
Departmental				
Prior year departmental appropriation	22,851 ⁴	-	22,851	42,064
Departmental appropriation	-	112,272	112,272	99,200
s. 31 relevant agency receipts ³	-	11,007	11,007	6,050
Total	22,851	123,279	146,130	147,314
Administered expenses				
Outcome 1	-	10,220	10,220	10,796
Total	-	10,220	10,220	10,796
Total ordinary annual services	A 22,851	133,499	156,350	158,110
Other services²				
Administered expenses				
Specific payments to states, ACT, NT and local government				
Outcome 1	-	-	-	-
Total	-	-	-	-
New administered expenses				
Outcome 1	-	-	-	-
Total	-	-	-	-
Departmental non-operating				
Equity injections	2,656	3,668	6,324	10,124
Previous years' outputs	-	3,402	3,402	2,436
Total	2,656	7,070	9,726	12,560
Administered non-operating				
Administered assets and liabilities	-	-	-	294
Payments to CAC Act bodies – non-operating	-	-	-	-
Total	-	-	-	294
Total other services²	B 2,656	7,070	9,726	12,854
Total available annual appropriations	25,507	140,569	166,076	170,964
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Allowance to former Governors- General – s. 5, GG Act (A)</i>	-	-	-	836
Total special appropriations	C -	-	-	836
Total appropriations excluding special accounts	25,507	140,569	166,076	171,800

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Table 1.1: Department of the Prime Minister and Cabinet resource statement — Budget estimates for 2009–10 as at Budget May 2009 (continued)

	Estimate of prior year amounts available in 2009–10 \$'000	+ Proposed at Budget = 2009–10 \$'000	=	Total Estimate 2009–10 \$'000	Actual Available Appropriation 2008–09 \$'000
Special accounts					
Opening balance ⁵	-	-		-	-
Appropriation receipts	-	-		-	-
Appropriation receipts – other agencies	-	-		-	-
Non-appropriation receipts to special accounts	-	-		-	-
Total special account	D	-		-	-
Total resourcing	25,507	140,569		166,076	171,800
A+B+C+D					
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	-		-	-
Total net resourcing for agency	25,507	140,569		166,076	171,800

(A) = administered

1 Appropriation Bill (No. 1) 2009–10.

2 Appropriation Bill (No. 2) 2009–10.

3 Own source income.

4 Estimated adjusted balance carried from previous year for annual appropriations.

5 Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.2.

Note: All figures are GST exclusive.

Third party payments from and on behalf of other agencies

PM&C has no third party drawdown arrangements with other agencies.

1.3 BUDGET MEASURES

Budget measures relating to the Department of the Prime Minister and Cabinet are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2009–10 Budget measures

	Program	2008–09 \$'000	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000
Expense measures						
Border protection – combating people smuggling – Australian Government management of border security and maritime people smuggling	1.2					
Departmental expenses		-	1,156	1,167	-	-
Total		-	1,156	1,167	-	-
Community Cabinet – enhancement	1.4					
Departmental expenses		-	1,043	1,052	1,061	1,068
Total		-	1,043	1,052	1,061	1,068
Council of Australian Governments' decision – implementing the Council of Australian Governments' federal financial framework – expanded roles ¹	1.1					
Departmental expenses		-	1,096	2,577	2,867	2,895
Total		-	1,096	2,577	2,867	2,895
Department of the Prime Minister and Cabinet – additional funding	1.3 & 1.4					
Departmental expenses		-	1,786	1,805	1,821	1,837
Total		-	1,786	1,805	1,821	1,837
Enhanced crisis coordination facilities ²	1.2					
Departmental expenses		-	62	243	245	248
Total		-	62	243	245	248
Nation Building and Jobs Plan – implementation costs ³	1.1					
Departmental expenses		-	536	-	-	-
Total		-	536	-	-	-

Prepared on a government financial statistics (fiscal) basis.

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Table 1.2: Agency 2009–10 Budget measures (continued)

	Program	2008–09 \$'000	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000
Expense measures (continued)						
National Australia Day activities	1.4					
Administered expenses		-	900	910	918	927
Total		-	900	910	918	927
National Security Adviser Group – establishment ⁴	1.2					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
National Security Legislation Monitor – establishment	1.2					
Departmental expenses		-	336	339	342	344
Total		-	336	339	342	344
Office of the Information Commissioner – establishment	1.4					
Departmental expenses		-	2,961	4,982	5,031	5,080
Total		-	2,961	4,982	5,031	5,080
Prime Minister and Cabinet portfolio – further efficiencies	all					
Departmental expenses		-	(250)	(250)	(250)	(250)
Total		-	(250)	(250)	(250)	(250)
Total expense measures						
Administered		-	900	910	918	927
Departmental		-	8,726	11,915	11,117	11,222
Total		-	9,626	12,825	12,035	12,149

Prepared on a government financial statistics (fiscal) basis.

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Table 1.2: Agency 2009–10 Budget measures (continued)

Program	2008–09 \$'000	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000
Capital measures					
Border protection – combating people smuggling – Australian Government management of border security and maritime people smuggling	1.2				
Departmental capital	-	428	-	-	-
Total	-	428	-	-	-
Council of Australian Governments' decision – implementing the Council of Australian Governments' federal financial framework – expanded roles ¹	1.1				
Departmental capital	-	762	-	-	-
Total	-	762	-	-	-
National Security Adviser Group – establishment ⁴	1.2				
Departmental capital	-	-	-	-	-
Total	-	-	-	-	-
Office of the Information Commissioner – establishment	1.4				
Departmental capital	-	2,453	-	-	-
Total	-	2,453	-	-	-
Total capital measures					
Departmental	-	3,643	-	-	-
Total	-	3,643	-	-	-

Prepared on a government financial statistics (fiscal) basis.

- 1 The lead agency for this measure is the Australian Bureau of Statistics. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.
- 2 The lead agency for this measure is the Attorney-General's Department. The full measure description and package details appear in Budget Paper No. 2 under the Attorney-General's portfolio.
- 3 The lead agency for this measure is the Department of the Environment, Water, Heritage and the Arts. The full measure description and package details appear in Budget Paper No. 2 under the Environment, Water, Heritage and the Arts portfolio.
- 4 Additional funding of \$17.9 million over 5 years (including \$0.7 million in capital funding in 2008-09) was provided for this measure at additional estimates 2008–09. Additional funding for this measure was included in the Mid-Year Economic and Fiscal Outlook under 'decisions taken but not yet announced'. The full measure description appears in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009–10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. Figure 1 outlines the transition from the 2008–09 Budget year (as at Additional Estimates) which was presented in administered items, outputs and output groups to the program reporting framework used for the 2009–10 Budget. The figure also captures revisions made to GGS outcome statements under the Operation Sunlight Outcome Statements Review.

Figure 1: Transition table

2008–09 Budget year	2009–10 Budget year
Outcome 1: Sound and well-coordinated government policies, programs and decision making process	Outcome 1: Coordination of government activities; policy development; advice and program delivery to support and inform the Prime Minister, Cabinet and the Cabinet Secretary
Output Group	Program 1: Prime Minister & Cabinet
Output Group 1.1: Economic and Industry	1.1: Domestic policy
Departmental outputs: <i>Economic and industry policy</i> P 1.1 <i>COAG Reform Council</i> P 1.1	Departmental items: <i>Economic and industry policy</i> OG 1.1 <i>Social policy</i> OG 1.2 <i>Work and family</i> OG 1.2 <i>Social inclusion</i> OG 1.2 <i>COAG Reform Council</i> OG 1.1 <i>Office of the Commonwealth Coordinator-General</i> Note 1
Output Group 1.2: Social policy	
Departmental outputs: <i>Social policy</i> P 1.1 <i>Work and family</i> P 1.1 <i>Social inclusion</i> P 1.1	
Output Group 1.3: International and national security policy	1.2: National security and international policy
Administered items: <i>National counter-terrorism committee</i> P 1.2 Departmental outputs: <i>International policy</i> P 1.2 <i>National security policy</i> P 1.2 <i>APEC taskforce</i> Note 2	Administered items: <i>National counter-terrorism committee</i> OG 1.3 Departmental items: <i>International policy</i> OG 1.3 <i>Homeland and border security</i> OG 1.3 <i>Defence, intelligence and research coordination</i> OG 1.3 <i>International strategy</i> OG 1.3

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Figure 1: Transition table (continued)

2008–09 Budget year	2009–10 Budget year
Output Group 1.4: Strategic policy	1.3: Strategic policy and implementation
Departmental outputs:	Departmental items:
<i>Strategic policy</i> P 1.3	<i>Strategic policy & implementation</i> OG 1.4
Output Group 1.5: Support services for government operations	1.4: Support services for government operations
Administered items:	Administered items:
<i>National Australia Day Council</i> P 1.4	<i>National Australia Day Council</i> OG 1.5
<i>Prime Minister's official residences</i> P 2.1	<i>Compensation and legal</i> OG 1.5
<i>Allowances and support to designated & former Governors-General</i> Note 3 P 2.1	Departmental items:
<i>State occasions and official visits</i> P 2.1	<i>Cabinet support</i> OG 1.5
<i>Compensation and legal</i> P 1.4	<i>Support for ministerial offices</i> OG 1.5
Departmental outputs:	<i>Freedom of information and privacy policy</i> OG 1.5
<i>Cabinet support</i> P 1.4	<i>Pacific Islands Forum</i> OG 1.5
<i>Support to official establishments</i> P 2.1	Program 2: Official and ceremonial support
<i>Support for ministerial offices</i> P 1.4	2.1 Official and ceremonial support
<i>Ceremonial and hospitality</i> P 2.1	Administered items:
<i>Freedom of information and privacy policy</i> P 1.4	<i>Prime Minister's official residences</i> OG 1.5
<i>2020 Summit</i> Note 4	<i>Support to designated & former Governors-General</i> OG 1.5
<i>Government communications</i> Note 5	<i>State occasions and official visits</i> OG 1.5
<i>Pacific Islands Forum</i> P 1.4	Program support:
	<i>Support to official establishments</i> OG 1.5
	<i>Ceremonial and hospitality</i> OG 1.5

P = Program
OG = Output group

- 1 The Office of the Commonwealth Coordinator-General was established as a new activity in 2009.
- 2 Funding for the APEC taskforce terminated in 2007–08. Some residual costs have been incurred in 2008–09. No expense is anticipated in 2009–10.
- 3 Policy responsibility and administration of the superannuation arrangements for former Governors-General will transfer from PM&C to the Department of Finance and Deregulation on 1 July 2009.
- 4 Funding for the 2020 Summit terminated in 2007–08.
- 5 The Government Communications Unit was abolished in 2007–08 and the aggregated media buying function and AUSPIC transferred to the Department of Finance and Deregulation.

1.5 PROGRAMS FOR WHICH TREASURY IS APPROPRIATED UNDER THE NEW FEDERAL FINANCIAL RELATIONS (FFR) FRAMEWORK

The Council of Australian Governments has agreed to a new framework for Federal Financial Relations that is being implemented in a staged manner from 1 January 2009. Under these arrangements, specific purpose payments will now be made through combined monthly payments from the Commonwealth Treasury to and through state and territory treasuries.

No agencies in the Prime Minister and Cabinet portfolio are affected by these changes.

Further information on the Federal Financial Relations arrangements can be found in the Portfolio Budget Statements of the Treasury and in Budget Paper No. 3, Australia's Federal Relations 2009-10.

Section 2: Outcome and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Agencies deliver programs, which are the government actions taken to deliver the stated outcomes. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

PM&C's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the department in achieving government outcomes.

2.1 OUTCOME PERFORMANCE INFORMATION

Outcome 1: Coordination of government activities; policy development; advice and program delivery to support and inform the Prime Minister, Cabinet and the Cabinet Secretary

2.1.1 Outcome 1 strategy

The department's primary role is to provide advice to, and support for, the Prime Minister in his capacity as head of government and the Cabinet. The major tasks for the department include developing timely, well-argued, robust and forward-looking policy advice, coordination of policy through the Cabinet process and supporting the implementation of key government programs.

Policy advice and administrative support to the Prime Minister: The department provides advice to the Prime Minister and Cabinet Secretary on major domestic and international policy, including all matters considered by Cabinet. There is a particular emphasis on policy coordination and drawing appropriately on expertise from across the whole of government.

Strategic policy and implementation advice: Forward-looking research and analysis projects are used to advise on emerging issues and strategic policy challenges, with a focus on the government's major domestic and international priorities. The department also monitors the implementation of key government initiatives, policies and programs.

Assistance to Cabinet, its committees and the Federal Executive Council: The Prime Minister and Cabinet are given accurate, clear and timely advice that takes into account the views of all portfolios. Secretariat support is provided for meetings of Cabinet, its committees and the Federal Executive Council and the processes to facilitate the decision-making role of Cabinet. The department provides support for the government's Community Cabinet meetings across Australia.

Coordination of government administration: The department provides services to the Prime Minister and to the Australian Government to enable the business of government to be managed in an efficient, effective and coordinated manner. The department is the primary source of advice on machinery of government matters and interaction between the parliament and the public service, including coordination of the government's legislation program.

Intergovernmental relations: Cooperation between the Australian Government and other governments in Australia is facilitated through the coordination of arrangements for COAG meetings and advice to the Prime Minister on the implications of proposals for Commonwealth-state relations. To help advance COAG's national reform agenda, the COAG Reform Council monitors, assesses and reports on the performance of governments in implementing nationally agreed reforms.

Government ceremonial and hospitality: The department provides high-level support for major events, such as visits by heads of state, ceremonies and state occasions, and coordinates the logistical arrangements for the Prime Minister's overseas visits.

Honours and national symbols: The department is responsible for policy advice, operational support and awareness-raising in relation to the Australian honours system and national symbols.

Support services: A range of support services are provided to the Prime Minister, the ministerial team, other portfolio ministers and the government. These services include support for the operations of the Prime Minister's official residences and the provision of services to designated and former Governors-General.

To perform this role and deliver on the government's priorities the department is organised into five groups which each contribute to providing advice and support to the Prime Minister and Cabinet: Domestic Policy Group; National Security and International Policy Group; Strategic Policy and Implementation Group; Governance Group; and the Office of the Commonwealth Coordinator-General. In addition, the COAG Reform Council reports directly to the Prime Minister as Chair of COAG.

2.1.2 Budgeted expenses and resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses and resources for Outcome 1

	2008–09 Estimated Actual Expenses \$'000	2009–10 Estimated Expenses \$'000
Program 1		
1.1: Domestic policy		
Departmental expenses		
Ordinary annual services (B1)	35,737	40,206
Revenues from independent sources (section 31)	2,314	5,524
Expenses not requiring appropriation in the Budget year	731	243
Total for 1.1	38,782	45,973
1.2: National security and international policy		
Administered expenses		
Ordinary annual services (B1)	105	108
Departmental expenses		
Ordinary annual services (B1)	23,715	25,870
Revenues from independent sources (section 31)	2,022	2,779
Expenses not requiring appropriation in the Budget year	1,136	1,579
Total for 1.2	26,978	30,336
1.3: Strategic policy and implementation		
Departmental expenses		
Ordinary annual services (B1)	6,428	7,704
Revenues from independent sources (section 31)	277	515
Expenses not requiring appropriation in the Budget year	113	27
Total for 1.3	6,818	8,246
1.4: Support services for government operations		
Administered expenses		
Ordinary annual services (B1)	3,700	3,482
Departmental expenses		
Ordinary annual services (B1)	32,603	34,633
Revenues from independent sources (section 31)	1,260	1,932
Expenses not requiring appropriation in the Budget year	675	223
Total for 1.4	38,238	40,270

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Table 2.1: Budgeted expenses and resources for Outcome 1 (continued)

	2008–09 Estimated Actual Expenses \$'000	2009–10 Estimated Expenses \$'000
Program 2		
2.1 Official and ceremonial support		
Administered expenses		
Ordinary annual services (B1)	6,565	6,630
Special appropriations	836	-
Departmental expenses		
Ordinary annual services (B1)	4,119	3,859
Revenues from independent sources (section 31)	177	257
Expenses not requiring appropriation in the Budget year	73	14
Total for 2.1	11,770	10,760
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (B1)	10,370	10,220
Special appropriations	836	-
Departmental expenses		
Ordinary annual services (B1)	102,602	112,272
Revenues from independent sources (section 31)	6,050	11,007
Expenses not requiring appropriation in the Budget year	2,728	2,086
Total expenses for Outcome 1	122,586	135,585
	2008–09	2009–10
Average staffing level (number)¹	530	601

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change. Corporate support costs are allocated across subprograms, based upon average staffing levels, to reflect the full cost of delivery.

(B1) = Annual Appropriation Bill 1

¹ The forecast increase of 71 ASL includes: 17 ASL for the COAG Reform Council (jointly funded by the states and territories); and 16 ASL for the Office of the Information Commissioner (with resourcing to be transferred from PM&C following the passage of legislation and establishment of the entity).

2.1.3 Contributions to Outcome 1

Program 1: Department of the Prime Minister and Cabinet

1.1: Domestic policy

Program objective

This program comprises the Domestic Policy Group, the COAG Reform Council and the Office of the Commonwealth Coordinator-General.

Domestic Policy Group works to ensure coherence in the development of economic, productivity and social policies.

- Industry, Infrastructure and Environment Division advises on industry, infrastructure and environmental policies, including regulatory reform and competition policy, transport, communications, energy, resources, science, innovation, water, climate change, heritage and agriculture matters.
- Economic Division advises on domestic and international economic conditions, budget outlays, taxation policy, superannuation, Commonwealth–state financial relations, monetary policy, financial markets, corporations law, wages policy and industrial relations matters.
- Social Policy Division advises on health, aged care, Indigenous affairs, employment, education and training, youth affairs, sport and oversight of the national reform agenda in these areas.
- The Families, Immigration and Social Support Division advises on new policies designed to assist families to balance their work and caring responsibilities. The division also advises on other work and family matters, including community services, early childhood and child care, disability and carers, housing and urban development, social security and veterans' affairs (including assistance for families), and immigration and citizenship.
- The Social Inclusion Unit develops national strategies to address poverty and social exclusion, and provides secretariat support to the Australian Social Inclusion Board.
- The COAG Unit advises on policy and coordinates arrangements and briefing for COAG and senior officials meetings and COAG matters for the Strategic Budget and Priorities Committee of Cabinet.

COAG Reform Council's main objective is to strengthen public accountability and encourage the progress of reform through objective, credible assessment and reporting of the performance of governments in national reform areas referred by COAG.

The **Office of the Commonwealth Coordinator-General** was established within the department in 2009. The Commonwealth Coordinator-General has oversight responsibility for the implementation by all jurisdictions of the infrastructure elements of the government's Nation Building and Jobs Plan.

1.1: Domestic policy (continued)

Program expenses

- Additional funding has been provided by the government to support the COAG Reform Council's expanded role. The COAG Reform Council is jointly funded by the Commonwealth and the states and territories.
- In 2008–09 the Office of the Coordinator-General was internally funded from existing resources. In 2009–10 additional funding of \$0.5 million has been provided by the government to assist with the implementation and monitoring of the Nation Building and Jobs Plan.
- There are no administered items related to this subprogram.

	2008–09 Revised budget	2009–10 Budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual departmental expenses:					
Domestic policy	38,051	45,730	44,964	45,106	45,522
Expenses not requiring appropriation in the Budget year	731	243	241	243	250
Total departmental expenses	38,782	45,973	45,205	45,349	45,772

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change. Corporate support costs are allocated across subprograms, based upon average staffing levels, to reflect the full cost of delivery.

Program deliverables

Domestic Policy Group

- Policy advice and support to the Prime Minister and portfolio ministers in relation to domestic and economic conditions; financial markets; workplace relations; fiscal policy; taxation; superannuation; industry; science, energy and resources; health and ageing; education, employment and skills; Indigenous affairs; work and families; infrastructure, environment, heritage and natural resource management; and small business.
- Whole-of-government coordination and monitoring of delivery of the government's decisions, policies and strategic priorities.
- Contribution to the Budget process.
- Development of reform proposals with other Commonwealth agencies and state and territory governments for consideration by COAG and coordination of COAG's work program.

COAG Reform Council

- Reports to COAG on the monitoring and assessment of the performance of governments in implementing nationally agreed reforms.

The Office of the Commonwealth Coordinator-General

- Monitor, report and provide advice to the Prime Minister and the government regarding the implementation of the infrastructure elements of the Nation Building and Jobs Plan.

1.1: Domestic policy (continued)

Program key performance indicators

Domestic Policy Group

- High level of satisfaction of the Prime Minister, the Deputy Prime Minister (for social inclusion), the Cabinet Secretary and the parliamentary secretaries with advice, briefing and support in relation to domestic policy and the Budget process.
- 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 and coordination of government's key strategic priorities.
- High level of 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 of the chair of the Australian Social Inclusion Board with the quality of support provided by the departmental secretariat.

COAG Reform Council

- High level of satisfaction of the Prime Minister as Chair of COAG with the quality of performance assessment and reporting provided by the COAG Reform Council.

The Office of the Commonwealth Coordinator-General

- Successful implementation of the infrastructure elements of the Nation Building and Jobs Plan, including meeting all COAG agreed timelines and financial commitments.
- High level of satisfaction with reports and advice on the implementation of the infrastructure elements of the Nation Building and Jobs Plan.

1.2: National security and international policy

Program objective

The National Security and International Policy Group comprises three divisions and one team:

- The International Division provides advice, coordination and leadership on Australia's foreign, trade, aid and treaty matters and priorities, including bilateral relations, relationships with regional and international organisations, free trade negotiations and whole-of-government priorities for the overseas aid program. It also incorporates the International Strategy Unit, which focuses on developing innovative and forward-looking advice on policy challenges in the medium to long term across the foreign and international security domains.
- The Homeland and Border Security Division provides advice, coordination and leadership on integrated, whole-of-government policy matters, priorities and strategy in the areas of critical infrastructure protection, e-security, non-proliferation, counter-terrorism, law enforcement, border security and emergency management issues.
- The Defence, Intelligence and Research Coordination Division provides advice, coordination and leadership on integrated, whole-of-government policy matters, priorities and strategy in the areas of defence, intelligence coordination and cooperation matters, and national security, science and innovation policy and programs.
- The National Security Executive Team supports the National Security Adviser and provides advice, coordination and leadership in the areas of the development of a secure, coordinated and effective national security information sharing environment; the national security community's budget and performance evaluation; and the strategic coordination of key national security matters and projects.

1.2: National security and international policy (continued)

Program expenses

- Additional funding was provided at Additional Estimates 2008–09 to implement the recommendations of the Homeland and Border Security Review.
- Additional funding has been provided in the 2009–10 Budget to support national security initiatives summarised in Table 1.2 (Agency 2009–10 Budget measures).
- The national security and international policy group receives additional support by way of seconded staff from other key government agencies.
- The research support for counter-terrorism (RSCT) grants program (departmental item) terminates on 30 June 2012. This program is due for review in the 2010–11 Budget cycle.
- There is one administered item under this program: National counter-terrorism committee secretariat.

	2008–09 Revised budget	2009–10 Budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual departmental expenses:					
National security and international policy	21,037	23,749	23,875	21,132	21,559
Research support for counter-terrorism grants program ¹	4,700	4,900	5,000	5,100	-
Expenses not requiring appropriation in the Budget year	1,136	1,579	1,579	1,576	1,560
Total departmental expenses	26,873	30,228	30,454	27,808	23,119
Annual administered expenses:					
National counter-terrorism committee secretariat	105	108	109	110	110
Total program expenses	105	108	109	110	110

1 The research support for counter-terrorism grants program terminates on 30 June 2012. This program is due for review in the 2010–11 Budget.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change. Corporate support costs are allocated across subprograms, based upon average staffing levels, to reflect the full cost of delivery.

1.2: National security and international policy (continued)

Program deliverables

- Through the National Security Adviser, provide strategic leadership and coordination of Australia's national security community.
- Policy advice, briefing and support to the Prime Minister on foreign, trade and aid policy matters, priorities and strategy, including bilateral relations, engagement with regional and international organisations, free trade negotiations and whole-of-government aid priorities.
- Policy advice, briefing and support to the Prime Minister and Parliamentary Secretary to the Prime Minister on national security policy matters, priorities, programs and strategy, including defence policy and operations, defence capabilities, information sharing and systems, intelligence coordination and cooperation, non-proliferation, counter-terrorism, border protection, critical infrastructure protection, e-security, security of hazardous materials, research and innovation for national security, emergency management and law enforcement matters.
- Periodic review and update of the National Security Statement and national security priorities.
- Coordinated whole-of-government responses to major national security related crises or emergencies.
- Development and implementation of the National Security Science and Innovation Strategy, Counter-Terrorism White Paper, whole-of-government national security budget submission and national security executive education initiative.
- Oversight of and support for the development and implementation of recommendations arising from the Homeland and Border Security Review and for the development of the Deployable Civilian Capacity initiative.
- Administration of the RSCT grants program and the review of future resourcing requirements for the RSCT Program (due for the 2010–11 Budget).
- Secretariat support for the National Counter-Terrorism Committee (administered item).

1.2: National security and international policy (continued)

Program key performance indicators

- High level of satisfaction of the Prime Minister and Parliamentary Secretary to the Prime Minister with advice, briefing and support in relation to international and national security priorities, policy, programs and strategy matters.
- Successful leadership and coordination of the defined national security community through implementation of the Homeland and Border Security Review, budget and performance oversight and the enhancement of information sharing, collaboration and cooperation.
- Effective whole-of-government responses to major national security related crises or emergencies.
- Successful development and whole-of-government integration of foreign and international security strategies as required by the government.
- Successful development and management of domestic and international collaborative national security education and science and innovation research programs.
- Satisfaction of the National Counter-Terrorism Committee with secretariat support provided to the committee.

1.3: Strategic policy and implementation

Program objective

- The Strategic Policy and Implementation Group works across the department and the broader APS and with business, academic and community experts to provide advice to the Prime Minister and the government on major strategic issues and their implications for government priority setting and policy development. This group also oversees the implementation and ongoing delivery of key programs, policies and initiatives.
- The Strategy and Delivery Division monitors long-term strategic issues and undertakes projects on complex and cross-cutting public policy challenges involving evidence-based analysis, research and wide-ranging consultation. The division also has a role in analysing the delivery of government policy objectives and improvement of implementation and service delivery.
- The Cabinet Implementation Unit works across government to ensure that key government priorities are developed and implemented on time, on budget and to expectations.

Program expenses

- There are no administered items related to this subprogram.

	2008–09 Revised budget	2009–10 Budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual departmental expenses:					
Strategic policy and implementation	6,705	8,219	8,424	8,736	8,817
Expenses not requiring appropriation in the Budget year	113	27	28	29	31
Total departmental expenses	6,818	8,246	8,452	8,765	8,848

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change. Corporate support costs are allocated across subprograms, based upon average staffing levels, to reflect the full cost of delivery.

Program deliverables

- Forward-looking research and analysis projects to advise the Prime Minister and the Cabinet on emerging issues and strategic policy challenges, with a focus on the government's major domestic priorities.
- Monitoring and reporting on the development and implementation of key government priorities.

Program key performance indicators

- High level of satisfaction of the Prime Minister with the quality, accuracy and timeliness of advice and achievement of key tasks.

1.4: Support services for government operations

Program objective

The Governance Group oversees the department's support functions and also takes a leadership role in providing advice on public governance and reform across the APS.

- Cabinet Division acts as the Secretariat for Cabinet, Cabinet committees and the Federal Executive Council, and oversees programming of Cabinet business and access to and custody of Cabinet documents. The division also manages a regular program of Community Cabinet meetings.
- Government Division provides advice on legislation programming, parliamentary affairs, ministerial arrangements, machinery of government, public service matters, legal and constitutional matters, litigation, administrative review, royal commissions and other inquiries, archives, electoral matters, privacy, territories, access to government information (including freedom of information), matters relating to the arts and culture, matters relating to Australian and foreign honours and the use of national symbols.
- The Ministerial Support Unit manages a range of support functions for ministerial offices in the Prime Minister's portfolio, including the coordination of briefings, correspondence and advice. The unit will also manage arrangements for the Pacific Islands Forum in 2009.

1.4: Support services for government operations (continued)

Program expenses

- Funding for the establishment of the Office of the Information Commissioner (pending passage of legislation) will be appropriated to PM&C in the 2009–10 Budget and has been notionally allocated against subprogram 1.4. Funding will be transferred following the passage of legislation and establishment of the entity.
- Additional funding has been provided by the Australian Government to increase the level of public engagement through the Community Cabinet program.
- Additional funding has been provided, on a no win – no loss basis, for the hosting of the Pacific Islands Forum in 2009.
- There are two administered items under this program: National Australia Day Council (NADC); and compensation and legal expenses. Additional funding of \$0.9 million per annum will be provided in the Budget to maintain the NADC's activities at 2008–09 levels.

	2008–09 Revised budget	2009–10 Budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual departmental expenses:					
Support services for government operations	30,513	30,854	31,102	30,691	30,996
Pacific Islands Forum	3,350	2,599	-	-	-
Office of the Information Commissioner	-	3,112	5,699	5,748	5,797
Expenses not requiring appropriation in the Budget year	675	223	224	224	230
Total departmental expenses	34,538	36,788	37,025	36,663	37,023

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change. Corporate support costs are allocated across subprograms, based upon average staffing levels, to reflect the full cost of delivery.

	2008–09 Revised budget	2009–10 Budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual administered expenses:					
National Australia Day Council	3,295	3,362	3,377	3,399	3,406
Compensation and legal expenses	405	120	120	115	115
Total program expenses	3,700	3,482	3,497	3,514	3,521

1.4: Support services for government operations (continued)

Program deliverables

- Provision of secretariat and support services for the Cabinet Secretary, the Cabinet, its committees and the Federal Executive Council.
- Delivery of community cabinet meetings.
- Advice and support on parliamentary, machinery of government, legal policy and cultural matters.
- Provision of services for the Prime Minister, the Cabinet Secretary and the parliamentary secretaries.
- Advice and support to the Cabinet Secretary and government on freedom of information and privacy policy.
- Policy advice, operational support and awareness raising in relation to the Australian honours system and on national symbols.
- Administration of the National Australia Day Council grant.
- Coordination and arrangements for the Pacific Islands Forum to be hosted in Cairns in August 2009.

Deliverables	2008–09 Revised budget	2009–10 Budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Cabinet & Committee meetings	206	200	200	200	200
Federal Executive Council meetings	30	30	30	30	30
Secretaries Committee on National Security	13	15	15	15	15
Community Cabinet	9	10	10	10	10

Program key performance indicators

- High level of satisfaction of the Prime Minister, the Cabinet Secretary and the parliamentary secretaries with the timeliness and quality of advice and support.
- High level of satisfaction of key stakeholders and achievement of key tasks delivered to agreed timeframes for the meetings detailed in the previous table.
- High level of satisfaction of key stakeholders with advice and support for reforms to the *Freedom of Information Act 1982*.
- High level of satisfaction with advice and support for electoral reform initiatives.
- NADC grant administered in compliance with the reporting mechanisms, objectives and other provisions of the grant funding deed.
- High level of satisfaction of the Prime Minister with the management of the Pacific Islands Forum.

Key performance indicators	2008–09 Revised budget	2009–10 Budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
National Australia Day Council Payments on time	100%	100%	100%	100%	100%

Program 2: Official and ceremonial support

2.1: Official and ceremonial support

Program objective

This program comprises:

- Prime Minister's official residences: The department supports the operations of the Prime Minister's official residences.
- Support to designated and former Governors-General: The department provides staffing and administrative services to designated and former Governors-General.
- State occasions and official visits: The department provides high-level support for major events, such as visits by heads of state, ceremonies and state occasions, and coordinates the logistical arrangements for the Prime Minister's overseas visits.

Linked to:

- Department of Finance and Deregulation—Policy responsibility and administration of the superannuation arrangements for former Governors-General will transfer from PM&C to the Department of Finance and Deregulation on 1 July 2009.

2.1: Official and ceremonial support (continued)

Program expenses

The official and ceremonial support program comprises:

- Prime Minister's official residences
- Support to designated and former Governors-General
- State occasions and official visits.

The direct program costs are all administered items.

Departmental expenses in support of program activity are allocated as 'Program support'. The allocation of departmental expense to program support costs is notional only and based upon internal attribution models.

The special appropriation for the *Allowance to former Governors-General* – s. 5 of the *Governor-General Act 1974* will transfer to the Department of Finance and Deregulation on 1 July 2009.

	2008–09 Revised budget	2009–10 Budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual administered expenses:					
Prime Minister's official residences	1,808	1,854	1,865	1,883	1,892
Support to designated and former Governors-General	1,635	1,574	1,593	1,735	1,990
State occasions and official visits	3,122	3,202	3,220	3,252	3,268
Special appropriations:					
s. 5 <i>Governor-General Act 1974</i>	836	-	-	-	-
Program support:					
Support for official establishments	1,003	869	871	887	895
Ceremonial and hospitality	3,293	3,247	3,241	3,275	3,285
Expenses not requiring appropriation in the Budget year	73	14	14	14	15
Total program expenses	11,770	10,760	10,804	11,046	11,345

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change. Corporate support costs are allocated across subprograms, based upon average staffing levels, to reflect the full cost of delivery.

2.1: Official and ceremonial support (continued)

Program deliverables

- Management of the Prime Minister's official residences.
- Maintenance and conservation of the Prime Minister's official residences.
- Secretariat support for the Official Establishments Trust.
- Provision of entitlements to designated and former Governors-General (excluding superannuation entitlements).
- Facilitation of visits by heads of state, ceremonies and state occasions.
- Coordination of logistical arrangements for the Prime Minister's overseas visits.
- Hospitality for overseas dignitaries and official ceremonies.

Program key performance indicators

- High level of satisfaction of the occupants with the management, serviceability and standard of the Prime Minister's official residences.
- High level of satisfaction with quality and timeliness of advice and secretariat support for the Official Establishments Trust.
- High level of satisfaction from the Governor-General designate (when relevant) and former Governors-General with the level of support and payment of allowances.
- High level of satisfaction of key stakeholders with the management of government's hospitality for overseas dignitaries, official ceremonies and program of official visits.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2009–10. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 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 re-appropriated to a future period, in accordance with provisions in legislation.

PM&C has no movement of administered funds in the 2009–10 Budget; therefore, Table 3.1.1 has not been included.

3.1.2 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 3.1.2 shows the expected additions (receipts) and reductions (payments) for the special account used by PM&C.

Table 3.1.2: Estimates of special account cash flows and balances

	Opening balance 2009-10	Receipts 2009-10	Payments 2009-10	Adjustments 2009-10	Closing balance 2009-10
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
na	-	1	1	-	-
Services for other entities and trust monies – s. 20 FMA Act (D)	-	2	2	-	-
Total special accounts					
2009-10 Budget estimate	-	1	1	-	-
Total special accounts					
2008-09 estimated actual	-	2	2	-	-

(D) = Departmental

Note: The services for other entities and trust monies special account is used to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth. As such, these financial inflows do not represent resources available for use by the Department and are not included in Table 1.1 (Resource statement).

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000			
	Department of the Prime Minister and Cabinet						
Outcome 1							
Departmental 2009-10	1,092	-	-	1,092	-	1,092	1.1
Departmental 2008-09	1,040	-	-	1,040	-	1,040	1.1
Total Outcome 2009-10	1,092	-	-	1,092	-	1,092	1.1
Total Outcome 2008-09	1,040	-	-	1,040	-	1,040	1.1
Total departmental 2009-10	1,092	-	-	1,092	-	1,092	1.1
Total departmental 2008-09	1,040	-	-	1,040	-	1,040	1.1
Total AGIE 2009-10	1,092	-	-	1,092	-	1,092	1.1
Total AGIE 2008-09	1,040	-	-	1,040	-	1,040	1.1

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

Table 1.1 (Agency resource statement) details the total available appropriation available to an agency. Departmental operating appropriations include carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, 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 level is the expected carry-forward amount of resources for the Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

3.2.2 Analysis of budgeted financial statements

Departmental

Comprehensive income statement

The department is budgeting for a loss of \$1.4 million in 2008–09, reflecting the impact of the change in the long-term bond rate on the valuation of the employee liabilities.

Appropriation revenue will increase by \$9.7 million to \$112.3 million in 2009–10. Additional operating appropriation of \$3.1 million will be provided in 2009–10 for the establishment of the Office of the Information Commissioner. This funding will be appropriated to PM&C in the first instance and transferred following the passage of legislation and establishment of the entity. The government will provide additional resourcing of \$2.0 million (\$1.2 million operating and \$0.8 million capital) in 2009–10 to support the expanded role of the COAG Reform Council. The Council is jointly funded by the Commonwealth and the states and territories. Additional funding has also been provided to support other departmental activities as summarised in Table 1.2 (Agency 2009–10 Budget measures).

The government will also provide additional funding of \$6.4 million in 2009–10 under the *Strengthening capacity of central agencies to support the government's strategic policy agenda* measure; and the agency has contributed savings of \$0.1 million in 2009–10, being the first year of savings under the *Information and communication technology – Gershon Review – savings* measure. Both of these measures were announced in the Updated Economic and Fiscal Outlook published in February 2009.

Revenue from other sources is estimated at \$11 million in 2009–10, an increase of \$5 million when compared with 2008–09. This increase principally reflects the recovery of costs for the provision of information technology services to other government departments and the joint funding arrangements for the COAG Reform Council.

Budgeted balance sheet

Equity is estimated at \$43.7 million by 30 June 2010, representing a \$3.7 million increase from the prior year. This movement reflects additional capital funding to be provided for: the establishment of the Office of the Information Commissioner, \$2.5 million; office fit-out and IT requirements for the expanded COAG Reform Council, \$0.8 million; and secure infrastructure, \$0.4 million.

Net assets are forecast to remain consistent over the forward estimates period. At the end of 2009-10 total assets are estimated to be \$70.3 million of which \$32.8 million are financial assets. This compares to total liabilities of \$26.6 million, which comprise provisions of \$23 million and payables of \$3.6 million.

Administered

Schedule of budgeted income and expenses administered on behalf of government

The department's administered activities for 2009-10 comprise:

- National Counter-Terrorism Committee secretariat
- National Australia Day Council
- Compensation and legal expenses
- Prime Minister's official residences
- Support to designated and former Governors-General (excluding superannuation benefits)
- State occasions and official visits.

In 2009-10 the total expense administered on behalf of the government is expected to be \$10.2 million, \$0.9 million less than in 2008-09. This reduction mainly reflects the transfer of the superannuation arrangements for former Governors-General to the Department of Finance and Deregulation.

The government will provide additional funding of \$0.9 million per annum in the 2009-10 Budget to maintain the National Australia Day Council's activities.

Schedule of budgeted assets and liabilities administered on behalf of government

Administered assets are budgeted to remain consistent at \$43.1 million, \$41.2 million of which represents the Prime Minister's official residences, Kirribilli House and The Lodge.

Administered liabilities decrease by \$12.2 million in 2009-10 to \$0.6 million. This decrease reflects the transfer of the policy responsibility and administration of the superannuation arrangements for former Governors-General to the Department of Finance and Deregulation on 1 July 2009.

3.2.3 Budgeted financial statements tables

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

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
EXPENSES					
Employee benefits	65,184	74,723	77,744	78,017	79,283
Supplier	37,166	40,276	36,486	33,730	33,760
Grants ¹	4,700	4,900	5,000	5,100	-
Depreciation and amortisation	4,330	5,466	6,032	5,914	5,914
Write-down and impairment of assets	-	-	-	-	-
Losses from asset sales	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	111,380	125,365	125,262	122,761	118,957
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	6,050	11,007	11,305	10,436	10,798
Fees and fines	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	6,050	11,007	11,305	10,436	10,798
Gains					
Sale of assets	-	-	-	-	-
Other gains	1,317	2,086	2,086	2,086	2,086
Total gains	1,317	2,086	2,086	2,086	2,086
Total own-source income	7,367	13,093	13,391	12,522	12,884
Net cost of (contribution by) services	104,013	112,272	111,871	110,239	106,073
Appropriation revenue	102,602	112,272	111,871	110,239	106,073
Surplus / (deficit)	(1,411)	-	-	-	-
Surplus / (deficit) attributable to the Australian Government²	(1,411)	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	-	-	-	-	-

1 The research support for counter-terrorism grants program terminates on 30 June 2012. This program is due for review in the 2010–11 Budget.

2 The budgeted loss in 2008–09 reflects the effect of the change in the long-term bond rate on the valuation of employee long service leave liabilities.

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

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
ASSETS					
Financial assets					
Cash and equivalents	1,000	1,000	1,000	1,000	1,000
Trade and other receivables	26,087	31,719	38,080	41,611	45,254
Accrued revenue	120	120	120	120	120
Total financial assets	27,207	32,839	39,200	42,731	46,374
Non-financial assets					
Prepayments	1,007	1,039	1,069	1,101	1,134
Infrastructure, plant and equipment	31,296	31,244	27,554	26,129	23,057
Intangibles	5,544	5,178	3,903	3,040	3,558
Other	-	-	-	-	-
Total non-financial assets	37,847	37,461	32,526	30,270	27,749
Total assets	65,054	70,300	71,726	73,001	74,123
LIABILITIES					
Provisions					
Employees	18,442	19,122	19,831	20,568	21,333
Lease provision	2,726	3,609	4,322	4,860	5,217
Other	287	292	296	296	296
Total provisions	21,455	23,023	24,449	25,724	26,846
Payables					
Suppliers	3,439	3,539	3,539	3,539	3,539
Other	122	32	32	32	32
Total payables	3,561	3,571	3,571	3,571	3,571
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	25,016	26,594	28,020	29,295	30,417
Net assets	40,038	43,706	43,706	43,706	43,706
EQUITY¹					
Parent entity interest					
Contributed equity	15,348	19,016	19,016	19,016	19,016
Reserves	6,736	6,736	6,736	6,736	6,736
Retained surpluses or accumulated deficits	17,954	17,954	17,954	17,954	17,954
Total parent entity interest	40,038	43,706	43,706	43,706	43,706
Total equity	40,038	43,706	43,706	43,706	43,706
Current assets	28,214	33,878	40,269	43,832	47,508
Non-current assets	36,840	36,422	31,457	29,169	26,615
Current liabilities	22,290	22,985	23,698	24,435	25,200
Non-current liabilities	2,726	3,609	4,322	4,860	5,217

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

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

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	6,050	11,007	11,348	10,466	10,867
Appropriations	101,855	115,674	111,871	110,239	106,073
Cash from the OPA	27,815	-	-	-	-
Total cash received	135,720	126,681	123,219	120,705	116,940
Cash used					
Employees	62,761	73,679	76,665	76,897	78,122
Suppliers	38,078	39,742	36,139	33,575	33,799
Grants	4,700	4,900	5,000	5,100	-
Cash to the OPA	-	6,980	4,349	1,508	1,658
Total cash used	105,539	125,301	122,153	117,080	113,579
Net cash from or (used by) operating activities	30,181	1,380	1,066	3,625	3,361
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of infrastructure, property, plant and equipment	9,240	5,048	1,066	3,625	3,361
Total cash used	9,240	5,048	1,066	3,625	3,361
Net cash from or (used by) investing activities	(9,240)	(5,048)	(1,066)	(3,625)	(3,361)
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	2,126	3,668	-	-	-
Total cash received	2,126	3,668	-	-	-
Cash used					
Dividends paid ¹	23,496	-	-	-	-
Total cash used	23,496	-	-	-	-
Net cash from or (used by) financing activities	(21,370)	3,668	-	-	-
Net increase or (decrease) in cash held	(429)	-	-	-	-
Cash at the beginning of the reporting period	1,429	1,000	1,000	1,000	1,000
Cash at the end of the reporting period	1,000	1,000	1,000	1,000	1,000

1 Represents the return of no win – no loss funding to the Budget: \$23.3 million for the Asia Pacific Economic Cooperation Taskforce; and \$0.2 million for the Australia 2020 Summit.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009–10)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	17,954	6,736	-	15,348	40,038
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	17,954	6,736	-	15,348	40,038
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus / (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	17,954	6,736	-	15,348	40,038
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	3,668	3,668
Sub-total transactions with owners	-	-	-	3,668	3,668
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2010	17,954	6,736	-	19,016	43,706

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	2,126	3,668	-	-	-
Appropriation of prior year outputs	2,436	3,402	-	-	-
Total loans	-	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	4,562	7,070	-	-	-
Represented by					
Purchase of non-financial assets	2,126	3,668	-	-	-
Other	2,436	3,402	-	-	-
Total represented by	4,562	7,070	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	3,940	3,668	-	-	-
Funded internally from departmental resources ²	5,300	1,380	1,066	3,625	3,361
Assets received due to restructure (FMA s. 32)	-	-	-	-	-
TOTAL	9,240	5,048	1,066	3,625	3,361

1 Includes the acquisition of assets funded by prior year capital appropriation injections.

2 Includes the following sources of funding: annual, section 31 and prior year appropriations.

Table 3.2.6: Statement of asset movements—departmental

	Other infrastructure, plant & equipment \$'000	Intangibles \$'000	Other non-financial assets \$'000	Total \$'000
As at 1 July 2009				
Gross book value	36,272	10,211	-	46,483
Accumulated depreciation/amortisation	4,976	4,667	-	9,643
Opening net book balance	31,296	5,544	-	36,840
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
by purchase or internally developed	4,089	959	-	5,048
Acquisition of entities or operations (including restructuring)				
	-	-	-	-
Subtotal	4,089	959	-	5,048
Other movements				
Depreciation/amortisation expense	4,141	1,325	-	5,466
Subtotal	4,141	1,325	-	5,466
As at 30 June 2010				
Gross book value	40,361	11,170	-	51,531
Accumulated depreciation/amortisation	9,117	5,992	-	15,109
Closing net book balance	31,244	5,178	-	36,422

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	3,295	3,362	3,377	3,399	3,406
Subsidies	-	-	-	-	-
Personal benefits ¹	765	-	-	-	-
Employees	1,439	1,470	1,506	1,539	1,573
Suppliers	5,414	5,110	5,119	5,272	5,519
Depreciation and amortisation	222	278	282	284	283
Write-down and impairment of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	-	-	-	-	-
Asset sales	-	-	-	-	-
Foreign exchange	-	-	-	-	-
Total expenses administered on behalf of government	11,135	10,220	10,284	10,494	10,781

1 Policy responsibility and administration of the superannuation arrangements for former Governors-General will be transferred to the Department of Finance and Deregulation from 1 July 2009.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	11	11	11	11	11
Investments (s. 39 FMA Act) ¹	715	715	715	715	715
Other financial assets	-	-	-	-	-
Total financial assets	726	726	726	726	726
Non-financial assets					
Land and buildings	41,196	41,196	41,196	41,196	41,196
Infrastructure, plant and equipment	1,157	1,157	1,157	1,157	1,157
Other	20	20	20	20	20
Total non-financial assets	42,373	42,373	42,373	42,373	42,373
Total assets administered on behalf of government	43,099	43,099	43,099	43,099	43,099
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions					
Employees	151	156	161	167	174
Personal benefits ²	12,047	-	-	-	-
Other provisions	112	143	119	131	122
Total provisions	12,310	299	280	298	296
Payables					
Suppliers	303	267	286	268	270
Personal benefits payable ²	163	-	-	-	-
Other payables	15	15	15	15	15
Total payables	481	282	301	283	285
Total liabilities administered on behalf of government	12,791	581	581	581	581

1 Equity interest in the National Australia Day Council (NADC). The value recognised is based on the NADC's net asset position at 30 June 2008.

2 Policy responsibility and administration of the superannuation arrangements for former Governors-General will be transferred to the Department of Finance and Deregulation from 1 July 2009.

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
OPERATING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Employees	1,450	1,465	1,501	1,533	1,565
Grant payments	3,295	3,362	3,377	3,399	3,406
Personal benefits	836	-	-	-	-
Suppliers	5,328	5,115	5,124	5,278	5,527
Total cash used	10,909	9,942	10,002	10,210	10,498
Net cash from or (used by) operating activities	(10,909)	(9,942)	(10,002)	(10,210)	(10,498)
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of infrastructure, property, plant and equipment	591	278	282	284	283
Total cash used	591	278	282	284	283
Net cash from or (used by) investing activities	(591)	(278)	(282)	(284)	(283)
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	294	-	-	-	-
Total cash received	294	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	294	-	-	-	-
Net increase or (decrease) in cash held					
Cash at the beginning of the reporting period	-	-	-	-	-
Cash from the Official Public Account for: – appropriations	11,206	10,220	10,284	10,494	10,781
Cash at the end of the reporting period	-	-	-	-	-

Table 3.2.10: Schedule of administered capital budget

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
CAPITAL APPROPRIATIONS					
Administered assets	294	-	-	-	-
Total loans	-	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	294	-	-	-	-
Represented by					
Purchase of non-financial assets	294	-	-	-	-
Other	-	-	-	-	-
Total represented by	294	-	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	294	-	-	-	-
Funded internally from departmental resources ¹	297	278	282	284	283
Assets received due to restructure (FMA s. 32)	-	-	-	-	-
TOTAL	591	278	282	284	283

1 Includes the following sources of funding: annual and prior year appropriations.

Table 3.2.11: Schedule of asset movements—administered

	Land \$'000	Buildings \$'000	Other infrastructure, plant & equipment \$'000	Total \$'000
As at 1 July 2009				
Gross book value	34,700	6,645	1,388	42,733
Accumulated depreciation/amortisation	-	149	231	380
Opening net book balance	34,700	6,496	1,157	42,353
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
by purchase or internally developed	-	117	161	278
Sub-total	-	117	161	278
Other movements				
Depreciation/amortisation expense	-	117	161	278
Sub-total	-	117	161	278
As at 30 June 2010				
Gross book value	34,700	6,762	1,549	43,011
Accumulated depreciation/amortisation	-	266	392	658
Closing net book balance	34,700	6,496	1,157	42,353

3.2.4 Notes to the financial statements

The budgeted financial statements have been prepared on an accrual basis and in accordance with the requirements of the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.