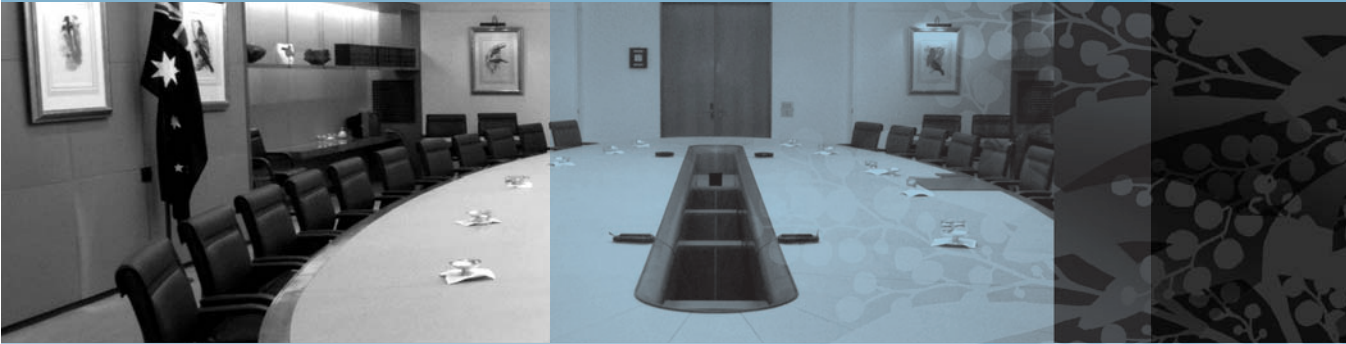


REPORT ON PERFORMANCE



OUTPUT GROUP 1

ECONOMIC POLICY ADVICE AND COORDINATION



Appropriations

\$11.3m

Cost of output

\$11.9m

GROUP OUTPUTS

Output Group 1

Economic policy advice and coordination

Output 1.1

Economic and industry policy

DESCRIPTION

Group 1 outputs include:

- policy advice on economic, industry, infrastructure and environment issues
- compilation of comprehensive forecasts of Australia's economic performance, as part of the department's participation in the Joint Economic Forecasting Group
- coordination of budget processes, including through the department's participation in the Budget Coordination Committee
- effective Council of Australian Governments (COAG) operations.

At 30 June 2005, Output Group 1 comprised one output and functionally consisted of:

- Economic Division
- Industry, Infrastructure and Environment Division
- Biofuels Taskforce
- COAG National Competition Policy Review Taskforce.

ADMINISTERED ITEMS

Output Group 1 had no administered items on which to report in 2004–05.

OUTPUT 1.1—ECONOMIC AND INDUSTRY POLICY

OUTPUT 1.1

Advice and support to the Prime Minister and assistance in coordination of government policies on economic, industry, infrastructure and environment issues, including in the presentation of the government's decisions in these areas.

Manage and coordinate the work programme of the Council of Australian Governments.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the Prime Minister's Office and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of advice and the achievement of key tasks.

Annual evaluation of budget preparation and coordination process and ad hoc internal evaluation of major policy advising activities.

Cost of output \$11.9m

FEEDBACK ON PERFORMANCE

Output 1.1 was assessed as having provided effective and timely advice, briefing and support on economic, industry, infrastructure, environment and resource policy.

The assessment of our performance by our key stakeholders helped us to refine our systems, procedures and work practices and to determine priorities.

As in previous years, feedback also indicated satisfaction with our role in providing advice and support for the effective operation of COAG.

KEY RESULTS

The year 2004–05 presented a range of challenges to the two divisions responsible for Output 1.1, the Economic Division and the Industry, Infrastructure and Environment Division. As the following sections describe, the department continued to meet and exceed expectations in delivering advice and supporting the formulation and implementation of economic and industry policy.

ECONOMIC DIVISION

The Economic Division is the Prime Minister's principal policy adviser on macroeconomic, financial sector, budget, taxation, superannuation and workplace relations issues.

Economic conditions and analysis

The Economic Division contributed to the development of sound macroeconomic policy through briefing the Prime Minister and the departmental Executive on Australian and international economic conditions and prospects, and on the potential implications for the domestic economy of specific policy proposals. The Economic Division's briefings were also an input to advice on public policy prepared by other divisions of the department.

The division prepared detailed economic forecasts as part of its participation in the Joint Economic Forecasting Group (Jefg). The Jefg is chaired by the Department of the Treasury and includes the Reserve Bank of Australia, the Department of Finance and Administration and the Australian Bureau of Statistics. The group's forecasts form the basis of the estimates contained in the budget papers and the Mid-year Economic and Fiscal Outlook.

The division's activities also included:

- researching current and prospective economic issues, such as the implications of the increase in Australia's terms of trade
- bolstering the division's analytical expertise to make our economic forecasts and policy advice more robust, including through improvements to our economic-modelling capabilities
- upgrading our programme of liaison with the private sector to deepen our understanding of economic developments.

Financial sector policy

The division advised the Prime Minister and the departmental Executive on a number of financial sector policy matters.

In 2004–05, the division continued to be closely involved in medical indemnity insurance matters, including the government's commissioning of an independent review of competitive neutrality in the sector.

The division also provided advice to the Prime Minister on corporate governance reforms, including:

- a package of measures designed to facilitate shareholder participation in corporate governance while avoiding excessive costs to companies and their members
- the adoption of International Financial Reporting Standards on 1 January 2005, including a three-year transitional period for the purposes of the thin capitalisation regime.

Work on the interests of investors and consumers and on business compliance costs included:

- financial literacy initiatives, including the recommendations of the National Consumer and Financial Literacy Taskforce
- public liability and professional insurance matters, including the April 2005 ministerial meeting on insurance issues, held in Darwin and attended by an officer of the division
- compliance costs associated with recommendations of the Financial Action Taskforce on Money Laundering.

Fiscal policy

The division advised the Prime Minister on fiscal strategy and the budget outlook. The division continued to work with other divisions to ensure that the department's advice in all policy areas followed the appropriate budget processes and was consistent with the government's fiscal priorities.

Key areas of policy advice included the Future Fund, Commonwealth–state financial arrangements, and funding for Australia's response to the Indian Ocean tsunamis crisis.

The division played a significant role in the 2005–06 Budget process by advising the Prime Minister and senior ministers on expenditure and revenue options and by supporting the Prime Minister in his role as Chairman of the Expenditure Review Committee of Cabinet. To assist the government in delivering its election commitments, the division supported a special meeting of the committee in late 2004 to consider those commitments that were due to start in 2004–05.

In consultation with other divisions and the Prime Minister's Office, the division conducted an evaluation of the 2004–05 Budget process, and contributed to a broader evaluation conducted with the departments of Finance and Administration and the Treasury. The results of the evaluations were taken into account in planning for the 2005–06 Budget.

Taxation policy

During the year, the Economic Division provided advice to the Prime Minister on a wide range of tax matters, including:

- developing and implementing the government's small-business election commitments
- further reforming Australia's international tax arrangements, culminating in the announcement of new measures in the 2005–06 Budget
- reforming and simplifying the petroleum resource rent tax and associated gas transfer price regulations to provide greater certainty for taxpayers
- introducing a new mature-age worker tax offset to encourage and reward mature-age participation in the labour force
- reforming the income tax law to ensure that deductions are not allowed against income derived from criminal activities
- introducing a compensation package and legislative changes to preserve and promote the capacity of charities and non-profit organisations to carry out their work
- implementing the reforms to fuel taxation and business credits announced in *Securing Australia's Energy Future* (the Energy White Paper) on 15 June 2004
- implementing the election commitment for a 30 per cent child care tax rebate to cover families' out-of-pocket child care expenses.

Superannuation policy and demographics

During the year, the division provided advice to the Prime Minister on:

- implementing the government's choice of superannuation fund policy
- reforming Australian Government superannuation arrangements, including by moving to a fully funded accumulation scheme for employees commencing from 1 July 2005, and implementing choice for those employees
- abolishing the superannuation surcharge.

Workplace relations

The Economic Division participated in the interdepartmental committee on workplace relations reform and advised the Prime Minister and the departmental Executive on options for further substantial reform of Australia's workplace relations system, including working towards a single, national system. This work culminated in the government's *A New Workplace Relations System* reform package.

The division also prepared advice on implementing the government's response to the recommendations of the Royal Commission into the Building and Construction Industry affecting government, and on the 2005 Safety Net Review case in which the Full Bench of the Australian Industrial Relations Commission adjusted federal award rates of pay.

INDUSTRY, INFRASTRUCTURE AND ENVIRONMENT DIVISION

The Industry, Infrastructure and Environment Division is the Prime Minister's principal policy adviser on microeconomic, industry, infrastructure and environment and resource issues.

Competition and energy policy

During the year, the division provided advice on a number of competition and energy policy matters, including:

- microeconomic reform issues involving
 - advice leading to the agreement to a review of National Competition Policy (NCP) and development of options for a further microeconomic reform agenda at the 3 June 2005 COAG meeting. The National Competition Policy Review Taskforce commenced work in mid-June. The secretariat comprises senior officials from this department; the departments of the Treasury, Industry, Tourism and Resources, and Transport and Regional Services; and the Australian Competition and Consumer Commission.
 - the Productivity Commission review of NCP reforms
 - the National Competition Council's 2003–04 assessment of the Australian, state and territory governments' progress in implementing NCP commitments
- the implementation of measures announced in *Securing Australia's Energy Future*, on 15 June 2004
- Productivity Commission work in areas such as the reviews of Part X (international liner cargo shipping) of the *Trade Practices Act 1974*, the smash repair and insurance industries, and the Australian and New Zealand competition and consumer protection regimes
- trade practices issues, such as the implementation of the government's response to the Review of the Competition Provisions of the *Trade Practices Act 1974* (known as the Dawson Review), and the Senate Economics References Committee inquiry into the effectiveness of the Act in protecting small business
- assistance provided to industry, including applications for assistance through the government's Strategic Investment Coordination process, an example of this being the assistance provided to Hawker de Havilland for work on Boeing's 'Dreamliner' project
- Australian Government negotiations with the Government of East Timor over maritime boundaries and associated resource access issues.

Industry, science and resources

During 2004–05, the division advised on a wide range of matters concerning industry and research, including:

- the effects of bilateral trade agreements on various manufacturing sectors
- the abolition of the 3 per cent tariff under the Tariff Concession Scheme, announced by the government on 10 May 2005
- the operations of the Prime Minister's Science, Engineering and Innovation Council.

Tourism and sport policy

The division provided a range of advice on tourism policy, including aspects of the implementation of the Tourism White Paper launched by the Prime Minister on 20 November 2003. We also advised on sports policy matters, including the Australian Government's contribution to the staging of the Melbourne 2006 Commonwealth Games, drugs in sport, the *Building a Healthy, Active Australia* initiative to address childhood obesity, and sports-related assistance measures.

Intergovernmental relations

The division coordinated arrangements for the COAG meeting held on 3 June 2005. COAG agreed to initiatives in a range of policy areas, including health, national competition policy, skill shortages, climate change, indigenous affairs, child pornography, infrastructure and the National Water Initiative.

The division also provided advice in other areas of intergovernmental relations, such as the Cross-jurisdictional Review Forum Report on the Evaluation of the Mutual Recognition Agreement and the Trans-Tasman Mutual Recognition Arrangement.

Small business

The division provided advice on policies and programmes to improve the regulatory environment in which small businesses operate, including the \$50 million Regulation Reduction Incentive Fund.

Regional and rural

The division advised on the development of:

- the Australian Tsunami Warning System—Indian and Pacific Oceans, which will provide 24-hour surveillance for accurate and early detection and warning in the event of a tsunami threatening the west coast or east coast of Australia, or South-West Pacific nations
- drought relief measures
- the response to the COAG Inquiry on Bushfire Mitigation and Management, which was released on 24 January 2005
- new cost-sharing arrangements for emergency plant pest responses
- responses to the citrus canker plant disease outbreak in Queensland.

We also provided advice on a range of policies aimed at improving services in regional Australia.

Transport

In the transport area, the division provided policy advice on various domestic and international aviation, road, rail, maritime and infrastructure matters, including:

- funding and implementation arrangements for AusLink, the Australian Government's \$12.5 billion land transport initiative
- a new national approach to maritime emergency towage arrangements around the Australian coastline
- measures to improve Australia's search and rescue capability
- the Exports and Infrastructure Taskforce.

Communications and information technology

Our work on communications policy included advice on:

- the possible further sale of the government's Telstra shareholding
- the regulatory framework for competition in telecommunications
- new price controls to apply to Telstra
- regulatory settings for next-generation networks and emerging voice services, such as voice over internet protocol services
- the policy framework for the introduction of digital radio
- the statutory reviews of various elements of digital television regulation.

We provided advice on copyright policy, including on unauthorised access to, and use of, subscription television broadcasts, and on the review of the 1 per cent cap on licence fees paid to copyright owners for playing sound recordings on radio.

Natural resource and environment policy

The division advised the Prime Minister and the departmental Executive on the development of the government's natural resource management and environmental policy agenda. We worked closely with other agencies to coordinate and implement this agenda, two major items of which were water reform and the Tasmanian Community Forest Agreement.

Water policy

The department is responsible for whole-of-government coordination of water policy. In 2004–05, the Industry, Infrastructure and Environment Division's key activities in this area included coordinating implementation of the National Water Initiative (NWI), implementing specific elements of the NWI, advising on water policy issues, and coordinating and participating in whole-of-government policy processes. To perform these tasks, we liaised with officials from the National Water Commission (NWC) and the departments of the Treasury; Agriculture, Fisheries and Forestry (DAFF); the Environment and Heritage (DEH); and Transport and Regional Services. We will continue to play either a direct or a coordinating role as the activities detailed in the NWI plan are implemented.

The division was heavily involved in the establishment of the NWC as a statutory agency within the Prime Minister's portfolio, which occurred with the passage of the *National Water Commission Act 2004*, and we coordinated the appointments of commissioners and a chief executive officer to the commission.

The division chaired and provided secretariat support to the Water Trading Group, which is assisting with the implementation of the critical trading provisions of the NWI. The group includes representatives from New South Wales, Queensland, the South Australian and Victorian State premiers' departments and line agencies, the Murray–Darling Basin Commission, the NWC and DAFF. We coordinate with DAFF and DEH in the areas in which they are lead agencies, including in servicing the Natural Resource Management Ministerial Council, the Murray–Darling Basin Ministerial Council and the Environment Protection and Heritage Council, and in activities associated with the Murray–Darling Basin Commission and the Living Murray initiative.

The division provided advice on programmes under the \$2 billion Australian Government Water Fund and liaised with the NWC and DEH on the establishment and implementation of those programmes for which they are responsible.

Tasmanian Community Forest Agreement

The division led the group of Australian Government officials who, together with counterparts from the Tasmanian Government, developed the Tasmanian Community Forest Agreement announced by the Prime Minister and the Premier of Tasmania on 13 May 2005. This involved working closely with senior officials and technical experts from DAFF and DEH to develop advice for the Prime Minister and other ministers, conducting detailed negotiations, and supporting the Prime Minister in the announcement of the agreement.

The division chaired the task group set up by the Prime Minister after the announcement to develop advice on implementing the elements of the agreement relating to the clearing of native forest. The group included officials from relevant Australian Government portfolios, the Tasmanian Government, Tasmanian farmers and graziers, and private forestry interests. The department also consulted other stakeholders.

Other policy advice

The Industry, Infrastructure and Environment Division advised on a range of other natural resource management and environmental policy matters during 2004–05, including:

- progressing the government's response to the Productivity Commission report *Impacts of Native Vegetation and Biodiversity Regulations*
- the continued implementation of the \$1.4 billion National Action Plan for Salinity and Water Quality and the \$3 billion Natural Heritage Trust
- combating illegal fishing in Australia's Exclusive Economic Zone, including through improved surveillance of northern zone and Southern Ocean fisheries
- fisheries management, including of prawn fisheries in Torres Strait and other northern Australian waters
- marine conservation, including the protection of whales, the ongoing implementation of ocean policy and regional marine planning, and the provision of structural adjustment assistance to fishers affected by changes in zoning in the Great Barrier Reef Marine Park
- protection of historic heritage places, including advice on Commonwealth heritage legislation and policy.

The division provided advice on various domestic climate change matters during the year. In particular, we liaised closely with other agencies on the implementation of the government's initiatives under *Securing Australia's Energy Future* (the Energy White Paper) and on key developments. We advised the Prime Minister in the context of COAG on domestic climate change policy, the development of a regulatory approach to the capture and storage of carbon dioxide, and the Productivity Commission inquiry into the economic and environmental potential offered by energy efficiency. We also prepared advice on Australia's approach to evolving international discussions about ways to deal with climate change.

The division has been actively involved with key agencies in finalising the proposed National Packaging Covenant and progressing consideration of other waste management policy issues.

Biofuels Taskforce

On 30 May 2005, the Prime Minister announced the appointment of a taskforce to examine the latest scientific information on the impacts of the use of ethanol and other biofuels on human health, environmental outcomes and automotive operations, and to assess the costs and benefits of biofuel production. A small whole-of-government secretariat based in the department was formed to support the taskforce. The secretariat comprises senior officials from this department, the Commonwealth Scientific and Industrial Research Organisation, the Australian Bureau of Agricultural and Resource Economics, and the departments of the Environment and Heritage; Industry, Tourism and Resources; and Education, Science and Training.

The taskforce will report to the government by the end of July 2005.

OUTPUT GROUP 2

SOCIAL POLICY ADVICE AND COORDINATION



→	Appropriations	\$10.2m	Cost of output	\$10.6m
---	----------------	---------	----------------	---------

GROUP OUTPUTS

Output Group 2
Social policy advice and coordination

Output 2.1
Social policy

DESCRIPTION

Group 2 outputs include policy development and advice on:

- social policy issues, including health, community services, education, employment, immigration, indigenous policy, veterans' affairs, income support and families
- women's issues.

At 1 July 2004, Output Group 2 comprised two outputs and functionally consisted of the Social Policy Division and the Office of the Status of Women (OSW). In machinery of government changes implemented on 26 November 2004, OSW was relocated to the Department of Family and Community Services and renamed the Office for Women.

At the same time, the Women's Policy Unit (WPU) was established as part of the Social Policy Division. Within the department, the WPU takes the lead in advising the Prime Minister, the Prime Minister's Office and the departmental Executive when the primary policy focus is on women. The performance of the WPU from November 2004 is reported on below. The performance of OSW, including in women's leadership and domestic violence programmes, is reported on in the Department of Family and Community Services 2004–05 annual report.

ADMINISTERED ITEMS

Output Group 2 had no administered items on which to report in the 2004–05 financial year.

Until the machinery of government changes in November 2004, the former Output 2.2 included six administered items implemented by OSW:

- National Leadership Initiative
- Informed Choices for Women
- Women’s Development Programme
- Partnerships Against Domestic Violence
- National Initiative to Combat Sexual Assault
- other women’s programmes.

Those items are reported on in the Department of Family and Community Services 2004–05 annual report.

OUTPUT 2.1—SOCIAL POLICY

OUTPUT 2.1

Policy development and advice to government on social policy issues, including health, community services, education, employment, immigration, indigenous policy, veterans’ affairs, income support, families and women, including on presentation of the government’s decisions in these areas.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the Prime Minister’s Office and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of policy advice and the achievement of key tasks.

Cost of output \$10.6m

FEEDBACK ON PERFORMANCE

The Prime Minister, the Prime Minister’s Office, the Secretary and the departmental Executive provided informal feedback throughout the year on the division’s work. The feedback on the effectiveness and timeliness of advice and support on social policy issues was largely positive.

The division has taken steps to improve performance in a number of areas. We have worked with the Prime Minister’s Office on ways to improve the timeliness of advice and a small internal committee has been established to review the efficiency of internal processes and their effectiveness in identifying and correcting minor errors.

KEY RESULTS

The Social Policy Division had an active year, supporting government objectives and assisting the development of specific policies in the social policy field. During the year a number of themes were apparent in this work. There was a considerable focus on the relationships between governments and the contributions each level of government makes to national results on social policy issues, including in preparations for the Council of Australian Governments

(COAG) meeting in June 2005. Attention was also given to the impact of the ageing of the population on social issues and the need to provide policy settings that are sustainable in this environment.

The division's major achievements included:

- establishing and leading the Welfare to Work Taskforce which led to government decisions on changes to the benefits system
- supporting the Prime Minister on social policy issues, particularly health and vocational education and training, in the development of the government's position for the COAG meeting in June 2005
- establishing and supporting the Health Taskforce
- working with other agencies to develop the assistance package for Australians affected by the Indian Ocean tsunamis in December 2004, and to coordinate the domestic response
- working on a package of measures, including the establishment of 24 Australian Technical Colleges, to respond to strong demand for skilled labour
- supporting and monitoring the implementation of the new administrative arrangements in indigenous affairs
- working on the government's response to the inquiry into child custody conducted by the House of Representatives Standing Committee on Family and Community Affairs.

WELFARE TO WORK

The division chaired and provided secretariat support for the interdepartmental Welfare to Work Taskforce, and played a leading role in the development of the Welfare to Work reforms announced in the 2005–06 Budget. The taskforce, which was established by the government in February 2005, included representatives from Centrelink and the departments of the Treasury; Finance and Administration; Family and Community Services; Employment and Workplace Relations; and Human Services.

In developing the package, the taskforce prepared papers for government. Taskforce members worked closely with their home agencies to provide detailed policy input, taking into account the distinctive factors behind Australia's welfare system.

HEALTH AND AGEING

During the year, the Health and Ageing Branch continued to support the government's substantial agenda in this area, working closely with other areas and agencies on a wide range of policy and programme matters. Highlights were:

- supporting the establishment and work of the Health Taskforce, and advising the Prime Minister on the 2005 COAG health agenda
- informing the establishment of the Productivity Commission study into workforce supply and demand
- advising on Medicare and private health insurance policy proposals, including 100 per cent Medicare and the Private Health Insurance Rebate for Older Australians
- advising on pharmaceutical and therapeutic goods policy issues, including the implementation of the government's election commitments, the response to the findings of the Expert Committee on Complementary Medicines in the Health System, the negotiation

with the Pharmacy Guild of Australia of the Fourth Community Pharmacy Agreement to dispense Pharmaceutical Benefits Scheme medications, and the development of the trans-Tasman regulatory framework for therapeutic goods

- advising on aged care policy issues, including ongoing development and implementation of the government response to the Review of Pricing Arrangements for Residential Aged Care (the Hogan Review); development and implementation of aged care prudential arrangements; and input to the Review of Home and Community Care services, resulting in the August 2004 release of the discussion paper *The Way Forward—Better Community Care*
- progressing the recommendations of the Investment Review of Health and Medical Research (the Grant Review), and providing input to the statutory reviews of the *Research Involving Human Embryos Act 2002* and the *Prohibition of Human Cloning Act 2002*
- participating in and advising on national preparedness and emergency planning, including on SARS (severe acute respiratory syndrome), avian influenza and the response to the Indian Ocean tsunamis
- advising on population health issues, including the development of the Public Health Outcome Funding Agreements, the National Immunisation Agreements, improved advisory processes for immunisation, and the National Illicit Drug Strategy
- advising on mental health matters, including the Senate inquiry on mental health and the National Suicide Prevention programme.

COMMUNITY SERVICES

The division worked with other agencies following the Indian Ocean tsunamis in December 2004 to develop an assistance package for those Australians directly affected and to facilitate coordination of the domestic response.

We continued to participate actively in interagency forums considering such matters as housing, including the Commonwealth–State Housing Agreement and the Supported Accommodation Assistance Programme, and disability policy, including the reform of employment services for people with disabilities.

EDUCATION

In 2004–05, the division provided advice on several key education and vocational education and training reforms. They included a package of measures to end the national skills shortage and the establishment of 24 Australian Technical Colleges. We also supported the development of arrangements for a new national training system and new quadrennial schools agreements for government and non-government schools, alongside the implementation of higher education reforms under *Our Universities: Backing Australia's Future*.

EMPLOYMENT

The division provided advice on a range of employment services matters, including on the development of the Employment Services Contract for purchasing Job Network services, which was announced in the 2005–06 Budget. We worked closely with other agencies on reforms to indigenous employment programmes, including the Community Development Employment Program.

IMMIGRATION

The division provided advice on the composition of Australia's migration and humanitarian programmes for 2005–06 prior to the announcement of a number of new skilled migration initiatives in the 2005–06 Budget.

We contributed to policy development on alternative immigration detention arrangements for women and children and for illegal fishers in northern Australian waters, and continued to support the government's multicultural and citizenship policies.

INDIGENOUS POLICY AND RECONCILIATION

Throughout the year, the division supported the Prime Minister and the Secretary in their leadership roles in the reform of indigenous affairs. We tested new ways of working during this challenging period of continuing change.

We supported and monitored the new administrative arrangements to 'mainstream' indigenous-specific programmes and services, establish 30 whole-of-government Indigenous Coordination Centres across Australia, and develop the first Shared Responsibility Agreements and Regional Partnership Agreements.

The division supported Peter Shergold in his new role as chair of the expanded Secretaries' Group on Indigenous Affairs. We provided secretariat support to the group and helped prepare bulletins to communicate its decisions across the Australian Public Service.

The division played a key role in developing the first unified indigenous affairs budget submission for the Ministerial Taskforce on Indigenous Affairs. The single submission brought together all new policy proposals for indigenous-specific initiatives and allowed strategic decisions to be taken in the light of whole-of-government priorities.

The division also supported the implementation of the COAG National Framework of Principles for Service Delivery to Indigenous Australians through the development of bilateral agreements with state and territory governments. Under the framework, governments will reduce duplication and harness mainstream government programmes to better meet the needs of indigenous Australians. The first bilateral agreement, signed with the Northern Territory Government on 6 April 2005, focused on reducing duplication in housing services; from 1 July 2006, the Northern Territory Government will administer housing programmes on behalf of both governments.

INCOME SUPPORT AND FAMILIES

The division worked closely with the Attorney-General's Department and the Department of Family and Community Services to finalise the government's response to the inquiry into child custody conducted by the House of Representatives Standing Committee on Family and Community Affairs. The government response, at \$397.2 million, is the largest single investment ever made in the family law system. The aim is to change the adversarial nature of family separation through the establishment of Family Relationship Centres, the provision of additional family relationship services and amendments to the *Family Law Act 1975*.

The division helped to resolve policy on a number of income support payments and the Family Tax Benefit, including by preparing papers for Cabinet and participating in interdepartmental committees.

We continued to participate in interagency forums on such issues as early childhood development, the Longitudinal Survey of Australian Children, and youth development.

W O M E N

Since its establishment in November 2004, the Women's Policy Unit has focused on a number of key issues and objectives, including domestic and family violence; sex trafficking and sexual assault; women's economic status and health and wellbeing; international human rights issues; child abuse; caring arrangements; and the implementation of women's programmes.

In particular, the Women's Policy Unit was involved in developing responses to domestic and family violence issues, including the implementation of the Family Violence Partnership Programme. The unit also monitored the implementation of the Australian Government's Action Plan to Eradicate People Trafficking and the operation of interdepartmental protocols in this area. This included legislative amendments to raise penalties and create new offences for debt bondage and domestic trafficking in persons in the criminal code; input into the government response to the Parliamentary Joint Committee on the Australian Crime Commission report *Inquiry into the Trafficking of Women for Sexual Servitude*; and liaison with the Office for Women in relation to the Victim Support Programme element of the action plan.

OUTPUT GROUP 3

INTERNATIONAL, AND NATIONAL SECURITY, POLICY ADVICE AND COORDINATION



➔	Appropriations	\$14.2m	Cost of outputs	\$15.1m
	Administered expenses	\$0.1m		

GROUP OUTPUTS

Output Group 3

International, and national security, policy advice and coordination

Output 3.1

International policy

Output 3.2

National security policy

DESCRIPTION

At 30 June 2005, Output Group 3 comprised three outputs and functionally consisted of:

- International Division
- National Security Division
- the APEC 2007 Taskforce.

Group 3 outputs include:

- policy advice on international issues, including trade and aid
- policy advice on national security issues, including defence and operations, intelligence, non-proliferation, counter-terrorism, border protection and certain criminal law enforcement issues
- arrangements for the organisational aspects of the week of the 2007 Asia–Pacific Economic Cooperation (APEC) Economic Leaders' Meeting and associated ministerial, senior officials' and business meetings, and policy coordination and development in relation to the 2007 APEC Leaders' Week.

ADMINISTERED ITEM

Output Group 3 had one administered item, support for the National Counter-terrorism Committee, on which to report in the 2004–05 financial year.

OUTPUT 3.1—INTERNATIONAL POLICY

OUTPUT 3.1

Advice, briefing and support to the Prime Minister on international issues, including trade and aid policy, including on presentation of the government's decisions in these areas.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the Prime Minister's Office and the departmental Executive with the timeliness and quality of material for the Prime Minister's consideration, including in developing and pursuing Australia's key foreign and trade policy interests.

Cost of output \$6.6m

FEEDBACK ON PERFORMANCE

The Prime Minister, the Prime Minister's Office, the Secretary and the departmental Executive provided positive feedback across the range of the division's work on international issues. The feedback complimented our support for the Prime Minister's overseas visits, as well as the briefings given to the Prime Minister on topics raised by high-level overseas visitors.

Output 3.1 was assessed as having provided effective and timely advice, briefing and support on international issues, including trade and aid policy, and on the organisational and logistical issues related to the 2007 APEC Leaders' Week.

KEY RESULTS

The period from July 2004 to June 2005 was a time of intense international engagement by Australia. The region suffered the unprecedented Indian Ocean tsunamis, in addition to the ongoing impacts of terrorism, including an attack on the Australian Embassy in Jakarta, Indonesia. Australia continued active reconstruction and peacekeeping efforts in Iraq.

Australia continued to develop free trade agreements (FTAs) with a number of countries, and achieved major foreign and trade policy outcomes through participation in international and regional forums, including the Pacific Islands Forum, the APEC Economic Leaders' Meeting, the Association of Southeast Asian Nations (ASEAN) summit and the World Economic Forum.

By providing expert advice to the Prime Minister and participating in the development of whole-of-government approaches to major foreign and trade policy endeavours, the International Division contributed to government initiatives and outcomes, as described in detail below.

INDIAN OCEAN TSUNAMIS EMERGENCY RESPONSE

The tsunamis that devastated the South Asian and South-East Asian regions on 26 December 2004 resulted in some 225,000 deaths (including those of 24 Australians), with many thousands more people made homeless. This unprecedented natural disaster required an immediate, high-level humanitarian response. The International Division had a leading role in

the Interdepartmental Emergency Taskforce which provided immediate high-level advice to Cabinet and coordinated the Australian Government's response across agencies to deliver essential supplies, medical teams and additional staff to posts in the countries affected.

The Prime Minister attended the ASEAN Tsunamis Disaster Summit in Jakarta on 5 and 6 January 2005. The division supported the Prime Minister in his achievement of key outcomes during the summit, including the establishment of the \$1 billion, five-year Australia–Indonesia Partnership for Reconstruction and Development (AIPRD) announced on 5 January by the Prime Minister and the Indonesian President, Dr Susilo Bambang Yudhoyono. We had a lead role in providing advice to the Prime Minister on AIPRD establishment and processes, and continue to work with the Department of Foreign Affairs and Trade (where the AIPRD Secretariat is located), AusAID and other agencies to monitor progress.

We also worked closely with the Economic Division on the Australian Government's decision, arising from a Paris Club meeting on 12 January 2005, to join other creditor countries in offering an immediate postponement of scheduled debt repayments for the governments of tsunami-affected countries.

INTERNATIONAL TRADE

The division continued to support the government's substantial international trade agenda during the year, including through policy coordination and advice to the Prime Minister on:

- the development and introduction into parliament of legislation to implement the Australia–United States and Thailand–Australia FTAs, allowing for their entry into force as planned on 1 January 2005
- the commencement of FTA negotiations
 - with ASEAN and New Zealand at the November 2004 ASEAN Summit, in Vientiane, Laos
 - with the United Arab Emirates in March 2005, during the visit to Australia of that country's Minister for Economy and Planning, Her Excellency Sheikha Lubna bint Khalid Al-Qassimi
 - with Malaysia in April 2005, during the visit to Australia of the Malaysian Prime Minister, the Honourable Dato' Seri Abdullah Ahmad Badawi
 - with China in April 2005, during the Prime Minister's visit to Beijing
- the initiation of an FTA scoping study with Japan in April 2005, during the Prime Minister's visit to Tokyo
- advancing Australia's bilateral, regional and multilateral trade interests at the November 2004 APEC Economic Leaders' Meeting in Santiago, Chile, and at the January 2005 World Economic Forum meeting in Davos, Switzerland
- pursuing an ambitious outcome to the World Trade Organization Doha Development Round negotiations.

During the year, the International Division also developed the proposal to establish the APEC 2007 Taskforce to coordinate security and logistics for Australia's year as APEC host.

ENGAGEMENT IN THE PACIFIC REGION

The government continued its activist foreign policy approach to the Pacific region during the reporting period. The Regional Assistance Mission to Solomon Islands (RAMSI) made good progress on economic reform and machinery-of-government initiatives. Law and order also recovered strongly, including through the bringing to trial of several high-profile ex-militants.

Threats to RAMSI personnel remained, however, highlighted by the tragic deaths of two serving Australian personnel. RAMSI received over \$800 million in additional funding to continue its important work to 2008–09. The department was actively involved in the development of this funding and of a smaller package of assistance for Nauru.

The Prime Minister played a leading role at the Pacific Islands Forum meeting held in Apia, Samoa, in August 2004, including through the announcement of a new regional assistance fund for transport reform. Leaders reaffirmed their commitment to ambitious and wide-ranging initiatives, including the development of the Pacific Plan. The plan is designed to become the cornerstone document for the region, with a strong focus on the key goals of good governance, economic growth, sustainable development and security.

The operation of Australia's Enhanced Cooperation Package with Papua New Guinea (PNG) began during the reporting period, with substantial deployments of Australian Federal Police officers to Port Moresby and Bougainville, complemented on the civilian side by a strong injection of Australian Public Service staff into key PNG Government agencies. The department was closely involved in talks with PNG on the continuing viability of the package, following a PNG Supreme Court decision in May 2005 that ruled parts of the arrangement unconstitutional.

RECONSTRUCTION EFFORTS IN IRAQ

The International Division continued to work closely with the National Security Division to ensure a coordinated, whole-of-government approach to Australia's assistance for reconstruction and stabilisation in Iraq. The International Division participates in the standing interdepartmental taskforce on Iraq and provides central support for Cabinet decision making about Australia's continuing military and civilian engagement. During 2004–05, we also played a lead coordinating role in initiatives to forgive the vast majority of Iraq's outstanding debt to Australia, and to deploy further Australian Defence Force personnel to Al Muthanna Province to train Iraq's security forces and help provide security for Japanese Defence Force members engaged in reconstruction.

OVERSEAS VISITS AND VISITORS

The Prime Minister hosted successful visits by a number of heads of state and dignitaries during 2004–05. Significantly, these included a state visit by the President of Indonesia, Dr Yudhoyono, in April 2005. The visit, during which the AIPRD held its inaugural meeting, emphasised the closeness of the bilateral relationship. Also in April was the important visit to Australia by Dr Abdullah Badawi, the first Malaysian Prime Minister to visit Australia since 1984.

During 2004–05, the International Division provided a wide range of advice, briefing and support for the Prime Minister's programme of overseas travel, more details of which are in the report on performance for Output 4.7.

APEC 2007 TASKFORCE

The APEC 2007 Taskforce was established in the Portfolio Additional Estimates Statements for 2004–05.

In February 2005, the responsibilities of the taskforce were expanded from the management of the organisational and logistical arrangements of the leaders' week to include all APEC ministerial meetings and senior officials' meetings to be held in Australia in 2007.

The taskforce's operations and staffing expanded during the year as work requirements dictated. An office is in the process of being established in Sydney, which will be the venue city for the APEC 2007 Leaders' Week.

We stayed on track to achieve the government's targets of providing an environment that facilitates and furthers the aims of APEC, and showcasing Australian culture, products and services to best advantage, in a cost-effective way and with minimal disruption to the public.

Between September 2004 and February 2005, the taskforce completed the preliminary conceptual planning and costing of the organisational and logistical arrangements for the leaders' week, ministerial meetings and senior officials' meetings to be held in Australia in 2007. We worked closely with the departments of Foreign Affairs and Trade, the Treasury, Finance and Administration, and the Attorney-General.

The taskforce provided advice to the Prime Minister, the government, the Secretary and the departmental Executive on a range of issues, including:

- centralisation of the management of organisational and logistical arrangements for the whole of the APEC year
- selection of the location for the leaders' week and preparation of an associated memorandum of understanding between the Australian Government and the New South Wales Government
- selection of the locations for ministers' and senior officials' meetings, following up the Prime Minister's invitation to states and territories to engage in APEC events
- establishment of the pre-planning group to develop preliminary conceptual planning and costing
- development of budgets for the life of the project.

OUTPUT 3.2—NATIONAL SECURITY POLICY

OUTPUT 3.2

Advice, briefing and support to the Prime Minister on national security issues, including defence policy and operations, intelligence, non-proliferation, counter-terrorism, border protection and certain criminal law enforcement issues, including through coordination across Australian Government agencies and, as appropriate, with the states and territories.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the Prime Minister's Office and the department's Executive with the timeliness and quality of advice and achievement of key tasks.

Cost of output \$8.5m

FEEDBACK ON PERFORMANCE

The Prime Minister, the Prime Minister's Office, the Secretary and the departmental Executive provided positive feedback on the division's work, including on the quality and timeliness of briefings and advice, across all the division's areas of responsibility. The two meetings of the Science, Engineering and Technology (SET) Unit Steering Committee confirmed its satisfaction with the unit's progress.

Output 3.2 was assessed as having provided effective and timely advice, briefing and support on defence, intelligence, border protection, counter-terrorism and related law-enforcement and domestic security issues.

KEY RESULTS

Throughout its second full year of operation, the National Security Division continued to provide advice to the Prime Minister and support whole-of-government and cross-portfolio endeavours on a wide range of government initiatives.

DEFENCE POLICY AND OPERATIONS

The division worked closely with the Department of Defence to provide policy advice and updates to the Prime Minister on Australian Defence Force operations in Iraq and Sudan. The division also provided advice on deployments to East Timor and Solomon Islands and Operations Sumatra Assist I and II to Indonesia.

We worked with the Department of Veterans' Affairs on commemorative events to mark significant military anniversaries, such as Anzac Day. We will continue to work with the Department of Veterans' Affairs on significant events to occur in the second half of 2005, including a major commemoration of the sixtieth anniversary of Victory in the Pacific.

The division worked with the departments of Defence, Finance and Administration and the Treasury on the Defence Force Disposition Review. This work will continue in 2005–06.

We provided advice to the Prime Minister on various Defence portfolio matters, and contributed to their whole-of-government coordination. These matters included:

- Defence strategic policy, preparedness and reform
- Defence personnel issues
- international military cooperation activities
- Defence housing
- Defence infrastructure and estate matters.

DEFENCE CAPABILITY AND ACQUISITIONS

The division worked closely with representatives from the departments of Defence, Foreign Affairs and Trade, Finance and Administration, and the Treasury, to provide advice to the Prime Minister and the government on a range of Defence capability, acquisition and policy issues, including:

- funding for major capital equipment programmes
- National Security Committee of Cabinet consideration of major capital equipment acquisition proposals
- delivery of the Defence Capability Plan 2004–2014
- new air combat capability for the Royal Australian Air Force
- approvals processes for the acquisition of new air warfare destroyers and amphibious ships for the Royal Australian Navy.

We also worked closely with the Department of Defence and provided advice and support to the Prime Minister and government on the implementation of recommendations arising from the Defence Procurement Review 2003. This included work on the change in the status of the Defence Materiel Organisation to a prescribed agency for financial management purposes, and the implementation of the two-pass approval process.

ENHANCEMENT OF AUSTRALIA'S INTELLIGENCE PERFORMANCE

During a year in which the performance of Australia's intelligence agencies continued to attract heightened scrutiny, the division advised the Prime Minister and government on, and coordinated the government's response to, a range of sensitive issues relating to the agencies' roles, performance and budgets.

The division played a major role in steps to enhance Australia's intelligence arrangements that flowed from the recommendations made by the Inquiry into Australian Intelligence Agencies, conducted during 2004 by Mr Philip Flood AO (the Flood Inquiry).

In July 2004, the government agreed to make the recommended changes, with the exception of a name change for the Office of National Assessments (ONA). The division worked quickly to coordinate advice for ministers on the implementation of the recommendations. As a result, the following measures were approved the next month:

- a timetable for amending intelligence-related legislation
- necessary additional resources for the ONA and other agencies
- terms of reference for the new ONA-chaired Foreign Intelligence Coordination Committee (FICC)
- a revised mandate for the Defence Intelligence Organisation
- six-monthly monitoring of progress by the department's Cabinet Implementation Unit.

As recommended by the Flood Inquiry, a new annual cycle was agreed for resource allocation and for ministerial consideration of the intelligence agencies' performance and foreign intelligence priorities. A new unit—Intelligence Projects—was established in the division to support ministers in this. The unit, working closely with the ONA in particular, contributes to advice to ministers on the agencies' performance, priorities and resource needs. This group also supports the department's representative (a deputy secretary) on the FICC. One early achievement was the implementation of the Flood Inquiry recommendation for the coordination of new national foreign intelligence priorities, which combines Defence and non-Defence priorities into a single structure for the first time.

The new unit also coordinated a review of the *Intelligence Services Act 2001* recommended by the previous Inspector-General of Intelligence and Security, Mr Bill Blick PSM. The outcomes of this review were considered by ministers in April 2005, and resulted in agreement on a significant number of amendments to correct or clarify aspects of the original legislation. The review also resulted in agreement to a number of changes to the current Parliamentary Joint Committee on ASIO, ASIS and DSD, including the expansion of its membership from seven to nine. Once enacted, the resulting Intelligence Services Legislation Amendment Bill will also implement all the legislative recommendations from the Flood Inquiry. This bill was introduced into parliament in June 2005.

REGIONAL COUNTER-TERRORISM COOPERATION

The year saw further significant strengthening of Australia's links with regional countries to combat transnational terrorism.

The division worked with a range of Australian Government agencies to help coordinate Australia's contribution of \$36.8 million to the Jakarta Centre for Law Enforcement Cooperation, an international education and training institution. The centre, which opened in July 2004, greatly increases the ability of regional countries to respond to the complex challenges posed by transnational terrorism.

Before the 2004 election, the government announced a number of significant new measures to help combat terrorism in the Asia–Pacific region. The division worked with other agencies to assist with plans to implement these commitments, which include:

- providing \$20 million to Indonesia and \$10 million to the Philippines in counter-terrorism assistance over the next four years
- enhancing the regional capability of the Australian Federal Police at a cost of \$102.7 million over five years
- establishing a Centre for Counter-terrorism Intelligence Cooperation and Training for Australia, South-East Asia and the Pacific, at a cost close to \$20 million, over four years.

The division worked closely with the Department of Foreign Affairs and Trade and other agencies to identify further measures to improve Australia’s regional counter-terrorism cooperation, for which additional funding of \$40.3 million was allocated in the 2005–06 Budget.

We also provided advice to the Prime Minister and government on various other regional counter-terrorism issues, including:

- responses to National Threat Assessment Centre assessments of terrorist threats to Australians and Australian interests
- references to terrorist threats in travel advisories issued by the Department of Foreign Affairs and Trade
- terrorist incidents, particularly the 2004 bombing of the Australian embassy in Jakarta, Indonesia, and the 2005 kidnapping of Mr Douglas Wood in Baghdad, Iraq.

C O U N T E R - P R O L I F E R A T I O N M E A S U R E S

Combating the threat of proliferation of weapons of mass destruction (WMD) remained a high government priority. The division provided advice to the Prime Minister and government on a range of WMD proliferation issues, in particular:

- the enhancement of the Australian intelligence community’s ability to collect, coordinate and analyse information on the proliferation of WMD, as announced in the 2005–06 Budget
- Australia’s active role in the development of the Proliferation Security Initiative, including hosting the Operational Experts’ Meeting in November–December 2004
- Australia’s first report to the United Nations following adoption and implementation of United Nations Security Council resolution 1540 (2004), which seeks to prevent WMD proliferation
- Australia’s approach to the 2005 Nuclear Non-proliferation Treaty Review Conference
- the Iraq Survey Group’s WMD investigations
- International Atomic Energy Agency scrutiny of Iran’s nuclear activities, and the Iran–EU3 negotiations concerning them
- negotiation of the research, development, testing and evaluation annex to Australia’s memorandum of understanding with the United States that provides the framework for cooperation on United States missile defence
- regional developments, including the suspected North Korean nuclear weapons programme.

STRENGTHENED DOMESTIC SECURITY

Considerable progress was made throughout 2004–05 on strengthening Australia’s domestic security against terrorism. The division’s key achievements in this area included the following.

- We took a leading role in the Council of Australian Governments review of security arrangements for hazardous materials in Australia, and helped to develop a nationally consistent approach to the implementation of the licensing system for security sensitive ammonium nitrate (SSAN). This included the preparation of detailed national guidance notes, template security plans, and a fact sheet for agricultural users of SSAN that is being translated into ten languages.
- The division provided advice to the Prime Minister on *Providing for Australia’s Security*, the package of national security measures in the 2005–06 Budget, and contributed to the development of the package.
- With the Attorney-General’s Department, we worked to implement a new phase of the National Security Public Information Campaign.
- We led a review into government communications during a crisis. The review examined the government’s ability to communicate effectively, both internally and with the public, during a national security emergency. It also examined the interoperability of communications for police and emergency services across Australia. The outcomes of the review complement Australia’s existing arrangements for continuity of government and crisis management.
- Throughout the year, the division provided advice to the Prime Minister about people smuggling in our region, offshore immigration processing facilities and Australia’s border security. We also continued to play a significant role in the interdepartmental People Smuggling Taskforce chaired by the Department of Immigration and Multicultural and Indigenous Affairs.
- With the Department of Transport and Regional Services, we worked to develop the \$48 million *Securing our Regional Skies* package, announced by the Deputy Prime Minister in August 2004.
- We provided advice to the Prime Minister about the comprehensive new aviation security regime that commenced in March 2005, and led an interdepartmental committee established by the Secretaries’ Committee on National Security to examine aviation security policy settings in the light of current threats to Australian civil aviation interests and the implementation of the new aviation security regime.
- With the Department of Transport and Regional Services, we worked to develop an agreement between all Australian governments on surface transport security arrangements.
- We provided advice to the Prime Minister on the development of the national guidelines for the protection of critical infrastructure from terrorism. The Prime Minister, premiers and chief ministers endorsed the guidelines in March 2005. We also worked with the Attorney-General’s Department to deliver threat assessment advice to the owners and operators of critical infrastructure.
- In cooperation with the Department of Transport and Regional Services, the Australian Customs Service and other agencies, we developed the \$102 million package to strengthen Australia’s maritime security announced in July 2004.

SCIENCE, ENGINEERING AND TECHNOLOGY SUPPORT FOR COUNTER-TERRORISM

The Science, Engineering and Technology (SET) Unit was established in June 2003 to coordinate and focus science, engineering and technology to support Australia's counter-terrorism needs. Staff have been seconded to the unit from the Defence Science and Technology Organisation, the Department of Education, Science and Training, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Australian Federal Police and the intelligence community.

The SET Unit's funding programme, Research Support for Counter-terrorism, began in July 2004. The programme is currently funding a number of projects with Australian research organisations, including the Defence Science and Technology Organisation, CSIRO, a private company and a cooperative research centre.

The SET Unit continues to develop strong linkages with counter-terrorism stakeholders, including business, industry and Australian research groups. Through its website, the unit has received more than a hundred registrations, from more than seventy organisations, of capabilities or technologies that may have an application in counter-terrorism.

The unit is continuing to develop opportunities for international collaboration in counter-terrorism research and has reached the final stages of negotiation of a memorandum of understanding with the United States Technical Support Working Group for Combating Terrorism. The unit has begun discussions with the United States Government, through its Department of Homeland Security, on the development of a treaty-level agreement for cooperation in science and technology for domestic security.

The unit has also been assisting in the establishment of the Publicly Funded Agencies' Collaborative Counter-terrorism (PACCT) research programme. This programme brings together the research expertise of the Defence Science and Technology Organisation, CSIRO, the Australian Nuclear Science and Technology Organisation and Geoscience Australia. PACCT will increase collaboration between these agencies and provide benefit to Australia's counter-terrorism community by using the agencies' research capabilities and focusing on areas of strategic importance.

TASKFORCE ON OFFSHORE MARITIME SECURITY

Following a recommendation of the review of maritime security policy settings, a taskforce was established within the department to examine security arrangements for Australia's offshore oil and gas facilities.

The taskforce, which completed its work in December 2004, developed a package of measures that build on existing border protection and maritime security initiatives. The new arrangements are being implemented progressively, and include the Australian Government taking direct responsibility for terrorism prevention, interdiction and response in offshore areas of Australia. This responsibility rests with the newly established Joint Offshore Protection Command, launched in March 2005, which draws on the resources of both the Australian Customs Service and the Australian Defence Force. The Joint Offshore Protection Command began augmented security patrols of oil and gas facilities in March 2005, initially concentrating on those on the Northwest Shelf and in the Timor Sea.

The taskforce also recommended that the provisions of the *Maritime Transport Security Act 2003* be extended to Australia's oil and gas facilities. Parliament is currently considering legislation to effect this extension, whereby the operators of oil and gas facilities will be regulated by the Department of Transport and Regional Services, and be required to carry out risk assessments and have approved security programmes in place.

ADMINISTERED ITEM—NATIONAL COUNTER-TERRORISM COMMITTEE

The National Counter-terrorism Committee (NCTC) is a high-level national body, chaired by the department, comprising officials from relevant Australian Government agencies and agencies of the states and territories. The committee's primary role is to coordinate a nationwide cooperative framework for efforts to counter terrorism and its consequences.

During 2004–05, the division—through a dedicated secretariat—supported NCTC meetings in December 2004 and May 2005, as well as a special teleconference held in the aftermath of the Australian embassy bombing of September 2004. In addition to these, the NCTC Secretariat supported two meetings of the NCTC Executive Committee, in February and April 2005.

The division also contributed to key NCTC-related activities, such as the planning and conduct of a major counter-terrorism exercise, Mercury 04.

OUTPUT GROUP 4

SUPPORT SERVICES FOR GOVERNMENT OPERATIONS



➔	Appropriations	\$23.2m	Cost of outputs	\$25.6m
	Administered expenses	\$18.6m		

GROUP OUTPUTS

- Output Group 4**
Support services for government operations
- Output 4.1**
Cabinet Secretariat
- Output 4.2**
Cabinet Implementation Unit
- Output 4.3**
Machinery of government
- Output 4.4**
Government communications
- Output 4.5**
Support to official establishments
- Output 4.6**
Support for ministerial offices
- Output 4.7**
Ceremonial and hospitality

DESCRIPTION

At 30 June 2005, Output Group 4 comprised seven outputs and functionally consisted of:

- Cabinet Secretariat
- Cabinet Implementation Unit
- Government Division
- People, Resources and Communications Division
- People and Resource Management Branch (which provides outputs 4.5 and 4.6)
- Ceremonial and Hospitality Branch (CERHOS).

Group 4 outputs include:

- provision of support services for government operations, including coordination of Cabinet and Executive Council business
- provision of policy advice on parliamentary, machinery of government, legal and cultural issues
- coordination of government communications
- administration of the Prime Minister's official establishments
- provision of policy advice on, and coordination and promotion of, national awards and symbols
- administration of the state occasions and official visits programme.

ADMINISTERED ITEMS

Output Group 4 reports on each administered item as part of the relevant output's performance report, as follows:

- 4.3—National Australia Day Council
- 4.4—Media Commissions Special Account
- 4.5—Prime Minister's official residences
- 4.6—allowances and support to former Governors-General
- 4.7—state occasions and official visits.

Outputs 4.1 and 4.2 had no administered items on which to report in the 2004–05 financial year.

OUTPUT 4.1—CABINET SECRETARIAT

OUTPUT 4.1	PERFORMANCE INDICATORS
<p>Coordination of Cabinet business.</p> <p>Provision of secretariat services to the National Security Committee of Cabinet (NSC) and the Secretaries' Committee on National Security (SCNS).</p>	<p>Degree of satisfaction of the Prime Minister, the Secretary, and the Secretary to Cabinet with the services provided by the Cabinet Secretariat.</p> <p>TIMELINESS</p> <p>Cabinet and NSC submissions or memoranda are cleared and distributed as soon as practicable after clearance by the Cabinet Secretariat.</p> <p>Cabinet minutes are circulated within 24 hours of Cabinet meetings.</p> <p>QUANTITY</p> <p>Sixty-five meetings of the Cabinet and its committees are expected to be organised and coordinated.</p> <p>The degree of satisfaction of the Prime Minister, other NSC ministers, the Secretary to Cabinet and the departmental secretaries associated with SCNS with the support required for the smooth operation of the NSC and SCNS.</p> <p>TIMELINESS</p> <p>NSC minutes are circulated within 24 hours of meetings.</p>
<p>Support for Federal Executive Council.</p>	<p>Degree of satisfaction of the Governor-General and his Official Secretary with the support provided by the Executive Council Secretariat.</p> <p>Federal Executive Council papers and schedules are delivered to Government House two working days prior to an Executive Council meeting.</p> <p>QUANTITY</p> <p>Thirty meetings of the Executive Council are expected to be organised and coordinated.</p>
<p>Cost of output \$3.6m</p>	

FEEDBACK ON PERFORMANCE

The Secretary to Cabinet and the Official Secretary to the Governor-General each expressed satisfaction with the support services provided, and with the professionalism and responsiveness of the Cabinet Secretariat in servicing the Cabinet and Executive Council during 2004–05. Informal feedback from other stakeholders was also favourable.

Output 4.1 was assessed as having provided effective and timely coordination and support services.

KEY RESULTS

During 2004–05, the Cabinet Secretariat continued to provide high-quality and timely support services to the Cabinet and Cabinet committees, including the National Security Committee of

Cabinet (NSC), the Secretaries' Committee on National Security (SCNS) and the Executive Council, and to oversee the public release of historical Cabinet records.

The Cabinet Secretariat also implemented the necessary alterations to the CABNET system to accommodate the ministry changes announced on 14 July 2004 and after the 2004 federal election. Ongoing improvements to the functionality of the system were implemented throughout the year.

C A B I N E T B U S I N E S S

During 2004–05, 97.1 per cent of minutes from meetings of Cabinet and its committees (excluding the NSC) were settled and circulated within 24 hours of the conclusion of the meeting. This shows a small decrease, compared with the 99 per cent achieved in 2003–04.

A total of 15 submissions and memoranda (or approximately 6.8 per cent of all submissions and memoranda) were identified as not requiring detailed discussion in Cabinet and were therefore dealt with under the streamlined arrangements described in the department's 2001–02 annual report. That is, each was circulated for consideration by ministers for a period of ten days, after which—provided that any issues raised by ministers had been addressed—a draft minute based on the recommendations in the document was scheduled for consideration and endorsement at the next Cabinet meeting.

During 2004–05, 100 per cent of minutes from NSC meetings were circulated within 24 hours of the conclusion of the meetings. This is a significant improvement on 2003–04, when teething problems with the release of electronic minutes on CABNET led to a 70 per cent success rate.

M E E T I N G S

In 2004–05, the Cabinet Secretariat supported a total of 26 meetings of the Cabinet, ten meetings of the NSC, and 21 meetings of Cabinet committees other than the NSC. Meetings were held in Sydney on three days and in Brisbane on one day.

The Cabinet Secretariat also supported 11 meetings of the SCNS in preparation for meetings of the NSC.

There were also 16 meetings of the Parliamentary Business Committee of Cabinet which is primarily serviced by the Government Division.

E X E C U T I V E C O U N C I L

The Executive Council Secretariat, a unit within the Cabinet Secretariat, continued to provide high-quality and timely advice, briefing and administrative support to the Governor-General, the Executive Council and the Official Secretary to the Governor-General during the year.

A revised version of the Federal Executive Council Handbook was distributed to departments and agencies in June 2005.

A total of 28 meetings of the Executive Council were held, with 542 papers considered. Of the papers considered, only 33 (6.1 per cent of the total) were not available by the required two days before the relevant meeting. Those papers were accepted by the Executive Council on the basis of exceptional circumstances explained in writing by a senior member of the relevant minister's office.

VISITING OFFICIALS

The Cabinet Secretariat hosted briefing sessions for:

- officials from the Republic of Korea in August 2004
- an official from Solomon Islands in September 2004
- an official from the United Kingdom in November 2004.

RELATIONS WITH OVERSEAS COUNTERPARTS

The Cabinet Secretariat hosted a visit by two officials from the Royal Thai Government's Secretariat of the Cabinet from 29 November to 10 December 2004. The visit was part of a partnership agreement under the Thailand–Australia Government Sector Linkages Program funded by AusAID. The agreement provides for a short-term exchange of officials, giving them opportunities to obtain first-hand experience of each other's machinery of government operations and generally to establish ongoing cooperative arrangements between the two agencies. A reciprocal visit is planned to take place early in the 2005–06 financial year.

ACCESS TO CABINET RECORDS

The Cabinet Secretariat assisted the National Archives of Australia in preparing for the release of Cabinet documents from 1974 (papers of the Whitlam Government) and the third release of Cabinet notebooks dating from January 1954 (papers of the Menzies Government).

The *Archives Act 1983* provides for Cabinet notebooks to be opened to public access (subject to the conditions of the Act) after 50 years, rather than the 30-year period that applies to most Commonwealth records, including other Cabinet documents. Cabinet notebooks are used by officials of the department to record discussions in Cabinet as an aide-memoire for the preparation of formal Cabinet minutes.

OUTPUT 4.2—CABINET IMPLEMENTATION UNIT

OUTPUT 4.2

Monitoring of the implementation of strategic Cabinet decisions.

PERFORMANCE INDICATORS

Degree of satisfaction of the Prime Minister, the Secretary, the Secretary to Cabinet and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the monitoring role provided by the Cabinet Implementation Unit.

Cost of output \$1.9m

FEEDBACK ON PERFORMANCE

Feedback from all stakeholders was very positive. The information in Cabinet submissions and reports was seen to provide valuable support for Cabinet's decision-making processes.

In a post-implementation review of the Cabinet Implementation Unit (CIU) in late 2004, stakeholders commented positively on the unit's work, particularly in relation to changes to the way new policy proposals are developed and significant policy measures are tracked. The review recommended strategies to increase the unit's effectiveness, and these are being implemented.

Output 4.2 was assessed as having effectively monitored the implementation of strategic Cabinet decisions.

KEY RESULTS

The CIU continued to refine and implement processes to assist Australian Government agencies to make effective submissions to the Cabinet, and to ensure that Cabinet had the information necessary to make informed decisions, during 2004–05. We also expanded our efforts in monitoring the implementation of successful proposals, and promoting best practice in project management across the public sector.

A special article on the CIU and its first 18 months of operation appears later in the annual report.

INFORMATION FOR DECISION MAKING

During the reporting period, new systems and forms were put in place to require moderate-risk and high-risk policy proposals coming before the Cabinet to provide information about any implementation issues, and the delivery framework proposed to address them.

The CIU and the relevant policy areas of the department continued to work closely with other departments and agencies, as they drafted papers for submission to the Cabinet, to ensure that implementation issues were fully and consistently presented in the papers. We also contributed an implementation perspective to the department's briefing of the Prime Minister where required.

In order to strengthen and extend the treatment of implementation issues in the budget decision-making process, and to facilitate future monitoring, we incorporated lessons learned from the 2004–05 budget process into revised templates for portfolio budget and Cabinet submissions.

FOLLOW-UP OF CABINET DECISIONS

The CIU monitors the implementation plans prepared by departments and agencies and produces quarterly 'traffic light' reports to the Prime Minister and Cabinet on progress in implementing those initiatives. The reports are the principal mechanism for follow-up of Cabinet decisions. In partnership with the relevant department or agency, we evaluate progress and identify factors that might prevent timely delivery. If there is a problem, we work with the agency to resolve it or, in some cases, to realign the scope or the timeframe of the project to accommodate unforeseen circumstances. At the end of June 2005, we were monitoring 51 major policy initiatives comprising approximately 230 individual measures.

In 2004–05, the CIU also completed three wider implementation reviews, which allowed us to draw out common lessons from the experience of implementing complex major policy initiatives. The purpose of these reviews was to identify and remove barriers to implementation.

BETTER PRACTICE ACROSS THE AUSTRALIAN PUBLIC SERVICE

The unit has a key role in promoting better practice in project management across the Australian Public Service. We seek to generate a culture which values good implementation practice and consideration of implementation issues during policy development.

During the year, we facilitated regular 'community of practice' gatherings, and our staff delivered on average at least one presentation each month to agencies and forums across government, promoting principles of effective project management and explaining the role of the unit.

Members of the departmental Executive also spoke on the role and functions of the CIU in a variety of public and internal forums.

The unit is currently reviewing and updating the *Guide to Preparing Implementation Plans*, which appears on the department’s website. We are also contributing to the development of a whole-of-government website under the auspices of the Management Advisory Committee.

The CIU is part of the current review framework for government activities, and is working with other parts of the department and with the Department of Finance and Administration to determine whether there is any immediate scope for improvement of the review framework.

OUTPUT 4.3—MACHINERY OF GOVERNMENT

OUTPUT 4.3

Advice, briefing and support on parliamentary, machinery of government, legal and cultural (including the National Australia Day Council) issues, including on presentation of the government’s decisions in these areas.

Policy, coordination and promotion of awards and national symbols.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the Parliamentary Secretary to the Prime Minister, the Minister Assisting the Prime Minister, the Parliamentary Business Committee, the Prime Minister’s Office and departmental Executive, as expressed through formal and informal feedback mechanisms, with the timeliness and quality of material for the Prime Minister’s and other ministers’ consideration.

Maintenance of clear and up-to-date guidelines for annual reports, caretaker conventions, Guide for Official Witnesses Appearing before Parliamentary Committees and Legislation Handbook.

Timely introduction of amendments to portfolio legislation, as necessary.

Extent to which legal actions involving the department are successful.

The degree of satisfaction of the Parliamentary Business Committee with the timeliness and accuracy of the production and distribution of:

- the legislation programme
- public lists of proposed legislation
- reports of unproclaimed legislation.

The degree of satisfaction with support and promotion of the Australian honours system, including:

- the quality and timeliness of policy advice
- accurate and timely processing of nominations for awards
- the accurate and timely preparation of congratulatory messages
- effective coordination with Government House on promotional activities related to the national honours and awards system.

Cost of output \$8.2m

Administered expenses \$11.3m

FEEDBACK ON PERFORMANCE

The Government Division received ongoing informal feedback about its performance through regular discussions and consultations with the Prime Minister's Office, the Minister Assisting the Prime Minister and the Parliamentary Secretary to the Prime Minister. The Parliamentary Business Committee of Cabinet, for which the division provides a secretariat, and the Office of Parliamentary Counsel also had opportunities to provide feedback through regular meetings on legislative programming issues. Senior staff of the department provided feedback through the annual work-planning process and the department's Performance Management and Development Scheme.

The feedback received covered the broad range of divisional functions, with particular emphasis on major tasks, and reflected a high level of satisfaction. The division was considered responsive and consistent in providing advice in a timely and professional manner.

KEY RESULTS

Following the Prime Minister's announcement that a general election would be held on 9 October 2004, the Government Division:

- provided advice to the Prime Minister and to other departments and agencies about the caretaker conventions applying from the time of dissolution of the House of Representatives until the outcome of the election was clear (the division responded to approximately 480 requests for advice during this period)
- coordinated the preparation and provision of briefings to the Prime Minister on machinery of government matters, government operations and significant policy issues after the election
- assisted with the swearing-in of the ministry after the election
- prepared the documentation necessary to effect the desired changes in portfolio arrangements for the fourth Howard Government, including a new consolidated Administrative Arrangements Order made by the Governor-General in Council on 26 October 2004.

The division is also responsible for advising the Prime Minister on the creation and abolition of executive agencies under the *Public Service Act 1999*. In 2004–05 the division prepared advice and Executive Council papers, in consultation with relevant departments and agencies, to effect the abolition of the Australian Government Information Management Office (October 2004), the National Oceans Office (October 2004), the Australian Greenhouse Office (October 2004) and the Aboriginal and Torres Strait Islander Service (July 2005).

The division was also involved in implementing the government decision, announced on Budget night, to provide a one-off grant of \$10 million to the Australia and New Zealand School of Government (ANZSOG). The purpose of the grant is to put ANZSOG on a sound long-term financial base, thereby helping it meet its objective of developing the skills of current and future public sector leaders.

The Government Division supported the Industry, Infrastructure and Environment Division in the development and introduction of a Bill to establish the National Water Commission. The *National Water Commission Act 2004*, which formally established the commission as an independent statutory agency, received Royal Assent on 17 December 2004.

The division coordinated the preparation of 403 messages to community groups and other organisations from the Prime Minister.

PARLIAMENTARY PROCESSES

The division provided secretariat support to the Parliamentary Business Committee of Cabinet. A comprehensive Cabinet memorandum was prepared before each of the three parliamentary sitting periods (2004 Spring, 2005 Autumn and 2005 Winter) and upon resumption of parliament after the 2004 election, setting the government's legislation programme. Each sitting week, the division prepared a memorandum proposing variations to the legislation programme and the parliamentary programme for the week ahead.

During the year, the division also:

- coordinated the drafting of responses for a significant proportion of requests for policy approval involving legislation
- issued 15 legislation circulars to departments and agencies about legislation and parliamentary matters
- liaised with the Office of Parliamentary Counsel and departments
- prepared advice on parliamentary matters generally.

The division prepared 211 procedural briefings on government legislation and amendments for the Minister Assisting the Prime Minister or the Parliamentary Secretary to the Prime Minister as part of the legislation approval process. A list of the bills proposed for introduction and debate (the 'public list') was compiled for distribution to senators and members before each of the three major sittings of parliament. The division also coordinated the preparation of the report on unproclaimed legislation, which was tabled in the Senate in August 2004.

CHILD PORNOGRAPHY

The Government Division managed preparations for discussions of the issue of child pornography at the Council of Australian Governments meeting on 3 June 2005. The division worked in conjunction with other areas of the department, the Attorney-General's Department and the Australian Federal Police, and convened a working group of Commonwealth, state and territory officials on the issue.

ROYAL COMMISSIONS

The division provided advice and support in relation to the establishment of the Commission of Inquiry into the Centenary House Lease, the report of which was presented to the Governor-General and tabled in parliament by the government during the reporting period.

The department made a number of submissions to the commission, seeking to:

- exempt, on public interest immunity grounds, certain documents from being produced to the commission pursuant to 'notices to produce'
- exempt, on the grounds of judicial indemnity against disclosure, certain witnesses from providing evidence to the commission that would disclose the processes by which and the manner in which the commissioner of the 1994 inquiry into the Centenary House lease undertook that inquiry.

The submissions were the subject of a number of published decisions by the commissioner on the public interest immunity claims (six decisions) and the judicial immunity against disclosure claims (one decision) which had been made by the Commonwealth.

The Government Division is responsible for the records of completed royal commissions, and responded to a number of requests during the year for access to such records.

OTHER LEGAL ACTIONS INVOLVING THE DEPARTMENT

One application made to the Administrative Appeals Tribunal (AAT) under the *Freedom of Information Act 1982* (FOI Act) in 2003–04 was noted in last year's annual report as not yet having proceeded to hearing at the end of that year. At that time, the department considered that the application might be withdrawn. Following further directions hearings during 2004–05, the applicant has agreed to withdraw the matter.

The department prepared affidavits in respect of Cabinet documents for the purposes of two separate AAT proceedings under the FOI Act in which other agencies were the respondents.

The Government Division instructed external solicitors in relation to two matters regarding the Royal Commission into the Building and Construction Industry. In one matter, the department's involvement was limited to answering a subpoena for certain records of the commission. In the other matter, the division and the Attorney General's Department instructed the Australian Government Solicitor regarding a matter where the plaintiff sought a declaration that the Royal Commissioner, the Hon Terence Cole QC (first respondent), had failed to observe requirements of procedural fairness in relation to his final report. Orders were made in October 2003 naming the Commonwealth as the second respondent and transferring the matter to the Federal Court. Terms of settlement were agreed to by the plaintiff and the Commonwealth, and the Federal Court dismissed the proceedings on 13 April 2005.

The Government Division instructed external solicitors and provided evidence in another case, in which there was a subpoena and a request for non-party discovery in respect of certain records of the Royal Commission into Aboriginal Deaths in Custody.

Of the public interest immunity claims arising from the four cases reported in the 2003–04 annual report, three remain to be finalised with the other parties to the litigation. In the other matter, the claim against the Commonwealth has been discontinued without the Commonwealth having to produce the documents that were the subject of its claim of public interest immunity.

The department has not been the subject of any other judicial decisions or decisions of administrative tribunals during the reporting period that have had, or may have, a significant impact on its operations.

LEGAL ACTIONS INVOLVING THE PRIME MINISTER

The Government Division instructed external solicitors on behalf of the Prime Minister in three matters during the reporting period. One claim was discontinued prior to hearing in October 2004, while the other proceedings were ongoing at the time of reporting.

AWARDS

The division provides policy advice on the operations of the Australian honours system to ensure that outstanding personal achievements and contributions, whether made in Australia or made overseas, are appropriately recognised. The division also advises government and the community on the promotion and appropriate use of Australia's national symbols.

During the year, regulations were developed for the new Australian Defence Medal, which will recognise the service of current and former members of the defence forces who have served the nation for a minimum of six years since 3 September 1945.

The division handled applications for the Civilian Service Medal 1939–1945, the Humanitarian Overseas Service Medal and medals for civilian surgical and medical teams who served during

the Vietnam War, as well as requests by foreign governments to recognise the efforts of certain Australian citizens by granting them foreign awards.

The Humanitarian Overseas Service Medal was extended to recognise the service of Australian aid workers who, as members of approved humanitarian organisations, gave direct emergency humanitarian assistance in the wake of the 2004 Indian Ocean tsunamis and the related earthquake on Nias Island in order to sustain the life and dignity of the survivors. The division continued to work with Commonwealth, state and territory government and non-government organisations to establish eligibility guidelines for the award of the medal.

The division worked in conjunction with the Department of Defence, the Department of Foreign Affairs and Trade, the Department of Veterans' Affairs, Government House and the Malaysian High Commission to establish processes for application and service validation following the Australian Government's acceptance of an offer by the Malaysian Government of the Pingat Jasa Malaysia. The medal honours Australian servicemen and servicewomen who served in Malaysia between 1957 and 1966.

The division advised the Minister Assisting the Prime Minister on a submission by the New South Wales Government to make service in that state's Transit Police between 1972 and 1999 eligible to be counted towards the National Medal. On the minister's advice, the Governor-General determined such service to be eligible on 7 December 2004, and nominations to recognise this service are under way. Three further submissions from organisations seeking to have the award of the National Medal extended to their personnel were received and are being assessed.

During the year, the division provided secretariat services to public service honours committees, as well as assistance to departmental staff who serve ex officio as members of the Council for the Order of Australia and the Australian Bravery Decorations Council.

The division also provided support to the Prime Minister in relation to the nominations of non-Australian citizens for honorary awards in the Order of Australia, and assisted him in sending over 10,400 messages of congratulation to Australians celebrating significant wedding anniversaries or birthdays.

HONOURS INFORMATION ACTIVITIES

The division undertook a range of promotional activities in support of the government's public education campaign to make Australian honours more accessible and better known to all Australians.

Notable were the regional visits programmes to Cairns in Far North Queensland, Geelong in Victoria and Rockhampton in central Queensland. The visits, which were complemented by local media coverage, focused on sharing the spectrum of Australian awards and on honouring 'local heroes' as a means of raising community awareness. Local networks were established to ensure that outstanding achievement continues to be recognised.

The division promoted information about Australian honours through a direct mail programme with the vocational and technical education industry and Australia's mining industry.

The division maintained the www.itsanhonour.gov.au website, which provides up-to-date information about Australian honours, a complete list of recipients, and information about the Australian National Flag and the Australian National Anthem. The website was enhanced by the addition of *Celebrating Australians*, an electronic newsletter subscription service.

ADMINISTERED ITEM—NATIONAL AUSTRALIA DAY COUNCIL

OUTPUT 4.3 ADMINISTERED ITEM

National Australia Day Council (NADC)

PERFORMANCE INDICATORS

Grant administered in compliance with the reporting mechanisms, objectives and other provisions of the grant funding deed with the NADC so as to contribute to achieving the vision of the council (to inspire national pride and spirit to enrich the life of the nation).

Administered expenses \$1.3m

The Government Division administered the Australian Government's grant of core funding to the National Australia Day Council (NADC) and advised on various aspects of the council's funding, activities and board membership. The Australian Government is represented on the board of the NADC by a senior officer of the department.

The NADC is an agency within the Prime Minister's portfolio. It is a Commonwealth company for the purposes of the *Commonwealth Authorities and Companies Act 1997*, and produces its own annual report in accordance with the provisions of that Act. Further information about the activities of the NADC can be found in its annual report.

OUTPUT 4.4—GOVERNMENT COMMUNICATIONS

OUTPUT 4.4

Coordination of government communications, including management of the Central Advertising System (CAS).

Provision of photographic and related services by AUSPIC (the government photographic service).

PERFORMANCE INDICATORS

The degree of satisfaction of the Chairman and members of the Ministerial Committee on Government Communications (MCGC) with the advice and secretariat support provided by the Government Communications Unit (GCU).

Degree of satisfaction with the CAS among clients of the master placement agencies.

TIMELINESS

Maximise compliance with the requirement that agenda papers be provided by departments and agencies seven working days prior to an MCGC meeting.

QUANTITY

On the basis of recent experience, the GCU would expect to organise and coordinate 40 meetings of the MCGC covering 25 public information activities in 2004–05.

The degree of customer satisfaction with AUSPIC services.

PRICE

Achievement of a break-even financial position from trading activities by AUSPIC.

Cost of output \$5.6m

FEEDBACK ON PERFORMANCE

Feedback from the Chairman of the Ministerial Committee on Government Communications (MCGC) and from the Prime Minister's Office on the support and advice provided by the Government Communications Unit (GCU) was positive.

Feedback on AUSPIC services indicated an ongoing high level of client satisfaction.

Output 4.4 was assessed as having provided effective and timely communication support and coordination services.

KEY RESULTS

Although the workload of the GCU remained heavy during the course of the year as a result of a continuing high level of communications activities, the unit continued to provide a full range of analysis, advice and support to the MCGC, the Prime Minister, the departmental Executive, and departments and agencies.

Demand for AUSPIC services remained high and customer requirements continued to be met.

MINISTERIAL COMMITTEE ON GOVERNMENT COMMUNICATIONS

The GCU provided strategic communications advice and advice on individual information campaigns to the MCGC. It supported departments and agencies by advising on communications arrangements, including research, public relations and advertising. The GCU also managed the Central Advertising System (CAS), which delivers a reliable and cost-effective media placement service for departments and agencies.

The MCGC met on 30 occasions during the year and considered 24 information activities and other matters put to it by departments through the GCU. The frequency of meetings reflected the number of significant information activities undertaken by the government in 2004–05. The most important were those associated with Australian Defence Force Recruitment (\$14.3 million), Super Choice (\$11.3 million), National Illicit Drugs (\$7.1 million), National Security (\$6.6 million), and Quarantine Matters! (\$3.6 million).

There were instances when the GCU was not able to obtain papers from departments and agencies seven days in advance of MCGC meetings. However, the MCGC was advised of such cases and obtained waivers to the seven-day rule from the chairman where appropriate.

During the year, the unit facilitated and organised eight seminars and workshops on communications and media issues. They were attended by some 482 staff from 49 departments and agencies, and the GCU and individual presenters received positive feedback from attendees.

MEDIA ISSUES

Customer satisfaction surveys were undertaken for both master media placement agencies (Universal McCann for campaign advertising and hma Blaze for non-campaign advertising). Both contracts commenced on 1 December 2002 and cover a period of three years and ten months. Both contractors recorded good levels of satisfaction.

In 2004–05, approximately \$137.7 million in advertising expenditure was placed through the CAS, which included advertising by eligible organisations including Australia Post, numerous

statutory authorities and the Australian Capital Territory and Northern Territory governments. The GCU's negotiations with the media on advertising rates, terms and conditions achieved outcomes for the CAS that were significantly better than the standard rates offered.

PHOTOGRAPHIC SERVICES

AUSPIC operates on a cost-recovery basis to provide photographic services to the government, the parliament, senators and members. AUSPIC continued to meet the continuing high demand for its services. Its trading activities resulted in a small surplus for the year.

ADMINISTERED ITEM—MEDIA COMMISSIONS SPECIAL ACCOUNT

The funds in the Media Commissions Special Account are used to pay for activities performed by media agencies, advertising agencies and related agencies, and for related incidental activities. Revenue to the account is derived from the commission paid by the media to the Australian Government when it places its advertising.

OUTPUT 4.5—SUPPORT TO OFFICIAL ESTABLISHMENTS

<p>OUTPUT 4.5</p> <p>Management of the Prime Minister's official residences.</p> <p>Secretariat support for the Official Establishments Trust.</p>	<p>PERFORMANCE INDICATORS</p> <p>The degree of satisfaction of the occupants and departmental Executive with the management of the Prime Minister's official residences. This must be consistent with their status as part of the National Estate and in line with statutory heritage and planning obligations.</p> <p>The degree of satisfaction of Official Establishments Trust members with the timeliness and quality of advice and secretariat support.</p>
<p>Cost of output \$0.6m</p>	

FEEDBACK ON PERFORMANCE

The management of the official residences received positive comments from many of the parties involved.

The Chairman of the Official Establishments Trust, Mr Richard Griffin AM, indicated the Trust's satisfaction with the quality of secretariat support provided.

KEY RESULTS

The Official Establishments Unit continued to provide high-quality management services for the Prime Minister's official residences and efficient and responsive secretariat support to the Official Establishments Trust.

OFFICIAL RESIDENCES

The Official Establishments Unit continued to manage the Prime Minister’s official residences—The Lodge in Canberra and Kirribilli House in Sydney—in consultation with the Official Establishments Trust and other relevant agencies.

OFFICIAL ESTABLISHMENTS TRUST

The Official Establishments Trust met four times during the year, and the Government House Committee met twice. The unit provided secretariat support for each of these meetings. During the year, the unit managed the processes of reappointing five members of the Trust (whose terms of appointment ceased during the year) and appointing one new member, Mr Bryce Raworth, who replaced Mr Bruce Trethowan.

AUSTRALIANA FUND

The unit administers a grant-in-aid for the Australiana Fund to enable the Fund to obtain professional assistance to meet the objectives set out in its memorandum of association. The grant also ensures that money raised by the Australiana Fund is available for the acquisition of Australian objects for placement or display in accordance with the Fund’s objectives. The 2004–05 grant-in-aid received by the Fund was \$90,500. In April 2005, the unit facilitated a visit to The Lodge by Fund members in association with the Fund’s annual general meeting.

ADMINISTERED ITEM—PRIME MINISTER’S OFFICIAL RESIDENCES

OUTPUT 4.5 ADMINISTERED ITEM Prime Minister’s official residences.	PERFORMANCE INDICATORS The serviceability and standard of The Lodge and Kirribilli House, including practicality, level of amenity, style and presentation. This must be consistent with their status as part of the National Estate and in line with statutory heritage and planning obligations.
Administered expenses \$1.4m	

FEEDBACK ON PERFORMANCE

The presentation and maintenance of the official residences received positive comments from all parties involved.

KEY RESULTS

THE LODGE

During 2004–05, four small occasional tables and two ottomans were commissioned and placed in the Morning and Drawing rooms. The Official Establishments Trust agreed to the design for the replacement carpet for the foyer and main staircase, and production began. The installation of the carpets will complete the refurbishment project.

In close consultation with the gardening contractors and the Drought Advisory Office of ACTEW, the Australian Capital Territory's water utility, the unit developed and implemented a water usage reduction strategy for The Lodge. The measures taken enabled water consumption at the residence to be reduced by 40 per cent, as required under the territory's then current Stage 3 water restrictions. When the territory returned to Stage 2 restrictions in March 2005, an agreement with ACTEW to reduce water consumption by 25 per cent was entered into.

Revised Australian Workplace Agreements were negotiated and approved by the Office of the Employment Advocate for all full-time staff at the residence.

KIRRIBILLI HOUSE

No major structural or refurbishment work was undertaken at Kirribilli House during 2004–05. A drip irrigation system was installed to provide a more efficient watering system, and a sandstone path was repaired.

Revised Australian Workplace Agreements were negotiated and approved by the Office of the Employment Advocate for all full-time staff at the residence.

OUTPUT 4.6—SUPPORT FOR MINISTERIAL OFFICES

OUTPUT 4.6

Provision of office services for the Prime Minister's Office, the other ministers' and the Parliamentary Secretary's offices in the Prime Minister's portfolio.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the other portfolio ministers and the Parliamentary Secretary, their advisers and office managers with the office services provided.

Cost of output \$2.5m

FEEDBACK ON PERFORMANCE

During 2004–05, ministerial support officers indicated that the department had been responsive in delivering services and had provided accurate and timely support.

KEY RESULTS

The department supported the establishment of office facilities for the new Parliamentary Secretary to the Prime Minister, the Hon Gary Nairn MP. Officers of the People and Resource Management Branch and the Information Services Branch continued to provide high-quality support services.

ADMINISTERED ITEM—ALLOWANCES AND SUPPORT TO FORMER GOVERNORS-GENERAL

OUTPUT 4.6 ADMINISTERED ITEM

Allowances and support to former Governors-General.

PERFORMANCE INDICATORS

Former Governors-General receive allowances and support in accordance with their entitlement.

Administered expenses \$2.9m

FEEDBACK ON PERFORMANCE

The offices of the former Governors-General expressed satisfaction with the quality and responsiveness of the support services provided by the department.

KEY RESULTS

All allowances to former Governors-General were paid in accordance with the relevant Remuneration Tribunal determinations. All other support was provided in accordance with the agreed entitlements for former Governors-General.

No major refurbishments or projects were undertaken during 2004–05.

OUTPUT 4.7—CEREMONIAL AND HOSPITALITY

OUTPUT 4.7

Provision of support services to the government relating to overseas visits by the Prime Minister, government hospitality for overseas dignitaries and official ceremonies.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the Minister Assisting the Prime Minister, the Prime Minister's Office and the departmental Executive with management of the government's ceremonial and hospitality services.

Cost of output \$3.1m

OUTPUT 4.7 ADMINISTERED ITEM

State occasions and official visits.

PERFORMANCE INDICATORS

The degree of satisfaction of the Prime Minister, the Minister Assisting the Prime Minister, the Prime Minister's Office, the Governor-General's Office and the departmental Executive, as expressed through formal and informal feedback mechanisms, with:

- 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.

Assessment by the sponsoring minister, minister's office or department, together with Australian and foreign diplomatic representatives, as expressed through formal and informal feedback mechanisms, of:

- the benefits from the programme of official visits
- the efficient organisation and presentation of ceremonial occasions and hospitality services.

QUANTITY

On the basis of recent experience, the Ceremonial and Hospitality Branch (CERHOS) would expect to facilitate eight head-of-state and head-of-government visits, 30 ministerial visits and four state funerals.

Administered expenses \$3.0m

The chief role of the Ceremonial and Hospitality Branch (CERHOS) is to manage the state occasions and official visits administered item. The following narrative covers both departmental and administered items outcomes.

FEEDBACK ON PERFORMANCE

The Prime Minister, staff of the Prime Minister's Office, visiting guests of government and a range of other sources provided extensive feedback on the work of CERHOS during 2004–05. Specific and highly positive recognition of the sustained effort made by CERHOS staff, particularly during the period from January to May, came from the Prime Minister, the Secretary and the departmental Executive. Additional feedback was received in comments and letters of appreciation from visitors and their diplomatic representatives, as well as in visit assessment cables submitted by Australia's overseas posts.

KEY RESULTS

In the year 2004–05 considerable challenges were posed by the planning and coordination of eight separate overseas visits by the Prime Minister, and five head-of-government and six head-of-state visits to Australia; coordination of a memorial service for the victims of the Sea King helicopter tragedy; arrangement of two state funerals; and coordination of thirteen ministerial visits. Nonetheless, the branch continued to deliver high-quality ceremonial and hospitality services and to perform effectively under pressure.

PRIME MINISTER'S OVERSEAS VISITS

CERHOS planned and coordinated eight overseas visits by the Prime Minister, to:

- Samoa, to attend the Pacific Islands Forum (6–7 August 2004)
- Indonesia, for the inauguration of President Dr Susilo Bambang Yudhoyono (19–20 October 2004)
- Chile, to attend the APEC Economic Leaders' Meeting (18–23 November 2004)
- Laos, to attend the ASEAN–CER Summit in Vientiane (29 November–December 2004)
- Indonesia, following the Indian Ocean tsunamis (5–7 January 2005)
- Switzerland, to attend the World Economic Forum at Davos, and to Singapore and Indonesia (27 January–2 February)
- New Zealand, for annual bilateral talks (19–21 February 2005)
- China, to attend the Bao Forum; Japan, to attend the Aichi Expo; Turkey, to attend the ninetieth anniversary commemorations at Gallipoli; and Greece (18–28 April 2005).

VISITS TO AUSTRALIA

A large number of head-of-state and head-of-government visits were undertaken during the year.

These included visits by the Sultan of Brunei, the President of Israel, the President of Singapore, the President of Indonesia, the President of Bosnia and Herzegovina, and the President of Pakistan.

Head-of-government visits were made by the prime ministers of Thailand, Sweden, Norway, Malaysia and Vietnam.

Mr Wu Bangguo, Chairman of the Standing Committee of the People's National Congress and the second most senior member of the Chinese Government, visited Australia on an official visit from 19–25 May 2005.

CERHOS also coordinated two royal visits during 2004–05.

The Prince of Wales visited Western Australia, the Northern Territory, Victoria, New South Wales and the Australian Capital Territory, from 28 February to 5 March.

Crown Prince Frederik and Crown Princess Mary of Denmark visited New South Wales, the Australian Capital Territory, Victoria and Tasmania, from 20 February to 11 March.

The branch coordinated 13 ministerial-level guest of government visits, including those by the foreign ministers of Brunei, Korea, Germany, and the Former Yugoslav Republic of Macedonia, and other portfolio ministers representing Malaysia, France, New Zealand, Singapore and Turkey. There were also official visits by the Secretary-General of the North Atlantic Treaty Organisation and the Director-General of the International Atomic Energy Agency.

OTHER RESPONSIBILITIES

The branch coordinated the memorial service conducted at Parliament House on 15 April 2005 for the victims of the Sea King helicopter disaster. CERHOS also coordinated a Parliament House reception on 20 June 2005 to acknowledge those involved in Australia's relief response to two natural disasters: the Indian Ocean tsunamis of Boxing Day 2004 and the earthquake on Nias Island, Indonesia, on 28 March 2005.

The branch coordinated 97 airport facilitations for heads of state, heads of government and royalty transiting Australia. Airport facilitation, on arrival and departure, includes advising airport authorities and relevant agencies of flight details, and arranging for private and transit visit officers (PTVOs) or Department of Foreign Affairs and Trade officers to meet the visitor and coordinate customs, immigration, quarantine and transport procedures.

Other notable tasks successfully performed by officers of the branch included logistic and hospitality arrangements for:

- the Council of Australian Governments meeting held at Parliament House on 3 June 2005
- state funerals held for the Hon Dr HA (Harry) Jenkins AM in Melbourne on 2 August 2004, and for the Hon AJ (Al) Grassby AM in Canberra on 29 April 2005
- the Australia Day reception held at The Lodge on 26 January 2005
- the Prime Minister's annual cricket match held at Manuka Oval, Canberra, on 25 January 2005.

Provision of the official gifts function continued under the contract entered into on 1 November 2002 with Jaymac Promotional Advertising Pty Ltd, in association with Beaver Galleries, Canberra.