

# OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

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## OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

### Section 1: Agency overview

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

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

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

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

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

Output 1.1 – Support of the Governor-General

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

**Table 1.1: Agency outcomes and output groups**

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

## Section 2: Agency resources for 2005–06

### **2.1: APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the Office of the Official Secretary to the Governor-General in the 2005–06 Budget is \$13.903 million, which includes \$11.055 million departmental, \$1.547 million administered and \$1.301 capital.

**Table 2.1: Appropriations and other revenue 2005–06 ('000)**

Outcome	Appropriations					Other revenue available to be used <sup>5</sup>		Total resources <sup>7</sup>
	\$'000	\$'000	\$'000	\$'000	% <sup>6</sup>	\$'000	% <sup>6</sup>	\$'000
	Bill No. 1	Bill No. 2 <sup>2</sup>	Special approp <sup>3</sup>	Total approp <sup>4</sup>				
<b>Outcome 1</b> – The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment								
Administered	1,182	-	365	1,547	100.0%	-	0.0%	1,547
Departmental	11,055	-	-	11,055	99.1%	96	0.9%	11,151
<b>Total outcome 1</b>	<b>12,237</b>		<b>365</b>	<b>12,602</b>	<b>99.2%</b>	<b>96</b>	<b>0.8%</b>	<b>12,698</b>
<b>Total agency</b>	<b>12,237</b>	<b>-</b>	<b>365</b>	<b>12,602</b>	<b>99.2%</b>	<b>96</b>	<b>0.8%</b>	<b>12,698</b>
Departmental capital (equity injections)	-	1,301	-	1,301	100.0%	-	0.0%	1,301
<b>Total resources</b>	<b>12,237</b>	<b>1,301</b>	<b>365</b>	<b>13,903</b>	<b>99.3%</b>	<b>96</b>	<b>0.7%</b>	<b>13,999</b>

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1 etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

5 Revenue from other sources includes FMA s. 31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental and Administered Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.

7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

## **2.2: 2005–06 BUDGET MEASURES**

Budget measures relating to the Office as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

**Table 2.2: Agency measures**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2006–07 (\$'000)			Appropriations forward estimate 2007–08 (\$'000)			Appropriations forward estimate 2008–09 (\$'000)		
			2005–06 (\$'000)		Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
			Admin expenses	Dept outputs										
<b>Expense Measures</b>														
Australian Honours and Awards System – enhanced administration	1	1.2	-	471	471	-	481	481	-	492	492	-	503	503
Australian Honours and Awards System – replacement building	1	1.2	-	328	328	-	146	146	-	-	-	-	-	-
Vice Regal Heritage Property Master Plan – implementation	1	1.1	-	872	872	-	641	641	-	890	890	-	991	991
Connection to FedLink	1	1.1	-	102	102	-	65	65	-	67	67	-	68	68
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent	1	All		(22)	(22)		(48)	(48)		(76)	(76)		(76)	(76)
<b>Total Expenses</b>			-	<b>1,751</b>	<b>1,751</b>	-	<b>1,285</b>	<b>1,285</b>	-	<b>1,373</b>	<b>1,373</b>	-	<b>1,486</b>	<b>1,486</b>
<b>Capital measures</b>														
Australian Honours and Awards System – replacement building	1	1.2	-	-	-	-	980	980	-	-	-	-	-	-
Vice Regal Heritage Property Master Plan – implementation	1	1.1	-	542	542	-	1,331	1,331	-	1,468	1,468	-	996	996
<b>Total Capital</b>			-	<b>542</b>	<b>542</b>	-	<b>2,311</b>	<b>2,311</b>	-	<b>1,468</b>	<b>1,468</b>	-	<b>996</b>	<b>996</b>

See Budget Paper No. 2 for an explanation of the measures in this table.

## 2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and includes FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

**Table 2.3: Other receipts available to be used**

Outcome	Estimated receipts 2004–05 \$'000	Budget estimate 2005–06 \$'000
<b>Departmental other receipts</b>		
Sale of goods and services	21	21
Proceeds from sale of property, plant and equipment	50	50
<b>Total departmental other receipts available to be used</b>	<b>71</b>	<b>71</b>

This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

## 2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05 TO 2005–06

The Office has no movement of administered funds from 2004–05 to 2005–06.

## 2.5: SPECIAL APPROPRIATIONS

The Office receives funding under the *Governor-General Act 1974* for the payment of the salary of the Governor-General. The annual sum payable for the term of office of the Governor-General is set by section 3 of the Act.

**Table 2.4: Estimates of expenses from special appropriations**

Outcome	Estimated expenses 2004–05 \$'000	Budget estimate 2005–06 \$'000
<b>Estimated expenses</b>		
Governor-General's Salary <i>Governor-General Act 1974 (A)</i>	1      365	365
<b>Total estimate expenses</b>	<b>365</b>	<b>365</b>

A = Administered



## **2.6: SPECIAL ACCOUNTS**

The Office has not processed any transactions in either of its special accounts in 2004-05, and it is not estimated that any transactions will occur in 2005-06.

## **2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Office will receive \$1.301 million in departmental equity injection in 2005-06 (see Tables 2.1 and 5.4) for:

- The construction of a replacement building at Government House, Yarralumla, to provide appropriate office accommodation for the Honours and Awards Secretariat, which is currently housed in inadequate former residential accommodation dating back to the 1920s. In 2005-06, \$0.264 million in departmental equity injection funding will be provided, with a further \$1.224 million provided in 2006-07. The estimated capital cost of construction of the replacement building is \$3.688 million. The Office will contribute \$2.2 million in funds from cash reserves to partly offset the construction cost.
- Implementation of the ten-year Heritage Property Master Plan for both Government House, Yarralumla, and Admiralty House, Sydney, for the strategic development, repair and maintenance of the official residences of the Governor-General. In 2005-06, \$1.037 million in departmental equity injection will be provided to fund the first year of the plan. Over the forward estimates period to 2008-09, further department equity injections of \$5.977 million will be provided.

## Section 3: Agency outcomes

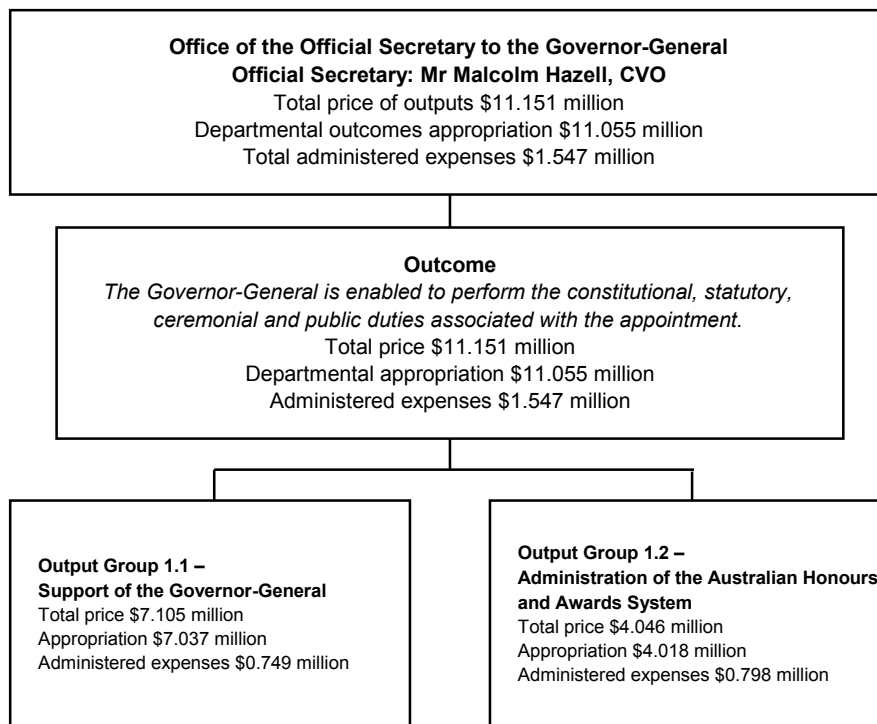
This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the one outcome of the Office of the Official Secretary to the Governor-General.

### 3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between the activities of the Office, its outcome and outputs is summarised in Figure 1. There has been no change in the outcome or output structure for the Office from the 2004–05 Portfolio Budget Statements.

In estimating the pricing of the Office’s two outputs, consideration was given to the estimate of resources directly consumed by the outputs together with a proportional allocation of overheads. Factors considered in the allocation of overheads include staffing levels, areas of floor space occupied and information technology requirements.

**Figure 1: Outcomes and output groups and administered items**



### 3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

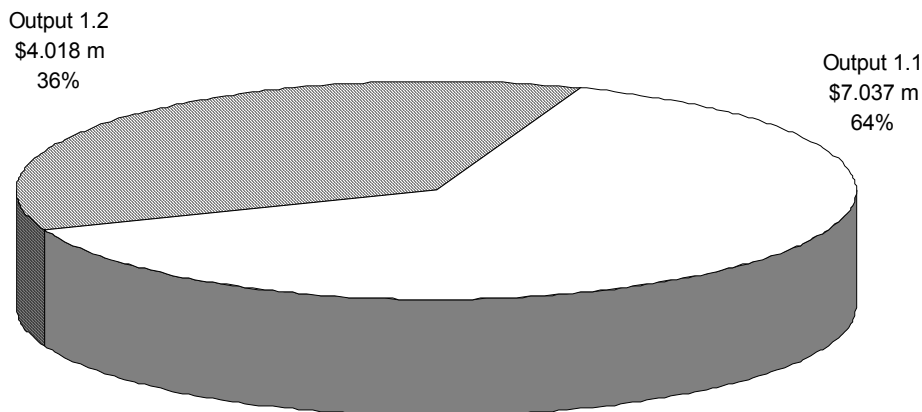
In the 2005–06 Budget, the Office will receive additional appropriation for a number of initiatives as set out below:

- \$1.946 million over four years (ongoing) for five additional case officers for the Honours and Awards Secretariat for the researching and processing of nominations in the national awards system
- \$1.453 million over two years (including \$0.980 million in capital) for the construction of a new building for the Honours and Awards Secretariat, to replace the existing inadequate accommodation
- \$7.7 million (including \$4.3 million in capital) over four years from 2005–06 to support the implementation of the ten-year Heritage Property Master Plan for the repair, maintenance and development of the vice-regal properties at Government House, Yarralumla, and Admiralty House, Kirribilli. Further additional funding of \$7.3 million (including \$4.1 million in capital) will be provided beyond the forward estimates to 2014–15.
- \$0.302 million over four years (ongoing) for the Office to connect, and maintain connection, to FedLink, for secure electronic communications amongst government departments and agencies.

#### Departmental appropriations by output

Figure 2 shows departmental appropriations by output for 2005–06.

**Figure 2: Departmental appropriations by output, 2005–06**

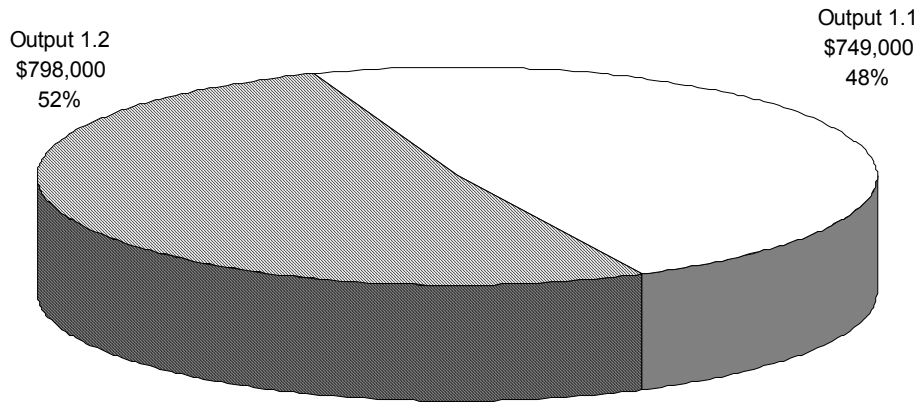


There has been an increase in the level of resources allocated to Output 1.2 in 2005–06 following an increase in the number of staff supporting the honours and awards

system. There have been increases of 76% in the underlying number of nominations received and 59% in the number of awards granted since 1998. Nominations continue to grow at a rate of around 12% per year. The additional staffing will assist the Office in addressing this increased workload.

### Administered appropriations by output

Figure 3: Administered appropriations by output, 2005–06



### 3.3: OUTCOMES RESOURCING

#### Outcome 1 resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

**Table 3.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000
<b>Administered appropriations</b>		
Governor-General's salary	365	365
Depreciation	374	384
Australian Honours and Awards	783	798
<b>Total administered appropriations</b>	<b>1,522</b>	<b>1,547</b>
<b>Departmental appropriations</b>		
Output Group 1		
Output 1.1 – Support the Governor-General	6,050	7,037
Output 1.2 – Administration of the Australian Honours and Awards System	3,109	4,018
<b>Total Output Group 1</b>	<b>9,159</b>	<b>11,055</b>
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>9,159</b>	<b>11,055</b>
<b>Revenue from other sources</b>		
Sale of goods and services	21	21
Proceeds on sale of assets	50	50
Resources received free of charge ( <i>note 1</i> )	25	25
<b>Total revenue from other sources</b>	<b>96</b>	<b>96</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>9,255</b>	<b>11,151</b>
<b>from Special Accounts (estimated payments from Special Account balances)</b>		
<b>Total departmental Special Account outflows</b>	-	-
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>10,777</b>	<b>12,698</b>
	2004–05	2005–06
<b>Average staffing level (number)</b>	<b>83</b>	<b>91</b>

## **Performance information for Outcome 1**

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

Output 1.1 resources are directed to:

- assisting Their Excellencies with their representational activities, including through planning and organising travel, liaising with representatives of governments, governmental authorities, Buckingham Palace, community groups and individuals, and preparing drafts of messages, speeches and correspondence; the output also provides advice on policy, precedent and practice
- managing the households at Government House, Yarralumla, and Admiralty House, Kirribilli, to a high standard through providing hospitality services for official functions, ongoing support for Their Excellencies while in residence, maintenance of the household assets and equipment, and driver services to the Governor-General
- managing and providing the caretaking, building maintenance and gardening functions at each of the official residences.

Output 1.2 resources are directed to:

- conducting comprehensive and independent research and analysis of nominations for awards
- providing high-level secretariat support to honours advisory bodies
- interpreting and applying gazetted regulations for defence, meritorious and long service awards to ensure that applicants meet eligibility criteria
- making cost-effective resource decisions for acquisition of timely and high-quality insignia, warrants and honours publications
- maintaining registers of all awards.

**Table 3.2: Performance information for Outcome 1**

<b>Effectiveness — overall achievement of Outcome 1</b>	
The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.	
<b>Performance information by output component</b>	
<b>Output and measurement</b>	<b>Performance information</b>
<b>Output group 1.1: Support of the Governor-General</b>	
Quality	The Governor-General is satisfied as to the level of support provided and standard of household operations management. Properties are maintained to high professional standards.
Quantity	Support of the Governor-General's programme of internal and external commitments. Management of household operations at Government House and Admiralty House. Management of Government House and Admiralty House heritage properties with 20 buildings and 55 hectares of grounds.
Price	\$7.105 million
<b>Administered item: Governor-General salary</b>	
Quality	The Governor-General receives salary in accordance with entitlements.
Price	\$0.365 million
<b>Administered item: Management of heritage properties</b>	
Quality	Heritage properties are managed in accordance with legislative requirements and to meet operational needs of the Governor-General and the Office – depreciation
Price	\$0.384 million
<b>Output group 1.2: Administration of the Australian Honours and Awards System</b>	
Quality	Satisfaction of the Awards and Bravery councils with secretariat support. Awards administration reflects gazetted regulations.
Quantity	4 Council meetings held. 2,200 nominations researched for OA/Bravery councils. 6,000 long service and occupation-based awards processed.
Price	\$4.046 million
<b>Administered item: Australian Honours medals, insignia, warrants and investiture items</b>	
Quality	Medals/insignia meet design specifications.
Quantity	An estimated 20,000 sets of medals/insignia to be purchased.
Price	\$0.798 million

### **Evaluations for Outcome 1**

The performance of the Office's activities is evaluated through both internal and external audits. The Audit Committee is an important part of the Office's evaluation strategy. Reviews conducted throughout the year are tabled at each Audit Committee meeting and members consider the findings and recommendations. Agreed recommendations are incorporated into the Office's practices and procedures. The Audit Committee is chaired by the Official Secretary.

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

The Office is also covered by the programme of the Australian National Audit Office (ANAO) and may be involved in some cross-portfolio audits or benchmarking activities.



## Section 4: Other reporting requirements

### **4.1: PURCHASER–PROVIDER ARRANGEMENTS**

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

### **4.2: COST RECOVERY ARRANGEMENTS**

The Office has no cost recovery arrangements with other agencies.

### **4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

The Office has no specific Indigenous expenditure programmes.

## Section 5: Budgeted financial statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

#### Departmental

##### Statement of financial performance

The Office is budgeting for a balanced budget in 2005–06 before the transfer of capital expenditure on completed works to the administered accounts.

Total revenue and expenses are estimated at \$11.151 million in 2005–06. This is an increase of \$1.896 million on the 2004–05 appropriation. The increase is principally due to a number of new measures for the Office. These are an increase of five staff for the Honours and Awards Secretariat (\$0.471 million); temporary accommodation and project staff associated with the construction of a replacement building for the Honours and Awards Secretariat (\$0.328 million); increased repairs and maintenance costs and project staffing associated with the implementation of the ten-year Heritage Property Master Plan (\$0.872 million); and increased funding for the Office to connection to FedLink (\$0.102 million).

##### Statement of financial position

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

The Office's primary liability is accrued employee entitlements.

#### Administered

##### Budgeted revenue and expenses

The Office will receive appropriation revenue of \$ 1.547 million in 2005–06. This is an increase of \$0.025 million on the 2004–05 appropriation. The increase in funding reflects the application of cost indexes for the Office's budget (\$0.15 million) and a small increase in depreciation expenses (\$0.010 million).

##### Budgeted assets and liabilities

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

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	9,159	11,055	10,858	11,647	11,894
Goods and services	21	21	22	22	22
Resources received free of charge (note 1)	25	25	25	25	23
Revenue from sales of assets	50	50	50	50	50
<b>Revenues from ordinary activities</b>	<b>9,255</b>	<b>11,151</b>	<b>10,955</b>	<b>11,744</b>	<b>11,989</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	5,501	6,417	6,607	6,826	7,073
Suppliers	3,412	4,251	3,786	4,329	4,302
Depreciation and amortisation	292	433	512	539	564
Expenses on asset sales	50	50	50	50	50
<b>Expenses from ordinary activities</b>	<b>9,255</b>	<b>11,151</b>	<b>10,955</b>	<b>11,744</b>	<b>11,989</b>
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer of assets to Administered (note 2)	198	900	5,149	1,887	2,242
<b>Net surplus or (deficit)</b>	<b>(198)</b>	<b>(900)</b>	<b>(5,149)</b>	<b>(1,887)</b>	<b>(2,242)</b>

**Table 5.2: Budgeted departmental statement of financial position as at 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	300	300	300	300	300
Receivables	5,366	2,843	3,128	3,523	3,884
<b>Total financial assets</b>	<b>5,666</b>	<b>3,143</b>	<b>3,428</b>	<b>3,823</b>	<b>4,184</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	1,067	3,530	1,419	1,654	996
Heritage and cultural assets	-	-	-	-	-
Inventories	77	78	79	80	80
Intangibles	10	558	407	255	204
Other non-financial assets	12	12	12	12	12
<b>Total non-financial assets</b>	<b>1,166</b>	<b>4,178</b>	<b>1,917</b>	<b>2,001</b>	<b>1,292</b>
<b>Total assets</b>	<b>6,832</b>	<b>7,321</b>	<b>5,345</b>	<b>5,824</b>	<b>5,476</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	1,560	1,641	1,702	1,788	1,856
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>1,560</b>	<b>1,641</b>	<b>1,702</b>	<b>1,788</b>	<b>1,856</b>
<b>Payables</b>					
Suppliers	303	309	315	321	327
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>303</b>	<b>309</b>	<b>315</b>	<b>321</b>	<b>327</b>
<b>Total liabilities</b>	<b>1,863</b>	<b>1,950</b>	<b>2,017</b>	<b>2,109</b>	<b>2,183</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	4,161	5,463	8,569	10,844	12,664
Reserves	59	59	59	59	59
Retained surpluses or accumulated deficits	749	(151)	(5,300)	(7,188)	(9,430)
<b>Total parent entity interest</b>	<b>4,969</b>	<b>5,371</b>	<b>3,328</b>	<b>3,715</b>	<b>3,293</b>
<b>Total equity</b>	<b>6,832</b>	<b>7,321</b>	<b>5,345</b>	<b>5,824</b>	<b>5,476</b>
<b>Current assets</b>	<b>5,755</b>	<b>3,233</b>	<b>3,518</b>	<b>3,915</b>	<b>4,276</b>
<b>Non-current assets</b>	<b>1,077</b>	<b>4,088</b>	<b>1,827</b>	<b>1,909</b>	<b>1,200</b>
<b>Current liabilities</b>	<b>1,142</b>	<b>1,200</b>	<b>1,237</b>	<b>1,298</b>	<b>1,340</b>
<b>Non-current liabilities</b>	<b>721</b>	<b>750</b>	<b>780</b>	<b>811</b>	<b>843</b>

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

**Table 5.3: Budgeted departmental statement of cash flows  
for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	21	21	22	22	22
Appropriations	8,859	13,578	10,572	11,252	11,533
<b>Total cash received</b>	<b>8,880</b>	<b>13,599</b>	<b>10,594</b>	<b>11,274</b>	<b>11,555</b>
<b>Cash used</b>					
Employees	5,623	6,336	6,546	6,740	7,007
Suppliers	3,383	4,220	3,755	4,298	4,273
<b>Total cash used</b>	<b>9,006</b>	<b>10,556</b>	<b>10,301</b>	<b>11,038</b>	<b>11,280</b>
<b>Net cash from or (used by) operating activities</b>	<b>(126)</b>	<b>3,043</b>	<b>293</b>	<b>236</b>	<b>275</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	725	1,301	3,106	2,273	1,822
Proceeds from sales of property, plant and equipment	50	50	50	50	50
<b>Total cash received</b>	<b>775</b>	<b>1,351</b>	<b>3,156</b>	<b>2,323</b>	<b>1,872</b>
<b>Cash used</b>					
New capital works	247	3,480	3,055	2,236	1,792
Purchase of property, plant and equipment	402	914	394	323	355
<b>Total cash used</b>	<b>649</b>	<b>4,394</b>	<b>3,449</b>	<b>2,559</b>	<b>2,147</b>
<b>Net cash from or (used by) investing activities</b>	<b>126</b>	<b>(3,043)</b>	<b>(293)</b>	<b>(236)</b>	<b>(275)</b>
<b>Net increase or (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	300	300	300	300	300
<b>Cash at the end of the reporting period</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>

**Table 5.4: Departmental capital budget statement**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections ( <i>note 3</i> )	725	1,301	3,106	2,273	1,822
<b>Total capital appropriations</b>	725	1,301	3,106	2,273	1,822
<b>Represented by:</b>					
Purchase of non-financial assets	725	1,301	3,106	2,273	1,822
<b>Total represented by</b>	725	1,301	3,106	2,273	1,822
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	725	1,301	3,106	2,273	1,822
Funded internally by departmental resources	402	314	394	323	355
<b>Total</b>	1,127	1,615	3,500	2,596	2,177

**Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005–06)**

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2005</b>									
Gross book value	-	-	253	-	1,530	-	254	-	2,037
Accumulated depreciation	-	-	-	-	(716)	-	(244)	-	(960)
<b>Opening net book value</b>	-	-	<b>253</b>	-	<b>814</b>	-	<b>10</b>	-	<b>1,077</b>
Additions ( <i>note 3</i> )	-	-	3,480	-	314	-	600	-	4,394
Disposals	-	-	-	-	(95)	-	-	-	(95)
Depreciation/amortisation expense	-	-	-	-	(336)	-	(52)	-	(388)
Transfer to Administered assets ( <i>note 5</i> )	-	-	(900)	-	-	-	-	-	(900)
<b>As at 30 June 2006</b>	-	-	<b>2,833</b>	-	<b>697</b>	-	<b>558</b>	-	<b>4,088</b>
Gross book value	-	-	2,833	-	1,844	-	854	-	5,531
Accumulated depreciation	-	-	-	-	(1,147)	-	(296)	-	(1,443)
<b>Closing net book value</b>	-	-	<b>2,833</b>	-	<b>697</b>	-	<b>558</b>	-	<b>4,088</b>

**Table 5.6: Schedule of budgeted revenues and expenses administered on behalf of government for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimates 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation (revenues from government)</b>					
Revenues from government	1,522	1,547	1,558	1,573	1,593
Other sources of non-taxation revenues	13	13	13	13	13
<b>Total non-taxation</b>	<b>1,535</b>	<b>1,560</b>	<b>1,571</b>	<b>1,586</b>	<b>1,606</b>
<b>Total revenues administered on behalf of government</b>	<b>1,535</b>	<b>1,560</b>	<b>1,571</b>	<b>1,586</b>	<b>1,606</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Personal benefits	365	365	365	365	365
Suppliers	783	798	805	820	831
Depreciation and amortisation	374	384	388	388	397
Write-down of assets	-	337	-	-	-
Other – remitted funds	13	13	13	13	13
<b>Total expenses administered on behalf of government</b>	<b>1,535</b>	<b>1,897</b>	<b>1,571</b>	<b>1,586</b>	<b>1,606</b>
Transfer of assets from Departmental (note 2)	198	900	5,149	1,887	2,242
<b>Net surplus or (deficit)</b>	<b>198</b>	<b>563</b>	<b>5,149</b>	<b>1,887</b>	<b>2,242</b>



**Table 5.7: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash	-	-	-	-	-
Receivables	503	887	1,275	1,663	2,060
<b>Total financial assets</b>	503	887	1,275	1,663	2,060
<b>Non-financial assets</b>					
Land and buildings	60,278	60,582	65,439	67,021	68,943
Infrastructure, plant and equipment	1,913	1,787	1,692	1,609	1,532
Heritage and cultural assets	5,788	5,788	5,788	5,788	5,788
<b>Total non-financial assets</b>	67,979	68,157	72,919	74,418	76,263
<b>Total assets administered on behalf of government</b>	68,482	69,044	74,194	76,081	78,323
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	120	120	120	120	120
<b>Total payables</b>	120	120	120	120	120
<b>Total liabilities administered on behalf of government</b>	120	120	120	120	120

**Table 5.8: Schedule of budgeted administered cash flows for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations from government	1,148	1,163	1,170	1,185	1,196
Other	13	13	13	13	13
<b>Total cash received</b>	<b>1,161</b>	<b>1,176</b>	<b>1,183</b>	<b>1,198</b>	<b>1,209</b>
<b>Cash used</b>					
Personal benefits	365	365	365	365	365
Suppliers	783	798	805	820	831
Other	13	13	13	13	13
<b>Total cash used</b>	<b>1,161</b>	<b>1,176</b>	<b>1,183</b>	<b>1,198</b>	<b>1,209</b>
<b>Net cash from/(used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.9: Schedule of property, plant, equipment and intangibles — summary of movement (Budget year 2005–06)**

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2005</b>									
Gross book value	52,420	-	8,522	-	2,150	5,788	-	-	68,880
Accumulated depreciation	-	-	(665)	-	(237)	-	-	-	(902)
<b>Opening net book value</b>	<b>52,420</b>	<b>-</b>	<b>7,857</b>	<b>-</b>	<b>1,913</b>	<b>5,788</b>	<b>-</b>	<b>-</b>	<b>67,978</b>
Additions ( <i>note 4</i> )	-	-	900	-	-	-	-	-	900
Depreciation/amortisation expense	-	-	(258)	-	(126)	-	-	-	(384)
Write-down of asset	-	-	(337)	-	-	-	-	-	(337)
<b>As at 30 June 2006</b>	<b>52,420</b>	<b>-</b>	<b>8,162</b>	<b>-</b>	<b>1,787</b>	<b>5,788</b>	<b>-</b>	<b>-</b>	<b>68,157</b>
Gross book value	52,420	-	9,085	-	2,150	5,788	-	-	69,443
Accumulated depreciation	-	-	(923)	-	(363)	-	-	-	(1,286)
<b>Closing net book value</b>	<b>52,420</b>	<b>-</b>	<b>8,162</b>	<b>-</b>	<b>1,787</b>	<b>5,788</b>	<b>-</b>	<b>-</b>	<b>68,157</b>

### **5.3: NOTES TO THE FINANCIAL STATEMENTS**

The notes below link back to the financial statements.

#### **Resources received free of charge**

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

#### **Capitalisation of assets derived from capital works activity**

**Note 2.** Under the Office's accounting policy (agreed with the ANAO) the buildings, property, household furniture and fine arts of the Governor-General's official establishments and his primary official vehicle are classed as administered assets. Capital improvements to the official establishments are presently purchased from departmental appropriations and are recorded in the operating statements as a departmental expense. The approved accounting treatment that enables capitalisation of these assets as administered in the financial statements requires recognition of an extraordinary expense in the *Budgeted departmental statement of financial performance* (Table 5.1) and as an abnormal item of revenue in the *Schedule of budgeted administered revenue and expenses administered on behalf of the government* (Table 5.6).

**Note 3.** As advised under 'Administered capital and departmental equity injections and loans' in Section 2.7, departmental equity injection is being provided for the implementation of the Heritage Property Master Plan covering both Admiralty House and Government House, and the construction of a replacement building for the Honours and Awards Secretariat.

The funding for capital works allocated in 2005-06 is estimated to be fully spent. Where, because of changes in priorities or through delays in project implementation, funds are not spent in a particular year of appropriation, the funds are carried forward to future years to meet the Office's capital works requirements.

**Note 4.** This refers to the planned capital improvements to the official establishments in 2005-06 being funded from departmental equity injections for capital works (see Note 3). In keeping with the Office's current accounting policy (see Note 2), these capital improvements are funded from a departmental capital injection and are then transferred to the administered accounts for capitalisation.