

# OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

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

### Section 1: 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 public 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*. The Official Secretary together with staff constitute the Office of the Official Secretary to the Governor-General (the Office). 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.

### **1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES**

The products and services delivered by the Office (outputs and administered policies, products and services) which contribute to achievement of outcomes for the Office of the Official Secretary to the Governor-General are summarised in Table 1.1.

**Table 1.1: Contribution to outcomes**

| 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 1.1<br>Support of the Governor-General<br>Output 1.2<br>Administration of the Australian Honours and Awards System |

## Section 2: Resources for 2007–08

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

Table 2.1 shows the total resources from all origins for 2007–08, including appropriations. The table summarises how resources 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 2007–08 Budget is \$15.7 million, which includes \$11.7 million for departmental, \$1.6 million for administered and \$2.4 million for capital.

### **2.2 2007–08 BUDGET MEASURES**

There are no Budget measures relating to the Office of the Official Secretary to the Governor-General in the 2007–08 Budget.

**Table 2.1: Appropriations and other resources 2007–08 ('000)**

**Prime Minister and Cabinet Portfolio**  
Agency Resourcing—2007–08

|                                                                             | Departmental                          |                                       |                                    |                           | Administered                          |                                |                                   |                                    |                           | Total         |
|-----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|---------------------------|---------------------------------------|--------------------------------|-----------------------------------|------------------------------------|---------------------------|---------------|
|                                                                             | Appropriation<br>Bill No. 1<br>\$'000 | Appropriation<br>Bill No. 2<br>\$'000 | Special<br>Appropriation<br>\$'000 | Receipts<br>(a)<br>\$'000 | Appropriation<br>Bill No. 1<br>\$'000 | Appropriation<br>SPP<br>\$'000 | Bill No. 2<br>Other (b)<br>\$'000 | Special<br>Appropriation<br>\$'000 | Receipts<br>(a)<br>\$'000 |               |
| <b>Office of the<br/>Official Secretary<br/>to the<br/>Governor-General</b> |                                       |                                       |                                    |                           |                                       |                                |                                   |                                    |                           |               |
| Outcome 1                                                                   | 11,658                                | -                                     | -                                  | 72                        | 1,225                                 | -                              | -                                 | 365                                | -                         | 13,320        |
| Equity injections                                                           | -                                     | 2,381                                 | -                                  | -                         | -                                     | -                              | -                                 | -                                  | -                         | 2,381         |
| <b>TOTAL</b>                                                                | <b>11,658</b>                         | <b>2,381</b>                          | <b>-</b>                           | <b>72</b>                 | <b>1,225</b>                          | <b>-</b>                       | <b>-</b>                          | <b>365</b>                         | <b>-</b>                  | <b>15,701</b> |

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used (does not include resources received free of charge).

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

Notes:

1. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new administered expenses within new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
2. Refer to Budgeted Income Statement for application of agency revenue.

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.2 provides details of resources obtained by the department/agency for provision of goods or services. These resources are approved for use by the department/agency and are included in Table 2.1.

**Table 2.2: Other resources available to be used**

|                                                                    | Estimated<br>receipts<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 |
|--------------------------------------------------------------------|--------------------------------------------|-----------------------------------------|
| <b>Departmental resources</b>                                      |                                            |                                         |
| Sale of goods and services (FMA Act s. 31)                         | 22                                         | 22                                      |
| Proceeds from sale of property plant and equipment (FMA Act s. 31) | 50                                         | 50                                      |
| Resources received free of charge                                  | 25                                         | 25                                      |
| <b>Total departmental other resources available to be used</b>     | <b>97</b>                                  | <b>97</b>                               |

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

## 2.4 MOVEMENT OF ADMINISTERED FUNDS

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

## 2.5 SPECIAL APPROPRIATIONS

**Table 2.3: Estimates of expenses from special appropriations**

|                                                            | Outcome | Estimated<br>expenses<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 |
|------------------------------------------------------------|---------|--------------------------------------------|-----------------------------------------|
| <b>Estimated expenses</b>                                  |         |                                            |                                         |
| Governor-General's Salary                                  | 1       | 365                                        | 365                                     |
| <i>Commonwealth of Australia Constitution Act s. 3 (A)</i> |         |                                            |                                         |
| <b>Total estimate expenses</b>                             |         | <b>365</b>                                 | <b>365</b>                              |

A = administered

## 2.6 MOVEMENTS IN SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part.

Table 2.4 shows the expected additions (credits) and reductions (debits) for each account used by the Office.

**Table 2.4: Estimates of Special Account cash flows and balances**

|                                                                                                              | Opening<br>balance<br><b>2007-08</b> | Receipts<br><b>2007-08</b> | Payments<br><b>2007-08</b> | Adjustments<br><b>2007-08</b> | Closing<br>balance<br><b>2007-08</b> |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|----------------------------|-------------------------------|--------------------------------------|
|                                                                                                              | 2006-07                              | 2006-07                    | 2006-07                    | 2006-07                       | 2006-07                              |
|                                                                                                              | Outcome                              | \$'000                     | \$'000                     | \$'000                        | \$'000                               |
| Other Trust Moneys Account (D)<br><i>FMA Act 1997 s. 20<sup>1</sup></i>                                      | 1                                    | -                          | 25                         | 25                            | -                                    |
|                                                                                                              |                                      | -                          | 28                         | 28                            | -                                    |
| Services for other Governments and<br>Non-Agency Bodies Account (D)<br><i>FMA Act 1997 s. 20<sup>1</sup></i> | 1                                    | -                          | -                          | -                             | -                                    |
|                                                                                                              |                                      | -                          | -                          | -                             | -                                    |
| <b>Total special accounts</b>                                                                                |                                      |                            |                            |                               |                                      |
| <b>2007-08 Budget estimate</b>                                                                               |                                      | -                          | 25                         | 25                            | -                                    |
| Total special accounts                                                                                       |                                      |                            |                            |                               |                                      |
| 2006-07 estimate actual                                                                                      |                                      | -                          | 28                         | 28                            | -                                    |

D = departmental; A = administered

a Legal authority: *Financial Management and Accountability Act 1997*, s. 20

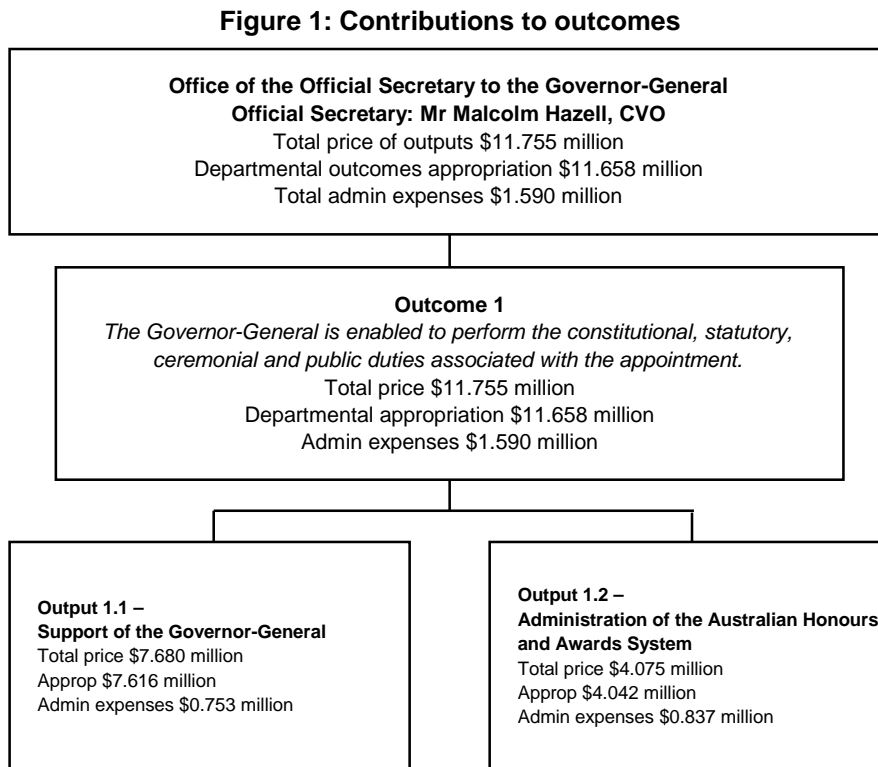


### Section 3: Outcomes

This section summarises how the resources identified in Section 2 will be used to contribute to the single outcome of the Office of the Official Secretary to the Governor-General. Emphasis is placed on estimating the contribution to outcomes through administered items and outputs delivered by the agency. Key performance measures and performance evaluation activities are specified for each outcome. More detailed information on output and administered item attributes is maintained by agencies for internal management purposes.

#### 3.1 SUMMARY OF OUTPUTS AND CONTRIBUTION TO OUTCOME

The relationship between activities of the Office and the outcomes is summarised in Figure 1.



### 3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

#### 3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007–08 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1: Total resources for Outcome 1**

|                                                                            | Estimated<br>actual<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 |
|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|
| <b>Administered appropriations</b>                                         |                                          |                                         |
| Governor-General's salary                                                  | 365                                      | 365                                     |
| Depreciation                                                               | 388                                      | 388                                     |
| Australian Honours and Awards                                              | 808                                      | 837                                     |
| <b>Total administered appropriations</b>                                   | <b>1,561</b>                             | <b>1,590</b>                            |
| <b>Departmental appropriations</b>                                         |                                          |                                         |
| Output Group 1                                                             |                                          |                                         |
| Output 1.1 – Support of the Governor-General                               | 6,923                                    | 7,616                                   |
| Output 1.2 – Administration of the Australian Honours<br>and Awards System | 3,915                                    | 4,042                                   |
| <b>Subtotal Output Group 1</b>                                             |                                          |                                         |
| <b>Total revenue from government (appropriations)</b>                      | <b>10,838</b>                            | <b>11,658</b>                           |
| <b>Contributing to price of departmental outputs</b>                       |                                          |                                         |
| <b>Revenue from other sources</b>                                          |                                          |                                         |
| Sale of goods and services                                                 | 22                                       | 22                                      |
| Proceeds on sale of assets                                                 | 50                                       | 50                                      |
| Resources received free of charge                                          | 25                                       | 25                                      |
| <b>Total revenue from other sources</b>                                    | <b>97</b>                                | <b>97</b>                               |
| <b>Total price from departmental outputs</b>                               |                                          |                                         |
| (Total revenue from government and from other sources)                     | 10,935                                   | 11,755                                  |
| <b>Total estimated resourcing for Outcome 1</b>                            |                                          |                                         |
| (Total price of outputs and administered appropriations)                   | 12,496                                   | 13,345                                  |
|                                                                            | 2006–07                                  | 2007–08                                 |
| <b>Average staffing level (number)</b>                                     | <b>88</b>                                | <b>91</b>                               |

#### 3.2.2 Measures affecting Outcome 1

There are no new measures affecting the Office's Outcome for the budget year.

### 3.2.3 Contributions to achievement of 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 functions and events, 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, Canberra, and Admiralty House, Sydney, to a high standard through providing hospitality services for official functions, ongoing support for Their Excellencies while in residence and servicing the needs of visiting Royalty, heads of state and other guests who remain at one of the residences during visits to Australia
- managing and providing property development and maintenance, caretaking, and gardening functions at each of the Office's 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
- the procurement of high-quality insignia, warrants and honours publications
- maintaining the official registers of all national awards.

### 3.2.4 Performance information for Outcome 1

Performance information for administered items, individual outputs and output groups relating to the Office of the Official Secretary to the Governor-General are summarised in Table 3.2.

**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 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.<br>Properties are maintained to high professional standards.                                                                                                       |
| Quantity                                                                                                                                | Support of the Governor-General's programme of internal and external commitments.<br>Management of household operations at Government House and Admiralty House.<br>Management of Government House and Admiralty House heritage properties, with 20 buildings and 55 hectares of grounds. |
| Price                                                                                                                                   | \$7.680 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 component only)                                                                                                            |
| Price                                                                                                                                   | \$0.388 million                                                                                                                                                                                                                                                                           |
| <b>Output 1.2: Administration of the Australian Honours and Awards System</b>                                                           |                                                                                                                                                                                                                                                                                           |
| Quality                                                                                                                                 | Satisfaction of the Awards and Bravery councils with secretariat support.<br>Awards administration reflects gazetted regulations.                                                                                                                                                         |
| Quantity                                                                                                                                | 4 Council meetings held.<br>2,340 nominations researched for OA/Bravery councils.<br>7,600 long service and occupation-based awards processed.                                                                                                                                            |
| Price                                                                                                                                   | \$4.075 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                                                                                                                                   | \$0.837 million                                                                                                                                                                                                                                                                           |

### **3.2.5 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**

Agencies may need to provide resources to other general government sector bodies, for example in payment for services rendered or as part of cross-agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not equal total resourcing at the whole-of-government level (as reproduced in Budget Paper No. 1).

The 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**

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 2007-08 before the transfer of capital expenditure on completed works to the administered accounts.

Total revenue and expenses are estimated at \$11.8 million in 2007-08. This is an increase of \$0.8 million on the 2006-07 appropriation. The increase is principally due to variations in the cost of works and maintenance associated with the implementation of the property works programme (compared to the 2006-07 programme) and parameter adjustments to the Office's budget estimates.

##### **Statement of financial position**

Movement in the Office's net asset position is principally the result of the implementation of the property works programme and the construction of a replacement building for the Honours and Awards Secretariat. Capital works projects are funded in departmental expenses and on completion of the project 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 \$1.6 million in 2007-08. This is an increase of \$0.03 million on the 2006-07 appropriation. The increase in funding is due to the application of parameter adjustments to the Office's budget estimates.

##### **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 income statement (for the period ended 30 June)**

|                                                                        | Estimated<br>actual<br>2006-07<br>\$'000 | Budget<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 | Forward<br>estimate<br>2009-10<br>\$'000 | Forward<br>estimate<br>2010-11<br>\$'000 |
|------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| <b>INCOME</b>                                                          |                                          |                                         |                                          |                                          |                                          |
| <b>Revenue</b>                                                         |                                          |                                         |                                          |                                          |                                          |
| Revenues from government                                               | 10,838                                   | 11,658                                  | 11,861                                   | 11,811                                   | 11,828                                   |
| Goods and services                                                     | 22                                       | 22                                      | 22                                       | 22                                       | 22                                       |
| Resources received free of charge <sup>a</sup>                         | 25                                       | 25                                      | 23                                       | 23                                       | 30                                       |
| <b>Total revenue</b>                                                   | <b>10,885</b>                            | <b>11,705</b>                           | <b>11,906</b>                            | <b>11,856</b>                            | <b>11,880</b>                            |
| <b>Gains</b>                                                           |                                          |                                         |                                          |                                          |                                          |
| Sale of assets                                                         | 50                                       | 50                                      | 50                                       | 50                                       | 50                                       |
| <b>Total gains</b>                                                     | <b>50</b>                                | <b>50</b>                               | <b>50</b>                                | <b>50</b>                                | <b>50</b>                                |
| <b>Total income</b>                                                    | <b>10,935</b>                            | <b>11,755</b>                           | <b>11,956</b>                            | <b>11,906</b>                            | <b>11,930</b>                            |
| <b>EXPENSE</b>                                                         |                                          |                                         |                                          |                                          |                                          |
| Employees                                                              | 6,370                                    | 7,147                                   | 7,392                                    | 7,658                                    | 8,010                                    |
| Suppliers                                                              | 4,003                                    | 4,019                                   | 3,950                                    | 3,599                                    | 3,236                                    |
| Depreciation and amortisation                                          | 512                                      | 539                                     | 564                                      | 599                                      | 634                                      |
| Expense on sale of assets                                              | 50                                       | 50                                      | 50                                       | 50                                       | 50                                       |
| <b>Total expenses</b>                                                  | <b>10,935</b>                            | <b>11,755</b>                           | <b>11,956</b>                            | <b>11,906</b>                            | <b>11,930</b>                            |
| <b>Surplus (Deficit) before income tax</b>                             | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Transfer of assets to administered <sup>a</sup><br>(deficit)           | (5,485)                                  | (1,887)                                 | (2,424)                                  | (3,058)                                  | (2,399)                                  |
| <b>Surplus (deficit) attributable<br/>to the Australian Government</b> | <b>(5,485)</b>                           | <b>(1,887)</b>                          | <b>(2,424)</b>                           | <b>(3,058)</b>                           | <b>(2,399)</b>                           |

<sup>a</sup> See Note 1 to the financial statements.



**Table 5.2: Budgeted departmental balance sheet (as at 30 June)**

|                                               | Estimated<br>actual<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 | Forward<br>estimate<br>2008–09<br>\$'000 | Forward<br>estimate<br>2009–10<br>\$'000 | Forward<br>estimate<br>2010–11<br>\$'000 |
|-----------------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| <b>ASSETS</b>                                 |                                          |                                         |                                          |                                          |                                          |
| <b>Financial assets</b>                       |                                          |                                         |                                          |                                          |                                          |
| Cash and equivalents                          | 300                                      | 300                                     | 300                                      | 300                                      | 300                                      |
| Trade and other receivables                   | 3,535                                    | 3,987                                   | 4,400                                    | 5,108                                    | 5,994                                    |
| <b>Total financial assets</b>                 | <b>3,835</b>                             | <b>4,287</b>                            | <b>4,700</b>                             | <b>5,408</b>                             | <b>6,294</b>                             |
| <b>Non-financial assets</b>                   |                                          |                                         |                                          |                                          |                                          |
| Infrastructure, plant and equipment           | 1,076                                    | 1,368                                   | 756                                      | 912                                      | 1,033                                    |
| Inventories                                   | 40                                       | 40                                      | 41                                       | 41                                       | 41                                       |
| Intangibles                                   | 478                                      | 327                                     | 277                                      | 226                                      | 175                                      |
| Other                                         | 36                                       | 36                                      | 36                                       | 36                                       | 36                                       |
| <b>Total non-financial assets</b>             | <b>1,630</b>                             | <b>1,771</b>                            | <b>1,109</b>                             | <b>1,215</b>                             | <b>1,285</b>                             |
| <b>Total assets</b>                           | <b>5,465</b>                             | <b>6,058</b>                            | <b>5,809</b>                             | <b>6,623</b>                             | <b>7,579</b>                             |
| <b>LIABILITIES</b>                            |                                          |                                         |                                          |                                          |                                          |
| <b>Provisions</b>                             |                                          |                                         |                                          |                                          |                                          |
| Employees                                     | 1,736                                    | 1,824                                   | 1,894                                    | 1,963                                    | 2,118                                    |
| <b>Total provisions</b>                       | <b>1,736</b>                             | <b>1,824</b>                            | <b>1,894</b>                             | <b>1,963</b>                             | <b>2,118</b>                             |
| <b>Payables</b>                               |                                          |                                         |                                          |                                          |                                          |
| Suppliers                                     | 487                                      | 497                                     | 507                                      | 517                                      | 527                                      |
| <b>Total payables</b>                         | <b>487</b>                               | <b>497</b>                              | <b>507</b>                               | <b>517</b>                               | <b>527</b>                               |
| <b>Total liabilities</b>                      | <b>2,223</b>                             | <b>2,321</b>                            | <b>2,401</b>                             | <b>2,480</b>                             | <b>2,645</b>                             |
| <b>Net assets</b>                             | <b>3,242</b>                             | <b>3,737</b>                            | <b>3,408</b>                             | <b>4,143</b>                             | <b>4,934</b>                             |
| <b>EQUITY<sup>a</sup></b>                     |                                          |                                         |                                          |                                          |                                          |
| <b>Parent entity interest</b>                 |                                          |                                         |                                          |                                          |                                          |
| Contributed equity                            | 8,654                                    | 11,036                                  | 12,950                                   | 16,743                                   | 19,933                                   |
| Reserves                                      | 44                                       | 44                                      | 44                                       | 44                                       | 44                                       |
| Retained surpluses or<br>accumulated deficits | (5,456)                                  | (7,343)                                 | (9,585)                                  | (12,644)                                 | (15,043)                                 |
| <b>Total parent entity interest</b>           | <b>3,242</b>                             | <b>3,737</b>                            | <b>3,408</b>                             | <b>4,143</b>                             | <b>4,934</b>                             |
| <b>Total equity</b>                           | <b>3,242</b>                             | <b>3,737</b>                            | <b>3,408</b>                             | <b>4,143</b>                             | <b>4,934</b>                             |
| <b>Current assets</b>                         | <b>3,911</b>                             | <b>4,363</b>                            | <b>4,777</b>                             | <b>5,485</b>                             | <b>6,371</b>                             |
| <b>Non-current assets</b>                     | <b>1,554</b>                             | <b>1,695</b>                            | <b>1,032</b>                             | <b>1,138</b>                             | <b>1,208</b>                             |
| <b>Current liabilities</b>                    | <b>1,442</b>                             | <b>1,494</b>                            | <b>1,540</b>                             | <b>1,584</b>                             | <b>1,713</b>                             |
| <b>Non-current liabilities</b>                | <b>811</b>                               | <b>827</b>                              | <b>860</b>                               | <b>895</b>                               | <b>931</b>                               |

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

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

|                                                            | Estimated<br>actual<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 | Forward<br>estimate<br>2008–09<br>\$'000 | Forward<br>estimate<br>2009–10<br>\$'000 | Forward<br>estimate<br>2010–11<br>\$'000 |
|------------------------------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| <b>OPERATING ACTIVITIES</b>                                |                                          |                                         |                                          |                                          |                                          |
| <b>Cash received</b>                                       |                                          |                                         |                                          |                                          |                                          |
| Goods and services                                         | 22                                       | 22                                      | 22                                       | 22                                       | 22                                       |
| Appropriations                                             | 12,156                                   | 11,205                                  | 11,448                                   | 11,103                                   | 10,942                                   |
| <b>Total cash received</b>                                 | <b>12,178</b>                            | <b>11,227</b>                           | <b>11,470</b>                            | <b>11,125</b>                            | <b>10,964</b>                            |
| <b>Cash used</b>                                           |                                          |                                         |                                          |                                          |                                          |
| Employees                                                  | 6,274                                    | 7,057                                   | 7,323                                    | 7,589                                    | 7,855                                    |
| Suppliers                                                  | 3,991                                    | 3,984                                   | 3,917                                    | 3,566                                    | 3,196                                    |
| <b>Total cash used</b>                                     | <b>10,265</b>                            | <b>11,042</b>                           | <b>11,241</b>                            | <b>11,155</b>                            | <b>11,051</b>                            |
| <b>Net cash from or (used by)<br/>operating activities</b> | <b>1,913</b>                             | <b>186</b>                              | <b>229</b>                               | <b>(30)</b>                              | <b>(88)</b>                              |
| <b>INVESTING ACTIVITIES</b>                                |                                          |                                         |                                          |                                          |                                          |
| <b>Cash received</b>                                       |                                          |                                         |                                          |                                          |                                          |
| Proceeds from sales of property,<br>plant and equipment    | 50                                       | 50                                      | 50                                       | 50                                       | 50                                       |
| <b>Total cash received</b>                                 | <b>50</b>                                | <b>50</b>                               | <b>50</b>                                | <b>50</b>                                | <b>50</b>                                |
| <b>Cash used</b>                                           |                                          |                                         |                                          |                                          |                                          |
| Purchase of property, plant<br>and equipment               | 4,081                                    | 2,236                                   | 1,792                                    | 3,558                                    | 2,899                                    |
| New capital works                                          | 1,073                                    | 381                                     | 401                                      | 254                                      | 252                                      |
| <b>Total cash used</b>                                     | <b>5,154</b>                             | <b>2,617</b>                            | <b>2,193</b>                             | <b>3,813</b>                             | <b>3,152</b>                             |
| <b>Net cash from or (used by)<br/>investing activities</b> | <b>(5,104)</b>                           | <b>(2,567)</b>                          | <b>(2,143)</b>                           | <b>(3,763)</b>                           | <b>(3,102)</b>                           |
| <b>FINANCING ACTIVITIES</b>                                |                                          |                                         |                                          |                                          |                                          |
| <b>Cash received</b>                                       |                                          |                                         |                                          |                                          |                                          |
| Appropriations – contributed equity                        | 3,191                                    | 2,382                                   | 1,914                                    | 3,793                                    | 3,190                                    |
| <b>Total cash received</b>                                 | <b>3,191</b>                             | <b>2,382</b>                            | <b>1,914</b>                             | <b>3,793</b>                             | <b>3,190</b>                             |
| <b>Cash used</b>                                           |                                          |                                         |                                          |                                          |                                          |
| Other                                                      | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Total cash used</b>                                     | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net cash from or (used by)<br/>financing activities</b> | <b>3,191</b>                             | <b>2,382</b>                            | <b>1,914</b>                             | <b>3,793</b>                             | <b>3,190</b>                             |
| <b>Net increase or (decrease)<br/>in cash held</b>         | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Cash at the beginning of<br>the reporting period           | 300                                      | 300                                     | 300                                      | 300                                      | 300                                      |
| <b>Cash at the end of the<br/>reporting period</b>         | <b>300</b>                               | <b>300</b>                              | <b>300</b>                               | <b>300</b>                               | <b>300</b>                               |

**Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007–08)**

|                                                                | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity |
|----------------------------------------------------------------|-------------------|---------------------------|----------------|----------------------------|--------------|
|                                                                | \$'000            | \$'000                    | \$'000         | \$'000                     | \$'000       |
| <b>Opening balance as at 1 July 2007</b>                       |                   |                           |                |                            |              |
| Balance carried forward from previous period                   | (5,456)           | 44                        | -              | 8,654                      | 3,242        |
| <b>Adjusted opening balance</b>                                | (5,456)           | 44                        | -              | 8,654                      | 3,242        |
| <b>Income and expense</b>                                      |                   |                           |                |                            |              |
| Income and expenses recognised directly in equity:             |                   |                           |                |                            |              |
| Gain/loss on revaluation of property                           | -                 | -                         | -              | -                          | -            |
| <b>Sub-total income and expense</b>                            | -                 | -                         | -              | -                          | -            |
| Surplus (deficit) for the period                               | (1,887)           | -                         | -              | -                          | (1,887)      |
| <b>Total income and expenses recognised directly in equity</b> | (1,887)           | -                         | -              | -                          | (1,887)      |
| <b>Transactions with owners</b>                                |                   |                           |                |                            |              |
| <i>Contribution by owners</i>                                  |                   |                           |                |                            |              |
| Appropriation (equity injection)                               | -                 | -                         | -              | 2,382                      | 2,382        |
| <b>Sub-total transactions with owners</b>                      | -                 | -                         | -              | 2,382                      | 2,382        |
| Transfers between equity components                            | -                 | -                         | -              | -                          | -            |
| <b>Estimated closing balance as at 30 June 2008</b>            | (7,343)           | 44                        | -              | 11,036                     | 3,737        |

**Table 5.5: Departmental capital budget statement**

|                                             | Estimated<br>actual<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 | Forward<br>estimate<br>2008–09<br>\$'000 | Forward<br>estimate<br>2009–10<br>\$'000 | Forward<br>estimate<br>2010–11<br>\$'000 |
|---------------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| <b>CAPITAL APPROPRIATIONS</b>               |                                          |                                         |                                          |                                          |                                          |
| Total equity injections <sup>a</sup>        | 3,191                                    | 2,381                                   | 1,914                                    | 3,793                                    | 3,190                                    |
| <b>Total capital appropriations</b>         | 3,191                                    | 2,381                                   | 1,914                                    | 3,793                                    | 3,190                                    |
| <b>Represented by:</b>                      |                                          |                                         |                                          |                                          |                                          |
| Purchase of non-financial assets            | 3,191                                    | 2,381                                   | 1,914                                    | 3,793                                    | 3,190                                    |
| <b>Total represented by</b>                 | 3,191                                    | 2,381                                   | 1,914                                    | 3,793                                    | 3,190                                    |
| <b>PURCHASE OF NON-FINANCIAL<br/>ASSETS</b> |                                          |                                         |                                          |                                          |                                          |
| Funded by capital appropriation             | 3,191                                    | 2,381                                   | 1,914                                    | 3,793                                    | 3,190                                    |
| Funded internally by                        |                                          |                                         |                                          |                                          |                                          |
| Departmental resources                      | 473                                      | 381                                     | 401                                      | 254                                      | 252                                      |
| <b>Total</b>                                | 3,664                                    | 2,762                                   | 2,315                                    | 4,047                                    | 3,442                                    |

a See Note 3 to the financial statements.

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

|                                         | Land   | Investment<br>property | Buildings  | Specialist<br>military<br>equipment | Other<br>infrastructure<br>plant and<br>equipment | Heritage<br>and cultural<br>assets | Computer<br>software | Other<br>intangibles | Total        |
|-----------------------------------------|--------|------------------------|------------|-------------------------------------|---------------------------------------------------|------------------------------------|----------------------|----------------------|--------------|
|                                         | \$'000 | \$'000                 | \$'000     | \$'000                              | \$'000                                            | \$'000                             | \$'000               | \$'000               | \$'000       |
| <b>As at 1 July 2007</b>                |        |                        |            |                                     |                                                   |                                    |                      |                      |              |
| Gross book value                        | -      | -                      | 397        | -                                   | 1,692                                             | -                                  | 888                  | -                    | 2,977        |
| Accumulated depreciation                | -      | -                      | -          | -                                   | (1,013)                                           | -                                  | (410)                | -                    | (1,423)      |
| <b>Opening net book value</b>           | -      | -                      | <b>397</b> | -                                   | <b>679</b>                                        | -                                  | <b>478</b>           | -                    | <b>1,554</b> |
| Additions:                              |        |                        |            |                                     |                                                   |                                    |                      |                      |              |
| by purchase <sup>a</sup>                | -      | -                      | 2,236      | -                                   | 381                                               | -                                  | -                    | -                    | -            |
| Depreciation/amortisation expense       | -      | -                      | -          | -                                   | (388)                                             | -                                  | (151)                | -                    | -            |
| Disposals:                              |        |                        |            |                                     |                                                   |                                    |                      |                      |              |
| other disposals                         | -      | -                      | -          | -                                   | (50)                                              | -                                  | -                    | -                    | -            |
| Transfer to Administered <sup>b</sup>   | -      | -                      | (1,887)    | -                                   | -                                                 | -                                  | -                    | -                    | -            |
| <b>As at 30 June 2008</b>               |        |                        |            |                                     |                                                   |                                    |                      |                      |              |
| Gross book value                        | -      | -                      | 746        | -                                   | 2,023                                             | -                                  | 888                  | -                    | 3,657        |
| Accumulated depreciation                | -      | -                      | -          | -                                   | (1,401)                                           | -                                  | (561)                | -                    | (1,962)      |
| <b>Estimated closing net book value</b> | -      | -                      | <b>746</b> | -                                   | <b>622</b>                                        | -                                  | <b>327</b>           | -                    | <b>1,695</b> |

a See Note 3 to the financial statements.

b See Note 4 to the financial statements.

**Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

|                                                                | Estimated<br>actual<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 | Forward<br>estimate<br>2008–09<br>\$'000 | Forward<br>estimate<br>2009–10<br>\$'000 | Forward<br>estimate<br>2010–11<br>\$'000 |
|----------------------------------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| <b>INCOME ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>         |                                          |                                         |                                          |                                          |                                          |
| <b>Revenue</b>                                                 |                                          |                                         |                                          |                                          |                                          |
| <b>Non-taxation</b>                                            |                                          |                                         |                                          |                                          |                                          |
| Goods and services                                             | 13                                       | 13                                      | 13                                       | 13                                       | 13                                       |
| Transfer of assets from departmental <sup>a</sup>              | 5,485                                    | 1,887                                   | 2,242                                    | 3,058                                    | 2,399                                    |
| <b>Total non-taxation</b>                                      | <b>5,498</b>                             | <b>1,900</b>                            | <b>2,255</b>                             | <b>3,071</b>                             | <b>2,412</b>                             |
| <b>Total revenues administered<br/>on behalf of government</b> | <b>5,498</b>                             | <b>1,900</b>                            | <b>2,255</b>                             | <b>3,071</b>                             | <b>2,412</b>                             |
| <b>Total income administered<br/>on behalf of government</b>   | <b>5,498</b>                             | <b>1,900</b>                            | <b>2,255</b>                             | <b>3,071</b>                             | <b>2,412</b>                             |
| <b>EXPENSES ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>       |                                          |                                         |                                          |                                          |                                          |
| Personal benefits                                              | 365                                      | 365                                     | 365                                      | 365                                      | 365                                      |
| Employees                                                      |                                          |                                         |                                          |                                          |                                          |
| Suppliers                                                      | 808                                      | 837                                     | 841                                      | 831                                      | 830                                      |
| Depreciation and amortisation                                  | 388                                      | 388                                     | 397                                      | 417                                      | 437                                      |
| Other                                                          | 13                                       | 13                                      | 13                                       | 13                                       | 13                                       |
| <b>Total expenses administered<br/>on behalf of government</b> | <b>1,574</b>                             | <b>1,603</b>                            | <b>1,616</b>                             | <b>1,626</b>                             | <b>1,645</b>                             |

a See Note 2 to the financial statements.

**Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

|                                                                   | Estimated<br>actual<br>2006–07<br>\$'000 | Budget<br>estimate<br>2007–08<br>\$'000 | Forward<br>estimate<br>2008–09<br>\$'000 | Forward<br>estimate<br>2009–10<br>\$'000 | Forward<br>estimate<br>2010–11<br>\$'000 |
|-------------------------------------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| <b>ASSETS ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>            |                                          |                                         |                                          |                                          |                                          |
| <b>Financial assets</b>                                           |                                          |                                         |                                          |                                          |                                          |
| Receivables                                                       | 946                                      | 1,334                                   | 1,731                                    | 2,148                                    | 2,585                                    |
| <b>Total financial assets</b>                                     | <b>946</b>                               | <b>1,334</b>                            | <b>1,731</b>                             | <b>2,148</b>                             | <b>2,585</b>                             |
| <b>Non-financial assets</b>                                       |                                          |                                         |                                          |                                          |                                          |
| Land and buildings                                                | 74,960                                   | 76,075                                  | 77,323                                   | 77,872                                   | 77,746                                   |
| Infrastructure, plant and equipment                               | 1,765                                    | 1,684                                   | 1,609                                    | 1,535                                    | 1,457                                    |
| Heritage and cultural assets                                      | 6,710                                    | 7,175                                   | 7,847                                    | 10,013                                   | 12,179                                   |
| <b>Total non-financial assets</b>                                 | <b>83,435</b>                            | <b>84,934</b>                           | <b>86,779</b>                            | <b>89,420</b>                            | <b>91,382</b>                            |
| <b>Total assets administered<br/>on behalf of government</b>      | <b>84,381</b>                            | <b>86,268</b>                           | <b>88,510</b>                            | <b>91,569</b>                            | <b>93,967</b>                            |
| <b>LIABILITIES ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>       |                                          |                                         |                                          |                                          |                                          |
| <b>Payables</b>                                                   |                                          |                                         |                                          |                                          |                                          |
| Suppliers                                                         | 3                                        | 3                                       | 3                                        | 3                                        | 3                                        |
| <b>Total payables</b>                                             | <b>3</b>                                 | <b>3</b>                                | <b>3</b>                                 | <b>3</b>                                 | <b>3</b>                                 |
| <b>Total liabilities administered<br/>on behalf of government</b> | <b>3</b>                                 | <b>3</b>                                | <b>3</b>                                 | <b>3</b>                                 | <b>3</b>                                 |

**Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

|                                                              | Estimated<br>actual<br>2006-07<br>\$'000 | Budget<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 | Forward<br>estimate<br>2009-10<br>\$'000 | Forward<br>estimate<br>2010-11<br>\$'000 |
|--------------------------------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| <b>OPERATING ACTIVITIES</b>                                  |                                          |                                         |                                          |                                          |                                          |
| <b>Cash received</b>                                         |                                          |                                         |                                          |                                          |                                          |
| Other                                                        | 13                                       | 13                                      | 13                                       | 13                                       | 13                                       |
| <b>Total cash received</b>                                   | 13                                       | 13                                      | 13                                       | 13                                       | 13                                       |
| <b>Cash used</b>                                             |                                          |                                         |                                          |                                          |                                          |
| Personal benefits                                            | 365                                      | 365                                     | 365                                      | 365                                      | 365                                      |
| Suppliers                                                    | 808                                      | 836                                     | 841                                      | 831                                      | 830                                      |
| Other                                                        | 13                                       | 13                                      | 13                                       | 13                                       | 13                                       |
| <b>Total cash used</b>                                       | 1,186                                    | 1,214                                   | 1,219                                    | 1,209                                    | 1,208                                    |
| <b>Net cash from or (used by)<br/>operating activities</b>   | (1,173)                                  | (1,201)                                 | (1,206)                                  | (1,196)                                  | (1,195)                                  |
| <b>INVESTING ACTIVITIES</b>                                  |                                          |                                         |                                          |                                          |                                          |
| <b>Cash received</b>                                         |                                          |                                         |                                          |                                          |                                          |
| Other                                                        | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Total cash received</b>                                   | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Cash used</b>                                             |                                          |                                         |                                          |                                          |                                          |
| Purchase of property, plant<br>and equipment and intangibles | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Total cash used</b>                                       | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Net cash from or (used by)<br/>investing activities</b>   | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>FINANCING ACTIVITIES</b>                                  |                                          |                                         |                                          |                                          |                                          |
| <b>Cash received</b>                                         |                                          |                                         |                                          |                                          |                                          |
| Other                                                        | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Total cash received</b>                                   | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Cash used</b>                                             |                                          |                                         |                                          |                                          |                                          |
| Other                                                        | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Total cash used</b>                                       | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Net cash from or (used by)<br/>financing activities</b>   | -                                        | -                                       | -                                        | -                                        | -                                        |
| <b>Net increase or (decrease) in<br/>cash held</b>           |                                          |                                         |                                          |                                          |                                          |
| Cash at beginning of reporting period                        | -                                        | -                                       | -                                        | -                                        | -                                        |
| Cash from Official Public Account for:<br>- appropriations   | 1,173                                    | 1,201                                   | 1,206                                    | 1,196                                    | 1,195                                    |
| <b>Cash at end of reporting period</b>                       | -                                        | -                                       | -                                        | -                                        | -                                        |



**Table 5.10: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget Year 2007–08)**

|                                                      | Land          | Investment property | Buildings     | Specialist military equipment | Other infrastructure plant and equipment | Heritage and cultural assets | Computer software internally developed | Computer software | Other intangibles internally developed | Other intangibles | Total         |
|------------------------------------------------------|---------------|---------------------|---------------|-------------------------------|------------------------------------------|------------------------------|----------------------------------------|-------------------|----------------------------------------|-------------------|---------------|
|                                                      | \$'000        | \$'000              | \$'000        | \$'000                        | \$'000                                   | \$'000                       | \$'000                                 | \$'000            | \$'000                                 | \$'000            | \$'000        |
| <b>As at 1 July 2007</b>                             |               |                     |               |                               |                                          |                              |                                        |                   |                                        |                   |               |
| Gross book value                                     | 60,900        | -                   | 14,609        | -                             | 2,040                                    | 6,710                        | -                                      | -                 | -                                      | -                 | 84,259        |
| Accumulated depreciation/amortisation and impairment | -             | -                   | (549)         | -                             | (275)                                    | -                            | -                                      | -                 | -                                      | -                 | (824)         |
| <b>Opening net book value</b>                        | <b>60,900</b> | <b>-</b>            | <b>14,060</b> | <b>-</b>                      | <b>1,765</b>                             | <b>6,710</b>                 | <b>-</b>                               | <b>-</b>          | <b>-</b>                               | <b>-</b>          | <b>83,435</b> |
| Additions:                                           |               |                     |               |                               |                                          |                              |                                        |                   |                                        |                   |               |
| by transfer from departmental <sup>a</sup>           | -             | -                   | 1,422         | -                             | -                                        | 465                          | -                                      | -                 | -                                      | -                 | 1,887         |
| Depreciation/amortisation expense                    | -             | -                   | (140)         | -                             | (81)                                     | (167)                        | -                                      | -                 | -                                      | -                 | (388)         |
| <b>As at 30 June 2008</b>                            |               |                     |               |                               |                                          |                              |                                        |                   |                                        |                   |               |
| Gross book value                                     | 60,900        | -                   | 16,031        | -                             | 2,040                                    | 7,175                        | -                                      | -                 | -                                      | -                 | 86,146        |
| Accumulated depreciation/amortisation and impairment | -             | -                   | (689)         | -                             | (356)                                    | (167)                        | -                                      | -                 | -                                      | -                 | (1,212)       |
| <b>Estimated closing net book value</b>              | <b>60,900</b> | <b>-</b>            | <b>15,342</b> | <b>-</b>                      | <b>1,684</b>                             | <b>7,008</b>                 | <b>-</b>                               | <b>-</b>          | <b>-</b>                               | <b>-</b>          | <b>84,934</b> |

a See Note 4 to the financial statements.

## 5.3 NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs), being the Financial Management and Accountability Orders
- Australian Equivalents of International Financial Reporting Standards (AEIFRS) issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period
- interpretations issued by the AASB and Urgent Issues Group (UIG) that apply for the reporting period.

The statements have been prepared on an accrual basis.

### 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 received free of charge.

### Capitalisation of assets derived from capital works activity

**Note 2.** Under the Office's accounting policy 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 Office's official establishments are 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 the expense in the *Budgeted departmental income statement* (Table 5.1) and as an item of revenue in the *Schedule of budgeted income and expenses administered on behalf of the government* (Table 5.7).

**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 property works programme covering both Admiralty House and Government House.

The funding for capital works allocated in 2007-08 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 2007-08 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.