



OFFICE *of the* OFFICIAL SECRETARY
TO THE GOVERNOR-GENERAL

ANNUAL REPORT 2006–2007





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Information about the activities of the Governor-General and the operations of the Office of the Official Secretary to the Governor-General is available at the following internet addresses:

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GOVERNMENT HOUSE CANBERRA ACT 2600

12 October 2007
The Honourable John Howard MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

I present the annual report of the Office of the Official Secretary to the Governor-General for the financial year ending 30 June 2007, in accordance with subsection 19(1) of the *Governor-General Act 1974*. Subsection 19(2) of the Act requires you to cause a copy of the report to be laid before each House of the Parliament within fifteen sitting days after the day on which you receive the report.

Yours sincerely

Malcolm Hazell
Official Secretary to the Governor-General

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OFFICE *of the* OFFICIAL SECRETARY
TO THE GOVERNOR-GENERAL

CHAPTER 1 *Overview*



OFFICIAL SECRETARY'S REVIEW

Year in review

The Office of the Official Secretary to the Governor-General undertook a wide range of activities to ensure that the Governor-General was able to perform his constitutional, statutory, ceremonial and public duties.

These activities included support for a busy programme of official events and functions undertaken by the Governor-General and Mrs Jeffery across Australia and overseas, the continuation of an essential building and maintenance works programme to ensure that the two official heritage properties are maintained for future generations of Australians, and the administration of the Australian Honours and Awards System.

The Office also continued to meet the reporting and accountability requirements of a Commonwealth agency. It is an ongoing challenge for a small organisation such as ours to ensure that the resources provided can continue to be directed to core functions of supporting the Governor-General while at the same time ensuring that our reporting and accountability obligations are met in a timely manner.

The Office also faced challenges in the current tight employment market to attract and recruit suitable staff in certain areas and then retain them against competition from larger departments that are able to offer more competitive salary packages and a more diverse career path. While my staff enjoy the challenges and satisfaction of their work, it is often difficult to provide a career path in such a small agency, particularly at the executive level, and meet staff expectations.

Nonetheless, the Office staff met the outcome performance measures set out in the Portfolio Budget Statements. In particular, both the Governor-General and Mrs Jeffery were satisfied with the level of service and support provided to them to undertake their official duties, and the Council for the Order of Australia and Australian Bravery Decorations Council also expressed satisfaction with the level of secretariat support provided to them in their consideration of nominations. I am particularly grateful for the dedication and professionalism of the staff, many of whom work 'behind the scenes' to ensure that the Governor-General is able to fulfil his role and undertake a demanding schedule of commitments.

During this year, the Office conducted a review of the household, gardening and maintenance functions. This review (which staff and management agreed to in the certified agreement) made a number of recommendations, in particular suggesting a restructure of the Gardening Section. The restructure was carried out with full consultation with the staff concerned. This led to a reclassification of most staff and an improved structure that is now working well.

A separate review of the management of the official programme was also finalised and the results were being discussed with the staff concerned at the end of June 2007. I expect that the recommendations in this review will be finalised in the second half of 2007.

The Office is responsible for the upkeep and maintenance of the two official residences, Government House in Canberra and Admiralty House in Sydney. These are heritage properties that belong to all Australians. The second year of a ten-year strategic works programme for these properties was completed.

In addition, a new office building for the Honours and Awards Secretariat to replace unsuitable and outdated office accommodation was completed; it was opened by the Governor-General in March 2007. The new accommodation, which has now been brought up to a similar standard to that used by other public servants, means that the staff are better equipped to deal with the

increasingly large number of nominations that must be processed for the regular meetings of the Council of the Order of Australia and the Australian Bravery Decorations council.

The core function of the Office is to enable the Governor-General to perform his constitutional, statutory, ceremonial and public duties. More detailed statistics on these various activities are contained later in this report, but it is worth noting that, during this year, more than 9000 guests attended official functions at Government and Admiralty Houses, and 8971 school students and their teachers visited the properties as part of their civics awareness programmes.

Other highlights in the Governor-General's programme included state visits by the presidents of the Republics of Korea, Finland and the Philippines, and an official visit by the Prince of Orange and Princess M \grave{a} xima of the Netherlands.

During the year, the Governor-General (or the Administrator) presided over 26 meetings of the Federal Executive Council, which considered more than 630 items of business. During the same period, the Governor-General considered and gave assent to 205 pieces of legislation passed by the Commonwealth Parliament and received the credentials of 22 ambassadors and high commissioners to Australia.

In September 2006, the Governor-General and Mrs Jeffery undertook an official visit to Tonga to attend the state funeral of His Majesty King Taufa'ahau Tupou IV. They also made official visits to Singapore and the Netherlands.

Their Excellencies are patrons of some 185 organisations, either in an individual role or as a joint patron. Much of the Governor-General's and Mrs Jeffery's work is associated with supporting these patronages through attending events and functions throughout Australia.

Outlook for 2007-08

The coming year will be an important time for the Office: during this period, we expect that a new Governor-General will be appointed and a number of long-serving staff will retire. A new certified agreement with staff is due to be negotiated in late 2007 and early 2008.

With this in mind, during 2006-07, the Office developed a new business plan for the next five years. This was undertaken in a consultative fashion with managers and team leaders so that major priorities for the overall direction of the Office could be identified. This business plan will be supported by other, more detailed, plans that will provide better direction and also enable individual staff members to better coordinate their own roles, contributing to an integrated programme, and giving each staff member pride of ownership in the important tasks they perform.

At a more detailed level, I expect that the new computerised Honours Business Support System will be finalised and will provide a more streamlined approach to the meticulous work required to provide secretariat support to the Council for the Order of Australia and the Australian Bravery Decorations Council. Finally, like many agencies, there will be a considerable focus in the coming year on implementing improved record-keeping procedures and practices to meet the challenges of changing technologies and accountability expectations.

These approaches at a time of expected change will ensure that the Office is better positioned to undertake our core function of supporting the Governor-General of the day to perform his or her constitutional, statutory, ceremonial and public duties.

OFFICE OVERVIEW

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, ceremonial, and public.

The statutory office of Official Secretary to the Governor-General was established in December 1984 by amendment to the *Governor-General Act 1974*. Before that date, the Governor-General’s Office was administered as part of the Department of the Prime Minister and Cabinet. Under the Administrative Arrangements Orders, the *Governor-General Act 1974* is administered by the Prime Minister. Support for the Governor-General in carrying out his duties is provided by staff employed by the Official Secretary under section 13 of the *Governor-General Act 1974*.

The role of the Office of the Official Secretary to the Governor-General (the Office) is to assist the Governor-General in performing the constitutional, statutory, ceremonial and public duties associated with the appointment.

The Office’s three branches report to the Official Secretary in his capacity as the Chief Executive Officer. An organisational chart is at Figure 1.

This report is structured in terms of the Office’s outcome and outputs, in line with the accrual budgeting and reporting requirements for Australian Government agencies, and provides information required by the Government’s guidelines for the preparation of annual reports. The Office’s outcome and outputs are as follows.

Outcome	The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.
Output 1.1	Support of the Governor-General
Output 1.2	Administration of the Australian Honours and Awards System

In reporting in an output framework, the cost of the Corporate Management Branch is allocated across both outputs in line with the proportional costs of supporting those outputs. The Corporate Management Branch provides corporate services, policy frameworks, governance advice, and financial, human resource and information technology support for the Office. The branch also manages the official properties, coordinates physical security and is responsible for the congratulatory messages process.

Figure 1 **Organisational structure at 30 June 2007**

Official Secretary to the Governor-General Malcolm Hazell CVO		
Deputy Official Secretary Brien Hallett		
Executive Support Branch	Corporate Management Branch Gary Bullivant	Australian Honours and Awards Secretariat Sharon Prendergast
Senior Media and Communications Adviser Stephen Jiggins	Finance Anna Saravanan	Order of Australia Elizabeth Mitchell
Speech Writer Andree Stephens	Human Resources Karen Baker	Bravery, Meritorious, Defence and Long Service Awards Debbie Bowden
Senior Executive Officer Phillip Hart	Information Services Clement Tyhuis	
Senior Aide Lorri Morris MVO	Property and Services Peyton Butler	
Household Mark McConnell	Property Project Manager John Harrison	

Provides direct support to the Governor-General through the management, planning and implementation of Their Excellencies' forward programme of national and international engagements, liaises with external organisations, provides policy advice, writes speeches and briefs, and replies to representations from the public.
Manages Government House and Admiralty House household operations.

Provides governance advice and corporate services and support to the Office, for the efficient and effective conduct of its operations and to meet external requirements. Manages the two heritage official properties, physical security arrangements and congratulatory messages.

Receives and researches nominations for the conferral of honours and awards on Australians who distinguish themselves in service to the community and the nation, and supports the two honours advisory councils that make recommendations to the Governor-General.



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CHAPTER 2: *Report on performance*



OUTCOME PERFORMANCE

The Office of the Official Secretary to the Governor-General reports on performance in relation to the following single outcome:

The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.

Feedback on the quality of, and satisfaction with, activities in the Governor-General's programme is conveyed from the Governor-General to staff, through the Official Secretary and senior staff, as part of the management routine of the Office.

In 2006–07, the Office effectively supported the large number of major official activities conducted while continuing to provide effective support for the ongoing official commitments of the Governor-General and the Administrator. The following section describes the Office's financial performance in achieving this outcome.

Subsequent sections report on the nature of the feedback on the two outputs that support the Office's outcome, and on key results achieved during the year.

FINANCIAL PERFORMANCE

Operating result

As set out in the Office's audited financial statements for 2006–07, the result for departmental outputs was an operating surplus of \$283 693 before including expenses of \$5 522 884. These expenses are shown in the Income Statement as 'Transfer of expenses to administered', for the transfer of expenditure on administered assets. The net operating result shown in the Income Statement is a deficit of \$5 239 191.

The budgeted deficit for the year was estimated at \$5 485 000, representing the transfer of estimated expenditure on administered assets from departmental expenses to administered assets. The transfer of the expenditure is processed when all activity on the individual works project is complete, with the expenditure being recorded as work in progress in the departmental financial statements until that time. This accounting treatment is in accordance with the Office's accounting policies and as disclosed in the Portfolio Budget Statements.

The variation between the net operating result and the budget was due primarily to changing patterns of completed building works when compared to the estimated project schedules or changes in the works programme.

The Office's 2006–07 audited financial statements are provided later in this report. The Office received an unqualified audit report for 2006–07.

Report against the 2006-07 Portfolio Budget Statements

The Office received total appropriations of \$15.590 million in the 2006-07 Budget: \$10.838 million for departmental outputs; \$1.561 million for administered expenses; and \$3.191 million for capital works activities (see 'Capital works budget').

In addition, the Office estimated that it would collect other departmental revenues of \$0.072 million and receive \$0.025 million in resources received free of charge.

The total resources for Outcome 1, including departmental expense appropriations, revenue from other sources and administered expense appropriations, are set out in Table 1.

The variations between the budget appropriations and the operating results for the year are explained below.

Table 1 Total resources for Outcome 1

	BUDGET ^a 2006-07 (COLUMN 1) \$'000	ACTUAL EXPENSES 2006-07 (COLUMN 2) \$'000	VARIATION (COLUMN 2 MINUS COLUMN 1) \$'000	BUDGET ^b 2007-08 \$'000
Administered expenses (including third-party outputs)				
Governor-General's salary	365	365	-	365
Acquisition of Australian honours medals/insignia, warrant and investiture items	808	805	(3)	837
Building, works, plant and equipment—Governor-General's Office and establishments (depreciation)	388	406	18	388
Total administered expenses	1561	1576	15	1590
Price of departmental outputs				
Output 1.1—Support of the Governor-General ^c	6874	7120	246	7616
Output 1.2—Administration of the Australian Honours and Awards System	3964	3486	(478)	4042
Total departmental outputs	10838	10606	(232)	11658
Funded by:				
Revenue from Government (appropriation) for departmental outputs	10838	10838	-	11658
Revenue from other sources	97	51	(46)	97
Total price of outputs	10935	10889	(46)	11755
Total for Outcome 1 (total price of departmental outputs and administered expenses)	12 496	12 465	(31)	13 345
		ACTUAL 2006-07		BUDGETED 2007-08
Average staffing level		82.2		91.0

^a Full-year budget, including additional estimates.

^b Budget prior to additional estimates.

^c Excludes transfer of expenditure to administered.

Budget variations

The actual price of departmental outputs for the outcome was \$10.580 million, \$0.258 million less than the amount budgeted. The higher than estimated expenditure on Output 1.1, Support of the Governor-General, was mostly due to increased staffing costs arising from certified agreement salary increases. This was offset by a reduction in expenditure in Output 1.2 on employee costs due to lower than estimated staffing levels in the Australian Honours and Awards Secretariat because of a higher than estimated staff turnover rate (see 'Staffing changes and statistics' in Chapter 3).

Actual administered expenses varied from the budget appropriation by \$0.015 million as a result of a slightly higher charge for depreciation (\$0.018 million).

The variation in revenue from other sources reflects a change in the Office's policy for the recognition of revenue from the sale of assets. This revenue is now netted off against the purchase price rather than shown separately as revenue.

Capital works budget

The Office received an equity injection of \$3.191 million in the 2006–07 Budget to fund the capital works projects in the second year of the ten-year property works programme for the heritage vice-regal residences and for a contribution towards the cost of construction of a replacement office building for the Australian Honours and Awards Secretariat. Expenditure in 2006–07 on capital works was \$4.531 million, of which \$0.601 million remains in the Office's departmental balance sheet as works-in-progress. An amount of \$5.523 million expended on completed works projects was transferred from departmental expenditure to administered assets in accordance with the Office's accounting policies.

Significant changes in 2007–08

In the 2007–08 Budget, the Office was appropriated \$2.381 million in departmental equity injection funding for the third year of the ten-year property works programme of maintenance and development for both Government House and Admiralty House.

OUTPUT 1.1—SUPPORT OF THE GOVERNOR-GENERAL

Resources applied to this output are directed to:

- > assisting the Governor-General and Mrs Jeffery with their representational activities, including planning and organising travel; liaising with representatives of governments, governmental authorities, Buckingham Palace, community groups and individuals; preparing drafts of messages, speeches and correspondence; and providing advice on policy, precedent and practice
- > managing the households at Government House in Canberra and Admiralty House in Sydney to a high standard, by providing hospitality services for official functions; maintaining the households' assets and equipment; and providing ongoing support for Their Excellencies while in residence
- > managing and providing the caretaker, building maintenance, security and gardening functions at each of the official residences.

Tables 2 and 3 summarise the performance indicators for Output 1.1 identified in the 2006-07 Portfolio Budget Statements, and compare the budget identified in those statements to the output's actual cost during the year.

Table 2 Performance indicators for Output 1.1

Output 1.1 Support of the Governor-General	Quality <ul style="list-style-type: none"> > The Governor-General is satisfied as to the level of support provided and standard of household operations management > Properties are maintained to high professional standards Quantity <ul style="list-style-type: none"> > Support of the Governor-General's programme of internal and external commitments > Management of household operations at Government House and Admiralty House > Management of Government House and Admiralty House heritage properties, with 20 buildings and 55 hectares of grounds
--	--

Table 3 Financial performance for Output 1.1

	BUDGET ESTIMATE 2006-07 \$	ACTUAL 2006-07 \$
Departmental appropriation—Cost of Output 1.1 ^a	6 937 000	7 120 011
Administered appropriation—Governor-General's salary	3 650 000	3 650 000
Administered appropriation—Depreciation	388 000	406 446

^aVariations between the actual and budgeted costs of outputs are discussed in 'Financial performance' in this chapter. Excludes transfer of expenditure to administered.

Report on performance in 2006–07

Official activities

Throughout 2006–07 the Office’s staff supported the Governor-General in his duties through planning and delivery of internal events and functions as well as liaison with external organisations for the Governor-General’s and Mrs Jeffery’s attendance at events hosted by these organisations. The highlights and statistical detail of this activity are addressed in ‘Key results’ below.

The Office and staff received positive feedback from the Governor-General and Mrs Jeffery on the standard of support that was provided during the year. Positive feedback was also received from guests at official functions, members of the public, and representatives of governments, government bodies and community organisations coordinating or supporting official events.

Property management

To maintain the integrity and standard of the official residences, the Office consults the Official Establishments Trust on all major maintenance, refurbishment and landscaping issues. It engages heritage architects to draw up plans, assist with tender processes and oversee any capital works projects to completion. The Office also consults the National Capital Authority before undertaking refurbishment or landscaping works at Government House that fall within the authority’s legislative purview. Where the works have, or are likely to have, an impact on the heritage values of the properties, the Office seeks approval from the Minister for the Environment and Water Resources, as required by the *Environment Protection and Biodiversity Conservation Act 1999*.

In 2006–07, the Office was represented at four Official Establishments Trust meetings and one sub-committee meeting held to consider aspects of the official properties’ development and maintenance. The Official Establishments Trust gave valuable guidance to, and endorsed the actions taken by, the Office and was satisfied with the outcomes of the activities undertaken at the properties.

Key results

Official activities overview

The official activities supported by Output 1.1 include functions, such as investitures, receptions, lunches and dinners, hosted by the Governor-General at Government House or Admiralty House. During 2006–07, in addition to those official activities, 242 events were attended by the Governor-General or the Administrator, following either official invitations or visits initiated by Government House. The Office’s website (www.gg.gov.au) and the publication of the vice-regal news in a number of Australian newspapers provide daily information on the broad range of events and activities undertaken by the Governor-General and Mrs Jeffery.

Table 4 **Activities and correspondence in 2006-07**

	NUMBER	ATTENDEES
Official activities		
Government House	122	6644
Admiralty House	38	2385
Other venues	-	-
Total	160	9029
Other events attended	242	
Briefings prepared	495	
Anniversary requests handled ^a	16 036	
Items of correspondence handled	4365	

^a Requests for messages of congratulation from Her Majesty The Queen and the Governor-General for Australians celebrating special birthdays or wedding anniversaries.

Constitutional activities

The Australian Constitution empowers the Governor-General to perform a number of functions. The Office supports the Governor-General perform these functions by giving advice and undertaking planning and research.

The Office supported the Governor-General in presiding at 26 meetings of the Federal Executive Council, at which 632 agenda items were considered. During the reporting year, 205 pieces of legislation were assented to. The Governor-General received 114 callers from a range of diplomatic, community, business, public service, military and religious groups.

Credentials ceremonies are usually held in groups of three or four towards the end of each month. In 2006-07, they were held over eight days and involved the presentation of credentials by 22 foreign diplomats taking up representational positions in Australia or otherwise having representational relations with Australia. The ceremonies are generally followed by a lunch held in honour of the newly accredited diplomats, to which key business and community representatives of the countries concerned are invited.

Ceremonial activities

During the reporting period, the Office supported the Governor-General in hosting a wide range of functions, including ceremonies to present awards conferred within the Australian Honours and Awards System. The Office also supports Their Excellencies on official visits overseas.

Investitures

Four investitures were held during the year, with morning and afternoon sessions held in September 2006 and April 2007. These general investitures involved the presentation of 149 awards to people for outstanding achievement and significant contributions to the community. The awards included the Order of Australia as well as decorations for bravery and involvement in military action in both operational and peacetime activities. Four special investitures were conducted: on 4 August 2006 Professor David de Kretser AO, Governor of Victoria, was invested as a Companion in the Order of Australia; on 26 November 2006 at Holsworthy Barracks, New South Wales, individual gallantry awards were presented to two members of the Special Operations Task Group; on 26 March 2007 at Campbell Barracks, Swanbourne, Western Australia, six Special Air Services personnel were invested into the Order of Australia; and on 21 March 2007 General John Abizaid of the United States Army was invested as an Honorary Officer in the Military Division of the Order of Australia.



At Government House, Canberra, Their Excellencies attended, and the Governor-General conducted, two Investiture Ceremonies. Pictured is the afternoon ceremony.



Their Excellencies attended a dinner hosted by His Excellency Mr SR Nathan, President of the Republic of Singapore, and Mrs Nathan.

Functions for visiting heads of state

A number of formal dinners and lunches were held at Government House during the year for visiting heads of state:

- > dinner in honour of Their Royal Highnesses the Prince of Orange and Princess M \acute{a} xima of the Netherlands, on 23 October 2006
- > state dinner in honour of the President of the Republic of Korea, HE Mr Roh Moo-hyun, and Mrs Kwon Yang-suk, on 6 December 2006
- > state dinner in honour of the President of the Republic of Finland, HE Ms Tarja Halonen, and Dr Pentti Araj \ddot{a} rvi, on 14 February 2007
- > state dinner in honour of the President of the Republic of the Philippines, HE Ms Gloria Macapagal-Arroyo, on 30 May 2007.

Overseas visitors

During the year, the Governor-General received visits from a number of senior government officials and dignitaries including:

- > the Minister of Foreign Affairs and Trade in the Government of the Republic of Korea, HE Mr Ban Ki-moon, and Ms Yoo Soon-taek, on 15 August 2006
- > the Governor of Canakkale Province, Turkey, HE Mr Orhan Kirli, and Mrs Inciser Kirli, on 31 January 2007
- > Minister Mentor in the Government of the Republic of Singapore, HE Mr Lee Kuan Yew, and Mrs Lee, on 28 March 2007.

Official overseas visits

On 19 September 2006, the Governor-General represented Australia at the state funeral of His Majesty King Taufa'ahau Tupou IV at the Mala'e Kula Royal Tombs in the Kingdom of Tonga. Afterwards, the Governor-General attended a state dinner hosted by His Majesty King George Tupou V.

From 20 to 21 September 2006, the Governor-General and Mrs Jeffery visited the Republic of Singapore, where the Governor-General attended meetings with the President, HE Mr SR Nathan and the Australian High Commissioner to Singapore, HE Mr Miles Kupa.

The Governor-General and Mrs Jeffery undertook a state visit to the Kingdom of the Netherlands at the invitation of Her Majesty Queen Beatrix to mark the 400th anniversary of Dutch-Australian contact, from 22 to 28 September 2006. During the visit, the Governor-General and Mrs Jeffery attended a dinner held in their honour hosted by Her Majesty, met the Prime Minister, Dr Jan Peter Balkenende, met the President of the Senate and the President of the House of Representatives of the Netherlands Parliament, and visited Waterland Neeltje Jans as guests of His Royal Highness the Prince of Orange. At Kasteel Duivenvoorde, Voorschoten, the Governor-General and Mrs Jeffery received Her Majesty the Queen and Their Royal Highnesses the Prince of Orange, Princess Máxima, Prince Constantijn and Princess Laurentien at the Tastes of Australia reception hosted by the Australian Ambassador to the Netherlands, HE Mr Stephen Brady. While in The Hague, Their Excellencies were house guests of Her Majesty Queen Beatrix at Noordeinde Palace.

On 18 May 2007, the Governor-General travelled to the Independent State of Samoa at the request of the Australian Government to represent Australia at the state funeral of His Highness Susuga Malietoa Tanumafili II.

Community activities

The Office supported Their Excellencies in hosting a wide range of functions for community organisations at the vice-regal properties and in their visits to many Australian cities, regional and outback centres. The Office also managed the vice-regal properties for access by community organisations and visiting school groups.

Receptions and community events

More than 9000 people were guests of the Governor-General, attending 160 functions and events held at Government House and Admiralty House during the year as part of the Governor-General's official programme. Included in these official activities were the following major receptions and some of the community events conducted.

- > In November 2006, two special Christmas functions were held at Admiralty House for children with special needs, their families and carers; two such functions were also held in December 2006 at Government House. More than 1000 people attended these events.
- > On 8 November 2006, at Government House, Canberra, the Governor-General, as Patron of Canberra Legacy, and Mrs Jeffery hosted a morning tea for Legacy widows.
- > On 28 February 2007, at Government House a luncheon was hosted for members of the National Indigenous Council.
- > On 27 March 2007, a function was held at Government House for members of the diplomatic corps. More than 400 guests attended the event.
- > On 20 April 2007, a reception was hosted by the Governor-General and Mrs Jeffery, to mark the occasion of Her Majesty The Queen's eighty-first birthday, with 342 invited guests.
- > On 26 May 2007, at Government House, a reception was held for Reconciliation Australia to mark the Fortieth Anniversary of the 1967 referendum, with more than 190 guests attending.

Regional centre visits

Their Excellencies visited a number of regional centres as part of the Governor-General's regional visits programme, including:

- > Indian Ocean Territories
 - On Cocos (Keeling) Islands, the Governor-General officially opened the Home Island Bungalows and Community Resource Centre, visited schools and as guest of honour

attended civic receptions hosted by the Chief Executive Officer of the Shire of Cocos (Keeling) Islands and the Administrator, Indian Ocean Territories.

- On Christmas Island, Their Excellencies met with community groups and attended a civic reception hosted by the Administrator, Indian Ocean Territories.

> Darling Downs, Queensland

- At Warwick, the Governor-General, as Patron of the Polocrosse Association of Australia, officially opened the Ridley Polocrosse World Cup 2007.
- In Goondiwindi, as Patron of the National Association of Government School Chaplaincy Providers, the Governor-General officially launched the Goondiwindi School Chaplaincy Programme for the community.
- At Ipswich, the Governor-General delivered the commemorative address and laid a wreath at the Ipswich Girls' Grammar School Service to mark Anzac Day.
- At Toowoomba, the Governor-General officially delivered the opening address at the Sunrise Way Therapeutic Community Facility.

> The Top End, Northern Territory

- From 11 to 19 June 2007, Their Excellencies visited a number of Aboriginal and Torres Strait Islander communities, including Melville and Bathurst islands, Kakadu, Arnhem Land, Galiwinku, Nhulunbuy and Groote Eylandt. During this visit, the Governor-General and Mrs Jeffery met with community leaders and visited schools and community centres.
- On Melville Island, Their Excellencies attended a ceremony at Three Ways, where the Governor-General unveiled a plaque dedicated to the Three Ways of Tiwi Determination.
- During the official visit to Kakadu National Park, Their Excellencies, as guests of the Park Management and the traditional owners, received regional environmental management briefings at the Bowali Visitors Centre, where they met Mirrar elders, and the Warradjan Aboriginal Cultural Centre, where they met the Murrumburr elders.
- At Galiwinku, the Governor-General and Mrs Jeffery attended a traditional welcome ceremony (Yukulu) performed by members of the Mallarra, Ngaymil and Liya-Guwurrmirr clans, and afterwards met local school children, NORFORCE soldiers, Sea Rangers and Night Patrol members.

Communication and information

The website for the Governor-General, www.gg.gov.au, was comprehensively redeveloped during the year to provide improved search and analysis capability while also improving the format and content.

The newly designed website was unveiled in December 2006. It continues to be a valuable resource for members of the public seeking to learn about the extent and nature of the role of the Governor-General or to obtain copies of speeches or information about his activities. During the year, there were more than 7.5 million 'hits' on the website, significantly more than in 2005–06.

The Office will continue with the development of the website in 2007–08 by adding additional content on speeches of former Governors-General and on the vice-regal properties. It will also develop a section specifically designed for school students to understand better the role and responsibilities of the Governor-General.



The Governor-General delivered the commemorative address and laid a wreath at the Ipswich Girls' Grammar School Service to mark ANZAC Day.



Their Excellencies, as guests of CFA Chairman, Mr Len Foster AO, attended a briefing on the regional bushfires at the Mansfield, Victoria CFA Station and met local volunteers and support groups.

Official properties and community fundraising

The official properties were again made available to certain community groups in support of their fundraising efforts. The Canberra Symphony Orchestra held a Prom Concert in the grounds of Government House on 10 February 2007; The Smith Family, which has traditionally conducted an open house and garden event each year as its major community fundraising effort, once again held an open day at Government House on 4 March 2007; and the Guides Australia held a fete in the grounds on 5 May 2007. The Australiana Fund continued to conduct regular garden tours of Government House during the warmer months. The Australiana Fund held an open day at both Government House and Admiralty House in October 2006 as their major fundraising programme for the year. More than 19 400 people attended these events, which raised more than \$111 000 for the organisations involved.

School visits

School visits continued, with around 9000 students and teachers from 178 schools visiting Government House for tours of the House and grounds. This represents a 49 per cent increase in the number of visitors and a 56 per cent increase in the number of schools over the 2005-06 numbers. The tours included an audiovisual presentation and talk on the role of the Governor-General. When their programme allowed, Their Excellencies met many of the visiting school groups.

Correspondence

In 2006-07, the Office received and actioned 4365 items of correspondence. This correspondence was received from heads of state, foreign and Australian governments, officials, business leaders, community groups and individuals. The correspondence dealt with a broad range of matters, including messages of support, requests for patronage, administrative arrangements and invitations to functions and events.

During the reporting period, the Office also handled 5886 requests for messages of congratulation from Her Majesty The Queen for Australians celebrating their one-hundredth or subsequent birthdays or for couples celebrating sixtieth, sixty-fifth or seventieth wedding anniversaries—an increase of 11.2 per cent over the number sent out last financial year. The Governor-General sent out 10 150 congratulatory messages during the year to Australians

celebrating such anniversaries, as well as to couples celebrating their fiftieth wedding anniversaries—a 5.5 per cent increase on the number of messages sent last year.

Property management

The official residences are heritage-listed properties and significant national assets belonging to all Australians.

As noted in last year's report, the Office received funding, commencing in the 2005–06 Budget, for the implementation of a ten-year property works programme for both Government House and Admiralty House. This is a major initiative by the Office for the management of these important heritage-listed vice-regal properties, which are being maintained for the benefit of all Australians and as the places for the hosting of many heads of state and royalty who visit Australia and of many community activities.

Amendments to the *Environment Protection and Biodiversity Conservation Act 1999* require the Office to prepare a heritage strategy covering both Government House and Admiralty House and also management plans for each of the properties. The strategy and plans require endorsement by the Official Establishments Trust and, in accordance with the legislation, need to be reviewed by the Australian Heritage Council and approved by the Minister for the Environment and Water Resources.

The Office's heritage strategy was approved in September 2006 and is available on the Office's website. Work on the development of the management plans continued throughout the year with the assistance of the Office's heritage architects, Tanner and Associates Pty Ltd, for the preparation of the management plan for Admiralty House, and Lovell Chen, for Government House. It is proposed that the plans will be completed by the end of 2007 for submission to the Australian Heritage Council and the Minister for the Environment and Water Resources.

The Office has continued to look at ways to improve its environmental management of the properties and a number of initiatives have been undertaken. This includes obtaining advice on water conservation and reducing energy consumption. Further information on these initiatives can be found under 'Environmental management system' in Chapter 3.

A computerised maintenance management system was implemented, with all maintenance and building work being recorded. The system will assist the Office with its professional and strategic approach to the maintenance of the properties. It will be an important knowledge management base for recording plant and equipment life cycles, maintenance and asset history, contractor and supplier details, plans and maintenance manuals, and for the direction of maintenance tasks.

Government House

The major works project completed in 2006–07 was the construction of an office building to accommodate the Australian Honours and Awards Secretariat. The building replaced the Secretariat's previous unsuitable office accommodation, which had consisted of a mix of buildings that were originally built as residences, some dating back to the 1920s. Although the buildings had been converted for office use, they remained unsuitable for work requirements, were affected by a range of occupational health and safety issues, and were inconsistent with accommodation provided elsewhere for other public servants. The Official Establishments Trust and the National Capital Authority agreed the new building's design. The then Department of the Environment and Heritage approved the demolition of two former buildings—Black Mountain Cottage and the Footman's Cottage—to make way for the replacement building and a multipurpose meeting room.

To achieve cost and programme efficiencies, the Office amalgamated a number of projects on the works schedule into the Honours Precinct Project. The project included the new building

for the Secretariat, the multipurpose meeting room and additional car parking. The work was completed by Project Coordination (Australia) Pty Ltd, with Lovell Chen Pty Ltd providing architectural and works superintendent services.

During the construction programme, the Secretariat staff worked in temporary portable office accommodation that was set up within the Government House grounds. This approach was successful, as it was cost effective, enabled the staff to continue to interact with other staff on business matters, and caused less disruption to the Office's work programme than if the staff had been relocated off-site.

The Secretariat staff moved into the new building in December 2006, with the Governor-General officially opening the building at a ceremony conducted on 7 March 2007. Those attending the event included the Chairman and members of the Council for the Order of Australia, the Chair and members of the Australian Bravery Decorations Council, and the Chairman and members of the Official Establishments Trust.

In 2006-07, a number of other works projects were completed. These works included:

- > replacement of failing voice cabling and the installation of data cabling from the front gate security office to the Chancery building to ensure appropriate communications infrastructure
- > underpinning of the 1991 lounge and dining room extension to the House Manager's Cottage, which was starting to collapse because of failing foundations
- > upgrade of electric distribution switchboards to improve safety and equipment protection
- > replacement of the hot water systems, one of which was unserviceable and the other expensive to operate, and installation of improved safety and operational controls in the boiler room
- > upgrade of air-conditioning in the Chancery building to overcome inadequate airflows and issues with heating and cooling capacity
- > replacement of the external staircase to the Stables building (used for transport staff accommodation and the garaging of official vehicles), which was failing due to normal wear and tear and presenting a safety issue.

A number of projects were undertaken to improve the environmental performance of the property, such as the replacement of light fittings and globes in the kitchen service wing to reduce energy consumption, and replacement of incandescent light globes with compact fluorescent light globes wherever possible. Grounds maintenance activity included the removal of dangerous or dead trees, which were recycled into woodchip and used as garden mulch.

The Office began the planning, documentation and procurement for further works, including:

- > extension of the existing hydraulic heating and cooling system into a number of the staterooms in the House to replace inefficient and outdated air-conditioning systems
- > upgrade of external lighting throughout the property to improve security and safety while installing more energy-efficient fittings and globes
- > upgrade of Lord De L'Isle Lookout (to overcome structural, safety and access faults)
- > installation of replacement fuel storage following the removal of a ruptured fuel tank in 2005-06.

With the assistance of a heritage landscape architect, the Office will prepare a landscape management plan for Government House to provide a guide for the development and maintenance of the soft and hard landscape areas. This will be a practical document that will be used by the Office to prioritise funding investments while being available to gardening managers to plan their work programme.

The Office worked within the guidelines issued by the National Capital Authority for the extraction of water from Lake Burley Griffin for the watering of the gardens and lawns at Government House. Some 95 per cent of the managed landscape (which is 40 per cent of the total property area) at Government House is serviced by drawing non-potable water from the lake. The heritage gardens and trees and the main representational landscape—covering the main drive, vista lawn and immediate surrounds of the House—were given priority for watering during the long period of drought in Canberra. During 2006–07, the Office continued to reduce its water consumption and introduced further water-saving measures, achieving a saving of 20 per cent on the level allocated by the National Capital Authority.

Admiralty House

In 2006–07, the Office completed a number of projects on the works schedule, including:

- > replacement of rusted safety rails on the property's Sydney Harbour boundary to improve safety
- > replacement of a structurally unsafe wall to improve safety
- > removal of lead paint and the installation of automatic doors to the garage for occupational health and safety purposes
- > refurbishment of inadequate kitchen and toilet facilities and repainting of the interior of the Gatehouse (used by security personnel)
- > replacement of a collapsing pergola and replacement of underlying pathway to remove trip hazards and generally improve safety in the area.

The Office also continued its work to improve the gardens and landscape at Admiralty House in accordance with the works schedule and landscape plan overseen by our heritage landscape architect, Taylor Brammer Landscape Architects Pty Ltd. Further soft and hard landscape work will continue into the future for the implementation of this plan.

Minor works projects undertaken during the year included the painting of the first floor veranda railings and ceiling and the upgrade of the ground floor and first floor veranda shutters to preserve their condition.

The Office continued with the planning, documentation and procurement for many works, including:

- > refurbishment of the main bathroom for safety reasons and of a bedroom that is due for cyclical refurbishment
- > cyclical refurbishment of the state dining room, which has not been renovated for over fifteen years
- > replacement of the stairs to the pergola to remove a safety hazard because of wear and tear on the stairs
- > upgrade of the flagstone paved area and improvements to the natural water system feeding the underground water tank used to water the grounds
- > refurbishment of the gazebo, which is collapsing because of rotting timber frames
- > upgrading of the fire panel and emergency warning system to improve safety.

Security

The Office is continuing to work closely with the Protective Security Coordination Centre, the Australian Federal Police and the Australian Federal Police Protective Service to manage better the physical security environments at Government House and Admiralty House. Regular meetings are held with these organisations to identify issues and to receive advice on security.

Works of art and other items

The Australiana Fund and the National Gallery of Australia lend furniture and art works for the residences and are consulted on interior furnishing and art matters. The Department of Parliamentary Services has also lent some works of art for display at both Houses. During the year, the Office returned one item to the National Gallery and received twelve new items from the Australiana Fund for placement at Government House and Admiralty House as part of an ongoing programme to display a variety of items of Australian artworks and furniture.

The Office is grateful for the support of the National Gallery of Australia, the Australiana Fund and the Department of Parliamentary Services for the loan of paintings, sculptures, furniture and other items for public display at Government House and Admiralty House. At 30 June 2007, 386 paintings, pieces of furniture and art objects, with a combined value of over \$14 million, were on loan to the Office. These are viewed by the visitors to the houses, this year numbering over 14 500 people. During the financial year, each of the organisations undertook a revaluation of their items on loan to the Office; the combined value reflects that advised by those organisations.

OUTPUT 1.2—ADMINISTRATION OF THE AUSTRALIAN HONOURS AND AWARDS SYSTEM

Resources applied to this output 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 gazettal regulations for Defence, meritorious and long service awards to ensure that applicants meet eligibility criteria
- > making cost-effective resource decisions for the timely acquisition of high-quality insignia, warrants and honours publications
- > maintaining registers of all award recipients.

Tables 5 and 6 summarise the performance indicators for Output 1.2 identified in the 2006–07 Portfolio Budget Statements and compare the budget identified in those statements to the output's actual cost during the year.

Table 5 **Performance indicators for Output 1.2**

<p>Output 1.2 Administration of the Australian Honours and Awards System</p>	<p>Quality</p> <ul style="list-style-type: none"> > Satisfaction of the Awards and Bravery councils with secretariat support > Awards administration reflects gazetted regulations <p>Quantity</p> <ul style="list-style-type: none"> > Four council meetings held > 2200 nominations researched for Order of Australia and Bravery councils > 6000 long service and occupation-based awards processed
<p>Administered item— Acquisition of Australian honours medals/insignia, warrants and investiture items</p>	<p>Quality</p> <ul style="list-style-type: none"> > Medals/insignia meet design specifications <p>Quantity</p> <ul style="list-style-type: none"> > An estimated 20000 sets of medals/insignia to be purchased

Table 6 **Financial performance for Output 1.2**

	BUDGET ESTIMATE 2006-07 \$	ACTUAL 2006-07 \$
Departmental appropriation—Cost of Output 1.2 ^a	3 998 000	3 485 792
Administered appropriation—Acquisition of Australian honours medals/insignia, warrants and investiture items	808 000	805 329

^a Variations between the actual and budgeted costs of outputs are discussed under 'Financial performance' in this chapter.

Report on performance in 2006-07

The Australian Honours and Awards Secretariat was established as part of the Governor-General's Office in 1975, following the introduction of a distinctly Australian system of honours and awards. The Secretariat is responsible for administering, on behalf of the Governor-General, as Chancellor of the Order of Australia, Australia's extensive national honours system, including all civilian honours as well as awards for meritorious action by members of the Australian Defence Force both in peacetime and war-like operations.

Under the honours system, the Order of Australia is the principal means by which members of the community are recognised nationally for outstanding achievements and meritorious contributions benefiting fellow citizens.

As nominations are received the Secretariat undertakes research, corresponds with nominators and referees, and develops documentation for the Council for the Order of Australia to facilitate its assessment of the relative merit of award nominees' community contributions. Following consideration and approval by the Governor-General the Secretariat then notifies the recipient and arranges for the gazettal of the awards and informs the media. A number of investiture ceremonies are subsequently conducted at Government House in Canberra or at other Government Houses throughout Australia for the bestowing of the awards. Administration of this award constitutes the largest component of the Secretariat's workload.

The Secretariat also supports the work of the Australian Bravery Decorations Council and is responsible for ensuring that all other awards—including decorations for gallantry, meritorious service, conspicuous service, distinguished service, skill at arms, exceptional service in Antarctica and long service—are well documented and processed for approval in accordance with gazetted regulations.

The membership of the advisory committees for the Council for the Order of Australia and the Australian Bravery Decorations Council is provided at Appendix A.

The Office liaises closely with the Awards and Culture Branch of the Department of the Prime Minister and Cabinet and contributes to Australian Government promotional campaigns to increase general awareness of the Australian honours system within the community.

The functional relationships between the main components of the Australian Honours and Awards System are set out in Appendix B. Further information on the criteria and nomination processes for specific awards may be found on the website maintained by the Department of the Prime Minister and Cabinet at www.itsanhonour.gov.au or on the Office's website at www.gg.gov.au.

The work of the two honours advisory councils involves close liaison between the Australian Honours and Awards Secretariat and the respective chairmen and members of the Council for the Order of Australia and the Australian Bravery Decorations Council. The Secretariat's performance in meeting the needs of the councils is evaluated through feedback sessions at council meetings and through regular contact with council members. Informal feedback from the community and from nominators and those receiving awards is also part of the evaluation process.

Evaluation of the Office's performance in 2006-07 reflected very high levels of satisfaction with the quality and level of support provided to the councils and the public. Council members stated that they were pleased with the quantity and quality of work administered by the Secretariat, with comprehensive qualitative research being provided as a basis for sound decision making on award recommendations. The Secretariat received positive feedback from nominees and recipients for the manner in which the awards process is managed. This indicates that the Secretariat is continuing to achieve high-level performance outputs.

Key results

Honours and awards overview

In 2006–07, the Secretariat experienced a number of major changes including:

- > moving into new office accommodation within the grounds of Government House
- > continued development of a new information technology system to facilitate the Office's business processes for the receipt and processing of nominations and delivery of papers to the councils
- > recruitment and establishment of a new executive team.

In December 2006, the Secretariat moved from temporary accommodation into new modern premises purpose built within the grounds of Government House. The new building embraces sustainable design and accommodates up to 45 staff. Although clearly contemporary, it responds to the character of the overall Government House site and was designed to take advantage of environmental efficiencies (see Chapter 3).

Several Secretariat staff are members of the project team that has been established to assist with the develop of the new Honours Business Support System to review current operating workflows and provide a modern system more able to support the high demand for the processing of nominations and interactions with council members, media and the community. This new system is expected to be operational in early 2008.

Despite a tight employment market, the Office successfully recruited and established a new executive team following the departure of long term senior staff who accepted placement in other organisations for career progression. Three new case officers were also recruited to replace staff that had left the Office.

Nominations

The total number of nominations researched and prepared by the Secretariat in 2006–07 was 10982. This included the Secretariat's researching, preparing and submitting a total of 2317 nominations to the Council for the Order of Australia and the Australian Bravery Decorations Council. This exceeds the performance target by some 117 nominations. Four council meetings were held in 2006–07.

In 2006–07, the Secretariat received approximately the same number of nominations as it received in 2005–06. With the number of nominations received stabilising, the Secretariat was able to work on reducing the backlog of nominations that had built up over several years.

Over the coming twelve months the Secretariat will work with the Department of the Prime Minister and Cabinet on raising public awareness of the Order of Australia and Bravery awards through the development of a revised promotions and communication strategy.

In 2006–07, fewer nominations for a bravery award were received than in the previous three years. This can be attributed to the unusually high number of nominations for bravery previously received to recognise people for their efforts in major incidents such as the Bali bombings and the 2003 Canberra bushfires. The Secretariat also experienced some delays in receiving supporting documentation from other agencies.



The new Honours Secretariat building.



Recognition of excellence in occupation-based fields of endeavour, including Defence personnel on operations around the world to protect Australia and its national interests, resulted in 1576 awards, an increase of almost 15 per cent over the previous year.

Recommendations approved by the Governor-General for the National Medal, which recognises fifteen years or more of diligent and efficient service in occupations involving elements of personal risk in order to protect the community, resulted in 7089 awards being granted, which is a 4 per cent increase over last year. In accordance with Regulation 10 of the *National Medal Regulations 1999*, one new organisation has been recognised as an approved voluntary organisation. As a result, members of the Volunteer Rescue Association of New South Wales are now eligible to receive the National Medal.

Tables showing the number of nominations considered and awards conferred for the Order of Australia and the Australian Bravery Decorations in 2006-07, and the total number of nominations and awards since 1975, are in Appendices C and D. Separately, Appendix E shows the number of all other award types made during the year for outstanding achievement in specific fields of activity and the total since 1975.

Acquisition of medals and other investiture items

A total of 18 000 medals and insignia were purchased during the financial year. This number allowed for the replenishment of the stock of medals for the number of awards made as well as providing for a small increase in numbers to meet expected ongoing requirements.



OFFICE *of the* OFFICIAL SECRETARY
TO THE GOVERNOR-GENERAL

CHAPTER 3 *Management and Accountability*



CORPORATE GOVERNANCE

The Official Secretary, in his role as Chief Executive Officer, is responsible for managing the Office in a way that promotes the proper use of Australian Government resources while achieving high-quality outcomes. Details of this role and the key elements of the governance framework that applies to the Official Secretary are specified in the *Financial Management and Accountability Act 1997*. The Official Secretary fulfils this role through a range of management processes, including by chairing regular Management Committee meetings (involving the Official Secretary, the Deputy Official Secretary and the heads of the Honours Secretariat and Corporate Management branches), chairing quarterly forums with the Governor-General and Mrs Jeffery reviewing Office activities, and chairing meetings of the Office's Audit Committee, which are held three times each year.

As shown in Figure 1, the Office is structured into three functional branches that have responsibility for executive support and the household, corporate management and property, and administration of the Australian Honours and Awards System. Branch managers are responsible for establishing operational priorities within the Office's business plan, using resources efficiently and effectively to achieve agreed outcomes, and monitoring and reporting on team and individual performance through the Office's performance support framework.

The Corporate Management Branch supports the Official Secretary's overall governance responsibilities by facilitating the development of business plans; establishing policy and accountability frameworks; managing risk, fraud and security planning; setting frameworks for and advising on people management; managing industrial relations; and overseeing the total budget management of the Office. The branch also manages the two official residences and coordinates physical security services.

The Audit Committee endorses the annual audit programme for the Office, considers the recommendations contained in individual reports, and monitors the implementation of any changes in policies and practices flowing from such recommendations. The Committee also receives and approves the Office's annual financial statements and associated audit report.

The Office has a Workplace Consultative Committee, chaired on rotation by a staff and management representative, with elected staff representatives from each functional area of the Office. The Committee provides a forum for consulting on pay and employment conditions and for monitoring the implementation of employment policies and practices. The Office also has an Occupational Health and Safety Committee, chaired by the Corporate Manager, which meets quarterly to monitor health and safety issues.

Business planning

The strategic direction of the Office is established through the development of three-year forward-looking business plans that are reviewed on an annual basis. These plans are supported by annual branch operational plans that detail the outcomes and work required to meet the key result areas. In turn, individual staff performance agreements are linked to the operational plans.

With the assistance of a facilitator, key staff met to consider the challenges that would potentially arise over the next three years and what measures the Office would need to take to meet these challenges. A number of changes to the Office's future operating environment were identified, including the completion of the terms of the present Governor-General and the appointment of a new Governor-General. The appointment will involve establishing new operating and support structures to best meet the needs of the new Governor-General.

The planning cycle was extended to a five-year period with the new *2007-2012 Business Plan* being established following extensive consultation with the staff leadership team. Work commenced during 2006-07 on establishing the underpinning 2007-08 branch operational plans.

Business continuity

During the year, the Office reviewed and updated its Business Continuity Plan to ensure that sound infrastructure and processes were in place to enable the Office to meet its critical business needs in the event of an incident that would have an adverse impact on its operations. The new plan was endorsed by the Office's Audit Committee and approved by Management Committee. The plan was tested through 'desktop' scenario exercises conducted in early July 2007. A separate continuity plan to deal with a possible influenza pandemic was also prepared.

Risk, fraud and security management

In June 2006, consistent with the Office's approach of annual reviews and updates of its risk, fraud and security environment, a full risk analysis was independently undertaken by Acumen Alliance. The work included assessing the level of risk exposure of the Office through examining governance frameworks and operational practices. The various reviews concluded that, while no high-level risks were identified, some areas of continuous improvement were possible, and these are currently being addressed by the Office.

The Office's risk management policy and plan were reviewed and updated. An updated Risk Management Policy was prepared and a Risk Management Plan 2007 was established for the period from 2007 to 2009. The policy and plan were endorsed by the Office's Audit Committee and approved by Management Committee.

An updated Fraud Control Plan 2007 was prepared, incorporating fraud control policies. The plan was endorsed by the Office's Audit Committee and approved by Management Committee.

The security management policy and plan were assessed and updated as necessary. An updated Security Policy and Security Plan 2007 were prepared. The policy and plan were endorsed by the Office's Audit Committee and approved by Management Committee.

As part of the risk, fraud and security management process in the Office, a number of staff workshops were held in June 2007 to raise the level of awareness of staff in each of these areas. A total of 83 staff attended these workshops. The workshops dealt with ethical behaviour, understanding and managing risk, and dealing with confidential information. These workshops are conducted annually and, together with the Office's policy and procedures and information brochures, they establish a comprehensive management framework in these areas. All staff have access to the material through the Office's intranet. All new staff are made aware of their responsibilities in relation to fraud and security through the Office's induction programme.

The Office continued to participate in Comcover's risk benchmarking programme, which measures the effectiveness of the agency risk management framework, practices and systems through assessment against a set of key result areas. Each agency's performance is also compared with the performance of other fund members. The result for 2007 was a score of 6.7, the same as that achieved in 2006. This score is above the average for all fund members and that of small agencies.

The Office has complied with the requirements of the *Commonwealth Fraud Control Guidelines* by preparing fraud risk assessments and fraud control plans, and by developing procedures and processes for the detection, investigation and reporting of fraud.

Audit activities

The Office's Audit Committee comprises the Official Secretary, as chair, the Deputy Official Secretary and the Corporate Manager. Representatives of the Australian National Audit Office (ANAO) and the Office's internal audit contractors, WalterTurnbull, also attend committee meetings as observers. The Audit Committee met twice in 2006–07. Matters discussed included:

- > internal audit plan, activity and findings
- > new or updated administrative policy and procedures
- > self-assessment of the Office's position in relation to recommendations made by ANAO in relevant administrative audits completed
- > the ANAO report on the Office's 2005–06 financial statements
- > updated risk, fraud control and security policies and plans
- > the new information and communications technology security policy.

In 2006–07, WalterTurnbull conducted the following reviews in accordance with the agreed audit programme:

- > review of compliance with ComSuper delegations
- > review of travel policy and arrangements
- > review of procurement and contract management
- > a 'spot check' of a range of general operating procedures and compliance, including asset management, use of credit cards, accounts processing, purchasing, payroll, and goods and services tax compliance.

The travel review found that the administration of travel arrangements was generally satisfactory and made a number of minor recommendations related to processing and record-keeping matters to improve performance. The Office has accepted the recommendations and is acting on them.

The audit of procurement and contract management was undertaken to examine the control framework and the effectiveness and appropriateness of procedures. The audit found that the processes and controls within the Office concerning contracts and procurement were of an appropriate standard to mitigate the associated risks. The better practice arrangements implemented by the Office for the management of building projects were noted. Two recommendations for improvement were made and are being addressed.

The audit of the Office's general operating procedures and compliance noted that the Office's processes and controls within the areas under review were of an appropriate standard; however, some minor points were raised to improve the operating arrangements. Measures have been put in place to achieve these improvements.

External scrutiny

In August 2008, the Auditor-General's Office provided an unqualified audit opinion on the Office's 2006-07 financial statements. The Office was not the subject of any agency-specific audits by the Auditor-General's Office, or investigations or reviews by a parliamentary committee or the Commonwealth Ombudsman during the financial year.

Ethical standards

Standards of appropriate behaviour for employees of the Office are set out in the Office's code of conduct, which was endorsed in its 2005-08 certified agreement, as well as in the previous agreements. The code of conduct reflects the Australian Public Service Code of Conduct and Values as set out in the *Public Service Act 1999*. To ensure that staff are aware of the standards, the certified agreement is made readily accessible on the Office's intranet. New starters with the Office are required to sign a statement saying that they have read and understand the Office's code of conduct.

During the financial year, the Office developed and implemented a policy and guidelines relating to managing workplace behaviour; in February 2007, all staff attended training on the standards of workplace behaviour and ethical conduct required by the Office. This training was well received and is part of an ongoing programme of staff development that is being implemented across all levels of staff in the Office (see 'Developing our staff' below).

Financial management and accountability requirements for the Office are laid down in Chief Executive's Instructions (CEIs), which are issued by the Official Secretary under the *Financial Management and Accountability Act 1997*. The CEIs are cross-referenced to relevant parts of the Act to ensure that authorised staff are fully aware of their legal obligations. The CEIs for the Office are available to all staff on the Office's intranet.

The Office's procurement policy and guidelines establish clear responsibilities of ethical behaviour for all staff engaged in procurement processes. In tender processes, staff are required to sign a statement to this effect.

Organisational review and development

In the Office's 2005-08 certified agreement, staff and management committed themselves to a number of reviews of functional areas to ensure they are operating efficiently and effectively to deliver a high-quality service to Their Excellencies and the Office generally.

In accordance with this commitment and as noted in last year's report, a consultant was engaged to conduct a review of the household, maintenance and gardening functions and the role and operations of Admiralty House. The consultant, Courage Partners, fully consulted staff and completed a report in November 2006. The report identified a number of areas of improvement and made a series of recommendations on how the administrative and operational processes could be changed to increase the level of efficiency and effectiveness of these functions. The Office accepted most of the recommendations and work continued during the financial year on their implementation.

Courage Partners also came to the view that a new organisational structure for the gardening function would better position the group to meet the requirements of the Office. The Office accepted the proposition and implemented a new structure in February 2007. Consequently, the



new positions were advertised and staffed. While the new structure has been in place for only a short time, some management and operational improvements have already been noted.

Staff and management also committed to a review of the operation of the Aides functions in support of the Governor-General's programme. The review was broadened to include a review of the administration of the Governor-General's programme and added to the Courage Partners contract; it was completed after full consultation with relevant staff and Their Excellencies in June 2007. The report's recommendations are being considered.

The Office continues to look for better ways of achieving its outcomes and encourages staff to identify areas of improved efficiency and effectiveness. This continuous improvement process is also a feature of the certified agreement. In a small agency such as the Office, the resource savings from such processes are not generally significant because of the limited budgets available and the spread of functionality.

A small project team was established to review and implement improved policy and operating procedures for record keeping across the Office. During the year, a draft policy had been prepared and considered by Management Committee and guidelines were being prepared. It is expected that the new policy and procedures will be implemented by the end of 2007.

MANAGEMENT OF HUMAN RESOURCES

Significant achievements

The Office recorded a number of significant achievements during the 2006–07 financial year, including:

- > development and implementation of the policy and guidelines for managing workplace behaviour
- > implementation of a health and wellbeing programme, including influenza vaccinations, health screenings, lunchtime seminars on health, nutrition and exercise; and staff participation in the 10000 steps walking challenge
- > continued development of the human resources pages on the Office's intranet, including an events and training calendar, as a convenient point of reference for staff
- > enhancements to employee self-service functionality, including the ability for employees to change their personal contact and emergency contact details.



The Governor-General presenting an Australia Day Achievement Medallion to (from far left) Lynette Mace, Karen Baker, Peyton Butler and the floral arrangement team, Margaret Higgs, Marilyn Carle and Sue Phipps.

The Governor-General and Mrs Jeffery presented a number of staff with a 2007 Australia Day Achievement Medallion at a special staff ceremony conducted on 24 January 2007 in recognition of their efforts in supporting the Office to meet its objectives. Medallions were presented to Sue Phipps, Marilyn Carle and Margaret Higgs, who, as flower arrangers for the Office, ensure the floral decorations are appropriate and well presented at all times; Karen Baker, for the provision of quality human resources advice and support; Peyton Butler, for his contribution to the Honours Precinct Project and professional, dedicated and friendly service; and Lynette Mace, for her dedicated and professional service in ensuring all aspects of the household perform at the highest levels.

Senior executive remuneration

The Office employed one senior executive service equivalent officer during the financial year; however, to avoid the disclosure of personal information, the remuneration level of this position has not been included in this report. The remuneration of the Official Secretary is determined by the Remuneration Tribunal.

Remuneration arrangements

The remuneration arrangements for staff are set out in the 2005-08 certified agreement. At 30 June 2007, the certified agreement covered 78 staff, with ten staff covered by an Australian workplace agreement. No staff are paid bonuses under performance-based pay arrangements. The salary ranges of Office employees by classification structure are set out in Appendix F.

Staffing changes and statistics

In 2006-07, the average staffing level for the Office was 82.2; the budget estimate was 91. The shortfall against the budget estimate was mainly due to the difficulty in recruiting suitably skilled replacement staff to work as case officers in the Honours and Awards Secretariat and in accounting roles in the finance team, in the current strong Canberra employment market. Staff shortages were overcome to some degree through engaging agency staff on a short-term contract basis.

During the year, there were 23 commencements (two on short-term contract) and 22 cessations (two on short-term contracts). The number of long-term contract cessations was 22.5 per cent for the financial year, which is an increase in relation to the previous financial year. The Office's rate of staff turnover has previously been somewhat higher than turnover in other agencies; however, it is now reflecting the employment market in Canberra, where there are increased job opportunities and fewer applicants for positions.

A number of senior managers in the Australian Honours and Awards Secretariat, who had been working in the Secretariat for over a decade, took up positions in other agencies or in the private sector. The positions were successfully staffed during the year following recruitment action. The implementation of a new organisation structure for the gardening function was completed and staff recruited (see 'Organisational review and development' at page 31).

To assist in the strategic development of the Office and to maintain efficient and effective support to the Governor-General, the Office is developing a workplace plan that will endeavour to address the challenges of staff retention and attraction, succession planning, and staff development and training.

The Office's staffing statistics, including information on gender, part-time and full-time employment and classification levels, as well as information provided in accordance with workplace diversity principles, are in Appendix F.

Developing our staff

The Office's performance support framework provides the basis for assessing employee performance, providing feedback, and identifying training and development needs. To complement this, the Office has a learning and development framework that facilitates the delivery of individual development opportunities to staff.

Training opportunities provided to staff included a variety of management training courses; workshop and seminars offering specialist accounting, information technology and other skills development; fire safety training; and first aid training.

A programme of leadership development training for staff with supervisory responsibilities commenced in May 2007 with a two-day workshop covering communicating with influence, business planning and corporate governance and financial frameworks. A further full-day workshop was held in July 2007, which reinforced and expanded the themes from the initial training. Further training will be conducted in 2007-08, covering topics such as performance management, feedback and communication, and financial frameworks.

As part of the implementation of a new workplace behaviours policy, all staff attended information sessions on the policy and the behaviour that is considered appropriate and acceptable in the workplace. This included discussion on the Office's values and code of conduct. Awareness-raising workshops were conducted on fraud control, risk management and security management as part of the Office's annual programme of advising staff on their roles and responsibilities consistent with the Office's governance arrangements.

Gardening staff attended a seminar on turf management, conducted by the Turfgrass Association of Australia, and undertook mandatory first aid training. The Gardening Manager attended an irrigation system workshop held in May 2007. A short-term staff interchange arrangement was established with Government House, Perth, for the Head Chef to exchange views and witness procedures and process for the preparation of food for functions hosted at Government House, Perth.

The training and development opportunities provided were aimed at improving staff skills and knowledge of their duties and providing for personal growth. The activities were considered effective in meeting the needs of a range of staff.

Details of staff training and expenditure, by employment category, are provided in Table 7.

Table 7 Staff development and training in 2006-07

TYPE OF STAFF	NUMBER OF PEOPLE TRAINED	NUMBER OF PERSON DAYS USED	EXPENDITURE \$
Administrative staff	72	91	86 748
Gardening and maintenance staff	15	32	15 594
Household staff	16	7	5 189
Total	103	130	107 531

Note: Training costs include course fees and salary at direct cost.

Occupational health and safety

The Office's occupational health and safety (OH&S) policy aims to provide a safe working environment to protect the health and wellbeing of its employees and contractors from accidents, injury or illness arising in the workplace. The Office's OH&S Committee, which is made up of representatives from each workgroup at Government House and Admiralty House, monitors this policy. The health and safety of staff remain a high priority for the Office.

The OH&S Committee met four times during the year and discussed issues such as electrical testing of appliances, working at heights, first aid facilities, updating of material safety data sheets and a number of specific workplace requirements. The Committee received feedback on hazard and injury reports and on workplace safety inspections carried out by representatives.

Elections for health and safety representatives were conducted in a number of designated work groups during the year to either reaccredit the existing representative or to elect a replacement representative. Newly elected representatives to the Committee attended a Comcare-accredited health and safety practitioner's course.

In March 2007, the Parliament passed changes to the *Occupational Health and Safety (Commonwealth Employment) Act 1991* (now titled the *Occupational Health and Safety Act 1991*). The changes were made to make it easier for employers to meet safety standards in some areas and to provide more flexible workplace consultative arrangements between employers and employees. The Office, along with other agencies, has eighteen months to review and amend its policy and operating arrangements to meet the requirements of the new legislation.

The Committee received a report on emergency evacuation training and exercises conducted during the year, including the training of all staff in emergency evacuation procedures. Evacuation exercises were regularly conducted at Government House, Canberra, and Admiralty House, Sydney.

The Office's health and wellbeing programme was broadened to include a walking challenge for staff to improve their physical fitness; trialling of Tai Chi classes at lunchtime; provision of a small amount of fresh fruit to work areas over a period of six weeks to encourage people to include fresh fruit in their diet; and the conduct of a number of lunchtime seminars on a better balanced lifestyle. Influenza vaccinations were again offered to all staff, with many taking up the offer.

Workstation assessments continued to be conducted for new employees on their commencement at the Office and for employees who changed their physical location.

MANAGEMENT OF ASSETS AND FINANCIAL PROCESSES

Asset management

As noted earlier in the report, in 2006–07 the office received additional funding for the second year of a ten-year property works development and maintenance programme to improve the condition of the two vice-regal residences. The Government's commitment to the ten-year works programme will enable the Office to address deficiencies in building, plant and equipment assets that have degraded or are at the end of their life cycle; are inappropriate or inadequate for their purpose; do not comply with Australian standards; have adverse environmental impacts; or present OH&S concerns.

The implementation of the works programme will help ensure that the heritage properties are appropriately developed and maintained for the benefit of all Australians. Further information is provided under 'Property management' in Output 1.1.

During the year, the Office, in accordance with its asset management policy, undertook a stocktake of all assets in the main House and a number of other buildings at Government House. Assets held in storage both on site at Government House or at other locations in Canberra were accounted for.

In compliance with the Financial Management Orders issued by the Department of Finance and Administration and Australian Accounting Standards, the Australian Valuation Office was engaged to review the valuation of all classes of assets. While some revaluations were identified, there was no major change in the asset values for buildings and property.

In 2006–07, a total of \$386 766 was spent on items of equipment, computer software and motor vehicles that each had an individual value greater than the Office's asset threshold of \$3000. Significant outlays included \$150 649 (net) for the purchase of replacement motor vehicles, \$99 947 (net) for replacement gardening equipment and \$126 899 for computer software.

Purchasing

The *Commonwealth Procurement Guidelines* (CPGs) and the Office's Chief Executive's Instructions (CEIs) provide the framework against which decisions are made for the procurement of goods and services. The CPGs provide for the tendering of 'covered' procurements with a value greater than \$80 000 and of construction services valued at more than \$6 million. The Office's CEIs allow for the most appropriate procurement method to be adopted below these thresholds or where the procurement is not classified by the CPGs as a 'covered' procurement.

In line with this framework, the Office also balances the need for open and effective competition with the need to use procurement methods that are cost effective and efficient. Value for money is always a primary consideration when selecting a consultant. The Office receives advice from the Official Establishments Trust in relation to the choice of appropriately qualified consultants for the provision of professional services for the conservation and development of its heritage buildings and grounds.

In general, for projects with a value between \$2000 and \$80 000, the Office directly approaches a group of known suppliers in the market and consults other relevant government agencies or professional bodies to develop shortlists of possible providers. In accordance with the requirements of the CPGs, 'covered' consultancy projects with a value of more than \$80 000 usually involve requests for tenders or invitations to register interest.

Purchasing activities during the year were conducted in accordance with the CPGs and the Office's CELs. A range of positions within the Office have been delegated responsibility for the exercise of powers under the *Financial Management and Accountability Act 1997*. Branch managers are responsible for the expenditure of funds and the management of assets under their control.

The Office has ongoing contracts to provide a variety of contractor services, including internal audit, banking, payroll, office cleaning, and property maintenance and minor works.

The Office's annual procurement plan for 2006-07 was published on AusTender.

Consultants

The Office engages consultants on an ad hoc basis to provide professional and specialist services for building works and architectural services, administrative projects, information technology support and systems development and to facilitate organisational change and management reforms where the Office does not have the skills currently available or where there is a need for specialist and professional skills or independent research.

During 2006-07, a total of 36 new consultancy contracts were entered into, involving total actual expenditure of \$375 416. In addition, ten ongoing consultancy contracts were active during 2006-07, involving total actual expenditure of \$167 340.

Details of new consultancy contracts awarded in 2006-07 with a value of \$10 000 or more are provided in Appendix G. Details of contracts awarded with a value greater than \$100 000 are shown on the Office's website, www.gg.gov.au, in accordance with guidelines issued by the Department of Finance and Administration. Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

Legal services expenditure

In accordance with the requirements of the Legal Services Directions 2005, the Office reports that total expenditure on external legal services in 2006-07 was \$70 144.80, GST inclusive. All expenditure was incurred on solicitors' fees. No legal counsel was engaged and the Office did not expend funds on internal legal services.

In collaboration with the Public Service Commission, a public tender was released for the establishment of a legal services panel to service both the Commission and the Office. Following the assessment of tenders, a standing contract was signed with the Australian Government Solicitor and Blake Dawson Waldron for the provision of legal services as required by either the Commission or the Office.

Competitive tendering and contracting

During the reporting year, the Office did not contract to another organisation the delivery of any programme activities that it had previously performed.

Exempt contracts

The Official Secretary did not exempt any contract or standing offer in excess of \$10 000 from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

Advertising and market research

During the financial year, the Office placed recruitment advertisements with an aggregate value of \$14 677.01 including GST through the Government's contracted media buying agency, hma Blaze Pty Ltd. No other advertisements were placed, and no market research was conducted.

Discretionary grants

The Office neither made nor administered any discretionary grants during the financial year.

INFORMATION TECHNOLOGY

The Office updated its information technology and communications strategic plan, which was approved by Management Committee in December 2006. The plan is used to align the development of the Office's information technology and communications systems with the business needs of the Office. The plan covers a three-year period.

Projects completed in 2006–07 included:

- > rollout of new personal computers to all Honours and Awards Secretariat staff to ensure they have the appropriate hardware to use the new business system software that is being developed
- > redevelopment of the Governor-General's website to improve functionality and to improve its content, design and presentation
- > replacement of voice cabling to the Gatehouse, which was failing, and the installation of data cabling to improve capability.

In last year's report, it was advised that an Information and Communications Security Review was completed by Acumen Alliance. In line with the recommendations of that report and as identified in the ICT Strategic Plan, the Office commissioned Stratsec to prepare an ICT Security Policy that took into account Australian Defence Signals Directorate information, the *Information and Communications Technology Security Manual (ACSI 33)* and the *Protective Security Manual*. The policy was approved by Management Committee and is currently being implemented. This will see significant changes to the way in which information and systems are managed by the Office. A programme of staff awareness workshops will be held to ensure that staff are aware of the system changes and their new responsibilities.

Following a tender process, the Office engaged Alphawest Services Pty Ltd to undertake the development and implementation of new software to support Honours Secretariat business processes, reporting and analysis, and for the receipt of nominations online. This is an important project for the Office, replacing old and unreliable technology and manual processes with a modern integrated software solution. The project has been used to identify improved workflow and to look for efficiencies wherever possible. A project team of Honours and Awards staff has worked hard on the analysis and design of the new system. The project is expected to be completed in 2007 for implementation in early 2008.

COMMONWEALTH DISABILITY STRATEGY

Under the Commonwealth Disability Strategy, the Office's main responsibility as an employer is to provide an appropriate workplace and policies. In this regard, the Office is an equal opportunity employer. Recruitment information is provided through newspaper advertisements and on the Office's website, and applications can be made online. Special needs of applicants are catered for on request. As human resource management policies are reviewed, the inclusion of the requirements of the *Disability Discrimination Act 1992* will be taken into account.

Secretariat staff can assist people with disabilities to make nominations for the Australian Honours and Awards System as the need arises. The Office has developed a number of brochures providing information on the range of honours and awards that may be granted and how to make a nomination. This information is also available on the Office's website and on the website of the Department of the Prime Minister and Cabinet. The Secretariat may be contacted by telephone on 1800 552 275 to request nomination material.

FREEDOM OF INFORMATION

Section 8 of the *Freedom of Information Act 1982* (FOI Act) requires each Australian Government agency to publish information about the way it is organised and its functions and powers, and arrangements for public participation in its work. Each agency must also provide details of documents that it holds and of how members of the public can gain access to them.

Organisation, functions and powers affecting the public

The Office's organisation chart and functions are detailed in Chapter 1 of this report. The Official Secretary is the decision maker under section 23 of the FOI Act in respect of requests for access.

FOI procedures and initial contact point

Individuals seeking access to documents of an administrative nature in the possession of the Official Secretary should forward a \$30 application fee and apply in writing to:

The Official Secretary to the Governor-General
Government House
Canberra ACT 2600
Telephone: (02) 6283 3533
Facsimile: (02) 6281 3760

Initial enquiries may be directed to the FOI Contact Officer on (02) 6283 3512.

Charges

The Office's policy on levying charges under FOI regulations is that, where applicable, fees should be collected and charges imposed for processing FOI requests. However, fees may be remitted, and charges reduced or not imposed, if the Official Secretary is satisfied that a relevant reason to do so exists. If access is approved, the Official Secretary will provide copies of documents after the Office receives payment of any charges that apply.

Categories of documents

The FOI categories apply to documents of the Office as follows:

- > documents of an administrative nature
 - These documents include personnel records, organisation and staffing records, and financial and expenditure records.
- > documents open to public access subject to a fee or charge, and documents available for access or purchase subject to a fee or charge
 - The Office holds no documents in these categories.
- > documents customarily available free of charge upon request
 - These include the Governor-General's speeches, and pamphlets on Government House, Admiralty House, the Order of Australia and Australian Bravery Decorations. A limited number of copies of the Office's annual reports are also available.

Special arrangements apply to the Office. Section 6A of the FOI Act includes the following provisions:

- (1) This Act does not apply to any request for access to a document of the Official Secretary to the Governor-General unless the document relates to matters of an administrative nature.
- (2) For the purposes of this Act, a document in the possession of a person employed under section 13 of the *Governor-General Act 1974* that is in his possession by reason of his employment under that section shall be taken to be in the possession of the Official Secretary to the Governor-General.

The FOI Act does not apply to documents of the Council for the Order of Australia or the Australian Bravery Decorations Council, both of which were established by Letters Patent.

During the year, the Office received two FOI requests:

- > A request for the release of documents concerning two nominations and the awarding of honours in the Australian Honours and Awards System was denied under section 6A of the FOI Act.
- > A request received in early June 2006 for the waiver of the internal review application fee in respect of an FOI request made earlier in 2005-06 was denied in July 2006.

There were no FOI requests outstanding at the end of the reporting period.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PROTECTION

This report is provided in accordance with section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The Office does not administer legislation, undertake policy work or deliver programmes as part of its role.

Operational activities

Schedule 3 of the EPBC Act provides for the appropriate minister to include in the Commonwealth Heritage List those Commonwealth places that were in the Register of the National Estate at 31 December 2003. In June 2004, the Minister determined that Government House, Canberra, and Admiralty House, Sydney, would be included in the Commonwealth Heritage List as places with significant heritage value owned or controlled by the Commonwealth.

In accordance with the EPBC Act, the Office prepared a Heritage Strategy that provides advice on how the Office will manage its two heritage properties. The strategy was approved by the Minister after review by the Australian Heritage Council and the Official Establishments Trust. The strategy is available for review on the Office's website.

Over the past decade, the Office has developed a number of conservation management plans for the residences and associated landscapes and uses the services of heritage architects and heritage landscape architects to assist with the development and maintenance of the properties. The Official Establishments Trust also advises on the development and management of the properties.

The inclusion of Government House and Admiralty House on the Commonwealth Heritage List places a number of additional obligations on the Office to protect the heritage value of the properties. With the support of its heritage architects, the Office has continued during the financial year to prepare a management plan for each property to meet the EPBC Act requirements.

Both the Admiralty House and Government House management plans are in draft form and will be reviewed by the Official Establishments Trust prior to submission to the Department of the Environment and Water Resources for comment. Following this, the plans will be sent to the Australian Heritage Council for review and then to the Minister for the Environment and Water Resources for approval.

Environmental management system

The Office's Environmental Management Committee met during the year to consider strategies to improve the management of environmental risks and improve environmental performance following an independent review of the environmental performance of Government House and Admiralty House and on the Office's work in addressing the recommendations of an environmental audit conducted in 2006.

In accordance with the Office's environmental management system a further environmental audit was completed in early 2007. This audit included a number of recommendations for further improvements to the Office's systems and operations, including developing and implementing

standard operating procedures for a number of activities being undertaken; better storage of fuels, chemicals and dangerous goods; full audit of the performance of the irrigation systems being used at Government House that are now over ten years old; and the raising of awareness and training of staff in their environmental responsibilities.

The 2007 report noted progress with earlier recommendations such as changes to watering of gardens and lawns; recycling of organic material on site for compost; use of energy-saving measures such as energy-efficient light fittings; improved methods of collecting paper for recycling; and the upgrade of equipment to allow for double-sided copying.

The Committee also received reports from each branch on actions taken to save energy by turning off computers, office equipment and lights when not needed; installation of timers on hot water urns; and upgrading of external light fittings. Other actions identified were the reduction in the number of vehicles in the vehicle fleet; use of ethanol fuel in vehicles; and the better utilisation of vehicles to transport staff and luggage.

Environmental initiatives

To assist with the better management of the properties, the Office commissioned consultants to undertake investigations and prepare a water conservation report for Admiralty House and to update the energy conservation profile for Government House. The water conservation report was received in June 2007; it highlighted a number of areas where improvements can be made. The report's recommendations are currently being assessed. The energy report, received in August 2007, identified a number of initiatives that would reduce energy consumption. The report's recommendations are being assessed.

The Office continued to improve its environmental performance in all areas of its operations. Some of the achievements are detailed below.

- > Improved garden management practices and priority setting led to a reduction in use of non-potable water extracted from Lake Burley Griffin for the watering of the heritage landscape at Government House. Despite severe drought conditions, there was a 20 per cent saving from the limit allocated.
- > Light fittings and globes throughout the kitchen service wing at Government House were replaced with more energy-efficient lighting.
- > Improved gardening practices at both properties led to planting of more drought-tolerant plants; greater use of mulch on garden beds to lessen evaporation; use of the underground water tank at Admiralty House, with a 56 per cent reduction in potable water used; gradual changeover of irrigation systems in garden beds; trialling of drought-tolerant grass species; and continued recycling of garden waste instead of sending this off-site for disposal.

The design of the new office building for the Honours Secretariat has specifically incorporated a range of environmental efficiencies including using high quality insulation, energy-efficient air-conditioning, double glazing to all fixed windows, a solar hot water system and a reduced need for artificial lighting by thoughtful positioning of windows and the use of light coloured internal finishes. The roof design allows the collection of rainwater into a 10 000 litre underground water tank; the collected rain water is then used within the building for flushing toilets.



OFFICE *of the* OFFICIAL SECRETARY
TO THE GOVERNOR-GENERAL

APPENDICES



The Council for the Order of Australia and the Australian Bravery Decorations Council

The Order of Australia

As at 30 June 2007

The Order of Australia was established as part of the Australian honours system by Letters Patent signed by Her Majesty The Queen on 14 February 1975.

Chancellor of the Order

His Excellency Major General Michael Jeffery AC CVO MC (Retd)
Governor-General of the Commonwealth of Australia

Secretary of the Order

Mr Malcolm Hazell CVO
Official Secretary to the Governor-General

Council for the Order of Australia

Membership at 30 June 2007

Members – nominated by the Australian Government

The Honourable Sir James Gobbo AC CVO (Chairman)
Ms Robyn Burke
Major General W B James AC MBE MC (Ret'd)
The Honourable Tony Messner AM
Dr George Santoro AM
Dr Fiona Wood AM
Professor John Shine AO
Dr Sue Gordon AM

Members – nominated by State and Territory governments

Ms Robyn Kruk AM (New South Wales)
Mr Charles Curwen CVO OBE (Victoria)
Mr Patrick Vidgen (Queensland)
Mr Adam Bodzioch (South Australia)
Mr Malcolm Wauchope (Western Australia)
Ms Linda Hornsey (Tasmania)
Ms Teresa Hart (Northern Territory)
Vacant (Australian Capital Territory)

Members - ex-officio

Senator the Honourable Nick Minchin
Vice-President of the Federal Executive Council

Air Chief Marshal Angus Houston AO AFC
Chief of the Defence Force

Mr Duncan Lewis AO DSC CSC
Deputy Secretary, Department of the Prime Minister and Cabinet

APPENDIX A

Australian Bravery Decorations*As at 30 June 2007*

The Australian Bravery Decorations were established as part of the Australian honours system by Letters Patent signed by Her Majesty The Queen on 14 February 1975.

Australian Bravery Decorations Council*Membership at 30 June 2007****Members – nominated by the Australian Government***

Professor Valerie Pratt AM (Chair)

Dr Penelope Flett

Mr John Johnson AO APM QPM

Ms Sue Renkin

Members – nominated by State and Territory governments

Mr John Trevillian AM (New South Wales)

Ms Nancy Staub (Victoria)

Mr Patrick Vidgen (Queensland)

The Honourable Anne Levy (South Australia)

Mr Hugh Samson LVO (Western Australia)

Ms Fiona Birkett MVO (Tasmania)

Mr Shaun O'Sullivan (Northern Territory)

Mr Gregor Manson (Australian Capital Territory)

Members – ex officio

Mr Nick Warner PSM

Secretary, Department of Defence

Mr Peter Rush

Assistant Secretary, Awards and Culture Branch

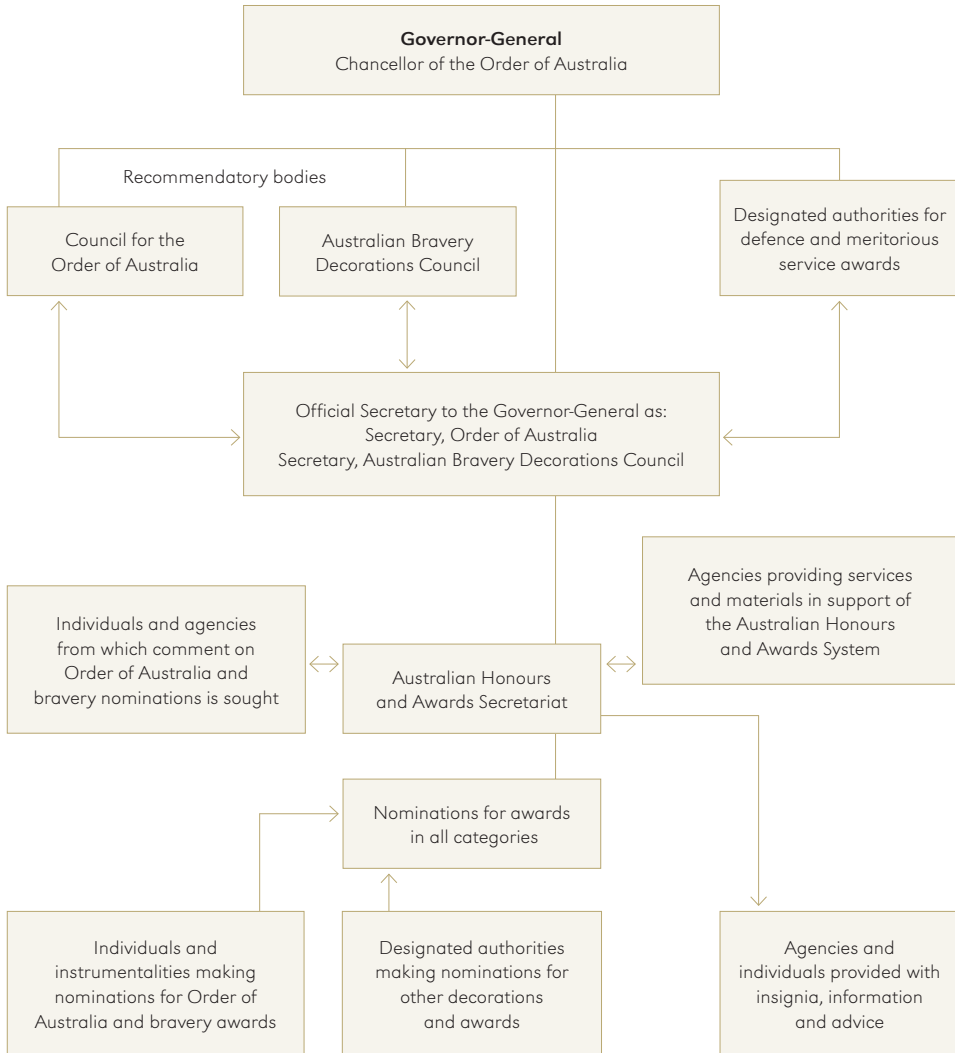
Department of the Prime Minister and Cabinet

Secretary

Mr Malcolm Hazell CVO

Official Secretary to the Governor-General

Australian Honours and Awards System – Functional Relationships



APPENDIX C

Order of Australia Awards

Table C1 The Order of Australia awards (General Division)
Australia Day 2007 and The Queen's Birthday 2007

CATEGORY		NUMBER OF		% AWARDED	AC	AWARD LEVELS		
		NOMINATIONS CONSIDERED	TOTAL AWARDED			AO	AM	OAM
Architecture	M	4	3	75.0	-	-	2	1
	F	2	1	50.0	-	-	1	-
The Arts	M	45	31	68.9	1	2	9	19
	F	26	15	57.7	-	-	4	11
Building & Construction	M	5	3	60.0	-	-	2	1
	F	-	-	-	-	-	-	-
Business & Commerce	M	62	41	66.1	1	4	23	13
	F	15	9	60.0	1	1	6	1
Community & Migrant Assistance	M	43	22	51.2	-	1	3	18
	F	10	6	60.0	-	-	1	5
Community	M	653	319	48.9	1	4	39	275
	F	312	163	52.2	-	4	23	136
Conservation	M	28	23	82.1	-	1	9	13
	F	9	4	44.4	-	1	2	1
Dentistry	M	15	9	60.0	-	-	3	6
	F	1	1	100.0	-	-	-	1
Disabled	M	19	10	52.6	-	-	-	10
	F	22	11	50.0	-	-	1	10
Education	M	70	45	64.3	-	4	23	18
	F	36	27	75.0	-	3	7	17
Engineering	M	13	8	61.5	-	-	4	4
	F	-	-	-	-	-	-	-
Industrial Relations	M	9	3	33.3	-	-	1	2
	F	-	-	-	-	-	-	-
Information Technology	M	4	1	25.0	-	-	1	-
	F	1	-	-	-	-	-	-
International Relations	M	16	10	62.5	-	-	4	6
	F	5	3	60.0	-	-	2	1
Law	M	20	15	75.0	-	5	8	2
	F	6	5	83.3	1	-	4	-
Library & Related Occupations	M	2	-	-	-	-	-	-
	F	2	1	50.0	-	-	1	-
Local Government	M	32	16	50.0	-	-	4	12
	F	15	7	46.7	-	-	3	4
Media & Communications	M	14	10	71.4	-	1	2	7
	F	1	1	100.0	-	-	-	1
Medicine	M	138	73	52.9	2	5	29	37
	F	34	21	61.8	-	2	7	12

Table C1 Cont.

CATEGORY		NUMBER OF		% AWARDED	AC	AWARD LEVELS		
		NOMINATIONS CONSIDERED	TOTAL AWARDED			AO	AM	OAM
Mining	M	3	1	33.3	-	-	-	1
	F	-	-	-	-	-	-	-
Parliament & Politics	M	18	14	77.8	-	4	7	3
	F	3	1	33.3	-	-	-	1
Primary Industries	M	40	25	62.5	-	-	11	14
	F	1	1	100.0	-	-	-	1
Public Service	M	35	17	48.6	2	11	2	2
	F	4	2	50.0	-	-	2	-
Religion	M	28	18	64.3	1	2	2	13
	F	6	5	83.3	-	-	1	4
Science, Technological Developments, R&D	M	27	15	55.6	-	-	10	5
	F	5	3	60.0	1	1	1	-
Sport & Leisure	M	105	49	46.7	-	3	4	42
	F	31	16	51.6	-	1	2	13
Surveying and Mapping	M	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-
Tourism	M	5	2	40.0	-	-	1	1
	F	1	1	100.0	-	-	1	-
Transport	M	14	7	50.0	-	-	3	4
	F	2	2	100.0	-	-	-	2
Veterinary Science	M	5	4	80.0	-	-	-	4
	F	1	1	100.0	-	-	-	1
Total	M	1472	794	53.9	8	47	206	533
	F	551	307	55.7	3	13	69	222
		2023	1101	54.4	11	60	275	755

APPENDIX C

Table C2 The Order of Australia awards (General Division)
The Queen's Birthday 1975 to The Queen's Birthday 2007

CATEGORY		NUMBER OF NOMINATIONS CONSIDERED	TOTAL AWARDED	% AWARDED	AK*	AD*	AWARD LEVELS			
							AC	AO	AM	OAM
Architecture	M	191	108	56.5	-	-	2	22	67	17
	F	11	5	45.5	-	-	-	-	3	2
The Arts	M	1292	732	56.7	-	-	20	98	304	310
	F	807	484	60.0	-	1	9	41	150	283
Building & Construction	M	138	79	57.2	-	-	2	6	45	26
	F	2	1	50.0	-	-	-	-	1	-
Business & Commerce	M	1590	862	54.2	2	-	35	185	436	204
	F	107	64	59.8	-	-	2	9	34	19
Community & Migrant Assistance	M	962	430	44.7	-	-	-	12	69	349
	F	282	155	55.0	-	-	-	-	12	143
Community	M	12910	5698	44.1	-	-	28	135	825	4710
	F	7087	3720	52.5	-	-	11	92	463	3154
Conservation	M	465	303	65.2	-	-	-	21	100	182
	F	203	125	61.6	-	-	-	10	29	86
Dentistry	M	185	96	51.9	-	-	-	9	54	33
	F	10	6	60.0	-	-	-	-	2	4
Disabled	M	497	303	61.0	-	-	-	3	78	222
	F	519	333	64.2	-	-	-	3	57	273
Education	M	1322	708	53.6	1	-	18	118	320	251
	F	619	370	59.8	-	-	4	27	142	197
Engineering	M	255	149	58.4	-	-	3	32	87	27
	F	3	3	100.0	-	-	-	1	2	-
Industrial Relations	M	311	197	63.3	-	-	4	20	96	77
	F	16	13	81.3	-	-	-	2	4	7
Information Technology	M	9	5	55.6	-	-	-	2	3	-
	F	5	3	60.0	-	-	-	1	2	-
International Relations	M	236	104	44.1	-	-	2	14	48	40
	F	102	59	57.8	-	-	2	9	26	22
Law	M	474	262	55.3	1	-	41	83	105	32
	F	52	34	65.4	-	-	4	11	16	3
Library Services	M	25	12	48.0	-	-	-	2	6	4
	F	37	22	59.5	-	-	-	1	9	12
Local Government	M	1379	661	47.9	-	-	-	6	141	514
	F	189	99	52.4	-	-	-	2	23	74
Media & Communications	M	475	234	49.3	-	-	4	23	104	103
	F	73	37	50.7	-	-	-	8	15	14
Medicine	M	2211	1076	48.7	-	-	28	197	543	308
	F	788	469	59.5	-	-	7	47	177	238
Mining	M	107	65	60.7	-	-	4	16	32	13
	F	1	1	100.0	-	-	-	-	1	-
Parliament & Politics	M	406	212	52.2	2	-	27	74	75	34
	F	52	26	50.0	-	1	-	9	11	5

Table C2 Cont.

CATEGORY		NUMBER OF NOMINATIONS CONSIDERED	TOTAL AWARDED	%	AWARDED	AK*	AD*	AWARD LEVELS			
								AC	AO	AM	OAM
Primary Industries	M	915	554	60.5	-	-	1	39	232	282	
	F	44	34	77.3	-	-	-	2	9	23	
Public Service	M	1456	778	53.4	5	-	48	196	303	226	
	F	228	108	47.4	-	-	4	8	28	68	
Religion	M	475	255	53.7	-	-	5	17	87	146	
	F	46	28	60.9	-	-	-	1	6	21	
Science, Technological Developments, R&D	M	557	318	57.1	1	-	18	90	159	50	
	F	59	43	72.9	-	-	4	12	20	7	
Sport & Leisure	M	2585	1408	54.5	-	-	3	29	238	1138	
	F	711	465	65.4	-	-	-	4	45	416	
Surveying and Mapping	M	19	10	52.6	-	-	-	-	5	5	
	F	-	-	-	-	-	-	-	-	-	
Tourism	M	137	76	55.5	-	-	-	7	31	38	
	F	24	12	50.0	-	-	-	-	4	8	
Transport	M	318	135	42.5	-	-	2	17	56	60	
	F	17	10	58.8	-	-	-	2	2	6	
Veterinary Science	M	76	48	63.2	-	-	-	7	23	18	
	F	6	4	66.7	-	-	-	-	-	4	
Total	M	31 978	15 878	49.7	12	-	295	1480	4672	9419	
	F	12 100	6733	55.6	-	2	47	302	1293	5089	
		44078	22611	51.3	12	2	342	1782	5965	14508	

* Awards at this level were removed in 1986. Figures may exclude awards that have been returned.

APPENDIX D

Australian Bravery Decorations

Table D1 Australian Bravery awards 2006-07

	NUMBER OF NOMINATIONS CONSIDERED	TOTAL AWARDED	% AWARDED	AWARD LEVELS				
				CV	SC	BM	CBC	GBC*
Interception of armed offender	24	18	75	-	1	11	6	-
Rescued from animal attack	5	2	40	-	-	1	1	-
Rescue from armed offender	11	5	45	-	-	3	2	-
Rescue from electrical hazard	1	-	-	-	-	-	-	-
Rescue from explosive hazard	6	5	83	-	-	3	2	-
Rescue from fire - aircraft	1	1	100	-	-	1	-	-
Rescue from fire - building	36	23	64	-	1	10	12	-
Rescue from fire - bushfire	105	-	-	-	-	-	-	-
Rescue from fire - motor vehicle	21	16	76	-	1	5	10	-
Rescue from fire - other	2	1	50	-	-	-	1	-
Rescue from gases, toxic fumes etc.	-	-	-	-	-	-	-	-
Rescue from heights, cliffs	4	-	-	-	-	-	-	-
Rescue from holes, wells or mines	-	-	-	-	-	-	-	-
Rescue from inland waters	11	4	36	-	-	1	3	-
Rescue from other situation	25	9	36	-	-	-	3	1 (6)
Rescue from path of oncoming vehicle	4	4	100	-	-	1	3	-
Rescue from water - other	3	-	-	-	-	-	-	-
Rescue from water - sea	29	17	59	-	-	5	5	1 (7)
Rescue from water - submerged vehicle	6	2	33	-	-	-	2	-
Total	294	107	36	-	3	41	50	2 (13)

* The number in brackets represents individual recipients in group citations

Table D2 Australian Bravery awards 1975 to 30 June 2007

	NUMBER OF NOMINATIONS CONSIDERED	TOTAL AWARDED	% AWARDED	AWARD LEVELS				
				CV	SC	BM	CBC	GBC
Interception of armed offender	458	262	57	1	7	85	156	2 (13)
Rescue from animal attack	99	59	60	-	11	29	19	-
Rescue from armed offender	760	447	59	-	34	160	162	13 (91)
Rescue from electrical hazard	81	36	44	1	1	13	21	-
Rescue from explosive hazard	204	145	71	2	12	45	43	3 (43)
Rescue from fire - aircraft	30	22	73	-	-	18	4	-
Rescue from fire - building	871	405	46	-	12	131	245	2 (17)
Rescue from fire - bushfire	401	81	20	-	1	8	29	2 (43)
Rescue from fire - motor vehicle	431	278	65	-	20	92	160	1 (6)
Rescue from fire - other	70	57	81	-	7	20	7	1 (23)
Rescue from gases, toxic fumes etc.	32	24	75	-	2	16	6	-
Rescue from heights, cliffs	135	65	48	-	3	21	28	3 (13)
Rescue from holes, wells or mines	125	82	66	1	2	21	14	4 (44)
Rescue from inland waters	500	203	41	-	1	54	113	5 (35)
Rescue from other situation	421	100	24	-	1	29	53	5 (17)
Rescue from path of oncoming vehicle	59	32	54	-	1	16	15	-
Rescue from water - other	36	8	22	-	-	1	7	-
Rescue from water - sea	1004	439	44	-	17	120	230	19 (72)
Rescue from water - submerged vehicle	79	25	32	-	-	5	20	-
Total	5796	2770	48	5	132	884	1332	60 (417)

* The number in brackets represents individual recipients in group citations

APPENDIX E

Defence, Meritorious and Long Service Awards

Table E1 Defence, meritorious and long service awards approved 2006-07 and total awards approved

AWARD	AWARDS APPROVED 2006-07	TOTAL AWARDS APPROVED TO 30 JUNE 2007
Companion of the Order of Australia (Military Division)	1	22
Officer of the Order of Australia (Military Division)	4	226
Member of the Order of Australia (Military Division)	25	967
Medal of the Order of Australia (Military Division)	19	1019
Star of Gallantry	1	1
Medal for Gallantry	5	33
Commendation for Gallantry	3	10
Unit Citation for Gallantry	1	2
Distinguished Service Cross	5	31
Distinguished Service Medal	5	65
Commendations for Distinguished Service	16	203
Meritorious Unit Citation	3	19
Conspicuous Service Cross	32	609
Conspicuous Service Medal	49	705
Nursing Service Cross	6	29
Public Service Medal	88	1489
Australian Police Medal	64	1131
Australian Fire Service Medal	59	807
Ambulance Service Medal	21	138
Emergency Service Medal	22	210
Australian Antarctic Medal	1	80
Civilian Service Medal 1939-1945	35	6746
Police Overseas Service Medal	645	3101
Humanitarian Overseas Service Medal	465	1758
Champion Shots Medal	1	47
National Medal	7089	159013
80th Anniversary Armistice Remembrance Medal	-	71
Australian Sports Medal	-	18000
Centenary Medal	-	15841
Total Awards	8665	212373

Note: 372 956 awards in other categories were approved between 1975 and 30 June 2004, bringing the total number of awards approved to 585 329. Due to a change in administration arrangements these awards are no longer processed by the Secretariat

Staffing overview

Table F1 provides information on the salary ranges available under the Office's certified agreement or through an individual Australian workplace agreement as at 30 June 2007.

Table F1 Salary range by classification at 30 June 2007

CLASSIFICATION	SALARY RANGE
Government House Officer	
Level 1	\$32 115 – \$39 533
Level 2	\$36 029 – \$43 158
Level 3	\$41 213 – \$50 397
Level 4	\$47 071 – \$51 090
Level 5	\$52 502 – \$55 658
Level 6	\$56 707 – \$68 468
Level 7 and Level 8*	\$72 469 and above

Note: Level 7 and Level 8 classifications have been combined to prevent the disclosure of personal information.

The figures in the following tables show the number of employees occupying positions at 30 June. Staffing profiles at 30 June 2007 and at 30 June 2006 are shown in Tables F2 and F4; the Office's equal employment opportunity profile at 30 June 2007 is shown in Table F3.

Table F2 Staffing profile at 30 June 2007

CLASSIFICATION	FULL-TIME		PART-TIME		CANBERRA	SYDNEY	TOTAL
	F	M	F	M			
Statutory Officer	-	1	-	-	1	-	1
SES Equivalent Officer	-	1	-	-	1	-	1
Government House Officer							
Level 8	1	2	-	-	3	-	3
Level 7	5	6	-	-	11	-	11
Level 6	8	7	-	-	15	-	15
Level 5	11	4	3	-	18	-	18
Level 4	4	4	1	-	7	2	9
Level 3	5	2	-	-	7	-	7
Level 2	-	5	3	-	8	-	8
Level 1	5	7	3	-	15	-	15
Total	39	39	10	-	86	2	88

Notes: All staff were employed under the *Governor-General Act 1974* on long-term or short-term contracts. In Canberra, staff are located at Government House, while, in Sydney, staff are located at Admiralty House.

APPENDIX F

Table F3 Equal employment opportunity profile at 30 June 2007

PROFILE	TOTAL
Female	49
Male	39
Aboriginal	-
Torres Strait Islander	-
Non-English speaking background ^a	13
Non-English speaking background ^b	14
People with disabilities	-

^a Non-English speaking background, overseas born.

^b Non-English speaking background, first-generation Australian (born in Australia).

Table F4 Staffing profile at 30 June 2006

CLASSIFICATION	FULL-TIME		PART-TIME		CANBERRA	SYDNEY	TOTAL
	F	M	F	M			
Statutory Officer	-	1	-	-	1	-	1
SES Equivalent Officer	1	-	-	-	1	-	1
Government House Officer							
Level 8	1	2	-	-	3	-	3
Level 7	3	7	-	1	11	-	11
Level 6	8	4	-	-	12	-	12
Level 5	8	5	7	-	20	-	20
Level 4	1	2	2	-	5	-	5
Level 3	8	5	-	-	10	3	13
Level 2	-	2	2	-	4	-	4
Level 1	4	13	3	-	19	1	20
Total	34	41	14	1	86	4	90

Notes: All staff were employed under the *Governor-General Act 1974* on long-term or short-term contracts.

In Canberra, staff are located at Government House, while, in Sydney, staff are located at Admiralty House.

Consultancy contracts

Government purchasing policy requires that agencies publish open business opportunities, and gazette all contracts and standing offers with a value of \$10 000 or more, in AusTender. Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

Table G1 lists only those consultancies let in 2006–07 with a value of \$10 000 or more. Information on total expenditure on consultants can be found under ‘Consultants’ in Chapter 3.

Table G1 Consultancy services let during 2006–07, of \$10 000 or more

CONSULTANT NAME	DESCRIPTION	CONTRACT PRICE	SELECTION PROCESS ¹	JUSTIFICATION ²
Tanner Architects Pty Ltd	Heritage architectural services for Admiralty House State Rooms refurbishment	36 300	Select tender	B
Tanner Architects Pty Ltd	Heritage and architectural advice for the upgrade of fire detection system at Admiralty House	20 130	Select tender	B
Tanner Architects Pty Ltd	Heritage architectural services for Admiralty House first floor refurbishment	26 707	Select tender	B
Lovell Chen Pty Ltd	Preparation of management plan for Government House	60 000	Select tender	B
Lovell Chen Pty Ltd	Preparation of heritage register for Government House	19 962	Select tender	B
Lovell Chen Pty Ltd	Heritage and architectural services associated with construction of new buildings at Government House	84 150	Select tender	B
Lovell Chen Pty Ltd	Heritage and architectural services associated with mechanical services works on ground floor Government House	12 144	Select tender	B
Courage Partners	Management consultancy services for review of administrative functions	72 781	Select tender	C
Infront Systems Pty Ltd	Preparation of ICT Strategic Plan 2006–09	21 384	Select tender	C
Rudd Consulting Pty Ltd	Professional engineering advice	27 126	Select tender	B
Palm Consulting	Professional services for preparation of business plan	10 120	Select tender	C
Acumen Alliance	Preparation of fraud, risk and security policy and plans	32 175	Select tender	A/B
Australian Government Solicitor	Legal advice on Honours Business Support System contracts	20 959	Select tender	B
Australian Government Solicitor	Technical advice on freedom of information issues	12 730	Select tender	B

APPENDIX G

Note: All contract prices include GST.

¹ Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines (January 2005):

Open tender: A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are sought from the marketplace using national and major metropolitan newspaper advertising and the Australian Government AusTender internet site.

Select tender: A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders. Tenders are invited from a short list of competent suppliers.

Direct sourcing: A form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or their ability to supply the goods and/or services sought.

Panel: An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements. Tenders are sought from suppliers that have pre-qualified on agency panels to supply to the government. This category includes standing offers and supplier panels where the consultant offers to supply goods and services for a predetermined length of time, usually at a prearranged price.

² Justification for decision to use consultancy:

A—skills currently unavailable within agency

B—need for specialised or professional skills

C—need for independent research or assessment.

Glossary, abbreviations and acronyms

administered items	assets, liabilities, revenues or expenses that are controlled by the Australian Government but managed by the Office on the Government's behalf
Administrator, the	the person (conventionally, the longest-serving State Governor) appointed by The Queen to administer the Government of the Commonwealth of Australia when the Governor-General is overseas or ill, or if the Governor-General temporarily absents himself from office, or if the position of Governor-General is vacant
Admiralty House, Sydney	the Governor-General's official residence at Kirribilli in Sydney
ANAO	Australian National Audit Office
CEIs	Chief Executive's Instructions
CPGs	the Commonwealth Procurement Guidelines, which set out the Australian Government's requirements for the procurement of goods and services by agencies
credentials ceremony	ceremony in which a newly appointed foreign ambassador or high commissioner to Australia formally presents his or her credentials
departmental items	assets, liabilities, revenues and expenses that are controlled by the agency in the production of its outputs
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FOI Act	<i>Freedom of Information Act 1982</i>
gazetted regulations	rules, officially approved and published in the Commonwealth of Australia Special Notices Gazette, which sets out service and actions that may qualify citizens for various award types
General Division of the Order of Australia	that section of awards in the Order of Australia through which community members may be recognised
Government House, Canberra	the Governor-General's official residence at Yarralumla in Canberra
HE	short form of either His Excellency or Her Excellency
heritage property	a property with particular aesthetic, historic, scientific, social or other values, listed on the Commonwealth Heritage List
investiture	ceremony in which the Governor-General presents Australian honours and awards
long service awards	awards made in recognition of long, diligent or efficient service, usually in uniformed service occupations
meritorious awards	awards where a recipient is assessed as having gone above and beyond normal expectations
OH&S	occupational health and safety
official activities	functions hosted by the Governor-General or Administrator at Government House, Admiralty House or 4 Treasury Place
Their Excellencies	the Governor-General and spouse
WalterTurnbull	the Office's internal audit contractors




OFFICE *of the* OFFICIAL SECRETARY
TO THE GOVERNOR-GENERAL

FINANCIAL STATEMENTS



Independent Audit Report



INDEPENDENT AUDITOR'S REPORT

To the Prime Minister

Scope

I have audited the accompanying financial statements of Office of the Official Secretary to the Governor-General for the year ended 30 June 2007, which comprise: a statement by the Official Secretary to the Governor-General and Chief Finance Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments, contingencies and administered items; a summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Official Secretary for the Financial Statements

The Official Secretary to the Governor-General is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office of the Official Secretary to the Governor-General's preparation and fair presentation of the financial statements in order to design

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audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Official Secretary to the Governor-General's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Official Secretary to the Governor-General, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

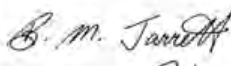
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Office of the Official Secretary to the Governor-General:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Office of the Official Secretary to the Governor-General's financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Brandon Jarrett
Executive Director

Delegate of the Auditor-General

Canberra
27 September 2007

Statement by the Official Secretary to the Governor-General and Chief Finance Officer

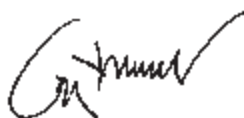
In our opinion, the attached financial statements for the year ended 30 June 2007 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Ministers Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed



Malcolm Hazell
Official Secretary to the Governor-General
27 September 2007

Signed



Gary Bullivant
Chief Finance Officer
27 September 2007

Office of the Official Secretary to the Governor-General Income Statement for the period ended 30 June 2007

	NOTES	2007 \$	2006 \$
INCOME			
Revenue			
Revenue from Government	3A	10 838 000	11 055 000
Rental income	3B	15 196	23 448
Total revenue		10 853 196	11 078 448
Gains			
Other gains	3C	36 300	36 300
Total gains		36 300	36 300
TOTAL INCOME		10 889 496	11 114 748
EXPENSES			
Employee benefits	4A	6 154 977	5 631 399
Suppliers	4B	4 337 010	4 796 346
Depreciation and amortisation	4C	102 740	137 507
Write-down and impairment of assets	4D	-	250
Losses from asset sales	4E	11 076	29 739
Transfer of assets to administered	4F	5 522 884	74 387
TOTAL EXPENSES		16 128 687	10 669 628
Surplus (Deficit)		(5 239 191)	445 120
Surplus (Deficit) attributable to the Australian Government		(5 239 191)	445 120

Office of the Official Secretary to the Governor-General Balance Sheet as at 30 June 2007

	NOTES	2007 \$	2006 \$
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	426 884	509 216
Trade and other receivables	5B	5 414 193	6 813 889
Total financial assets		5 841 077	7 323 105
Non-Financial Assets			
Land and buildings	6A	601 168	1 592 582
Infrastructure, plant and equipment	6B	614 258	743 453
Intangibles	6C	106 450	32 207
Inventories	6D	33 538	29 629
Other non-financial assets	6E	100 18	21 427
Total non-financial assets		1 365 432	2 419 298
TOTAL ASSETS		7 206 509	9 742 403
LIABILITIES			
Payables			
Suppliers	7A	737 843	1 178 430
Total payables		737 843	1 178 430
Provisions			
Employee provisions	8A	1 851 368	1 682 454
Total provisions		1 851 368	1 682 454
TOTAL LIABILITIES		2 589 211	2 860 884
NET ASSETS		4 617 298	6 881 519
EQUITY			
Contributed equity		8 654 000	5 463 000
Reserves		76 192	44 286
Retained surplus (accumulated deficit)		(4 112 894)	1 374 233
Total Parent Entity Interest		4 617 298	6 881 519
TOTAL EQUITY		4 617 298	6 881 519
Current Assets		5 884 633	7 374 161
Non-Current Assets		1 321 876	2 368 242
Current Liabilities		2 414 068	2 720 446
Non-Current Liabilities		175 143	140 438

Office of the Official Secretary to the Governor-General
Statement of Changes in Equity for the year ended 30 June 2007

	RETAINED EARNINGS		ASSET REVALUATION RESERVES		OTHER RESERVES		CONTRIBUTED EQUITY/CAPITAL		TOTAL EQUITY	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance										
Balance carried forward from previous period	1 374 233	929 113	44 286	44 286	-	-	5 463 000	4 162 000	6 881 519	5 135 399
Adjustment for errors	(247 936)	-	-	-	-	-	-	-	(247 936)	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Adjusted opening balance	1 126 297	929 113	44 286	44 286	-	-	5 463 000	4 162 000	6 633 583	5 135 399
Income and expense										
Revaluations adjustment	-	-	31 906	-	-	-	-	-	31 906	-
Sub-total income and expenses recognised Directly in Equity	1 126 297	929 113	76 192	44 286	-	-	5 463 000	4 162 000	6 665 489	5 135 399
Surplus (Deficit) for the period	(5 239 191)	445 120	-	-	-	-	-	-	(5 239 191)	445 120
Total income and expenses	(4 112 894)	1 374 233	76 192	44 286	-	-	5 463 000	4 162 000	1 426 298	5 580 519
Transactions with owners										
Contributions by Owners	-	-	-	-	-	-	3 191 000	1 301 000	3 191 000	1 301 000
Appropriation (equity injection)	-	-	-	-	-	-	3 191 000	1 301 000	3 191 000	1 301 000
Sub-total transactions with owners	-	-	-	-	-	-	3 191 000	1 301 000	3 191 000	1 301 000
Transfers between equity components	-	-	-	-	-	-	-	-	-	-
Closing balance at 30 June	(4 112 894)	1 374 233	76 192	44 286	-	-	8 654 000	5 463 000	4 617 298	6 881 519
Closing balance attributable to the Australian Government	(4 112 894)	1 374 233	76 192	44 286	-	-	8 654 000	5 463 000	4 617 298	6 881 519

Office of the Official Secretary to the Governor-General Cash flow statement for the period ended 30 June 2007

	NOTES	2007 \$	2006 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		12 302 378	10 030 869
Net GST received		856 503	489 063
Rental received		8 121	13 215
Total cash received		13 167 002	10 533 147
Cash used			
Employees		(6 026 225)	(5 464 326)
Suppliers		(5 607 745)	(4 868 562)
Total cash used		(11 633 970)	(10 332 888)
Net cash from or (used by) Operating Activities	9	1 533 032	200 259
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		119 318	20 627
Total cash received		119 318	20 627
Cash used			
Purchase of property, plant and equipment		(4 925 682)	(1 348 927)
Total cash used		(4 925 682)	(1 348 927)
Net cash from or (used by) investing activities		(4 806 364)	(1 328 300)
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity		3 191 000	1 301 000
Total cash received		3 191 000	1 301 000
Cash used			
Other cash used		-	-
Total cash used		-	-
Net cash from or (used by) financing activities		3 191 000	1 301 000
Net increase or (decrease) in cash held			
Cash at the beginning of the reporting period		509 216	336 257
Cash at the end of the reporting period	5A	426 884	509 216

Office of the Official Secretary to the Governor-General Schedule of Commitments as at 30 June 2007

	2007 \$	2006 \$
BY TYPE		
Commitments Receivable		
GST recoverable on commitments	(102 198)	(301 147)
Total Commitments Receivable	(102 198)	(301 147)
Capital commitments		
Land and buildings ¹	455 846	3 050 488
Infrastructure, plant and equipment	-	-
Intangibles	-	-
Total capital commitments	455 846	3 050 488
Other commitments		
Operating leases	-	171 431
Other commitments ²	668 327	90 695
Total other commitments	668 327	262 126
Net commitments by type	1 021 975	3 011 467
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	(102 198)	(301 147)
From one to five years	-	-
Over five years	-	-
Total other commitments receivable	(102 198)	(301 147)
Commitments payable		
Capital commitments		
One year or less	455 846	3 050 488
From one to five years	-	-
Over five years	-	-
Total capital commitments	455 846	3 050 488
Operating lease commitments		
One year or less	-	171 431
From one to five years	-	-
Over five years	-	-
Total operating lease commitments	-	171 431
Other Commitments		
One year or less	668 327	90 695
From one to five years	-	-
Over five years	-	-
Total other commitments	668 327	90 695
Net Commitments by Maturity	1 021 975	3 011 467

NB: Commitments are GST inclusive where relevant.

¹ Relates to outstanding contractual payments for a building under construction.

² This is other minor works and services contracts to be completed within the next 12 months.

Office of the Official Secretary to the Governor-General
Schedule of Contingencies as at 30 June 2007

There were no Departmental Contingent liabilities or assets in 2006 or 2007.

Office of the Official Secretary to the Governor-General Schedule of Administered Items

	NOTES	2007 \$	2006 \$
Income administered on behalf of Government			
<i>for the period ended 30 June 2007</i>			
Revenue			
Non-taxation revenue			
Sale of goods and rendering of services	15A	19 374	16 699
Other revenue	15B	5 561 096	74 387
Total non-taxation revenue		5 580 470	91 086
Total revenues administered on behalf of Government		5 580 470	91 086
Total income administered on behalf of Government		5 580 470	91 086
Expenses administered on behalf of Government			
<i>for the period ended 30 June 2007</i>			
Suppliers	16A	805 329	796 494
Personal benefits	16B	365 000	365 000
Depreciation and amortisation	16C	406 446	406 377
Write-down and impairment of assets	16D	-	418 405
Losses from asset sales	16E	12 423	-
Total expenses administered on behalf of Government		1 589 198	1 986 276

Office of the Official Secretary to the Governor-General
Schedule of Administered Items (continued)

	NOTES	2007 \$	2006 \$
Assets administered on behalf of Government			
<i>as at 30 June 2007</i>			
Financial assets			
Cash and cash equivalents	17A	12 008	2 117
Receivables	17B	283 082	28 241
Total financial assets		295 090	30 358
Non-financial assets			
Land and buildings	17C	83 832 444	75 528 806
Infrastructure, plant and equipment	17D	1 826 971	2 007 570
Total non-financial assets		85 659 415	77 536 376
Total assets administered on behalf of Government		85 954 505	77 566 734
Liabilities administered on behalf of Government			
<i>as at 30 June 2007</i>			
Payables			
Suppliers	18A	45 630	20 622
Total payables		45 630	20 622
Total liabilities administered on behalf of Government		45 630	20 622

Office of the Official Secretary to the Governor-General Schedule of Administered Items (continued)

NOTES	2007 \$	2006 \$
Administered Cash Flows <i>for the period ended 30 June 2007</i>		
OPERATING ACTIVITIES		
Cash received		
Sales of goods and rendering of services	30 055	9 909
Net GST received	101 067	54 692
Other	-	-
Total cash received	131 122	64 601
Cash used		
Personal benefits	365 000	365 000
Suppliers	826 498	937 378
Total cash used	1 191 498	1 302 378
Net Cash from or (used by) Operating Activities	(1 060 376)	(1 237 777)
INVESTING ACTIVITIES		
Cash used		
Purchase of property, plant and equipment and intangibles	3021	147 247
Other	-	-
Total cash used	3021	147 247
Net Cash From or (used by) Investing Activities	(3021)	(147 247)
Net Increase (Decrease) in Cash Held	(1 063 397)	(1 385 024)
Cash at the beginning of the reporting period	2117	375
Cash from Official Public Account for:		
- Appropriations	1 195 246	1 461 455
	1 195 246	1 461 455
Cash to Official Public Account for:		
Appropriations	(121 958)	(74 689)
	(121 958)	(74 689)
Cash at End of Reporting Period	12 007	2 117

Office of the Official Secretary to the Governor-General
Schedule of Administered Items (continued)

Administered commitments

as at 30 June 2007

There were no administered commitments in 2006 or 2007.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Office of the Official Secretary to the Governor-General

The Office of the Official Secretary to the Governor-General (the Office) is a statutory authority established under the *Governor-General Act 1974*. The objective of the Office is to assist the Governor-General in performing the constitutional, statutory, ceremonial and public duties associated with the appointment.

The Office is structured to meet one outcome:

The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.

Office activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Office in its own right. Administered activities involve the management or oversight by the Office, on behalf of the Government, of items controlled or incurred by the Government.

Departmental activities are identified under two outputs:

Output 1.1 - Support of the Governor-General;

Output 1.2 - Administration of the Australian Honours and Awards system.

The continued existence of the Office in its present form and with its present programme is dependent on Government policy and on continuing appropriations by Parliament for the Office's administration and programs.

1.2 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by s 49 of Schedule 1 to the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) or reporting periods ending on or after 1 July 2006; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period.

The financial statement has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value or amortised cost. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statement is presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 10).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.20.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Office has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings, infrastructure, plant and equipment has been taken to be the market value of similar properties or items as determined by an independent valuer. In some instances, the Office's buildings are purpose built and may in fact realise more or less in the market.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

During 2006-07 the new office accommodation building for the Honour's Secretariat, other capital works projects and infrastructure plant and equipment valued at \$5 522 884 were transferred from departmental to administered. This is on the basis that while the building and infrastructure projects were in progress they were under departmental management and direction. Upon completion of the works the Office ceases to have control and thereafter administers the buildings, plant and equipment on behalf of the government.

1.4 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the financial statement complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The Office is a not for profit entity and has applied these requirements, so while this financial statement complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRSs) it cannot make this statement.

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period.

The Office is required to disclose Australian Accounting Standards and Interpretations which have been issued but are not yet effective that have not been early adopted by the Office. The following adopted requirements have resulted in a change to the Office's accounting policies or have affected the amounts reported in the current or prior periods or are estimated to have a financial affect in future reporting periods.

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for impairment. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

1.6 Gains

Other Resources Received Free of Charge

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government Agency or Authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as gains as they are not generated in the course of the ordinary activities of the Office.

1.7 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished between departmental and administered under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. This is different from prior years where these transactions have been shown through the profit and loss statement.

1.8 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Office is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Office's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the shorthand method as presented in the Finance Minister's Order 2006-2007.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Office recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Superannuation

Staff of the Office are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or employee nominated super funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The Office makes employer contributions to the Employee Superannuation Scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Office's employees. The Office accounts for the contributions as if they were contributions to defined contribution plans.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.10 Financial Risk Management

The Office's activities expose it to normal commercial financial risk. As a result of the nature of the Office's business and internal and Australian Government policies, dealing with the management of financial risk, the Office's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.11 Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another Entity. In the case of a transfer to another Entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

1.12 Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

1.13 Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$3 000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measured at:
Land	Market selling price
Buildings	Market selling price
Plant and Equipment	Market selling price
Motor Vehicles	Cost price

Following initial recognition at cost, property plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Motor vehicles are carried at cost price less accumulated depreciation. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus and deficit. Revaluation decrements for a class of assets are recognised directly through surplus and deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

In relation to the official properties administered by the Office, the disposal of the land is restricted by government zoning under the National Capital Plan in relation to Government House and New South Wales government legislation (Governor-General's Residence (Grant) Act 1945) in respect of Admiralty House.

Conduct

An independent qualified valuer conducts all valuations.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Office using, in all cases, the straight-line method of depreciation. (Land, being an asset with an unlimited useful life, is not depreciated).

Depreciation and amortisation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2007	2006
Buildings	25 to 175 years	25 to 175 years
Plant and Equipment	3 to 40 years	3 to 40 years
Fine Arts and Antiques	20 to 100 years	50 to 250 years
Motor Vehicles	2 years	2 years
Prestige Motor Vehicle	50 years	50 years
Computer Hardware	3 to 7 years	3 to 7 years

Impairment

All assets were assessed for impairment at 30 June 2007. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Office were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

1.17 Intangibles

The Office's intangibles purchased computer software. These assets are carried at fair value.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of Office's software are 5 years (2005-06: 5 years).

All software assets were assessed for indications of impairment as at 30 June 2007. No assets were found to be impaired.

1.18 Inventories

Inventories not held for sale are valued at the lower of cost and net realisable value.

1.19 Taxation

The Office is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Office for use by the Government rather than the Office is Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Administration. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Office on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 19. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the Office, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Office on behalf of the Australian Government.

Revenue is generated from the sale of replacement medals to recipients who earlier received awards under the Australian Honours and Awards system. Administered fee revenue is recognised when it is invoiced. It is recognised at its nominal amount due less any allowance for impairment. Collectability of debts is reviewed at balance date. Allowances are made when collection of the debt is judged to be less rather than more likely.

Assets

Capital improvements to the Office's official establishments are purchased from the Office's equity injection. The transfer of these items from departmental to administered is recognised in the Income Statement and the Administered Schedule of Income and Expenses.

As a result of a the finalisation of a number of capital works, the Office transferred capital works related to a number items to Administered assets including the New Honour's Secretariat building and conference centre.

Note 2: Events after the Balance Sheet Date

The Office is not aware of any events occurring after the Balance Sheet date that would impact on these financial statements materially.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 3: Income

	2007 \$	2006 \$
Revenue		
Note 3A: Revenue from Government		
Appropriation:		
Departmental outputs	10 838 000	11 055 000
Total revenue from Government	10 838 000	11 055 000
Note 3B: Rental income		
Rental income	15 196	23 448
Total rental income	15 196	23 448
Gains		
Note 3C: Other gains		
Resources received free of charge	36 300	36 300
Total other gains	36 300	36 300

Note 4: Expenses

	2007 \$	2006 \$
<i>Note 4A: Employee benefits</i>		
Wages and salaries	5 353 040	4 897 923
Superannuation	782 830	722 354
Leave and other entitlements	1 677	1 761
Separation and redundancies	17 430	9 361
Total employee benefits	6 154 977	5 631 399
<i>Note 4B: Suppliers</i>		
Provision of goods – external entities	2 245 119	2 075 144
Rendering of services – related entities	289 683	430 169
Rendering of services – external entities	1 355 254	1 724 913
Operating lease rentals:		
Minimum lease payments	174 672	293 985
Workers compensation premiums	272 282	272 136
Total supplier expenses	4 337 010	4 796 346
<i>Note 4C: Depreciation and amortisation</i>		
<i>Depreciation:</i>		
Infrastructure, plant and equipment	84 783	115 019
Total depreciation	84 783	115 019
<i>Amortisation:</i>		
Intangibles:		
Computer Software	17 957	22 488
Total amortisation	17 957	22 488
Total depreciation and amortisation	102 740	137 507
Depreciation expenses are \$34 767 lower than they would have been as a result of the net book value of assets decreasing over time. (2006: \$29 675).		
<i>Note 4D: Write-down and impairment of assets</i>		
Impairment of non-financial assets		
Infrastructure, plant and equipment	-	250
Total write-down and impairment of assets	-	250
A photocopier became obsolete during 2005/2006. The recoverable amount of this photocopier was determined as the net book value.		
<i>Note 4E: Losses from assets sales</i>		
Infrastructure, plant and equipment		
Proceeds from sale	(119 318)	(126 536)
Carrying value of assets sold	130 394	156 275
Total losses from assets sales	11 076	29 739
<i>Note 4F: Transfer of assets to Administered</i>		
Transfer of buildings and infrastructure to Administered	5 522 884	74 387
Total transfer of assets to Administered	5 522 884	74 387

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 5: Financial Assets

	2007 \$	2006 \$
<i>Note 5A: Cash and cash equivalents</i>		
Cash on hand or on deposit	426 884	509 216
Total cash and cash equivalents	426 884	509 216
<i>Note 5B: Trade and other receivables</i>		
Goods and services	161 233	93 214
Appropriations receivable: for existing outputs	5 215 168	6 654 027
Total appropriations receivable	5 215 168	6 654 027
Net GST receivable from the Australian Taxation Office	37 792	67 020
Total trade and other receivables (gross)	5 414 193	6 814 261
Less Allowance for impairment:		
Goods and services	-	(372)
Total trade and other receivables (net)	5 414 193	6 813 889
Receivables are aged as follows:		
Not overdue	5 284 144	6 807 363
Overdue by:		
Less than 30 days	36 574	534
30 to 60 days	28 581	957
61 to 90 days	3	-
More than 90 days	64 891	5407
Total receivables (gross)	5 414 193	6 814 261
The allowance for impairment is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	(372)
Total allowance for impairment	-	(372)
Receivables are represented by:		
Current	5 414 193	6 813 889
Non-current	-	-
Total trade and other receivables (net)	5 414 193	6 813 889

Note 6: Non-Financial Assets

	2007 \$	2006 \$
<i>Note 6A: Land and buildings</i>		
Buildings on freehold land:		
– work in progress	601 168	1 592 582
Total buildings on freehold land	601 168	1 592 582
Total land and buildings (non-current)	601 168	1 592 582
No indicators of impairment were found for buildings.		
<i>Note 6B: Infrastructure, plant and equipment</i>		
Infrastructure, plant and equipment:		
– fair value	816 107	1 142 278
– accumulated depreciation	(201 849)	(398 825)
Total infrastructure, plant and equipment	614 258	743 453
Total infrastructure, plant and equipment (non-current)	614 258	743 453

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. In 2006–07, an independent valuer the Australian Valuation Office and Intech Industrial Technicians conducted the revaluations. Revaluation increment of \$31 906 for infrastructure, plant and equipment (2006: nil) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet; no increments/decrements were expensed (2006: nil expensed).

No indicators of impairment were found for infrastructure, plant and equipment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 6: Non-Financial Assets (continued)

Note 6B: Analysis of property, plant and equipment

TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2006-07)

ITEM	BUILDINGS \$	OTHER IP&E \$	TOTAL \$
As at 1 July 2006			
Gross book value	1 592 582	1 142 278	2 734 860
Accumulated depreciation/amortisation and impairment	-	(398 825)	(398 825)
Net book value 1 July 2006	1 592 582	743 453	2 336 035
Additions:			
by purchase	4 531 470	267 315	4 798 785
Revaluations and impairments through equity	-	31 906	31 906
Depreciation/amortisation expense	-	(84 783)	(84 783)
Other movements	-	(213 239)	(213 239)
Disposals:			
Assets transferred to administered	(5 522 884)	-	(5 522 884)
Other disposals	-	(130 394)	(130 394)
Net book value 30 June 2007	601 168	614 258	1 215 426
Net book value as of 30 June 2007 represented by:			
Gross book value	601 168	816 107	1 417 275
Accumulated depreciation/amortisation and impairment	-	(201 849)	(201 849)
	601 168	614 258	1 215 426

Other movements relates to adjustments relating to prior years which arise as a result of disposal of assets under \$3000

TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2005-06)

ITEM	BUILDINGS \$	OTHER IP&E \$	TOTAL \$
As at 1 July 2005			
Gross book value	246 967	1 095 144	1 342 111
Accumulated depreciation/amortisation and impairment	-	(334 513)	(334 513)
Net book value 1 July 2005	246 967	760 631	1 007 598
Additions:			
by purchase	1 420 002	254 365	1 674 367
Revaluations and impairments through equity	-	-	-
Depreciation/amortisation expense	-	(115 019)	(115 019)
Other movements	-	-	-
Disposals:			
Assets transferred to administered	(74 387)	-	(74 387)
Other disposals	-	(156 524)	(156 524)
Net book value 30 June 2006	1 592 582	743 453	2 336 035
Net book value as of 30 June 2006 represented by:			
Gross book value	1 592 582	1 142 278	2 734 860
Accumulated depreciation/amortisation and impairment	-	(398 825)	(398 825)
	1 592 582	743 453	2 336 035

Note 6: Non-Financial Assets (continued)

	2007 \$	2006 \$
Note 6C: Intangibles		
Computer software at cost:		
Purchased	250 948	288 003
Accumulated amortisation	(144 498)	(255 796)
Total intangibles (non-current)	106 450	32 207

No indicators of impairment were found for intangible assets.

TABLE C – Reconciliation of the opening and closing balances of intangibles (2006-07).

ITEM	COMPUTER SOFTWARE PURCHASED \$	TOTAL \$
As at 1 July 2006		
Gross book value	288 003	288 003
Accumulated depreciation/amortisation and impairment	(255 796)	(255 796)
Net book value 1 July 2006	32 207	32 207
Additions:		
by purchase or internally developed	126 899	126 899
Amortisation	(17 957)	(17 957)
Other movements	(34 699)	(34 699)
Disposals	-	-
Net book value 30 June 2007	106 450	106 450
Net book value as of 30 June 2007 represented by:		
Gross book value	250 948	250 948
Accumulated depreciation/amortisation and impairment	(144 498)	(144 498)
	106 450	106 450

Other movements relates to adjustments relating to prior years which arise as a result of disposal of assets under \$3000.

TABLE C – Reconciliation of the opening and closing balances of intangibles (2005-06).

ITEM	COMPUTER SOFTWARE PURCHASED \$	TOTAL \$
As at 1 July 2005		
Gross book value	288 003	288 003
Accumulated amortisation and impairment	(233 308)	(233 308)
Net book value 1 July 2005	54 695	54 695
Additions:		
by purchase or internally developed	-	-
Amortisation	(22 488)	(22 488)
Other movements	-	-
Disposals	-	-
Net book value 30 June 2006	32 207	32 207
Net book value as of 30 June 2006 represented by:		
Gross book value	288 003	288 003
Accumulated depreciation/amortisation and impairment	(255 796)	(255 796)
	32 207	32 207

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 6: Non-Financial Assets (continued)

	2007 \$	2006 \$
<i>Note 6D: Inventories</i>		
Inventories held for distribution	33 538	29 629
Total inventories (current)	33 538	29 629
During 2006-07 \$34 262 of inventory held for distribution was recognised as an expense (2005-06: \$31 756). No items of inventory are recognised at fair value less cost to sell.		
<i>Note 6E: Other non-financial assets</i>		
Prepayments	10 018	21 427
Total other non-financial assets	10 018	21 427
All other non-financial assets are current assets. No indicators of impairment were found for other non-financial assets.		

Note 7: Payables

	2007 \$	2006 \$
<i>Note 7A: Suppliers</i>		
Trade creditors	33 975	340 981
Other creditors	703 868	837 449
Total supplier payables	737 843	1 178 430
Supplier payables are represented by:		
Current	737 843	1 178 430
Total supplier payables	737 843	1 178 430
Settlement is usually made net 30 days.		

Note 8: Provisions

	2007 \$	2006 \$
<i>Note 8A: Employee provisions</i>		
Salaries and wages	52 244	39 417
Leave	1 675 646	1 530 967
Superannuation	6037	5756
Other	117 441	106 314
Total employee provisions	1 851 368	1 682 454
Employee provisions are represented by:		
Current	1 676 225	1 542 016
Non-current	175 143	140 438
Total employee provisions	1 851 368	1 682 454

The classification of current includes amounts for which there is not an unconditional right of deferral of one year, hence in the case of employee provisions the above classification does not equal the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in one year \$845 724 (2006: \$779 851), in excess of one year \$1 005 644 (2006: \$902 603).

Note 9: Cash flow reconciliation

	2007 \$	2006 \$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	426 884	509 216
Balance Sheet	426 884	509 216
Difference	-	-
Reconciliation of operating result to net cash from operating activities:		
Operating result	(5 239 191)	445 120
Depreciation /amortisation	102 740	137 507
Transfer of assets to Administered	5 522 884	74 387
Loss on disposal of assets	11 076	29 989
(Increase) / decrease in net receivables	1 399 696	(1 071 991)
(Increase) / decrease in inventories	(3 909)	2 452
(Increase) / decrease in prepayments	11 409	(605)
Increase / (decrease) in employee provisions	168 914	92 715
Increase / (decrease) in supplier payables	(440 587)	490 685
Net cash from / (used by) operating activities	1 533 032	200 259

Note 10: Contingent Liabilities and Assets

There were no Departmental Contingent Liabilities or Assets in 2006 or 2007.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 11: Executive Remuneration

	2007	2006
The number of senior executives who received or were due to receive total remuneration of \$130 000 or more:		
\$ 130 000 to \$ 144 999	-	-
\$ 145 000 to \$ 159 999	1	-
\$ 160 000 to \$ 174 999	-	-
\$ 175 000 to \$ 189 999	-	-
\$ 190 000 to \$ 204 999	-	-
\$ 205 000 to \$ 219 999	-	-
\$ 220 000 to \$ 234 999	-	-
\$ 235 000 to \$ 249 999	-	1
\$ 250 000 to \$ 264 999	-	-
\$ 265 000 to \$ 279 999	1	-
Total	2	1
The aggregate amount of total remuneration of executives shown above. As only one Senior Executive met the reporting requirements in 2005-06 the Office has not disclosed the exact amounts of remuneration for privacy reasons.	\$417 233	-
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	-	-

Note 12: Remuneration of Auditors

	2007 \$	2006 \$
Financial statement audit services are provided free of charge to the agency.		
The fair value of the services provided was:	36 300	36 300
	36 300	36 300

No other services were provided by the Auditor-General.

Note 13: Average Staffing Levels

	2007	2006
The average staffing levels for the Agency during the year were:	82	84

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 14: Financial Instruments

Note 14A: Interest Rate Risk

Financial Instrument	NOTES	FLOATING INTEREST RATE		FIXED INTEREST RATE			NON-INTEREST BEARING		TOTAL		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	
		2007	2006	1 YEAR OR LESS	1-5 YEARS	> 5 YEARS	2007	2006	2007	2006	2007	2006
		\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Assets												
Cash at bank	5A	-	-	-	-	-	426 884	509 216	509 216	426 884	n/a	n/a
Receivables for goods and services	5B	-	-	-	-	-	161 233	93 214	93 214	161 233	n/a	n/a
Total		-	-	-	-	-	588 117	602 430	602 430	588 117		
Total Assets							7 206 509	9 742 403	9 742 403			
Financial Liabilities												
Trade creditors	7A	-	-	-	-	-	737 843	1 178 430	1 178 430	737 843	n/a	n/a
Total		-	-	-	-	-	737 843	1 178 430	1 178 430	737 843		
Total Liabilities							2 589 211	2 860 884	2 860 884			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 14B: Fair Values of Financial Assets and Liabilities

	NOTE	2007		2006	
		TOTAL CARRYING AMOUNT \$	AGGREGATE FAIR VALUE \$	TOTAL CARRYING AMOUNT \$	AGGREGATE FAIR VALUE \$
Departmental					
Financial Assets					
Cash	5A	426 884	426 884	509 216	509 216
Receivables for goods and services	5B	161 233	161 233	93 214	93 214
Total Financial Assets		588 117	588 117	602 430	602 430
Financial Liabilities					
Trade creditors	7A	737 843	737 843	1 178 430	1 178 430
Total Financial Liabilities		737 843	737 843	1 178 430	1 178 430

Note 14C: Credit Risk Exposures

The Office's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The Office has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

This note also applies to Office's administered financial instruments and is therefore not reproduced at Note 21.

Note 15: Income Administered on Behalf of Government

	2007 \$	2006 \$
Revenue		
Non-taxation revenue		
Note 15A: Sale of goods and rendering of services		
Provision of goods – external entities	19 374	16 699
Total sale of goods	19 374	16 699
Note 15B: Other revenue		
Department revenue used for administered expenses	38 212	-
Transfer of assets from departmental	5 522 884	74 387
Total other revenue	5 561 096	74 387

Note 16: Expenses Administered on Behalf of Government

	2007 \$	2006 \$
Expenses		
Note 16A: Suppliers		
Provision of goods – related entities	69 673	-
Provision of goods – external entities	735 656	796 494
Total suppliers	805 329	796 494
Note 16B: Personal benefits		
Governor- General Salary	365 000	365 000
Total personal benefits	365 000	365 000
Note 16C: Depreciation and Amortisation		
Depreciation:		
Buildings	301 450	294 208
Infrastructure, plant and equipment	104 996	112 169
Total depreciation and amortisation	406 446	406 377
Note 16D: Write down and impairment of assets		
Impairment of Non-Financial Assets		
Buildings	-	415 320
Infrastructure, Plant and Equipment	-	3 085
Total write down and impairment of assets	-	418 405
Note 16E: Losses from asset sales		
Infrastructure, plant and equipment		
Proceeds from sale	-	-
Carrying value of asset sold	12 423	-
Total net loss from disposal of assets	12 423	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 17: Assets Administered on Behalf of Government

	2007 \$	2006 \$
Financial Assets		
<i>Note 17A: Cash and cash equivalents</i>		
Cash on hand or on deposits	12 008	2 117
Total cash and cash equivalents	12 008	2 117
<i>Note 17B: Receivables</i>		
Prior year retention	282 200	-
Goods and services receivable	263	296
Other receivables:		
Net GST receivable from ATO	619	27 945
Total receivables	283 082	28 241
Less: Allowance for impairment:		
Goods and services	-	-
Other receivables	-	-
Total receivables (net)	-	-
Receivables are aged as follows:		
Not overdue	282 801	28 075
Overdue by:		
Less than 30 days	126	59
30 to 60 days	-	9
61 to 90 days	21	21
More than 90 days	134	77
Total receivables (net)	283 082	28 241
The allowance for impairment is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
Total allowance for impairment	-	-
Goods and services receivables are with Entities external to the Australian Government. Credit terms are net 30 days (2006: 30 days).		
<i>Note 17C: Land and buildings</i>		
Land at fair value	64 200 000	60 900 000
Buildings		
-work in progress	70 873	70 872
-at fair value	20 152 549	14 847 462
-accumulated depreciation	(590 978)	(289 528)
Total land and buildings	83 832 444	75 528 806
<i>Note 17D: Infrastructure, plant and equipment</i>		
-at fair value	1 868 021	2 175 652
-accumulated depreciation	(41 050)	(168 082)
Total infrastructure, plant and equipment	1 826 971	2 007 570

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2006-07)

ITEM	LAND \$	BUILDINGS \$	PLANT AND EQUIPMENT \$	TOTAL \$
As at 1 July 2006				
Gross book value	60 900 000	14 918 334	2 175 652	77 993 986
Accumulated depreciation/amortisation and impairment	-	(289 528)	(168 082)	(457 610)
Net book value 1 July 2006	60 900 000	14 628 806	2 007 570	77 536 376
Additions:				
by purchase	-	-	3020	3020
transfers from departmental	-	5 414 533	108 351	5 522 884
Revaluations and impairments through equity	3 300 000	154 138	(27 105)	3 427 033
Depreciation/amortisation expense	-	(301 450)	(104 996)	(406 446)
Other movements	-	(263 583)	(147 446)	(411 029)
Disposals:				
Other disposals	-	-	(12 423)	(12 423)
Net book value 30 June 2007	64 200 000	19 632 444	1 826 971	85 659 415
Net book value as of 30 June 2007 represented by:				
Gross book value	64 200 000	20 223 422	1 868 021	86 291 443
Accumulated depreciation/amortisation and impairment	-	(590 978)	(41 050)	(632 028)
	64 200 000	19 632 444	1 826 971	85 659 415

Other movements relates to adjustments relating to prior years which arise as a result of disposal of assets under \$3000.

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2005-06)

ITEM	LAND \$	BUILDINGS \$	PLANT AND EQUIPMENT \$	TOTAL \$
As at 1 July 2005				
Gross book value	60 900 000	15 353 309	1 937 643	78 190 952
Accumulated depreciation/amortisation and impairment	-	-	(56 229)	(56 229)
Net Book Value 1 July 2005	60 900 000	15 353 309	1 881 414	78 134 723
Additions:				
by purchase	-	32 265	167 023	199 288
transfers from departmental	-	(47 240)	74 387	27 147
Revaluations and impairments through equity	-	-	-	-
Depreciation/amortisation expense	-	(294 208)	(112 169)	(406 377)
Impairments recognised in the operating result	-	(415 320)	(3085)	(418 405)
Other movements	-	-	-	-
Disposals:				
Other disposals	-	-	-	-
Net book value 30 June 2006	60 900 000	14 628 806	2 007 570	77 536 376
Net book value as of 30 June 2006 represented by:				
Gross book value	60 900 000	14 918 334	2 175 652	77 993 986
Accumulated depreciation/amortisation and impairment	-	(289 528)	(168 082)	(457 610)
	60 900 000	14 628 806	2 007 570	77 536 376

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 18: Liabilities administered on behalf of Government

	2007 \$	2006 \$
Payables		
Note 18A: Suppliers		
Trade creditors	45 630	20 622
Total suppliers	45 630	20 622

All creditors are entities that are not part of the Australian Government. Settlement is usually made net 30 days.

Note 19: Administered Reconciliation Table

	2007 \$	2006 \$
Opening administered assets less administered liabilities as at 1 July	77 546 112	78 054 535
Plus: Administered revenues	5 580 470	91 086
Less: Administered expenses	(1 589 198)	(1 986 276)
Appropriation transfers from OPA:		
Annual appropriations administered items	830 246	1 098 932
Special appropriations (unlimited)	365 000	365 000
Transfers to OPA	(121 958)	(77 165)
Administered revaluations taken to/from reserves	3 427 033	-
Appropriation Receivable	282 200	-
Prior year asset adjustments	(411 029)	-
Closing administered assets less administered liabilities as at 30 June	85 908 876	77 546 112

Note 20: Administered Contingent Liabilities and Contingent Assets

There were no Administered Contingent Liabilities or Assets in 2006 or 2007.

Note 21: Administered Financial Instruments

		FLOATING INTEREST RATE		FIXED INTEREST RATE				NON-INTEREST BEARING		TOTAL		WEIGHTED AVERAGE EFFECTED INTEREST RATE	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
NOTE		\$	\$	1 YEAR OR LESS	1-5 YEARS	>5 YEARS			\$	\$	%	%	
	Financial Assets												
	Cash	-	-	-	-	-	-	-	-	-	-	-	
17A	Receivable	-	-	-	-	-	-	12 008	2 117	12 008	2 117	n/a	
17B		-	-	-	-	-	-	263	296	263	296	n/a	
	Total	-	-	-	-	-	-	12 271	2 413	12 271	2 413	-	
	Total Assets							85954505	77 566734				
	Financial Liabilities												
18	Trade creditors	-	-	-	-	-	-	45 630	20 622	45 630	20 622	n/a	
	Total	-	-	-	-	-	-	45 630	20 622	45 630	20 622	-	
	Total Liabilities							45 630	20 622	45 630	20 622	-	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 21B: Fair values of financial assets and liabilities

	NOTE	2007		2006	
		TOTAL CARRYING AMOUNT \$	AGGREGATE FAIR VALUE \$	TOTAL CARRYING AMOUNT \$	AGGREGATE FAIR VALUE \$
Financial Assets					
Cash	17A	12 008	12 008	2 117	2 117
Receivable	17B	263	263	296	296
Total financial assets		12 271	12 271	2 413	2 413
Financial Liabilities					
Trade creditors	18	45 630	45 630	20 622	20 622
Total financial liabilities		45 630	45 630	20 622	20 622

Note 22: Appropriations

TABLE A – **Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and borrowings**

PARTICULARS	ADMINISTERED EXPENSES		DEPARTMENTAL OUTPUTS		TOTAL	
	OUTCOME 1		2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$
Balance carried from previous period	512 148	349 452	4 735 538	3 493 419	5 247 686	3 842 871
Appropriation Act:	-	-	-	-	-	-
Appropriation Act (No.1)	1 196 000	1 182 000	10 838 000	11 055 000	12 034 000	12 237 000
Appropriation Act (No.3)	-	-	-	-	-	-
Departmental adjustments by the Finance Minister (Appropriation Acts)	-	-	-	-	-	-
Comcover receipts (Appropriation Act s13)	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-
Reductions:	-	-	-	-	-	-
- prior years	(229 948)	-	-	-	(229 948)	-
- current year	-	-	-	-	-	-
FMA Act:	-	-	-	-	-	-
Refunds credited (FMA s 30)	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMA s 30A)	75 333	83 754	8 187 710	489 063	894 043	572 817
Annotations to 'net appropriations' (FMA s 31)	-	-	127 440	30 944	127 440	30 944
Adjustment of appropriations on change of entity function (FMA s 32)	-	-	-	-	-	-
Total appropriation available for payments	1 553 533	1 615 206	16 519 688	15 068 426	18 073 221	16 683 632
Cash payments made during the year (GST inclusive)	818 238	1 103 058	11 637 679	10 332 888	12 455 916	11 435 946
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations	735 295	512 148	4 882 009	4 735 538	5 617 304	5 247 686
<i>Represented by</i>						
Cash at bank and on hand	12 008	2 117	426 884	509 216	438 892	511 333
Departmental appropriations receivable	-	-	4 455 125	4 226 322	4 455 125	4 226 322
Undrawn, unexpired administered appropriations	723 287	510 031	-	-	723 287	510 031
Total	735 295	512 148	4 882 009	4 735 538	5 617 304	5 247 686

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

TABLE B – Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

PARTICULARS	OPERATING OUTCOME 1 NAE3		NON - OPERATING				TOTAL	
	2007	2006	EQUITY	LOANS	PREVIOUS YEARS' OUTPUTS	ADMIN ASSETS AND LIABILITIES	2007	2006
	\$	\$	2007	2006	2007	2006	\$	\$
Balance carried from previous period	-	2 542 652	-	-	-	-	2 494 725	2 542 652
Appropriation Act:								
Appropriation Act (No.2)	-	1 301 000	-	-	-	-	3 191 000	1 301 000
Appropriation Act (No.4)	-	-	-	-	-	-	-	-
Departmental Adjustments	-	-	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-
Reductions:								
- prior years	-	-	-	-	-	-	-	-
- current year	-	-	-	-	-	-	-	-
FMA Act:								
Refunds credited (FMA s30)	-	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMA s30A)	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMA s32)	-	-	-	-	-	-	-	-
Total appropriations available for payments	-	3 843 652	5 685 725	-	-	-	5 685 725	3 843 652
Cash payments made during the year (GST inclusive)	-	1 348 927	4 925 682	-	-	-	4 925 682	1 348 927
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations	-	2 494 725	760 043	-	-	-	760 043	2 494 725
Represented by:								
Cash	-	-	-	-	-	-	-	-
Appropriation receivable	-	2 494 725	760 043	-	-	-	760 043	2 494 725
Undrawn, unapplied administered appropriations	-	-	-	-	-	-	-	-
Total	-	2 494 725	760 043	-	-	-	760 043	2 494 725

FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

TABLE C – **Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund -
Special Appropriations (Unlimited Amount)**

	2007	2006
	\$	\$
Commonwealth of Australia Constitution Act - s3:		
Salary of the Governor-General		
For payment of the Governor-General's annual salary		
Cash payments made during the year	365 000	365 000
Appropriations credited to Special Accounts	-	-
Refunds credited (net) (FMA Act s 30)	-	-
Total charged to appropriation	365 000	365 000
Estimated actual	365 000	365 000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 23: Special Accounts

The Office has a Other Trust Moneys Account (Special Public Money) and a Services for Other Government and Non-Agency Bodies Account (Departmental). These accounts were established under section 20 of the *Financial Management and Accountability Act 1997* (FMA Act). For the years ended 30 June 2006-2007 the accounts had nil balances and there were no transactions.

The purpose of the Other Trust Moneys Account (Special Public Money) is for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. The purpose of the Services for Other Government and Non-Agency Bodies Account (Departmental) is for expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA Agencies.

Note 24: Compensation and Debt Relief

Departmental and Administered

No 'Act of Grace' expenses were incurred during the reporting period (2006: Nil).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2006: Nil).

No payments were made under the Compensation for Detriment caused by Defective Administration Scheme (2006: Nil)

No ex-gratia payments were provided for during the reporting period. (2006: Nil).

No payments were made in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period. (2006: Nil).

Note 25: Reporting of Outcomes

The attribution of shared corporate items to outputs is based on an analysis of activity and staff numbers. The basis of attribution in the above table is consistent with the basis used for the Budget.

Note 25A: Net Cost of Outcome Delivery

	OUTCOME 1		TOTAL	
	2007 \$	2006 \$	2007 \$	2006 \$
Expenses				
Administered	1 589 198	1 986 276	1 589 198	1 986 276
Departmental	16 128 687	10 669 628	16 128 687	10 669 628
Total expenses	17 717 885	12 655 904	17 717 885	12 655 904
Costs recovered from provision of goods and services to the non government sector				
Administered	19 374	16 699	19 374	16 699
Departmental	15 196	23 448	15 196	23 448
Total costs recovered	34 570	40 147	34 570	40 147
Other external revenues				
Departmental				
-Other	36 300	36 300	36 300	36 300
Total other external revenues	36 300	36 300	36 300	36 300
Net cost/(contribution) of outcome	17 647 015	12 579 457	17 647 015	12 579 457

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table on page 9 of this Annual Report.

Note 25B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

OUTCOME 1	OUTPUT 1		OUTPUT 2		OUTCOME 1 TOTAL	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Departmental expenses						
Employees	3 966 130	3 573 565	2 188 847	2 057 833	6 154 977	5 631 398
Suppliers	3 094 744	3 528 012	1 242 266	1 268 335	4 337 010	4 796 347
Write down of assets	-	250	-	-	-	250
Other	5 533 960	104 126	-	-	5 533 960	104 126
Depreciation	48 061	117 383	54 679	20 124	102 740	137 507
Total departmental expenses	12 642 895	7 323 336	3 485 792	3 346 292	16 128 687	10 669 628
Funded by:						
Revenues from government	7 261 460	7 037 000	3 576 540	4 018 000	10 838 000	11 055 000
Sales of goods and services	15 196	23 448	-	-	15 196	23 448
Other non-taxation revenues	36 300	36 300	-	-	36 300	36 300
Total departmental revenues	7 312 956	7 096 748	3 576 540	4 018 000	10 889 496	11 114 748

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 25C: Major Classes of Administered Revenues and Expenses by Output

	OUTPUT 1		OUTPUT 2		TOTAL	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Administered Income						
Sales of goods and services	-	-	19 374	16 699	19 374	16 699
Other non-taxation revenues	5 561 096	74 387	-	-	5 561 096	74 387
Total administered income	5 561 096	74 387	19 374	16 699	5 580 470	91 086
Administered Expenses						
Personal benefits	365 000	365 000	-	-	365 000	365 000
Suppliers	-	-	805 329	796 494	805 329	796 494
Other	12 423	418 405	-	-	12 423	418 405
Depreciation	406 446	406 377	-	-	406 446	406 377
Total Administered Expenses	783 869	1 189 782	805 329	796 494	1 589 198	1 986 276

Output 1 and 2 are described in Note 1.1.



OFFICE *of the* OFFICIAL SECRETARY
TO THE GOVERNOR-GENERAL

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