

OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

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OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

Section 1: Overview

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

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

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

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

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

- Output 1.1 – Support of the Governor-General
- Output 1.2 – Administration of the Australian Honours and Awards System.

Table 1.1: Office of the Official Secretary to the Governor-General outcomes and output groups

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

Section 2: Resources for 2006–07

The total price of outputs for 2006–07 for the Office of the Official Secretary to the Governor-General is \$10.935 million, of which \$10.838 million is being sourced from departmental appropriations. The balance of \$0.097 million is being obtained from other sources, including resources provided free of charge (see Table 2.3 for a breakdown).

Total administered expenses appropriation for 2006–07 is \$1.561 million, which includes \$0.365 million from special appropriations.

The Office is also receiving \$3.191 million in capital funding.

2.1 APPROPRIATIONS AND OTHER RECEIPTS

Table 2.1 shows the total receipts from all sources for 2006–07, including appropriations. The table summarises how receipts will be applied by outcome, separated into departmental and administered classifications.

Table 2.1: Appropriations and other receipts 2006–07 ('000)

Office of the Official Secretary to the Governor General
Agency Resourcing—2006–2007

Agency/Outcome/ Non-operating	Departmental					Administered					Total
	Appropriation	Appropriation	Special	Receipts	Appropriation	Appropriation	Bill No. 2	Special	Receipts	Total	
	Bill No. 1 \$'000	Bill No. 2 \$'000	Appropriation \$'000	(a) \$'000	Bill No. 1 \$'000	SPPs \$'000	Other (b) \$'000	Appropriation \$'000	(a) \$'000		
Outcome 1	10,838	-	-	72	1,196	-	-	365	-	12,471	
Equity injections	-	3,191	-	-	-	-	-	-	-	3,191	
TOTAL	10,838	3,191	-	72	1,196	-	-	365	-	15,662	

- a Departmental and administered receipts from other sources (that is, other than appropriation amounts) that are available to be used (does not include resources provided free of charge).
- b Includes new administered expenses and administered assets and liabilities.

Notes:

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

2.2 2006–07 BUDGET MEASURES

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

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.2 provides details of resources obtained by the Office of the Official Secretary to the Governor-General for the provision of goods or services. These resources are approved for use by the Office and are included in Table 2.1.

Table 2.2: Other resources available to be used

	Estimated resources 2005–06 \$'000	Budget estimate 2006–07 \$'000
Departmental resources		
Sale of goods and services (FMA Act s. 31) ¹	21	22
Proceeds from sale of property plant and equipment (FMA Act s.31)	50	50
Resources provided free of charge	25	25
Total departmental other resources available to be used	96	97

Note: This table replaces the former table ‘Receipts from other sources’. It represents own source receipts available for spending on departmental purposes.

1. *Financial Management and Accountability Act 1997* (FMA Act) section 31 items are included as separate rows. Significant section 31 items are identified separately from other section 31 resources where appropriate.

2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005–06 TO 2006–07

The Office has no movement of administered funds from 2005–06 to 2006–07.

2.5 SPECIAL APPROPRIATIONS

Table 2.3: Estimates of expenses from special appropriations

	Outcome	Estimated expenses 2005–06 \$'000	Budget estimate 2006–07 \$'000
Estimated expenses			
Governor-General's Salary	1	365	365
<i>Commonwealth of Australia Constitution Act – s. 3 (A)</i>			
Total estimate expenses		365	365

A = administered

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

2.6 SPECIAL ACCOUNTS

The Office has not processed any transactions in either of its special accounts in 2005–06, and it is estimated that no transactions will occur in 2006–07. Table 2.4 shows the expected additions (credits) and reductions (debits) for each account used by the Office.

Table 2.4: Estimates of special account flows and balances

	Outcome	Opening balance 2006–07 2005–06 \$'000	Credits 2006–07 2005–06 \$'000	Debits 2006–07 2005–06 \$'000	Adjustments 2006–07 2005–06 \$'000	Closing balance 2006–07 2005–06 \$'000
Other Trust Moneys Account (D) <i>FMA Act 1997, s. 20¹</i>	1	-	-	-	-	-
Services for other Governments and Non-Agency Bodies Account (D) <i>FMA Act 1997, s. 20¹</i>	1	-	-	-	-	-
Total special accounts 2006–07 Budget estimate		-	-	-	-	-
Total special accounts 2005–06 estimate actual		-	-	-	-	-

D = departmental

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

2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Office will receive \$3.191 million in departmental equity injection in 2006–07 (refer to Table 2.1) for the development and management of the two official residences of the Governor-General—Government House, Canberra, and Admiralty House, Sydney. The equity injection will be used for:

- The construction of a replacement building at Government House to provide more appropriate office accommodation for the Honours and Awards Secretariat. The secretariat is housed in inadequate former residential accommodation dating back to the 1920s. An equity injection of \$1.224 million will be provided in 2006–07 towards the construction cost of the building and associated civil works.
- Implementation of a property works programme for the development and maintenance of the Office's two official residences. In the 2005–06 Budget, the government agreed to a 10-year property works programme to enable necessary development and maintenance of the two official residences. A capital injection of \$1.967 million will be provided in 2006–07 to meet the estimated cost of works to be undertaken in that financial year.

Section 3: Outcomes

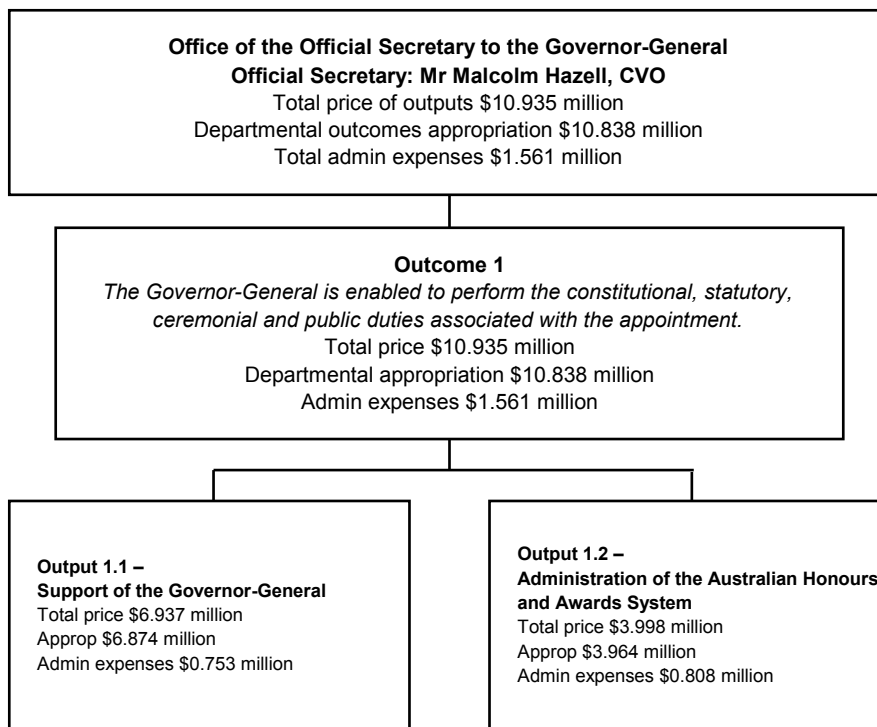
This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the one outcome for the Office of the Official Secretary to the Governor-General.

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of the Office of the Official Secretary to the Governor-General and the outcomes and outputs for the Office is summarised in Figure 1.

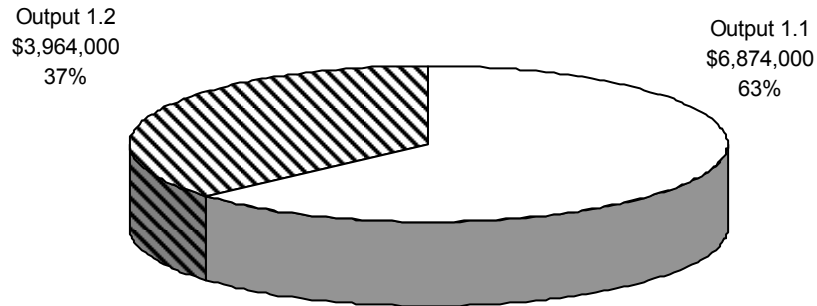
There has been no change to the Office’s outcomes and outputs structure from the 2005–06 Portfolio Budget Statements.

Figure 1: Contributions to outcomes



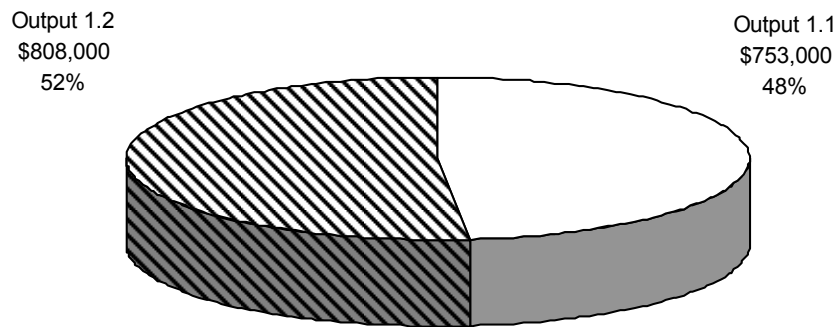
3.2 OUTCOMES—DEPARTMENTAL AND ADMINISTERED

Figure 2: Departmental appropriations by output, 2006–07



The decrease of resources allocated to Output 1.1 for 2006–07 is mainly due to variations of the cost of works and maintenance associated with the implementation of the property works programme. The increase in the level of resources allocated to Output 1.2 in 2006–07 reflects the full year effect of increased staff resources, which is partly offset by reduced expenses for the provision of temporary office accommodation for the Honours and Awards Secretariat staff.

Figure 3: Administered appropriations by output, 2006–07



3.3 OUTCOMES AND PERFORMANCE

Outcome 1 resourcing

Table 3.1 shows how the 2006–07 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000
Administered appropriations		
Governor-General's salary	365	365
Depreciation	384	388
Australian Honours and Awards	798	808
Total administered appropriations	1,547	1,561
Departmental appropriations		
Output Group 1		
Output 1.1 – Support of the Governor-General	7,153	6,874
Output 1.2 – Administration of the Australian Honours and Awards System	3,902	3,964
Total Output Group 1	11,055	10,838
Total revenue from government (appropriations) Contributing to price of departmental outputs	11,055	10,838
Other resources available to be used		
Sale of goods and services	21	22
Proceeds on sale of assets	50	50
Resources received free of charge	25	25
Total revenue from other sources	96	97
Total resources (Total revenue from government and from other sources)	11,151	10,935
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	12,698	12,496
	2005–06	2006–07
Average staffing level (number)	87	91

Measures affecting Outcome 1

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

Contributions to achievement of Outcome 1

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

Output 1.1 resources are directed to:

- assisting Their Excellencies with their representational activities, including through planning and organising functions and events, liaising with representatives of governments, governmental authorities, Buckingham Palace, community groups and individuals, and preparing drafts of messages, speeches and correspondence; the output also provides advice on policy, precedent and practice
- managing the households at Government House, Canberra, and Admiralty House, Sydney, to a high standard through providing hospitality services for official functions, ongoing support for Their Excellencies while in residence and servicing the needs of visiting Royalty, heads of state and other guests who remain at one of the residences during visits to Australia
- managing and providing property development and maintenance, caretaking, and gardening functions at each of the Office's official residences.

Output 1.2 resources are directed to:

- conducting comprehensive and independent research and analysis of nominations for awards
- providing high-level secretariat support to honours advisory bodies
- interpreting and applying gazetted regulations for defence, meritorious and long service awards to ensure that applicants meet eligibility criteria
- the procurement of high-quality insignia, warrants and honours publications
- maintaining the official registers of all national awards.

Performance information for Outcome 1

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

Table 3.2: Performance information for Outcome 1

Effectiveness—overall achievement of Outcome 1	
The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.	
Performance information by output component	
Output and measurement	Performance information
Output 1.1: Support of the Governor-General	
Quality	The Governor-General is satisfied as to the level of support provided and standard of household operations management. Properties are maintained to high professional standards.
Quantity	Support of the Governor-General's programme of internal and external commitments. Management of household operations at Government House and Admiralty House. Management of Government House and Admiralty House heritage properties, with 20 buildings and 55 hectares of grounds.
Price	\$6.937 million
Administered item: Governor-General salary	
Quality	The Governor-General receives salary in accordance with entitlements.
Price	\$0.365 million
Administered item: Management of heritage properties	
Quality	Heritage properties are managed in accordance with legislative requirements and to meet operational needs of the Governor-General and the Office (depreciation component only)
Price	\$0.388 million
Output 1.2: Administration of the Australian Honours and Awards System	
Quality	Satisfaction of the Awards and Bravery councils with secretariat support. Awards administration reflects gazetted regulations.
Quantity	4 Council meetings held. 2,200 nominations researched for OA/Bravery councils. 6,000 long service and occupation-based awards processed.
Price	\$3.998 million
Administered item: Australian Honours medals, insignia, warrants and investiture items	
Quality	Medals/insignia meet design specifications.
Quantity	An estimated 20,000 sets of medals/insignia to be purchased.
Price	\$0.808 million

Evaluations for Outcome 1

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

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

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

Section 4: Other reporting requirements

4.1 PURCHASER–PROVIDER ARRANGEMENTS

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

4.2 COST RECOVERY ARRANGEMENTS

The Office has no cost recovery arrangements with other agencies.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

The Office has no specific Indigenous expenditure programmes.

Section 5: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Statement of financial performance

The Office is budgeting for a balanced budget in 2006–07 before the transfer of capital expenditure on completed works to the administered accounts.

Total revenue and expenses are estimated at \$10.935 million in 2006–07. This is a decrease of \$0.216 million on the 2005–06 appropriation. The decrease is principally due to variations in the cost of works and maintenance associated with the implementation of the property works programme (compared to the 2005–06 programme) and the provision of temporary office accommodation for the Honours and Awards Secretariat during the construction of a replacement building for the secretariat staff.

Statement of financial position

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

The Office's primary liability is accrued employee entitlements.

Administered

Budgeted revenue and expenses

The Office will receive appropriation revenue of \$ 1.561 million in 2006–07. This is an increase of \$0.014 million on the 2005–06 appropriation. The increase in funding is due to the application of cost indexes to the Office's budget estimates.

Budgeted assets and liabilities

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

BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement for the period ended 30 June

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
INCOME					
Revenue					
Revenues from government	11,055	10,838	11,593	11,828	11,778
Goods and services	21	22	22	22	22
Resources received free of charge ¹	25	25	25	23	23
Revenue from sales of assets	50	50	50	50	50
Total revenue	11,151	10,935	11,690	11,923	11,873
Total income	11,151	10,935	11,690	11,923	11,873
EXPENSE					
Employees	6,131	6,755	7,147	7,392	7,658
Suppliers	4,537	3,618	3,954	3,917	3,566
Depreciation and amortisation	433	512	539	564	599
Expenses on asset sales	50	50	50	50	50
Total expenses	11,151	10,935	11,690	11,923	11,873
Operating result from continuing operations					
	-	-	-	-	-
Transfer of assets to administered ²	900	5,485	1,887	2,242	3,058
Operating result	(900)	(5,485)	(1,887)	(2,242)	(3,058)
Net surplus or (deficit) attributable to the Australian Government					
	(900)	(5,485)	(1,887)	(2,242)	(3,058)

1. See note 1 to the financial statements.

2. See note 2 to the financial statements.

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

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
ASSETS					
Financial assets					
Cash	300	300	300	300	300
Receivables	4,883	3,535	3,941	4,312	4,925
Total financial assets	5,183	3,835	4,241	4,612	5,225
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	2,418	1,076	1,368	756	912
Heritage and cultural assets	-	-	-	-	-
Inventories	32	40	40	41	41
Intangibles	30	478	327	277	226
Other	21	36	36	36	36
Total non-financial assets	2,501	1,630	1,771	1,110	1,215
Total assets	7,684	5,465	6,012	5,722	6,440
LIABILITIES					
Provisions					
Employees	1,670	1,736	1,824	1,894	1,963
Other	-	-	-	-	-
Total provisions	1,670	1,736	1,824	1,894	1,963
Payables					
Suppliers	478	487	497	507	517
Other	-	-	-	-	-
Total payables	478	487	497	507	517
Total liabilities	2,148	2,223	2,321	2,401	2,480
EQUITY¹					
Parent entity interest					
Contributed equity	5,463	8,654	10,990	12,862	16,560
Reserves	44	44	44	44	44
Retained surpluses or accumulated deficits	29	(5,456)	(7,343)	(9,585)	(12,644)
Total parent entity interest	5,536	3,242	3,691	3,321	3,960
Total equity	5,536	3,242	3,691	3,321	3,960
Current assets	5,237	3,911	4,317	4,688	5,295
Non-current assets	2,447	1,554	1,695	1,032	1,145
Current liabilities	1,383	1,427	1,494	1,540	1,584
Non-current liabilities	765	796	827	860	896

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

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

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	21	22	22	22	22
Appropriations	11,950	12,186	11,186	11,457	11,165
Total cash received	11,971	12,208	11,208	11,479	11,187
Cash used					
Employees	6,051	6,689	7,057	7,324	7,589
Suppliers	4,503	3,606	3,919	3,884	3,533
Total cash used	10,554	10,295	10,976	11,208	11,122
Net cash from or (used by) operating activities	1,417	1,913	232	271	65
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	50	50	50	50	50
Total cash received	50	50	50	50	50
Cash used					
Purchase of property, plant and equipment	314	1,073	381	401	254
New capital works	2,454	4,081	2,236	1,792	3,558
Total cash used	2,768	5,154	2,617	2,193	3,813
Net cash from or (used by) investing activities	(2,718)	(5,104)	(2,567)	(2,143)	(3,763)
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	1,301	3,191	2,335	1,872	3,698
Total cash received	1,301	3,191	2,335	1,872	3,698
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	1,301	3,191	2,335	1,872	3,698
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	300	300	300	300	300
Cash at the end of the reporting period	300	300	300	300	300

Table 5.4: Departmental statement of changes in equity—summary of movement (Budget 2006–07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	29	44	-	5,463	5,536
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	29	44	-	5,463	5,536
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Net operating result	(5,485)	-	-	-	(5,485)
Total income and expenses recognised directly in equity	(5,485)	-	-	-	(5,485)
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	3,191	3,191
Sub-total transactions with owners	-	-	-	3,191	3,191
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2007	(5,456)	44	-	8,654	3,242

Table 5.5: Departmental capital budget statement

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections ¹	1,301	3,191	2,335	1,872	3,698
Total capital appropriations	1,301	3,191	2,335	1,872	3,698
Represented by:					
Purchase of non-financial assets	1,301	3,191	2,335	1,872	3,698
Total represented by	1,301	3,191	2,335	1,872	3,698
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,301	3,191	2,335	1,872	3,698
Funded internally by					
Departmental resources	314	473	381	401	254
Total	1,615	3,664	2,716	2,273	3,952

1. See note 3 to the financial statements.

Table 5.6: Departmental property, plant, equipment and intangibles - summary of movement (Budget year 2006–07)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006									
Gross book value	-	-	1,801	-	1,314	-	288	-	3,403
Accumulated depreciation	-	-	-	-	(697)	-	(259)	-	(956)
Opening net book value	-	-	1,801	-	617	-	29	-	2,447
Additions:									
by purchase ¹			4,081	-	473	-	600	-	5,154
Depreciation/amortisation expense	-	-	-	-	(361)	-	(151)	-	(512)
Disposals:									
from disposal of entities or operations (including restructuring)									
other disposals	-	-	-	-	(50)	-	-	-	(50)
Transfer to Administered ²	-	-	(5,485)	-	-	-	-	-	(5,485)
As at 30 June 2007									
Gross book value	-	-	397	-	1,692	-	888	-	2,977
Accumulated depreciation	-	-	-	-	(1,013)	-	(410)	-	(1,423)
Estimated closing net book value			397	-	679	-	478	-	1,554

1. See note 3 to the financial statements.
2. See note 4 to the financial statements.

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

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Other sources of non-taxation revenues	13	13	13	13	13
Transfer of assets from Departmental ¹	900	5,485	1,887	2,242	3,058
Total non-taxation	913	5,498	1,900	2,255	3,071
Total revenues administered on behalf of government	-	-	-	-	-
Total income administered on behalf of government	913	5,498	1,900	2,255	3,071
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	365	365	365	365	365
Suppliers	798	808	814	816	811
Depreciation and amortisation	384	388	388	397	417
Write down and impairment of assets	418	-	-	-	-
Other	13	13	13	13	13
Total expenses administered on behalf of government	1,978	1,574	1,580	1,591	1,606

1. See note 2 to the financial statements.

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

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	-	-	-	-	-
Receivables	558	946	1,334	1,731	2,148
Total financial assets	558	946	1,334	1,731	2,148
Non-financial assets					
Land and buildings	70,261	74,960	76,075	77,323	77,872
Infrastructure, plant and equipment	1,858	1,765	1,684	1,609	1,535
Heritage and cultural assets	6,219	6,710	7,175	7,847	10,013
Total non-financial assets	78,338	83,435	84,934	86,779	89,420
Total assets administered on behalf of government	78,896	84,381	86,268	88,510	91,568
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	88	3	3	3	3
Total payables	88	3	3	3	3
Total liabilities administered on behalf of government	88	3	3	3	3

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

	Estimated actual 2005–06 \$'000	Budget estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	13	13	13	13	13
Total cash received	13	13	13	13	13
Cash used					
Personal benefits	365	365	365	365	365
Suppliers	886	808	814	816	811
Other	13	13	13	13	13
Total cash used	1,264	1,186	1,192	1,194	1,189
Net cash from or (used by) operating activities	(1,251)	(1,173)	(1,179)	(1,181)	(1,176)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	102	-	-	-	-
Total cash used	102	-	-	-	-
Net cash from or (used by) investing activities	(102)	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for: – appropriations	1,353	1,173	1,179	1,181	1,176
Cash at end of reporting period	-	-	-	-	-

**Table 5.10: Schedule of administered property, plant, equipment and intangibles—summary of movement
(Budget year 2006–07)**

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006									
Gross book value	60,900	-	9,615	-	2,040	6,219	-	-	78,774
Accumulated depreciation	-	-	(254)	-	(182)	-	-	-	(436)
Opening net book value	60,900	-	9,361	-	1,858	6,219	-	-	78,338
Additions:									
by transfer from Departmental ¹	-	-	4,994	-	-	491	-	-	5,485
Depreciation/amortisation expense	-	-	(295)	-	(93)	-	-	-	(388)
Disposals:	-	-	-	-	-	-	-	-	-
As at 30 June 2007									
Gross book value	60,900	-	14,609	-	2,040	6,710	-	-	84,259
Accumulated depreciation	-	-	(549)	-	(275)	-	-	-	(824)
Estimated closing net book value	60,900	-	14,060	-	1,765	6,710	-	-	83,435

1. See note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes below link back to the financial statements.

Resources received free of charge

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

Capitalisation of assets derived from capital works activity

Note 2. Under the Office's accounting policy, the buildings, property, household furniture and fine arts of the Governor-General's official establishments and his primary official vehicle are classed as administered assets. Capital improvements to the Office's official establishments are purchased from departmental appropriations and are recorded in the operating statements as a departmental expense. The approved accounting treatment that enables capitalisation of these assets as administered in the financial statements requires recognition of the expense in the *Budgeted departmental income statement* (Table 5.1) and as an item of revenue in the *Schedule of budgeted income and expenses administered on behalf of the government* (Table 5.7).

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

The funding for capital works allocated in 2006–07 is estimated to be fully spent. Where, because of changes in priorities or through delays in project implementation, funds are not spent in a particular year of appropriation, the funds are carried forward to future years to meet the Office's capital works requirements.

Note 4. This refers to the planned capital improvements to the official establishments in 2006–07 being funded from departmental equity injections for capital works (see note 3). In keeping with the Office's current accounting policy (see note 2), these capital improvements are funded from a departmental capital injection and are then transferred to the administered accounts for capitalisation.