



THE DEPARTMENT OF THE PRIME MINISTER AND CABINET

NINETEEN NINETY NINE
ANNUAL

Prime Minister & Cabinet

TWO THOUSAND
REPORT



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Prime Minister
& Cabinet

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REPORT

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THE DEPARTMENT OF
THE PRIME MINISTER AND CABINET

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SECRETARY

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29 September 2000

The Hon. John Howard, MP

Prime Minister

Parliament House

Canberra ACT 2600

Dear Prime Minister

I have pleasure in submitting the Annual Report of the Department of the Prime Minister and Cabinet for the financial year ending 30 June 2000 prepared in accordance with subsection 63(2) of the *Public Service Act 1999*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M W Moore-Wilton', written in a cursive style.

M W Moore-Wilton

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Secretary's Review

The department assisted the Government to deal successfully with a range of significant national and international issues during 1999–2000, in addition to performing its daily function of providing the Prime Minister with quality advice and timely support on his wide ranging responsibilities. Those significant issues included strategic advice regarding the Australian-led multinational force, INTERFET, which restored peace and security in East Timor; the introduction of The New Tax System on 1 July 2000; the November 1999 referendum on whether Australia should become a republic; and coordinating the Commonwealth's planning for the Sydney 2000 Olympic and Paralympic Games and the successful visit to Australia of Her Majesty The Queen.

Departmental expenses on ongoing operations (ie excluding expenses associated with the 1999 referendum) declined by 7.8 per cent to \$47.1 million in 1999–2000. The department revised procedures and guidelines to take account of the *Public Service Act 1999*. The department also progressed the implementation of management and reporting arrangements consistent with the accrual accounting and outcomes and outputs framework introduced in 1999–2000. Under this framework the Prime Minister, other portfolio Ministers and their personal advisers use a range of mechanisms to provide regular feedback to departmental staff on the quality and timeliness of their policy advice and support. The feedback in 1999–2000 generally was positive.

Policy advice and coordination

International and defence

The department supported the Prime Minister on a number of important foreign policy issues through its effective coordination of whole-of-government operations, and particularly through its policy and secretariat support for the National Security Committee of Cabinet. Key among those operations was the formation and deployment to East Timor of an Australian-led, United Nations mandated multinational force, INTERFET, which restored peace and security in the territory following the ballot on independence. The deployment, Australia's largest since the Vietnam War, was widely regarded as one of the most successful multinational peacekeeping operations in the world.

Following the intervention in East Timor, the department advised the Prime Minister on a policy framework aimed at developing a more mature and balanced relationship between Australia and Indonesia.

The department provided input and support to the Interdepartmental Task Force on Unauthorised Arrivals. The task force developed a coordinated approach across government agencies to tackling the growth in organised people smuggling, an issue of concern for many countries around the world.

The Secretariat to the Joint Prime Ministerial Task Force on Australia New Zealand Bilateral Economic Relations established in March 1999 was another area of significant departmental activity. The task force's report, which outlined measures to address a range of bilateral issues, including investment and social security, was endorsed by both the Australian and New Zealand governments in August 1999.

The department made major contributions to a whole-of-government process aimed at the development of a defence White Paper, which resulted in the most comprehensive review of defence issues for over a decade. The review included the launch of a process of public consultation on defence issues and the development of a public discussion paper.

Overseas dignitaries

During the year the Ceremonial and Hospitality Unit coordinated the successful visit to Australia in March 2000 of Her Majesty The Queen and His Royal Highness The Duke of Edinburgh and managed 31 visits by other overseas dignitaries.

Taxation reform

The department provided extensive policy advice to the Prime Minister and his office on a range of tax issues, including the implementation of The New Tax System package and the development and implementation of the Government's response to the Review of Business Taxation.

A number of areas across the department contributed to the task of developing the Government's tax reform package, which culminated in the introduction of the goods and services tax, major income tax cuts, new Commonwealth–state financial arrangements and enhanced social security benefits on 1 July 2000. The department was involved in the Taxation Task Force, providing extensive advice to the Prime Minister on the full range of tax reform issues. It supported Cabinet committees overseeing the development of the new tax legislation and considering tax reform policy. It contributed to information activities supporting the introduction of The New Tax System.

Referendum

The Referendum Task Force, jointly staffed by officers from the department and the Attorney-General's Department, provided support to a Ministerial Steering Group overseeing

preparations for the referendum on whether Australia should become a republic and on a preamble to the Constitution. The task force worked closely with other agencies in developing the proposed constitutional alterations and other legislation; administering public information programmes; and ensuring that arrangements for the referendum, held on 6 November 1999, proceeded smoothly.

Sydney 2000 Games

The Sydney 2000 Games Coordination Task Force contributed to the development of a national and international framework for the delivery of contingency support to address the consequences of a worst case, large-scale security incident at the Sydney 2000 Games. The task force developed an international confidence building strategy on Sydney 2000 Games security preparations with the United States of America.

The task force also implemented an integrated Commonwealth approach to dignitary handling for the Sydney 2000 Olympic and Paralympic Games. It provided analysis and advice to the Government on a subsidy to assist schoolchildren to attend the Sydney 2000 Paralympic Games.

Illicit drug use

The department led and managed the National Illicit Drugs Task Force. The task force was established in response to the commitment by the Council of Australian Governments (COAG) in April 1999 to the establishment of a national approach to address illicit drug use by diverting offenders to education and treatment early in their contact with the criminal justice system. A national framework paper, produced by the task force and agreed to by COAG, represented a major achievement for intergovernmental processes. The paper was released by the Prime Minister in November 1999. The policy direction proposed in the paper is now being implemented progressively by the states and territories through bilateral agreements. The department continues to provide advice to the Prime Minister and his office on the terms of these agreements.

Social coalition

The department assisted the Prime Minister and his office to establish the Community Business Partnership. This body was first announced by the Prime Minister in March 1999 and is chaired by the Prime Minister. The department's role included advising on the initial policy agenda for the new body prior to its first meeting in November 1999.

The department supported the Council for Aboriginal Reconciliation in the staging of its major reconciliation event, Corroboree 2000. The two-day event saw a Document of Reconciliation presented to the people of Australia in fulfilment of the council's responsibility under the *Council for Aboriginal Reconciliation Act 1991* to consider producing such a document.

The department led the implementation of the Prime Minister's Partnerships Against Domestic Violence initiative, in particular by providing secretariat services for the Partnerships Task Force, and managing and promoting a number of key national projects. A significant contribution was also made to a number of major policy processes, including the revision of affirmative action legislation; the Human Rights and Equal Opportunity Commission's inquiry into pregnancy discrimination and work; the International Labour Organisation's revision of Convention 103 (Maternity Protection at Work, 1952); and the drafting of legislation for the reform of superannuation and divorce.

Mutual obligation

The department was actively involved in the interdepartmental committee that assisted the Reference Group on Welfare Reform, which has proposed a greater emphasis on ensuring that all Australians are encouraged and supported to participate in society as fully as possible. The department also advised on proposals to strengthen compliance and tighten exemptions from mutual obligation requirements.

Economic, industry, environment and forests

The department was involved in developing options for a joint Commonwealth–state initiative on dryland salinity and water quality. The department provided advice on greenhouse policy and contributed to the development and implementation of the Measures for a Better Environment in The New Tax System package.

The department led and coordinated Commonwealth activities on the development and finalisation of five Regional Forest Agreements in 1999–2000, including agreements for signature by the Prime Minister and respective Premiers for the North East, Gippsland and West regions of Victoria, and the Eden and North East regions of New South Wales.

The department played a central role in developing the Government's policy on unpaid employee entitlements in the event of employer insolvency, leading to the introduction of the Employee Entitlements Support Scheme (announced on 8 February 2000).

The department advised on issues relating to the Government's regional policies, particularly on Commonwealth services to regional Australia and the Rural Transaction Centre programme. The department also played a significant role in transport issues, including the second Sydney airport, and communication policy issues, such as the development of the Government's digital broadcasting regime and the sale of the second tranche of Telstra.

Support services for government operations

The continuing smooth implementation of CABNET, the electronic system for managing and circulating Cabinet documents, greatly assisted ministers' offices and the department to handle a heavy workload, especially during the budget period. The revised

Cabinet Handbook (Fifth Edition) was released in February 2000, and the revised *Federal Executive Council Handbook* was released in May 2000.

The department revised substantially the *Requirements for Annual Reports* and cleared them with the Parliamentary Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the *Public Service Act 1999*. The revised guidelines were issued to departments in June 2000. The department also assisted in the implementation of new arrangements for the appointment and remuneration of parliamentary secretaries.

Financial performance

The department's total operating revenues in 1999–2000 of \$75 million exceeded operating expenses (the price of outputs) of \$72 million, producing an operating surplus before abnormal items of \$3 million. Operating revenue in 1999–2000 was boosted significantly by funding of \$24.9 million for the 1999 referendum on whether Australia should become a republic.

The net surplus for the year was \$6.9 million, including \$4 million as a result of the consolidation of the Campaign Reserve Account within the department's Financial Statements. The Campaign Reserve Account derives revenue from a fee levied on Commonwealth agencies that undertake advertising campaigns through the Central Advertising System.

As at 30 June 2000 the department held cash balances of \$12.4 million, including \$3.6 million in the Campaign Reserve Account. A repayment of capital of \$1 million will be made to the Commonwealth in 2000–01 from departmental cash reserves.

The total administered appropriation for 1999–2000 was \$26.6 million, including funding provided through the Additional Estimates for the visit of Her Majesty The Queen, and Indigenous affairs litigation. Actual expenses incurred across the seven administered programmes in 1999–2000 totalled \$24.6 million.

The year ahead

The Sydney 2000 Olympic Games will be held in September 2000, bringing to culmination the department's role in coordinating the Commonwealth's involvement in this spectacular event.

Preparations for the Commonwealth Heads of Government Meeting to be held in Brisbane in November 2001 will gather momentum during the next financial year. The department will not only be the logistics coordinator but also support the Prime Minister's membership of the Commonwealth High Level Review Group, which will report to the Brisbane CHOGM on the role and function of the Commonwealth into the next century.

The department will continue to play a significant role in coordinating ministerial and departmental contributions to the development of the Defence White Paper. The White Paper will define Australia's strategic outlook and Defence Force capability requirements for the next 15 years.

Departmental Overview

Portfolio Agencies and Outcomes

Prime Minister and Cabinet Portfolio

Prime Minister The Hon. John Howard,MP

Minister for Aboriginal and Torres Strait Islander Affairs Senator the Hon. John Herron

Minister Assisting the Prime Minister The Hon.Wilson Tuckey, MP

Parliamentary Secretary to Cabinet Senator the Hon. Bill Heffernan

Minister Assisting the Prime Minister for the Status of Women Senator the Hon.Jocelyn Newman

Minister Assisting the Prime Minister for the Public Service The Hon.Dr David Kemp,MP

Minister Assisting the Prime Minister for the Sydney 2000 Games The Hon.Jackie Kelly, MP

Minister Assisting the Prime Minister for Reconciliation The Hon.Phillip Ruddock,MP

Department of the Prime Minister and Cabinet Secretary, Mr Max Moore-Wilton

Outcome:Sound and well coordinated government policies, programmes and decision making processes.

Aboriginal and Torres Strait Islander Commission, Chief Executive Officer, Mr Mark Sullivan

Outcome:The economic, social and cultural empowerment of Aboriginal and Torres Strait Islander peoples in order that they may freely exercise their rights equitably with other Australians.

Australian National Audit Office, Auditor-General,Mr Pat Barrett, AM

Outcome 1:Independent assessment of the performance of selected Commonwealth public sector activities,including the scope for improving efficiency and administrative effectiveness.

Outcome 2:Independent assurance of Commonwealth public sector financial reporting, administration,control and accountability.

Office of National Assessments,Director-General, Mr Kim Jones,AM

Outcome 1:Enhanced government awareness of international political and leadership developments,international strategic developments,including military capabilities and international economic developments.

Outcome 2:Enhanced intelligence support for Defence planning and deployments, in peacetime and conflict,to maximise prospects for military success and to minimise loss of Australian lives.

Office of the Commonwealth Ombudsman,Ombudsman,Mr Ron McLeod,AM

Outcome: To achieve equitable outcomes for complaints from the public and foster improved and fair administration by Commonwealth agencies.

Office of the Inspector-General of Intelligence and Security, Inspector-General, Mr Bill Blick,PSM

Outcome: To ensure Australia's intelligence agencies act legally, ethically and with propriety.

Office of the Official Secretary to the Governor-General,Official Secretary, Mr Martin Bonsey, LVO

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

Public Service and Merit Protection Commission,Commissioner, Ms Helen Williams,AO

Outcome: Encourage the development of an Australian Public Service in which agencies:

- maximise Australia's position in a global environment by ensuring that we are future focused and actively seek the changes that will guarantee our national future;
- provide innovative,professional and impartial public interest policy advice to government;
- provide the best service to Australians, taking into account quality, accessibility and cost; and
- achieve a culture based on the APS values.

Organisational Structure and Senior Staffing

June 2000

Secretary Max Moore-Wilton

Output Group 1	Output Group 2	Output Group 3	Output Group 4
<p>Output Group 1 Economic policy advice and coordination</p> <p>Executive Coordinator Economic, Industry and Resources Policy <i>Ian Watt</i></p> <p>Economic Division First Assistant Secretary <i>Richard Murray</i></p> <p>Economic Policy Assistant Secretary <i>Arthur Camilleri</i></p> <p>Fiscal Policy Assistant Secretary <i>Barry Sterland</i></p> <p>Taxation and Superannuation Assistant Secretary <i>Paulette Quang</i></p> <p>Industry and Environment Division First Assistant Secretary <i>Brian Cassidy</i></p>	<p>Output Group 2 Social policy advice and coordination</p> <p>Executive Coordinator Social Policy <i>Jane Halton</i></p> <p>Social Policy Division First Assistant Secretary <i>Peter Hamburger*</i></p> <p>Health and Community Services Assistant Secretary <i>David Webster</i></p> <p>Employment and Education Assistant Secretary <i>Jennifer Bryant</i></p> <p>Families and Income Support Assistant Secretary <i>Bruce Smith</i></p> <p>Office of the Status of Women First Assistant Secretary <i>Rosemary Calder</i></p>	<p>Output Group 3 International policy advice and coordination</p> <p>Reports directly to the Secretary</p> <p>International Division First Assistant Secretary <i>Miles Jordana</i></p> <p>United States, Rest of World and Multilateral Assistant Secretary <i>Patrick Cole</i></p> <p>Asia, APEC and Trade Assistant Secretary <i>Ric Wells</i></p> <p>Defence, Intelligence and Security Assistant Secretary <i>Brendon Hammer</i></p> <p>Ceremonial and Hospitality Unit Director <i>Roger Bagley</i></p>	<p>Output Group 4 Support services for government operations</p> <p>Executive Coordinator Government and Corporate <i>Alan Henderson</i></p> <p>Cabinet Secretariat Assistant Secretary <i>Nhan Vo-Van</i></p> <p>Cabinet Support Assistant Secretary <i>Tony Levy*</i></p> <p>Corporate Support Assistant Secretary <i>Richard Oliver</i></p> <p>Government Division First Assistant Secretary <i>Barbara Belcher</i></p> <p>Parliamentary and Government Assistant Secretary <i>John Doherty</i></p> <p>Legal and Culture Assistant Secretary <i>David Maccjill*</i></p>

<p>Industry Policy Assistant Secretary <i>Stuart Sargent</i></p> <p>Resources and Environment Assistant Secretary <i>Brian Jones</i></p> <p>Forests and Olympics Division First Assistant Secretary <i>Grahame Cook</i></p> <p>Forests Task Force Assistant Secretary <i>Richard Webb*</i></p> <p>Sydney 2000 Games Coordination Task Force Special Adviser <i>Air Vice Marshal Brent Espeland</i></p>	<p>Assistant Secretaries <i>Joanne Calhwell</i> <i>Karen Bentley</i></p> <p>Office of Indigenous Policy First Assistant Secretary <i>Peter Vaughan</i></p> <p>Reconciliation and Equity Assistant Secretary <i>Julie Yeend</i></p> <p>Land, Legal and Economic Development Assistant Secretary <i>John van Beurden</i></p> <p>Programme Policy and Coordination Assistant Secretary <i>Judith Winternitz*</i></p>	<p>CHOGM 2001 Task Force Assistant Secretary <i>Hugh Craft</i></p>	<p>Awards and National Symbols Assistant Secretary <i>Paul O'Neill</i></p> <p>Parliamentary Liaison Officer House of Representatives <i>Alistair Sherwin*</i></p> <p>Parliamentary Liaison Officer Senate <i>Gail Bansemer*</i></p> <p>Government Communications Division First Assistant Secretary <i>Greg Williams</i></p> <p>Information Services Assistant Secretary <i>Susan Ball</i></p>
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* denotes acting

Role and functions

The primary role of the Department of the Prime Minister and Cabinet is to provide support to the Prime Minister and to achieve a coordinated approach to the development and implementation of government policies.

The principal matters the department deals with are:

- coordination of government administration;
- assistance to Cabinet and its committees;
- policy advice and administrative support to the Prime Minister;
- intergovernmental relations and communications with state and territory governments;
- Australian honours and symbols policy;
- government ceremonial and hospitality;
- status of women;
- Aboriginal and Torres Strait Islander issues; and
- coordination of government communications and advertising.

Outcome and outputs

Structural changes arising from the move to accruals based reporting

This report has been prepared in accordance with the revised annual reporting guidelines that were issued to departments in June 2000. It reports against the outcome endorsed by the Prime Minister and is presented in an outputs and accrual accounting framework, consistent with the department's 2000–01 Portfolio Budget Statements tabled in May 2000.

To assist understanding of the transition from the previous input based and cash reporting framework, comparison of the former programme budgeting structure and the new outcome and outputs structure is provided on page 15.

Planned outcome

The planned outcome for the Department of the Prime Minister and Cabinet is *sound and well coordinated government policies, programmes and decision making processes.*

Departmental outputs

The department produces four groups of outputs directed at achieving its defined outcome.

- Group 1 outputs include policy advice on economic, industry and environment and resources issues; effective Council of Australian Governments (COAG) operations; a coordinated Commonwealth contribution to the Sydney 2000 Olympics and Paralympic

- Games; and the development and finalisation of Regional Forest Agreements and related work.
- Group 2 outputs include policy advice on social policy issues; Indigenous issues, including Aboriginal reconciliation; and women's issues, including effective domestic violence prevention programmes.
 - Group 3 outputs include policy advice on international issues; administration of the visits and hospitality programme; and preparations for the 2001 Commonwealth Heads of Government Meeting (CHOGM).
 - Group 4 outputs include provision of a range of support services for government operations, including coordination of Cabinet and Executive Council business; policy advice on parliamentary, machinery of government and legal and cultural issues; coordination of government communications and advertising; administration of the Prime Minister's official establishments; and policy advice on, coordination and promotion of national awards and symbols.

The department's Executive, nine divisions, Cabinet Secretariat and task forces (Forests, Sydney 2000 Games Coordination, and CHOGM 2001) are supported by corporate support and information services units which purchase a wide range of goods and services from a number of outsourced providers. The units' costs are apportioned as a component of each of the four output groups' price of outputs.

Administered appropriations

Under the accruals accounting framework, administered appropriations are dealt with separately from the departmental outputs set out above. Administered appropriations are not directly controlled by the department and generally must be used for specific purposes.

The department administers the following appropriations on behalf of the Government:

- allowances to former governors-general;
- state occasions and guest of government;
- Prime Minister's official residences;
- compensation and legal expenses;
- reconciliation process between the Commonwealth and Aboriginals; and
- Indigenous affairs litigation.

Each of those administered appropriations is discussed within the relevant output group in the Report on Performance section of this report.

Departmental Outcome and Output Groups

The Department of the Prime Minister and Cabinet

Planned outcome is *sound and well coordinated government policies, programmes and decision making processes.*

Output Group 1 Economic policy advice and coordination

Output 1.1 –
Economic and
Industry and
Environment Policy

Output 1.2 –
Sydney 2000
Games Coordination
Task Force

Output 1.3 –
Forests Task Force

Output Group 2 Social policy advice and coordination

Output 2.1 –
Social Policy

Output 2.2 –
Women's Policy

Output 2.3 –
Indigenous Policy

Output Group 3 International policy advice and coordination

Output 3.1 –
International Policy

Output 3.2 –
Ceremonial and
Hospitality Unit

Output 3.3 –
CHOGM 2001 Task
Force

Output Group 4 Support services for government operations

Output 4.1 –
Cabinet Secretariat

Output 4.2 –
Machinery of
Government

Output 4.3 –
Government
Communications

Output 4.4 –
Support to Official
Establishments

Output 4.5 –
Support to
Ministerial Offices
and former
Governors-General

Relationship between Programme Structure and Outcome/Output Groups

Programme management and budgeting (1998–99 Annual Report)	Accrual budgeting (1999–2000 Annual Report)
<p>Programme 1 — Departmental Policy Coordination</p> <p>Subprogrammes</p> <p>Sub-Programme 1.1: Economic, Industry and Resources Policy</p> <p>Sub-Programme 1.2: Social Policy</p> <p>Sub-Programme 1.3: International</p>	<p>Outcome 1 — Sound and well coordinated government policies, programmes and decision making processes</p> <p>Output Groups</p> <p>Output Group 1: Economic policy advice and coordination (including Sydney 2000 Games and Forests task forces)</p> <p>Output Group 2: Social policy advice and coordination (including OSW and OIP)</p> <p>Output Group 3: International policy advice and coordination (including CERHOS and CHOGM)</p>
<p>Programme 2 — Government Support Services</p> <p>Subprogrammes</p> <p>Sub-Programme 2.1: Machinery of Government</p> <p>Sub-Programme 2.2: Support Services</p>	<p>Output Group 4: Support services for government operations</p>
<p>Nomenclature</p> <p>Running Costs translate approximately as</p> <p>Programme costs translate approximately as</p> <p>Appropriations translate approximately as</p> <p>Actual expenditure translates approximately as</p>	<p>Departmental outputs (goods and services produced by PM&C over which PM&C has direct control. They include salaries, allowances and outsourced activities).</p> <p>Administered items (administered but not controlled by PM&C. They include payments to NGOs and allowances for former Governors-General).</p> <p>Price of outputs (the amount agreed between an agency and government for a particular output — or output group).</p> <p>Cost of outputs (covers full costs, including capital costs, and represents the actual full production cost of each output — or output group).</p>

Report on Performance

Total Resources for Outcome 1 (\$'000)

	<i>Budget Estimate 1999-2000 \$'000</i>	Actual 1999-2000 \$'000	<i>Budget Estimate 2000-01 \$'000</i>
ADMINISTERED EXPENSES			
Allowance to former Governors-General	490	(a)2,285	507
State occasions and guest of government	5,681	4,492	3,836
Women's programmes	8,454	5,339	9,797
Prime Minister's official residences	1,852	1,641	2,012
Compensation and legal expenses	160	-	450
Reconciliation process between the Commonwealth and Aboriginals	4,754	5,277	3,932
Indigenous affairs litigation	5,159	5,605	3,300
CHOGM security	-	-	2,417
Total Administered Expenses	26,550	24,639	26,251
DEPARTMENTAL PRICE OF OUTPUTS			
Output Group 1 – Economic policy advice and coordination			
Output 1.1 – Economic and industry and environment policy		6,180	6,586
Output 1.2 – Sydney 2000 Games Coordination Task Force		2,119	1,115
Output 1.3 – Forests Task Force		1,366	829
Subtotal Output Group 1	9,645	9,665	8,530
Output Group 2 – Social policy advice and coordination			
Output 2.1 – Social policy		3,533	4,436
Output 2.2 – Office of the Status of Women		4,409	4,355
Output 2.3 – Office of Indigenous Policy		7,124	6,212
Subtotal Output Group 2	15,141	15,066	15,003
Output Group 3 – International policy advice and coordination			
Output 3.1 – International policy		3,411	4,165
Output 3.2 – Ceremonial and hospitality		2,479	2,287
Output 3.3 – CHOGM 2001 Task Force		600	13,949
Subtotal Output Group 3	6,743	6,490	20,401
Output Group 4 – Support services for government operations			
Output 4.1 – Cabinet Secretariat		2,502	2,567
Output 4.2 – Government		(b)30,777	5,995
Output 4.3 – Government Communications		2,447	3,170
Output 4.4 – Official Establishments		400	399
Output 4.5 – Support for Ministerial Offices and former Governors-General		2,892	1,569
Subtotal Output Group 4	40,528	39,018	13,700
Revenue from Other Sources			
- Resources received free of charge	(c)	(c)	1,286
- Other			1,854
Total Price of Outputs	72,057	70,239	60,774
TOTAL RESOURCES	98,607	94,878	87,025
STAFF NUMBERS AS AT 30 JUNE	362	381	380

- (a) The actual expense for the *Allowance to former Governors-General* includes \$1.8m, representing a one-off adjustment to the superannuation liability in respect of the former Governors-General following an independent actuarial assessment.
- (b) An amount of \$24.9m in 1999–2000 relates to the Referendum Task force.
- (c) *Revenue from Other Sources* in 1999–2000 has been included within each output group's price of outputs. The 2000–01 budget estimate reflects the 2000–01 Portfolio Budget Statements in which *Revenue from Other Sources* is disclosed separately.

Overview

The department foreshadowed in its 1998–99 annual report that it would be examining its evaluation processes and policy advising feedback mechanisms with the aim of making them more systematic, uniform and structured.¹ A working group developed performance indicators and assessment measures covering quality, timeliness, quantity and price of outputs on two levels — department-wide and individual output units. The task was substantially one of improving the structure of the performance assessment activity that was already occurring and identifying and addressing gaps in the overall performance assessment process, in particular quantitative measures for a number of the output units.

The key department-wide performance indicators and assessment processes which apply across the department's four output groups are set out below. The performance indicators and assessment processes specific to each of the 14 output units are set out in the sections dealing with the particular output.

Quality

The department-wide indicator is *the degree of satisfaction of the Prime Minister and other portfolio Ministers, their offices and the departmental Executive, as expressed through formal and informal feedback mechanisms, on the quality and timeliness of advice and the achievement of key tasks.*

Results

Feedback from the Prime Minister, other Ministers in the portfolio and their offices was that the department's policy advice was considered to be of a high standard and that the use of several task forces (eg Sydney 2000 Games Coordination, Forests, CHOGM 2001) enhanced coordination across the APS. The department's advance warning to the government of emerging issues was also assessed as effective.

Quantity and timeliness

The four significant department-wide activities for which these two indicators are monitored are Cabinet minutes, ministerial correspondence, parliamentary questions on notice and Freedom of Information requests. A number of the timeliness indicators take into account parliamentary and statutory deadlines imposed under a range of Commonwealth Acts (eg the *Freedom of Information Act 1982*). Available department-wide statistics have been included below. The department has set in place monitoring systems which will enable full year statistics to be provided in the 2000–01 annual report.

Cabinet minutes

The operational target is to release Cabinet minutes within 24 hours of the cessation of a Cabinet or Committee meeting.

¹ See 'Performance Management in the Department of the Prime Minister and Cabinet', *Annual Report 1998–99*, pp. 27–33

Results

The department commenced the systematic monitoring of the turnaround time for the preparation of Cabinet minutes from 1 March 2000. For the period 1 March 2000 to 30 June 2000, 92 per cent of Cabinet meeting minutes met this performance target. A small proportion of minutes required additional time to finalise due mainly to the large volume of business dealt with during the budget period and the greater complexity involved.

Ministerial correspondence

The operational target is to respond to correspondence on policy issues from Federal Ministers, Premiers, Chief Ministers, Heads of Government et cetera within 10 working days and all other correspondence within 20 working days.

Results

The department processed 104,000 pieces of ministerial correspondence. Of those, some 68 per cent or 70,720 items were processed within the department's target deadlines (based on the seven months timeliness statistics collected in 1999–2000). The percentage would have been significantly higher in the absence of the large volume of correspondence generated in response to some significant issues, including The New Tax System, East Timor and Aboriginal reconciliation.

Parliamentary questions on notice

The aim is to respond to parliamentary questions on notice within the numbers of days set in the standing orders of each house.

Results

The department received 85 parliamentary questions on notice during 1999–2000, 60 from the Senate and 25 from the House of Representatives. The department had 19 questions on hand at 1 July 1999. It lodged responses to 73 questions during the year: 55 Senate and 18 House of Representatives. The average time taken to lodge responses to questions asked in 1999–2000, including ministerial clearance, was 59 days for Senate questions and 50 days for House of Representatives questions. There were 31 questions on hand at 30 June 2000, 13 of which were asked during June 2000.

Freedom of Information requests

The various timing requirements for Freedom of Information requests are specified in the Freedom of Information Act 1982.

Results

The department received 23 Freedom of Information (FOI) requests during 1999–2000. The department had eight FOI requests on hand at 1 July 1999. It responded to 28 FOI requests during the year. Three FOI requests were on hand at 30 June 2000.

Financial performance

Price of outputs

Both the price and the cost of departmental outputs have been included for each of the 14 outputs in the body of this report. In summary, the budgeted price of departmental outputs was as follows.

Departmental outputs	\$'000
Appropriation revenue	48,083
Other revenue*	23,975
Total price	<u>72,057</u>

*Other revenue includes transfers from the Attorney-General's Department for the Republic Referendum, interest, resources received free of charge and other section 31 revenue.

Total expenses in relation to departmental outputs for 1999–2000 amounted to \$70.2 million. Expenses in relation to the Republic Referendum accounted for \$24.9 million. The remaining \$45.3 million predominantly reflected the cost of the department's ongoing outputs.

Administered expenses

The total administered appropriation for 1999–2000 was \$26.6 million. Administered expenses for 1999–2000 amounted to \$24.6 million.

Additional Estimates funding was required for the State Occasions and Guest of Government item (for the visit by Her Majesty The Queen) and for Indigenous affairs litigation.

Some administered funding was rephased from 1999–2000. In particular, a total of \$4.2 million was rephased from the women's programme item to 2001–02 and 2002–03 to better meet the demands of the Partnerships Against Domestic Violence Initiative.

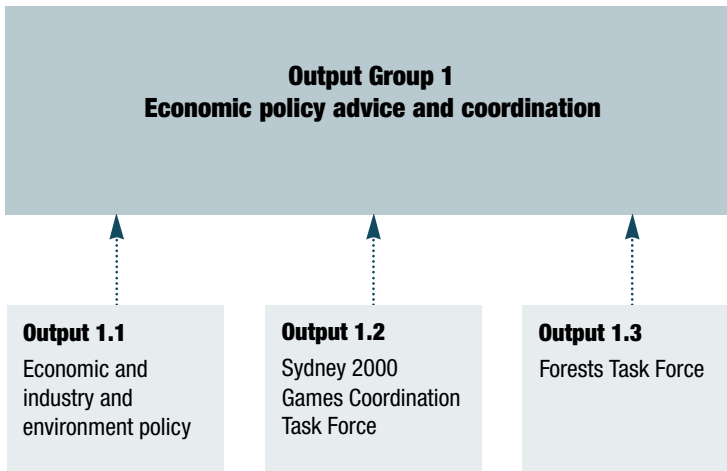
Purchaser–provider arrangements

The department is not appropriated funds to deliver outcomes through purchaser–provider arrangements.

Output Group 1 — Economic Policy Advice and Coordination

Price of Outputs	\$9.6m	Cost of Outputs	\$9.7m
Appropriations	\$8.1m		
Administered Expenses	\$0.0m		

Group Outputs



Group 1 outputs include policy advice on economic, industry and environment and resources issues; effective Council of Australian Governments (COAG) operations; a coordinated Commonwealth contribution to the Sydney 2000 Olympic and Paralympic Games; and the development and finalisation of comprehensive regional forest assessments and agreements.

Outputs 1.1–1.3

Output Group 1 comprises three outputs and functionally consists of:

- Economic Division;
- Industry and Environment Division; and
- Forests and Olympics Division.

Output Group 1 is managed by the Executive Coordinator (Economic, Industry and Resources Policy Group).

Output 1.1 – Economic and Industry and Environment Policy

Performance indicators and results

Output 1.1 Economic and industry and environment policy

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

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

Performance indicators

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

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

Cost of Outputs — \$6.2m

Qualitative assessment

Methodology

Throughout 1999–2000 Output 1.1, Economic and Industry and Environment Policy, received feedback from the Prime Minister, the Secretary and the departmental Executive, and the Prime Minister's Office about its performance.

Feedback was provided through a number of mechanisms, including regular meetings, formal discussions with the Prime Minister's Office, regular contact with the Secretary and the departmental Executive, periodic individual performance reviews conducted through the formal performance appraisal process, and ongoing informal assessment.

Feedback

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

Key results

Budget policy

The Economic Division prepared advice on fiscal policy options for the 2000–01 Budget and provided support to the Prime Minister in his role as Chairman of the Expenditure Review Committee. It also supported the Executive Coordinator (Economic, Industry and Resources Policy Group) in his membership of the Budget Coordination Committee (BCC) and

participated in the work of the BCC and its working groups, which oversee budget coordination, processes and timetabling issues.

Feedback from key stakeholders indicated that the process worked very well and the division's role was very effective.

Taxation policy

The Economic Division provided extensive policy advice to the Prime Minister and his office on a range of tax issues, including the implementation of The New Tax System and the development and implementation of the Government's response to the Review of Business Taxation.

The division participated in the work of the Taxation Task Force and its Indirect Tax Reform and Administration subcommittees. It also participated in the Business Tax Reform Task Force, which was set up to coordinate the implementation of the Government's response to the Review of Business Taxation.

The division continued to support the department's participation in the Chief Executive Officer Reporting Group, established to report to the Government on the progress of the implementation and delivery systems for taxation reform. The division also participated in various subcommittees.

The division advised the Prime Minister on the Diesel and Alternative Fuels Grant Scheme and the Fuel Sales Grant Scheme and other issues relating to fuel, alcohol and tobacco excise, particularly in the context of the reform of indirect taxation.

The division supported the Ad Hoc (GST Implementation) Subcommittee of Cabinet in its oversight of the implementation of The New Tax System.

Economic and financial conditions

The Economic Division provided advice on current and prospective economic conditions in Australia and overseas, including assessments of factors underlying exchange rate volatility and the impact of increases in international oil prices.

The division continued to participate in the Government's Joint Economic Forecasting Group, which provides the Prime Minister and the Treasurer with assessments of the economic outlook such as those which formed the basis for the 2000–01 Budget economic outlook and the Government's management of macroeconomic policy.

The division continued to participate in the Secretariat to the Joint Prime Ministerial Task Force on Australia New Zealand Bilateral Economic Relations, established in March 1999, and supported the work of the Executive Coordinator (Economic, Industry and Resources Policy Group) as Joint Convenor of the task force. The task force's report outlined measures to address a range of bilateral issues, including investment and social security, and was endorsed by both the Australian and New Zealand governments in August 1999.

The division also coordinated (as chair) an interdepartmental working group to prepare a report for the Prime Minister and other Ministers on influences on labour force participation.

Workplace relations policy

The Economic Division prepared advice for the Prime Minister on the implementation of the Government's workplace relations reforms, including key aspects of its More Jobs, Better Pay policy platform. It also advised on implementing the retention of junior rates of pay and contributed to the Government's submission to the Australian Industrial Relations Commission's safety net review of wages.

The division played a central role in developing the Government's policy on the issue of employee entitlements in the event of employer insolvency, leading to the introduction of the Employee Entitlements Support Scheme (announced on 8 February 2000).

Financial sector policy

The Economic Division provided advice to the Prime Minister on matters relating to the financial sector, including competition and efficiency in the financial system, and implementation of the Government's strategy to promote Australia as a centre for global financial services.

Industry and environment policy

The Industry and Environment Division is the Prime Minister's principal adviser on those microeconomic and environmental issues that are considered by Cabinet, that require a cross-portfolio and/or intergovernmental perspective or that require the Prime Minister's involvement. The division also advises the Prime Minister's Office, the Secretary and Senior Executives on those issues.

The division advised on a broad range of policy issues throughout the year. In particular, the division focused on the following three key policy areas.

- *Natural resource management (NRM) and the environment* — including Commonwealth–state policy on NRM emphasising dryland salinity and water quality, greenhouse policy, the development and implementation of The New Tax System package of Measures for a Better Environment, and the implementation of the *Environment Protection and Biodiversity Conservation Act 1999*.
- *Regional Australia* — including the Government's regional policies, particularly concerning Commonwealth services to regional Australia and the Rural Transaction Centre programme, and support for the Prime Minister's role in the Regional Australia Summit.
- *The New Tax System* — including the development of assistance for small businesses in the transition to The New Tax System and measures dealing with possible price exploitation following the implementation of The New Tax System.

The division assisted in the development of the 2000–01 Budget by advising on the budgetary submissions of a number of government departments and agencies.

The division also provided advice to the Prime Minister on a number of other issues of national significance:

- in the areas of communications and information technology, the development of the Government's digital broadcasting regime, the privatisation of Telstra, the implementation

of its social bonus programmes (which will improve telecommunications services in regional Australia), and the reform of the telecommunications universal service obligation;

- in the area of transport policy, the second Sydney airport proposal, the Sydney–Canberra very high speed train project, and international aviation policy reform;
- in industry and innovation policy issues, the Book Industry Assistance Plan, the development of textile, clothing, footwear and leather industry and automotive industry programmes and the terms of reference for, and responses to, competition reviews conducted by the Productivity Commission;
- in agricultural and resource issues, the deregulation of the dairy industry, the restructure of statutory arrangements for the wool industry, the development of a biotechnology strategy and a framework for gene technology regulation; and
- the Government’s investment incentives regime and individual projects being considered for investment incentives.

The division was also closely involved in coordinating the development of a new national system of food regulation, in response to the Food Regulation Review (the Blair report). The process involved several Commonwealth departments and agencies, three ministerial councils, the states and territories, and New Zealand. The outcomes included a draft intergovernmental agreement, draft legislation to be introduced consistently in each state and territory, nationally uniform food safety standards, and a proposed new model for food regulation.

In addition the division provided support for:

- the Prime Minister as Chairman of the Supermarket to Asia Council and Chairman of the Prime Minister’s Science, Engineering and Innovation Council;
- the Prime Minister as the Chairman of the Council of Australian Governments (COAG), which is a forum to develop and implement national policy reforms requiring cooperative action between jurisdictions;
- the Secretary of the department as Chairman of the COAG Senior Officials’ Group, which includes his counterparts in state and territory governments and which is a support group for COAG implementation of policy reforms requiring cooperative action between jurisdictions; and
- the department’s Executive in their participation in the ministerial councils on greenhouse, biotechnology and natural resource management, the Secretaries’ Committees supporting those ministerial councils, and the Regional Summit process.

Administered items

Output 1.1 had no administered items on which to report in the 1999–2000 financial year.

Output 1.2 — Sydney 2000 Games Coordination Task Force

Performance indicators and results

Output 1.2 Sydney 2000 Games Coordination Task Force

A coordinated Commonwealth contribution to the preparations for, and staging of, the Sydney 2000 Olympic and Paralympic Games.

Performance indicators

Quality: The degree of satisfaction of the Prime Minister, the Prime Minister's Office, the Minister Assisting, the departmental Executive, organising committees and key Commonwealth and New South Wales agencies, as expressed through formal and informal feedback mechanisms, with the performance of the Sydney 2000 Games Coordination Task Force.

Cost of Outputs — \$2.1m

Qualitative assessment

Methodology

Reports, briefs and correspondence were prepared on a regular basis for the Prime Minister, the Prime Minister's Office, the Minister Assisting the Prime Minister for the Sydney 2000 Games, and the departmental Executive. Fortnightly reports on the progress of Games preparations were prepared for the Minister Assisting the Prime Minister for the Sydney 2000 Games. Submissions on non-security preparations for the Games were prepared every six months for the Minister Assisting the Prime Minister for the Sydney 2000 Games and these were considered by Cabinet. A number of other submissions were also prepared.

Submissions on security preparations for the Games were prepared every six months for the National Security Committee of Cabinet. Quarterly reports on security and defence support preparations for the Games were submitted to the Secretaries' Committee on National Security.

Feedback

The Sydney 2000 Games Coordination Task Force received regular feedback from the Prime Minister, the Minister Assisting, their offices, the Secretary and the departmental Executive. Feedback was also formally sought from the Prime Minister's Office and the Office of the Minister Assisting as part of regularly monitoring performance. Feedback confirmed a high level of satisfaction with the work of the task force.

The task force also received feedback from senior officials from key Commonwealth agencies involved in preparations for the Games. This feedback came via monthly meetings of the Sydney 2000 Games security and non-security reference groups. Commonwealth agencies indicated that the task force added value to the Commonwealth's contribution in support of the Games.

The task force undertook a comprehensive review of Commonwealth security preparations for the Games in August 1999 and a review of non-security preparations in February 2000. The reviews involved Commonwealth, New South Wales and SOCOG (Sydney Organising Committee for the Olympic Games) stakeholders. Those reviews showed that overall Commonwealth preparations for the Games were on track, but that a few areas needed further attention, which was provided. A follow-up stocktake of a specified number of security related issues was conducted in May–June 2000. The stocktake showed that progress on those issues was on track.

Key results

The task force coordinated Commonwealth activities supporting preparations for, and the staging of, the Olympic Games and the Paralympic Games. The task force directly facilitated communication between, and liaised actively with, Commonwealth and New South Wales government agencies, the organising committees, and relevant non-government organisations.

The scope and intensity of the task force's outputs increased very significantly during the 1999–2000 financial year in the lead-up to the Olympic and Paralympic Games. The task force achieved the following key results.

Sydney airport and aviation

The task force coordinated airspace and accreditation arrangements between Air Services Australia and the Olympic Coordination Authority. The task force also assisted with two high-level meetings and an 'Overview Day' on Sydney Kingsford Smith Airport.

Communications

The task force helped develop a coordinated approach to the provision of reliable communication facilities for Ministers and officials, including facilities at the Prime Minister's Sydney Office, during the Games.

Immigration and border control

The task force coordinated a whole-of-government mail-out to all National Olympic Committees and National Paralympic Committees informing them of Australian customs, quarantine and communication requirements.

Security and non-security defence support

The task force assisted in the preparations for and chaired a Chemical/Biological/Radiological Workshop, involving New South Wales government agencies. The task force also developed an international confidence building strategy on Games security preparations with the United States; coordinated a national and international framework for the delivery of contingency support in the event of a worst case, large scale security incident; contributed to the continuing work of the New South Wales–Commonwealth Olympic Security Working Committee; and assisted with the negotiation of Defence Estate leases required for the Games.

Athlete preparation and anti-doping

The task force assisted in the preparations for, and staging of, the International Conference on Doping in Sport, held in Sydney in November 1999.

Workforce issues

The task force negotiated accommodation requirements for, and coordinated training of, staff involved in the Commonwealth hospitality and dignitary facilitation programme.

Promoting Australia and dignitary and guest handling

The task force implemented an integrated Commonwealth approach to dignitary handling for the Sydney 2000 Olympic and Paralympic Games, involving representatives of relevant agencies. Through close liaison with the organising committees, the New South Wales Government, the State Police, the Olympic Coordination Authority and the Olympic Roads and Transport Authority, the task force developed standard operating procedures and policy for the Games. In addition, it coordinated a Commonwealth hospitality programme, which included developing guidelines for the use of seating boxes at Stadium Australia and SuperDome and tickets to Games events to provide hospitality for visiting international dignitaries. It also coordinated the provision of accommodation for Ministers.

Media handling and information dissemination

In October 1999, the Sydney 2000 Games Media Unit was established to promote the Commonwealth's contribution to the Olympic and Paralympic Games, and to develop a whole-of-government approach to media and issues management. Members of the Media Unit developed and made whole-of-government speeches and presentations, provided media interviews and assisted with a variety of departmental and ministerial Games related media launches; established a Commonwealth media managers network; and participated in the Sydney Airport Media Group and the Sydney Media Centre Inter-Departmental Committee. It developed and distributed a media kit to both domestic and overseas media and facilitated the development of all-of-government media issues strategies.

General activities in support of the Games

The task force provided analysis and advice to the Commonwealth Government on a subsidy to assist schoolchildren to attend the Sydney 2000 Paralympic Games, on the provision of additional financial assistance to the Sydney 2000 Paralympic Games and on a grant to allow the Paralympic Torch Relay to visit all Australian capital cities. It continued to provide advice on a range of Games related issues that involved the Commonwealth Government, such as taxation and Olympic workforce issues.

General sports policy

The task force coordinated an initial response on Commonwealth assistance with the 2001 Goodwill Games; provided advice on a review of the Commonwealth's sports policy post-2000; and provided policy advice on Commonwealth involvement with the 2006 Commonwealth (of Nations) Games.

In addition, the task force prepared 110 congratulatory letters and messages to athletes and sporting teams for the Prime Minister to consider.

Administered items

Output Group 1.2 had no administered items on which to report in the 1999–2000 financial year.

Output 1.3 — Forests Task Force

Performance indicators and results

Output 1.3 Forests Task Force

A coordinated Commonwealth contribution to the development of policy and process advice by the Forests Task Force.

Performance indicators

Quality: The degree of satisfaction of the Prime Minister, the Minister for Forestry and Conservation, the Prime Minister's Office, the Minister's Office and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of advice and the achievement of key tasks for the Forests Task Force.

Cost of Outputs — \$1.4m

Qualitative assessment

Methodology

The Forests Task Force received regular feedback from the Prime Minister, the Minister for Forestry and Conservation, their offices, the Secretary and the departmental Executive. Feedback was also formally sought from the Prime Minister's Office, the Office of the Minister for Forestry and Conservation and senior officers from key Commonwealth agencies involved in the Regional Forest Agreement (RFA) process. During key periods of RFA negotiation, the task force met weekly with the Prime Minister's Office and the Minister for Forestry and Conservation.

Feedback

Feedback confirmed a high level of satisfaction with the work of the task force in the RFA process.

In May 2000 the task force undertook an internal evaluation of the implementation of a February 1999 mid-term evaluation of the RFA process and the operations of the task force generally. The evaluation involved seeking the views of Commonwealth RFA agencies. Commonwealth agencies indicated that the task force improved the efficiency and effectiveness of coordination between departments, the development of whole-of-government positions and negotiations with the states.

Key results

For most of 1999–2000, the Forests Task Force continued to coordinate whole-of-government policy and to provide advice on RFAs to the Prime Minister and the Ministers for Forestry and Conservation, for the Environment and Heritage and for Agriculture, Fisheries and Forestry.

The task force provided support and advice to the Prime Minister on Commonwealth negotiating positions and outcomes. It also coordinated the provision of statutory advice prior to the Commonwealth signing RFAs.

The task force led and coordinated Commonwealth activities on the development and finalisation of five RFAs in 1999–2000. Its contribution included:

- coordination of comprehensive Regional Assessment reports and public consultation papers for the West and Gippsland regions of Victoria and the Southern and North East regions of New South Wales;
- development of RFAs for signature by the Prime Minister and respective Premiers for the North East, Gippsland and West regions of Victoria and the Eden and North East regions of New South Wales; and
- advice to the Prime Minister and the Ministers for the Environment and Heritage and for Forestry and Conservation on outstanding RFA issues and the management of Commonwealth responsibilities for RFAs.

The task force completed its role in RFAs in 1999–2000 with the substantial completion of the RFA programme, and primary responsibility for continuing RFA issues transferred to the Department of Agriculture, Fisheries and Forestry in June 2000.

The task force also provided advice to the Prime Minister and the Ministers for the Environment and Heritage and for Agriculture, Fisheries and Forestry on Queensland land clearing issues, following a meeting between the Prime Minister and the Premier of Queensland in February 2000.

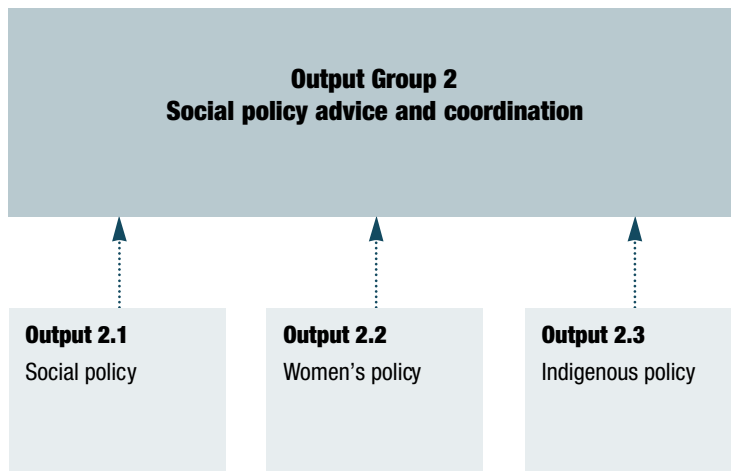
Administered items

Output Group 1.3 had no administered items on which to report in the 1999–2000 financial year.

Output Group 2 — Social Policy Advice and Coordination

Price of Outputs	\$15.1m	Cost of Outputs	\$15.1m
Appropriations	\$14.4m		
Administered Expenses	\$16.2m		

Group outputs



Group 2 outputs include policy advice on social policy issues (health, community services, education, employment, immigration, income support and families); Indigenous issues, including Aboriginal reconciliation; and women's issues, including effective domestic violence prevention programs.

Outputs 2.1–2.3

Output Group 2 comprises three outputs and functionally consists of:

- Social Policy Division;
- Office of the Status of Women; and
- Office of Indigenous Policy.

Output Group 2 is managed by the Executive Coordinator (Social Policy Group).

Output 2.1 — Social Policy

Performance indicators and results

Output 2.1 Social policy

Policy development and advice to government on social policy issues, including health, community services, education, employment, immigration, income support and families, including for presentation of the Government's decisions in these areas.

Performance indicators

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

Cost of Outputs — \$3.6m

Qualitative assessment

Methodology

Throughout 1999–2000 each branch of the Social Policy Division received feedback by means of formal and informal meetings and conversations with relevant advisers in the Prime Minister's Office (PMO) and members of the Senior Executive. Officers from each branch had weekly contact with the Prime Minister's Senior Social Policy Adviser and other advisers, and the Executive Coordinator of the Social Policy Group. The division also received information about the quality of its outputs by means of written feedback directly from the Prime Minister's Office, and formal feedback at both the annual post-budget review and the divisional planning meeting with representatives from the PMO and the department's Senior Executive. Staff also received performance reviews through the formal performance appraisal process.

Feedback

The division regularly received positive feedback from the PMO and the department's Senior Executive regarding the quality of the division's outputs. The PMO and the department's Executive were satisfied that the division provided timely, targeted and relevant advice, administrative support and information.

Key results

The Social Policy Division continued to focus on key outputs and outcomes, particularly in relation to illicit drugs, unauthorised arrivals and strengthening families and communities. Through its work with issue-specific taskforces, the division made a significant contribution to the development of interdepartmental and cross-sectoral collaborative processes. The division manages its outputs through three branches:

- Health and Community Services Branch;
- Employment and Education Branch; and
- Families and Income Support Branch.

Health and community services policy

The Health and Community Services Branch (HCSB) played a lead role in the National Illicit Drugs Taskforce, which was established in response to last year's Council of Australian Governments' (COAG) commitment to the establishment of a national system of diversion. The branch supported and directly contributed to the work of the taskforce, which was chaired by the Executive Coordinator of the Social Policy Group. A national framework paper produced by the taskforce and agreed to by COAG represents a major achievement for intergovernmental processes leading to a national approach to preventive and early intervention initiatives targeted at illicit drug usage.

The HCSB also took a lead role in relation to regional health initiatives in the context of the development of the 2000–01 Budget regional health package.

The branch played a key role in developing the proposal for additional funding of \$150 million to address the needs of people with disabilities. The funding will enable people with disabilities and their families to purchase vital in-home and respite care services.

The branch continued to provide advice in relation to maintaining balance between the private and public health sectors, and issues of concern to older Australians.

Employment, education and immigration policy

The work of the Employment and Education Branch (EEB) centred on key immigration issues, in addition to ongoing work in relation to education and employment policies. The branch, in conjunction with the International Division, provided input and support to the Interdepartmental Task Force on Unauthorised Arrivals, which was chaired by the department. The task force developed a coordinated approach across government agencies to tackling the growth in organised people smuggling.

The EEB also worked closely with the Department of Immigration and Multicultural Affairs (DIMA) on a range of other key immigration and multicultural affairs matters. These included:

- measures to protect the integrity of Australia's asylum processes and prevent forum-shopping;
- arrangements for the safe haven operations for Kosovar and East Timorese refugees;
- the deterrence of illegal workers;
- the regulation of the migration advice industry; and
- the Government's response to the National Multicultural Advisory Council Report.

The branch worked jointly with DIMA and the Department of Education, Training and Youth Affairs to develop stronger protection for overseas students and future directions for the student visa programme. The branch also provided advice on other key education policy areas, including reforms to university research funding policy and the negotiation of the next Australian National Training Agreement.

The branch continued to cooperate with the Department of Family and Community Services and the Chief Executive Officer of the Prime Minister's Community Business Partnership to promote community business initiatives. The branch also provided advice on a range of other social policy matters, such as the Centrelink Review and issues relating to Job Network.

Families and income support policy

The Families and Income Support Branch (FISB) provided key support to the department's representative on the Youth Pathways Action Plan Task Force and made a substantial contribution to the development of the taskforce's report. The taskforce focused on developing strategies to assist young people make smooth transitions to independence. It brought together experience and expertise from government and non-government sectors, and included young people, academics and service providers.

The FISB also worked closely with the Department of Family and Community Services in the development of the Stronger Families and Communities Strategy. The strategy takes forward the Government's commitment to strengthen families and communities by funding a range of programmes with a particular emphasis on prevention and early intervention initiatives. Members of business and community organisations will play an important role in the implementation of the strategy. The branch also contributed to the development of the Government's response to the Productivity Commission's report *Australia's Gambling Industries*, including the establishment of the Ministerial Council on Gambling.

The branch continued to provide advice and information to the PMO and the department's Senior Executive in relation to a broad range of social policy concerns. These included international social security agreements and matters of concern to veterans.

Administered items

Output 2.1 had no administered items on which to report in the 1999–2000 financial year.

Output 2.2 — Women’s Policy

Performance indicators and results

Output 2.2 Women’s policy

Research and advice to Government and assistance in coordination, communication and consultation on a range of issues affecting women.

Administration of specific domestic violence programs.

Performance indicators

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

Feedback from non-governmental organisations and other stakeholders concerning consultation and communication processes.

Quantity and diversity of public information materials and activities disseminated.

Cost of Outputs — \$4.4m

Qualitative assessment

Methodology

The Senior Executive of the Office of the Status of Women (OSW) met regularly with the Prime Minister’s Senior Adviser, Legal; the Minister Assisting the Prime Minister for the Status of Women and her advisers; the Secretary of the Department of the Prime Minister and Cabinet; and the Executive Coordinator of the Social Policy Group.

OSW also met with women and national women’s groups through a number of consultative mechanisms and individually.

Feedback

OSW regularly received positive feedback from the Prime Minister’s Office and from the Minister Assisting the Prime Minister for the Status of Women. OSW received positive feedback from portfolios on the high calibre of the women recommended for board vacancies. OSW received very positive comments from women’s groups, other departments and individuals about OSW’s new website and a number of its publications. An Australian computer magazine awarded the OSW website five stars for design and functionality.

Key results

As well as day-to-day support for the Prime Minister and the Minister Assisting the Prime Minister for the Status of Women, OSW provided advice to government on the impact of

policy, legislation and programmes on women. OSW also directly managed a number of programmes.

OSW has two branches responsible for:

- domestic violence prevention, the law as it affects women, international issues and communications; and
- women's labour force issues, income security for women and leadership.

OSW consulted widely to ensure that the views and concerns of women underpinned policy development and advice. OSW also ensured that information about the Government's programmes of special interest to women was widely available.

During the year, OSW examined a wide range of legislation, prior to its introduction into parliament, to assess its likely impact on women and to ensure its consistency with government policies. OSW also provided advice to government on a range of issues, including the impact of tax reforms on women, changes to child support and the treatment of superannuation when marriages break down.

The Office prepared its combined fourth and fifth reports under the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and tabled a partial withdrawal of one of Australia's two reservations under CEDAW, to reflect the policy of the Australian Defence Force, which allows women to serve in combat related units.

OSW continued to manage Partnerships Against Domestic Violence and to provide advice to government on domestic violence issues and national priorities for Partnerships. OSW provided secretariat and policy support to the Partnerships Taskforce, which meets three times a year, to set priorities and guide Partnerships projects.

OSW provided input to government responses to International Labour Organisation conventions and the Human Rights and Equal Opportunity Commission's pregnancy inquiry.

OSW also continued to be involved in a range of projects encouraging greater participation of women in decision making.

OSW played a major role in organising government commemorations for the Sydney 2000 Games to mark the centenary of women's participation in the Olympic Games, before handing responsibility for that role to the Australian Sports Commission in December 1999.

The Office was also part of a working party that developed a new National Policy on Women and Girls in Sport, Recreation and Physical Activity, launched in September 1999.

The OSW website (<http://www.dpmc.gov.au/osw>) was upgraded this year to make it more user friendly, simpler and easier to navigate. A number of new resources and links to relevant government and non-government sites were also added. OSW's website is accessed, on average, 15,000 times a month. In March 2000, more than 21,000 hits were recorded.

More information on all OSW activities is available on the website.

Administered items

Women's programmes

Administered item

Women's programmes.

Performance indicators

Quality: Prevention of domestic and family violence through awareness raising and other activities, including conferences, community education, seminars, publications, research and support for services, stakeholders and the general public. Provide grants, especially to non-government women's organisations, to undertake national secretariat and or projects/research which contribute actively to government strategies for women and enable a diverse range of women's views to be considered.

Administered Expenses — \$5.3m

Qualitative assessment

Methodology

As part of a formal process of ongoing advice and feedback, the senior Executive of OSW met regularly with the Prime Minister's Senior Adviser (Legal); the Minister Assisting the Prime Minister for the Status of Women and her advisers; the Secretary of the Department of the Prime Minister and Cabinet; and the Executive Coordinator of the Social Policy Group.

OSW also met with women, peak organisations and service providers through a number of consultative mechanisms.

Feedback

OSW received good feedback from a number of members of parliament, non-government organisations (NGOs), specialist service providers, academics, and peak professional bodies for individual Partnerships projects and activities such as regional showcasing seminars and the National Conference on Domestic Violence and Young People. Ongoing evaluation of Partnerships is providing positive feedback on the progress achieved to date and indicating that community response to the programme and its products has been positive.

OSW received feedback that its community consultation in the lead-up to Beijing Plus 5 was successful in informing and actively involving the community in preparations for the conference and in seeking views about Australia's progress in implementing the Platform for Action.

Feedback from NGOs indicated that, overall, they supported changes to the National Women's NGO Funding Programme. Their support was moderated by significant concern about how the changes would impact on the range and diversity of women's NGOs in Australia.

Key results

The following three categories of women's programmes were administered by OSW.

- National Women's NGO Funding Programme;
- Partnerships Against Domestic Violence Initiative; and
- other women's programmes.

National Women's NGO Funding Programme

In August 1999, a review of the National Women's NGO Funding Programme was finalised, resulting in the programme taking an outcomes based approach to funding. In 1999-2000, OSW funded:

- three national women's organisations to provide national secretariat services over three years;
- twelve projects which contribute to policies and strategies benefiting women; and
- a capacity building programme to strengthen and support the women's non-government sector.

Partnerships Against Domestic Violence Initiative

Approximately 100 Partnerships Against Domestic Violence projects are being implemented jointly as well as individually at national and state and territory levels. Those projects are yielding important insights as to how better to prevent and respond to domestic violence, in particular in the areas of Indigenous communities, children at risk and working with men. OSW oversees the \$50 million programme and a number of projects, including:

- the national Partnerships newsletter;
- regular evaluation bulletins and analyses of key findings;
- a wide range of reports and resource materials which are published and disseminated;
- a website (www.dpmc.gov.au/osw/padv/index.html), which has been recently revised to make it easier to use;
- a national conference, which focused on children at risk (held in April 2000 and attended by around 300 people);
- eleven one-day workshops in metropolitan and regional centres across Australia to showcase Partnerships and encourage implementation of the lessons and ideas emerging; and
- the Australian Domestic and Family Violence Clearinghouse, based at the Centre for Gender-related Violence Studies at the University of New South Wales, which disseminates information to stakeholders. The Clearinghouse has a website www.austdvclearinghouse.unsw.edu.au and a mailing list of over 1,800 individuals and organisations.

Other women's programmes

OSW funded a number of projects in 1999–2000 to advance the status of women. Some are listed below.

- The Network Exchange of Women's Services (*NEWS*) is a fortnightly bulletin funded to promote the exchange of information between women's non-government organisations and government. The circulation of *NEWS* and the number of people visiting the *NEWS* website (www.womensnews.net.au) increased during the year.
- The Australian Women's Round Table, hosted by Senator Newman, Minister Assisting the Prime Minister for the Status of Women, was held in Canberra in October 1999 and attended by core women's non-government organisations and prominent Australian women.
- OSW took a leading role in the Beijing Plus 5 Conference, a review of the Beijing Platform of Action for Women. The review was held in New York in June 2000 as part of a United Nations General Assembly Special Session, 'Women, Development and Peace in the 21st Century'.
- *Women in Australia 2000* provides gender based information and statistics on a range of matters, such as educational achievements, geographic distribution, income and mortality. The major theme in 2000 is women living in rural, regional and remote areas.
- OSW, with other sponsors, provided funding towards a series of training films and workbooks on leadership and teamwork in the workplace, available through the Public Service and Merit Protection Commission.
- OSW was a host sponsor of the Australis Self-Made Girl Programme, which in 1999–2000 delivered over 40 one-day courses on achieving financial independence to more than 4,000 young women aged 14–23 years.

Output 2.3 – Indigenous Policy

Performance indicators and results

Output 2.3 Indigenous policy

Advice and support to Ministers on Indigenous issues, including Aboriginal reconciliation.

Performance indicators

Quality: The degree of satisfaction of Ministers and the departmental Executive, as expressed through formal and informal feedback mechanisms, with the quality and timeliness of advice, and the achievement of key tasks.

Satisfaction of the Council for Aboriginal Reconciliation with the quality of support provided to it.

Outcome of the evaluation of staffing and systems monitored and administered by the Divisional and Council Support Unit.

Cost of Outputs — \$7.1m

Qualitative assessment

Methodology

The Office of Indigenous Policy (OIP) provided high level advice to the Prime Minister, the Minister for Aboriginal and Torres Strait Islander Affairs, and the Minister Assisting the Prime Minister for Reconciliation on a broad range of issues affecting Aboriginal and Torres Strait Islander people, through briefing notes and regularly scheduled and unscheduled meetings between the Ministers, their senior advisers and senior departmental staff. The Office also provided secretariat support to the Council for Aboriginal Reconciliation. OIP was able to assess its performance through feedback received in regular council meetings and through the successful completion of council sponsored activities, such as Corroboree 2000.

Feedback

Feedback from the Ministers, departmental liaison staff and members of the Council for Aboriginal Reconciliation indicated that the services provided by OIP are of a very high standard, particularly in the relevance and timeliness of information provided.

Key results

Reconciliation and equity

Through the provision of secretariat services, the Reconciliation and Equity Branch assisted the 25-member Council for Aboriginal Reconciliation with the organisation of four scheduled

and two unscheduled council meetings, and the management of contracts for Corroboree 2000.

Land, legal and economic development

During 1999–2000, the Land, Legal and Economic Development Branch provided policy advice to the Minister for Aboriginal and Torres Strait Islander Affairs on the development of legislation to establish a new body, Indigenous Business Australia. The branch advised the Minister for Environment and Heritage on the Aboriginal and Torres Strait Islander Heritage Protection Bill.

The branch provided extensive support to the Minister for Aboriginal and Torres Strait Islander Affairs and the Prime Minister on international indigenous issues, including those for discussion by the United Nations Committee for the Elimination of Racial Discrimination.

The branch had responsibility for preparing a submission to a United Kingdom House of Commons Committee and a draft joint British–Australian ministerial statement on the repatriation of Indigenous human remains.

Programme policy and coordination

During 1999–2000 the Programme Policy and Coordination Branch coordinated the presentation of the Commonwealth Government's submission to the Senate Legal and Constitutional References Committee's Inquiry into the Stolen Generation. The branch continued to monitor and report on the implementation of the Government's \$63 million package of initiatives developed in response to the *Bringing Them Home* report. Two formal implementation progress reports were compiled for the Minister for Aboriginal and Torres Strait Islander Affairs. Those reports were subsequently tabled in the Senate.

The branch has been instrumental in developing and coordinating the national strategy on Indigenous family violence. The strategy was endorsed by the Ministerial Council for Aboriginal and Torres Strait Islander Affairs in September 1999 and received support from all state and territory governments. OIP chairs the Ministerial Council working group of Commonwealth, state and local government, ATSIC and community representatives that is developing and implementing the strategy. In 1999–2000 the working group identified a number of communities around Australia where a whole-of-government community-driven approach to addressing family violence will be trialled. It developed a methodology for the trials.

The branch prepared the annual ministerial statement *The Future Together* for the Minister for Aboriginal and Torres Strait Islander Affairs. The statement, released in conjunction with the Budget and announcing measures worth \$2.3 billion, contains information on Indigenous-specific measures across all Commonwealth government agencies.

Since January 2000, when the Commonwealth assumed chairmanship of the Ministerial Council, the branch has provided support for the 5 May 2000 bi-annual meeting of the Standing Committee of Officials and for the 2000 Ministerial Council meeting to be held in Brisbane in July 2000.

Administered items

Reconciliation process between the Commonwealth and Aboriginals

Administered item

Reconciliation process between the Commonwealth and Aboriginals.

Performance indicators

Quality: The degree of satisfaction of the members of the Council for Aboriginal Reconciliation with the quality of secretariat management of council projects and initiatives such as Corroboree 2000.

Administered Expenses — \$5.3m

Qualitative assessment

Methodology

The Council for Aboriginal Reconciliation makes all decisions about its policy and about the projects and initiatives it wishes to undertake to implement that policy. OIP manages contracts and expenditure to implement those decisions.

Feedback

OIP has received extensive positive feedback from the Chairperson, Deputy Chairperson and other council members about both the outcomes of major projects and the quality of secretariat management and organisation of those projects. The council and secretariat staff in OIP also received extensive positive feedback from prominent Australians and members of the general public about the outcomes and organisation of Corroboree 2000 in particular, and of the consultation process around the council's *Draft Document for Reconciliation*.

Key results

Document consultation process

OIP assisted the council to organise a six-month consultation process involving hundreds of community meetings between July and December 1999 to consider the Council for Aboriginal Reconciliation's *Draft Document for Reconciliation*. Those meetings provided considerable feedback to the council on its draft document, and many people commented that they were pleased to have the opportunity to be involved in the process.

OIP assisted in the analysis of public feedback on the draft document gathered from community meetings and individual pre-paid response forms. The analysis formed the basis for council's decisions about the final document. OIP also managed the commissioning of qualitative and quantitative social research on the draft document to give the council an objective view on its proposals.

Corroboree 2000

OIP played a major role in organising Corroboree 2000 and managing several contracts related to this event. The event included the public handover of the council's documents of Reconciliation, *Corroboree 2000 – Towards Reconciliation* and the *Roadmap to Reconciliation*, at a major event at the Sydney Opera House on 27 May 2000. The event was attended by many distinguished guests, including the Governor-General, the Prime Minister, state and territory Premiers and Chief Ministers, the Chairman of the Aboriginal and Torres Strait Islander Commission, and the Chairman of the Torres Strait Regional Authority. The People's Walk for Reconciliation over the Sydney Harbour Bridge on 28 May, in which an estimated 250,000 people took part, was also part of the event. Bridge walks for reconciliation in other cities and towns across the nation followed the Sydney Harbour Bridge walk.

Australians for Reconciliation coordinators

OIP managed the contracts for the Australians for Reconciliation coordinators in each state and territory, who carry out work in communities and regions on behalf of the Council for Aboriginal Reconciliation.

Other projects

OIP managed a number of other projects on behalf of the council, including production of the council's quarterly magazine, *Walking Together*, videos and community service announcements for both television and radio, and publications, posters and promotional items such as badges and stickers.

OIP commissioned Dr Jerry Schwab of the Centre for Aboriginal Economic and Policy Research to undertake research into Indigenous retention rates to Year 12, concentrating on the roles of literacy, numeracy and attendance. With Ministers Kemp and Herron, Dr Schwab presented his findings to the Ministerial Council for Aboriginal and Torres Strait Islander Affairs in September 1999.

Indigenous affairs litigation

OIP has instructed on and managed the conduct of litigation in a number of cases involving the Commonwealth, including litigation in respect of the 'separated children' and a damages action arising out of the Hindmarsh Island bridge issue. Other matters have included applications for judicial review of decisions by the Minister for Aboriginal and Torres Strait Islander Affairs and actions based on claims of genocide against Aboriginal people and the existence of Aboriginal sovereignty. The Commonwealth has not initiated any litigation in the Indigenous affairs portfolio.

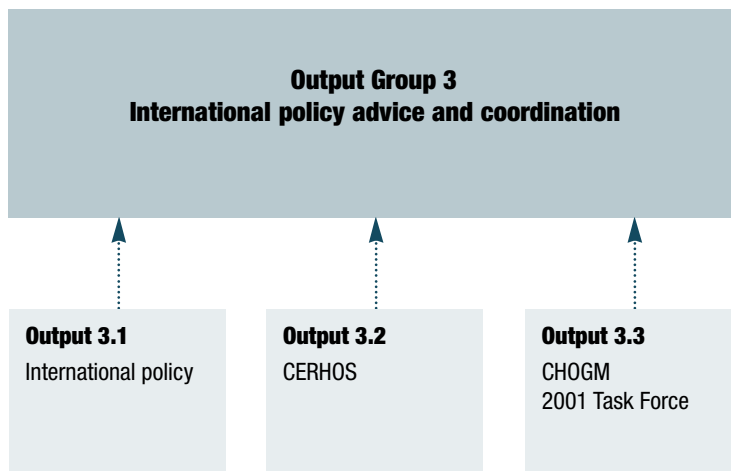
Litigation is conducted in accordance with the Legal Service Directions issued by the Attorney-General and is consistent with Commonwealth policy in Indigenous affairs. To ensure that OIP's procurement of legal services represents best value for money, it now engages private legal practices (in addition to the Australian Government Solicitor) to conduct appropriate cases. Decisions on whether to engage private practitioners are made on a case-by-case basis in accordance with relevant departmental Chief Executive Instructions.

Administered expenses for this item are \$5.6 million.

Output Group 3 — International Policy Advice and Coordination

Price of Outputs	\$6.7m	Cost of Outputs	\$6.5m
Appropriations	\$6.5m		
Administered Expenses	\$4.5m		

Group Outputs



Group 3 outputs include policy advice on international issues (trade, defence, aid, security and intelligence); administration of the visits and hospitality programme; and organisational arrangements for the 2001 Commonwealth Heads of Government Meeting.

Outputs 3.1–3.3

Output Group 3 comprises three outputs and functionally consists of:

- International Division;
- the Ceremonial and Hospitality Unit; and
- the Commonwealth Heads of Government Meeting 2001 Task Force.

Output Group 3 reports directly to the Secretary.

Output 3.1 — International Policy

Performance indicators and results

Output 3.1 International policy

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

Advice, briefing and support to the Prime Minister on domestic security issues, including security intelligence, law enforcement, counter terrorism and natural disaster relief.

Provision of secretariat services to the National Security Committee of Cabinet (NSC) and the Secretaries' Committee on National Security (SCNS).

Performance indicators

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

The degree of satisfaction of the Prime Minister, the Prime Minister's Office, Secretary and departmental Executive with the timeliness and quality of material for the Prime Minister's and other Ministers' consideration, including in relation to development and pursuit of key domestic security and natural disaster relief goals and improvement of domestic security arrangements.

The degree of satisfaction of the Prime Minister, other NSC Ministers, the Secretary to Cabinet and the departmental Secretaries associated with SCNS on the management processes required for the smooth operation of the NSC and SCNS.

Cost of Outputs — \$3.4m

Qualitative assessment

Methodology

Qualitative assessment of the International Division's work is carried out through formal and informal feedback from the Secretary of the department and relevant senior advisers in the Prime Minister's Office. Formal feedback sessions are held with the Secretary and the division's performance and outcomes are judged against its annual work plan. The division uses this feedback for continuous improvement.

Feedback

The division received positive feedback from the Prime Minister, the Prime Minister's Office, the Secretary and the departmental Executive for its work on a range of critical issues, including its work in support of the Prime Minister's overseas visits. The Prime Minister publicly praised the performance of the division in its handling of the East Timor crisis.

Key results

Through advice provided to the Prime Minister, and support for whole-of-government and cross-portfolio endeavours, the International Division contributed to key government initiatives and achievements. Those key initiatives and achievements are listed below.

Initiatives

The division played a major coordination role in the formation and deployment to East Timor of an Australian-led United Nations mandated multinational force (INTERFET) which restored peace and security in the territory following the ballot on independence. The deployment was Australia's largest since the Vietnam War, and was widely regarded as one of the world's most successful multinational peacekeeping operations.

The division coordinated and developed a policy framework for Australia's contribution to other United Nations peacekeeping operations in East Timor and for relations with Indonesia following the United Nations intervention in East Timor.

The division was involved in maintaining pressure for ongoing trade reform and liberalisation, including through a successful Australian proposal that APEC leaders call for the launch of a new World Trade Organisation round of market access negotiations covering industrial tariffs, agriculture and services, to be concluded within three years as a single package.

The division made major contributions to a whole-of-government process aimed at the development of a defence White Paper, a process involving the most comprehensive review of defence issues for over a decade. The review includes public consultation on defence issues and the development of a public discussion paper.

The division helped provide a robust and timely Australian response to crises in Fiji and the Solomon Islands and supported the Government's consideration of measures to assist the new Papua New Guinea Government in its ambitious economic reform and development programme, and in advancing peace on Bougainville.

The division also contributed to strengthened relations with New Zealand by supporting negotiations on an agreed process to resolve problems within existing bilateral social security arrangements and to advance other bilateral objectives.

The division helped secure recognition of Australia's assistance to developing country members of the Commonwealth, through the development and announcement of relevant initiatives at the Durban Commonwealth Heads of Government Meeting (CHOGM).

Events and meetings

The division provided policy and organisational support for many significant events and meetings, including productive visits by the Prime Minister to Japan, the United States, Papua New Guinea, Turkey, France, Israel and South Korea, which advanced Australia's foreign, trade and economic interests. Those visits complemented the Prime Minister's participation at the APEC Leaders meeting in Auckland, the Commonwealth Heads of Government Meeting in Durban in October 1999 and the Deputy Prime Minister's participation, representing the Prime Minister, in the South Pacific Forum meeting in Palau the same month.

The division played an important role in the successful visits to Australia of Her Majesty The Queen, the Presidents of China and South Korea, the Prime Ministers of Fiji, Bangladesh, Ireland, New Zealand and Papua New Guinea, and the Secretary-General of the United Nations.

Other issues

The division provided input and support to the regular meetings of the National Security Committee of Cabinet and the Secretaries' Committee on National Security. In relation to those meetings, policy advice was provided to the Prime Minister and the Secretary on the management of defence, intelligence and security issues, including:

- policy toward defence capabilities and major capital equipment acquisitions;
- development of the Collins class submarines;
- enhancement of the Defence Reserve;
- reform initiatives in the Department of Defence; and
- management and security in relation to Australian intelligence and security services.

The division assisted the continued implementation of the recommendations of the Prime Minister's Coastal Surveillance Task Force, particularly in respect of combating illegal immigration into Australia.

The division provided assistance to the Sydney 2000 Games Task Force, including support for the further development of effective procedures and arrangements for security and dignitary handling during the 2000 Games.

The division also contributed to effective Commonwealth–state consultation and coordination through the Standing Committee on Treaties, for which the division, as secretariat, supported and chaired officials' meetings in November and May.

Administered items

Output 3.1 had no administered items on which to report in the 1999–2000 financial year.

Output 3.2 — Ceremonial and Hospitality

The chief function of the Ceremonial and Hospitality Unit (CERHOS) is to manage the ‘State occasions and guest of government’ administered item. The following narrative covers both the CERHOS departmental outcomes and its administered items outcomes.

Performance indicators and results

Output 3.2 Ceremonial and hospitality

Departmental outcomes — Provision of support services for overseas visits by the Prime Minister, government hospitality for overseas dignitaries, official ceremonies and ministerial offices relating to the portfolio.

Administered item — State occasions and guest of government.

Performance indicators

Quality: The degree of satisfaction of the Prime Minister, the Prime Minister’s Office, Secretary and departmental Executive with management of the Government’s ceremonial and hospitality services.

Cost of Outputs — \$2.5m

Quality: The degree of the Prime Minister’s satisfaction with visits to Australia by Heads of State and Government and the degree of his satisfaction with arrangements for his overseas visits and advice on relevant matters.

Assessment by the sponsoring minister or department together with Australian and foreign diplomatic representatives of:

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

Administered Expenses — \$4.5m

Qualitative assessment

Methodology

Feedback is received informally but regularly in the form of comments from the Prime Minister, Prime Minister’s Office, Secretary and departmental Executive. Feedback is also received in visit assessment cables from posts, and comments and letters of appreciation from visitors and their diplomatic representatives.

Feedback

Feedback from CERHOS clients indicated a high degree of satisfaction with the organisation and implementation of visits and other ceremonial programmes. For example, letters of appreciation were received, amongst others, from the Taoiseach of Ireland, who commented on an ‘exceptional job in arranging the programme’, and from Australian ambassadors to the

United Nations and to Riyadh in respect of visits by the United Nations Secretary-General and the Governor of Riyadh.

Key results

The Ceremonial and Hospitality Unit was responsible for the efficient conduct of many visits and ceremonial events, helping to ensure the success of numerous high level bilateral contacts during the year. In 1999–2000, CERHOS planned a large number of visits overseas by the Prime Minister or his representative. CERHOS's detailed protocol, logistical and programme planning ensured the success of overseas visits by the Prime Minister to Japan and the USA, to New Zealand for the APEC leaders meeting, to Papua New Guinea, to South Africa for CHOGM, to Turkey, France and Israel and to Korea. CERHOS also arranged the Deputy Prime Minister's visit to Palau for the South Pacific Forum.

Visits to Australia

CERHOS coordinated a highly successful royal visit to Australia by Her Majesty The Queen and His Royal Highness the Duke of Edinburgh, taking in the Australian Capital Territory, New South Wales, Victoria, Tasmania, the Northern Territory and Western Australia.

Additionally, CERHOS organised complex guest of government visits to Australia by the Presidents of China and Korea, the Prime Ministers of Bangladesh and Ireland and 30 Ministers of foreign countries. CERHOS also supported working visits by the Prime Ministers of New Zealand, Fiji and Samoa. The success of arrangements for these visits supported Australia's efforts to expand bilateral relationships with those countries.

Other responsibilities

CERHOS arranged three state funerals and the annual Prime Minister's cricket match, as well as a number of other functions such as wreath laying on Anzac Day and Remembrance Day.

CERHOS continued to monitor outsourcing arrangements with Willow Vale Farm Pty Ltd to provide official gifts. Contract performance was judged satisfactory, with clients expressing complete satisfaction with the quality and range of official gifts.

Output 3.3 — CHOGM 2001 Task Force

Performance indicators and results

Output 3.3 CHOGM 2001 Task Force

The effective management and implementation of preparations for the Commonwealth Heads of Government Meeting in 2001 in Brisbane.

Performance indicators

Quality: The degree of satisfaction of the Prime Minister, the Prime Minister's Office, Secretary and departmental Executive, as expressed through formal and informal feedback mechanisms with the quality of advice and support in achieving a high quality Brisbane CHOGM.

Cost of Outputs — \$0.6m

Qualitative assessment

Methodology

The International Division provided resources for the establishment of the CHOGM 2001 Task Force. The work of the task force is assessed on the basis of regular formal and informal feedback from the Prime Minister, Prime Minister's Office, Secretary and departmental Executive.

Feedback

High levels of satisfaction were expressed concerning both the quality of the advice provided and the successful implementation of core elements of the task force's work, including establishing strategic directions, a budget and a security framework.

Key results

The task force made substantial progress toward setting the stage for a successful Commonwealth Heads of Government Meeting in 2001. Particular achievements included:

- the establishment of a comprehensive, all-of-government CHOGM budget;
- agreement to a strategic security framework between all key agencies;
- the successful facilitation of the complex move of CHOGM from Canberra to Brisbane; and
- the development of strong, productive, strategic stakeholder alliances in the public and private sectors.

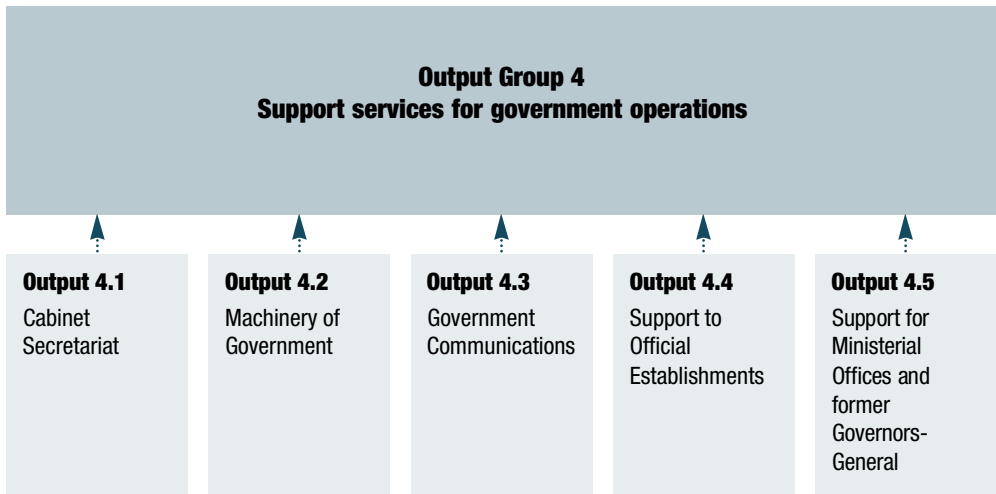
Administered items

Output Group 3.3 had no administered items on which to report in the 1999–2000 financial year.

Output Group 4 — Support Services for Government Operations

Price of Outputs	\$40.5m	Cost of Outputs	\$39.0m
Appropriations	\$19.1m		
Administered Expenses	\$3.9m		

Group Outputs



Group 4 outputs include the following services:

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

Outputs 4.1–4.5

Output Group 4 comprises five outputs and functionally consists of:

- Cabinet Secretariat;
- Government Division;
- Government Communications Division; and
- Corporate Support Branch (which provides outputs 4.4 and 4.5).

Output Group 4 is managed by the Executive Coordinator (Government and Corporate).

Output 4.1 — Cabinet Secretariat

Performance indicators and results

Output 4.1 Cabinet Secretariat

Coordination of Cabinet and Executive Council business.

Performance indicators

Quality: The degree of satisfaction of the Prime Minister, the Secretary, the Secretary to Cabinet, and the Governor-General with the services provided by the Cabinet Secretariat and the Executive Council Secretariat.

Submissions or memoranda are distributed as soon as practicable after clearance by Cabinet Secretariat.

Cabinet minutes are circulated within 24 hours of Cabinet meetings.

Papers and schedules are delivered to Government House two working days prior to an Executive Council meeting.

Quantity: 141 meetings of the Cabinet and its Committees were organised and coordinated.

32 meetings of the Executive Council were organised and coordinated.

Cost of Outputs — \$2.5m

Qualitative assessment

Methodology

The Cabinet Secretariat's performance is assessed through regular interaction with and feedback from the Secretary to Cabinet. In addition, comments and feedback are obtained from the departmental Executive, particularly on administrative aspects of the operation of Cabinet, such as access to Cabinet documents and the implementation of CABNET.

The Federal Executive Council Secretariat's performance is similarly assessed through regular interaction with and feedback from the Official Secretary to the Governor-General.

The quality of Output 4.1 is also assessed by monitoring the timeliness of preparation and delivery of papers and documents to and from Cabinet and the Official Secretary to the Governor-General.

Feedback

Both the Secretary to Cabinet and the Official Secretary to the Governor-General expressed satisfaction with the support services provided to the Cabinet and Executive Council over the past year. In a letter to the Secretary of the department, the Secretary to Cabinet conveyed his appreciation, and that of the Treasurer and the Minister for Finance and Administration, of the high standard of services provided by the Cabinet Secretariat during the 2000–01 Budget preparation period.

Since statistics have been kept, over 90 per cent of minutes from Cabinet meetings have been settled and circulated within 24 hours of the meetings from which they arose.

Key results

Handbooks

The *Cabinet Handbook (Fifth Edition)* was released in February 2000. It incorporates the changes to Cabinet procedures and business practices that have evolved since the issue of the previous edition in 1994, including those relating to the introduction of the more secure electronic CABNET document management system.

The revised *Federal Executive Council Handbook* was released in May 2000. It reflects changes in practices and procedures that have arisen since the last edition was released in 1984.

The handbooks aim to facilitate more consistent and timely documents for consideration by the Cabinet and Executive Council by setting out the principles, conventions and procedures by which the Cabinet and the Executive Council operate. Both handbooks are available to the public through the department's website.

CABNET — Secure document management system

During the year, the operation of the Cabinet Secretariat was greatly assisted by CABNET, a whole-of-government secure document management system. Most Cabinet documents, including submissions, memoranda and minutes, are now being transmitted electronically. The implementation of CABNET resulted in efficiency savings and effectiveness gains, both within the Cabinet Secretariat and across the service.

CABNET added to the effectiveness of the Cabinet Secretariat's role in supporting the Cabinet process and the Government through:

- improved accountability of the flow of Cabinet documents (access to CABNET is restricted and electronically monitored);
- faster speed of circulation of documents (through simultaneous electronic transmission instead of photocopying large numbers of hard copies for delivery by couriers to departments and Ministers' offices); and
- greater convenience for Ministers, their offices and departments in accessing and managing Cabinet documents (via the electronic CABNET database rather than retrieval of hard copy from registry or other secure storage).

As well as improving effectiveness in the management of Cabinet documents, CABNET's streamlining of longstanding labour-intensive work practices has brought efficiency savings for both the Cabinet Secretariat and the APS as a whole, including:

- reduced paper and courier costs (the majority of documents are now transmitted electronically); and
- productivity gains (time saved by not having to print or handle large quantities of hard copies may now be directed to other tasks).

Meetings and events

In addition to managing the traditionally higher volume of business in the lead-up to the annual Budget, the Cabinet Secretariat's workload also increased as a result of developments in East Timor in the latter half of 1999 and preparations for the implementation of The New Tax System on 1 July 2000. Overall, the number of meetings of the Cabinet and its committees increased by 53 per cent, total papers considered increased by 78 per cent and minutes produced increased by 28 per cent compared to the previous year.

Interstate meetings were held in Sydney, Hobart, Melbourne and Nowra. Further interstate meetings are expected to be held in other capital cities and regional centres during the coming year.

Promoting awareness and providing advice

Consistent with its role of enhancing the awareness of proper Cabinet processes amongst ministerial staff and departments, the Cabinet Secretariat provided assistance, advice and training, with a particular focus on CABNET.

In order to assist other countries, the Secretariat met, on separate occasions during the year, with officials from the Papua New Guinean, Fijian, and Mongolian governments to explain Commonwealth Cabinet practices.

Executive Council

The Executive Council Secretariat, a small unit within the Cabinet Secretariat, continued to provide high quality and timely advice, briefing and administrative support to the Federal Executive Council.

The workload of the Executive Council Secretariat increased in 1999–2000. Overall, the number of meetings of the Federal Executive Council increased by 28 per cent and minutes produced increased by 12 per cent compared to the previous year.

Administered items

Output 4.1 had no administered items on which to report in the 1999–2000 financial year.

Output 4.2 — Machinery of Government

Performance indicators and results

Output 4.2 Machinery of Government

Advice, briefing and support on parliamentary, machinery of government, legal and cultural issues, including support for presentation of the Government's decisions in these areas.

Policy, coordination and promotion of awards and national symbols.

Performance indicators

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

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

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

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

Timely introduction of amendments to portfolio legislation, as necessary.

Extent to which legal actions involving the department are successful.

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

- accurate and timely preparation of congratulatory messages; and
- accurate and timely processing of nominations for the Australian Sports Medal.

Effective coordination with Government House on promotional activities related to the national honours and awards system.

Cost of Outputs — \$30.8m

Qualitative assessment

Methodology

The Government Division had frequent consultations with the Prime Minister's Office and the Parliamentary Secretary to Cabinet. Those consultations provide avenues for informal and ongoing feedback. In addition, the division sought more formal feedback in writing from the Prime Minister's Office by identifying the key functions and activities for the reporting period and inviting comments on performance. Senior staff of the department also provided formal feedback through annual work plan processes and regular performance appraisals.

Feedback

Feedback indicates a high level of satisfaction across the division's functions. In many areas, the division manages ongoing functions that have been refined over time to reflect the needs of all stakeholders. Management of the Government's legislation programme and development of elements of the Australian honours system are examples. Feedback on those functions reflects satisfaction with the division's reliability and timeliness. Most functions also involve judgement on more strategic administrative issues or matters of policy, and feedback indicates that the division is seen as responsive, professional and reliable in this regard. No ongoing concerns were raised about the quality of advice provided. The Prime Minister and Ministerial Steering Group expressed a high level of satisfaction with the work of the Referendum Task Force.

Key results

The Government Division managed or was involved in a number of reforms of government processes which contributed to the Government's ability to develop policies and deliver programmes in a sound and well coordinated manner. Some key results for the division are described below.

Parliamentary secretaries

The division assisted in the development and implementation of new arrangements for the appointment and remuneration of parliamentary secretaries. Those changes will reinforce the significant role parliamentary secretaries have come to play in their management of increasingly complex portfolios.

In December 1999, the Remuneration Tribunal recognised the increased role of parliamentary secretaries. The tribunal also found that parliamentary secretaries were prevented from receiving additional remuneration for the performance of their office by section 44 of the Constitution. Amendments to the *Ministers of State Act 1952* were developed to allow for up to 12 parliamentary secretaries to be appointed under section 64 of the Constitution to administer departments, in addition to the existing 30 ministers. Parliamentary secretaries are now appointed under the new arrangements, and while their titles and broad range of responsibilities have not changed those responsibilities are now properly recognised and rewarded.

Handbooks and guidelines

Annual report guidelines for departments were revised substantially and cleared with the Parliamentary Joint Committee of Public Accounts and Audit before being issued in June 2000 as a basis for 1999–2000 annual reports. A revised *Legislation Handbook* for departments was issued in December 1999. In addition, guidelines on the application of the caretaker conventions have been substantially revised and are expected to be finalised early in the 2000–01 financial year.

Centenary of Federation

The division submitted two biannual reports to government on the implementation of major Federation Fund projects. It also assisted the Prime Minister with arrangements for the delegation to London for Australia Week in July 2000 to celebrate the centenary of the passage of the Constitution of Australia Act through the British Parliament.

Legal actions involving the department

The Government Division instructed the Australian Government Solicitor in claims for public interest immunity from the production of Cabinet documents in two cases during the reporting period. One claim, made in litigation between the Construction, Forestry, Mining and Energy Union and Jonathan Hamberger, in his capacity as the Employment Advocate (Federal Court Proceedings No. V 259 of 1999), was rejected at first instance but upheld on appeal by the Full Bench of the Federal Court. The department's affidavit in support of the Commonwealth's claim for public interest immunity in a second case was not challenged by the other parties to the litigation.

The division also instructed the Australian Government Solicitor in litigation arising out of the termination of the appointment of the former Secretary of the Department of Defence. Details of the decisions in that litigation are provided in the external scrutiny section of this report.

Ombudsman's regulations

In August 1999 regulations were made under the *Ombudsman Act 1976* to remove the Australian Government Solicitor from the Commonwealth Ombudsman's jurisdiction following the establishment of the Australian Government Solicitor as a statutory authority separate from the Attorney-General's Department on 1 September 1999.

Honours system

Promotional activities were undertaken during the year as part of the Government's initiative to ensure that the honours system is accessible to all Australians. Notable were regional media events which focused on honouring 'local heroes' as a means of raising community awareness. Information about Australian honours was enhanced through contact with local government, media and community organisations. The honours website www.itsanhonour.gov.au was expanded.

Applications for the Civilian Service Medal 1939–1945, the Humanitarian Overseas Service Medal and relevant medals for civilian surgical and medical teams during the Vietnam War, as well as requests by Vietnam veterans to accept and wear foreign awards offered to them

unofficially, were handled in the division. The Humanitarian Overseas Service Medal was extended to recognise service in Somalia, South Vietnam, the Great Lakes region of Africa, Cambodia, the Balkans and South Sudan.

The government expanded the honours system by establishing:

- the Australian Sports Medal, commemorating during 2000 achievement in sport;
- the Australian Cadet Forces Service Medal, recognising long and efficient service by officers and instructors of cadets; and
- the International Force East Timor Medal, recognising members of the Australian Defence Force who served with INTERFET.

Secretariat services were provided to public service honours committees and assistance was given to departmental officers who serve *ex officio* as members of the Council for the Order of Australia and the Australian Bravery Decorations Council.

Support was provided to the Prime Minister in nominations of non-Australian citizens for honorary awards in the Order of Australia. The Prime Minister sent over 6,500 messages of congratulations to Australians celebrating significant wedding anniversaries and birthdays.

Referendum Task Force

The Referendum Task Force provided support to a Ministerial Steering Group overseeing preparations for the referendum on whether Australia should become a republic and on adding a preamble to the Constitution. The task force worked closely with the Attorney-General's Department, the Australian Government Solicitor and the Australian Electoral Commission in developing the proposed Constitutional alterations and other legislation, administering public information programmes and ensuring that arrangements for the referendum, held on 6 November 1999, proceeded smoothly.

The Joint Select Committee (JSC) on the Republic Referendum, established to consider the referendum legislation, reported in August 1999. The task force prepared submissions and gave evidence to the JSC and assisted in developing the government response to the JSC's report. In broad terms, the JSC supported the proposed legislation as an effective expression of the republic model that emerged from the 1998 Constitutional Convention and made a number of recommendations for fine tuning. Support was provided for the Prime Minister, the Attorney-General and the Special Minister of State during parliamentary debates on the referendum bills, concluding with endorsement of the *Constitution Alteration (Establishment of Republic) 1999* and the *Constitution Alteration (Preamble) 1999* by both Houses in August 1999 for submission to the referendum.

National research confirmed the need for effective public information activities. The task force supported the Steering Group and the Ministerial Committee on Government Communications in developing and implementing the neutral public education programme and the arrangements for the 'Yes' and 'No' campaign advertising which preceded the referendum.

The neutral public education programme aimed to provide balanced, factual information which would enable Australians to understand the arguments for and against change and make informed votes. An information pamphlet, developed in consultation with an Expert Panel chaired by Sir Ninian Stephen, was distributed widely and was supported by television, radio and print advertising and a website. Materials were available in 22 languages other than English and in alternative formats. Focus group testing of the advertising materials indicated that the referendum campaign was perceived to be clear, easy to understand, neutral and unbiased. Tracking research showed that, by the end of the three-week television advertising campaign, awareness of the referendum was almost universal, at 96 per cent.

Public funding was made available for the 'Yes' and 'No' advertising campaigns overseen by committees drawn from Constitutional Convention delegates. This unique approach to public information for referendums allowed robust public debate on the arguments for and against change. While the content of the advertising and campaign strategies was the responsibility of the 'Yes' and 'No' committees, task force staff worked with each committee to ensure transparency and accountability in the use of public funds. Processes were in place to check that each campaign met basic standards without compromising confidentiality.

Output 4.3 — Government Communications

Performance indicators and results

Output 4.3 Government Communications

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

Provision of photographic services by AUSPIC (the Government photographic service).

Performance indicators

Quality: The degree of satisfaction of the Chairman and members of the Ministerial Committee on Government Communications (MCGC) with the services provided by the Government Communications Unit (GCU).

The degree of satisfaction with the Central Advertising System among clients of the master placement agencies.

Quantity: Organise and coordinate 70 meetings of the MCGC, covering 25 public information activities in 1999–2000.

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

Satisfactory outcome of media rate negotiations for calendar year 2000.

Quality: The degree of customer satisfaction with AUSPIC services.

Price: Achievement of a breakeven financial position from trading activities by AUSPIC.

Cost of Outputs — \$2.4m

Qualitative assessment

Methodology

The First Assistant Secretary, Government Communications Unit (GCU), meets with the Chairman of the Ministerial Committee on Government Communications (MCGC), the Special Minister of State, before each meeting of the MCGC and at the conclusion he receives feedback on the meeting from the chairman and committee members. The First Assistant Secretary also meets regularly with representatives of the Prime Minister's Office to review performance in relation to specific issues.

AUSPIC (the Government photographic service) meets regularly with its clients to monitor service standards.

Feedback

Feedback from both the Chairman of the MCGC and the Prime Minister's Office has been generally positive. The GCU operates on the basis of continuous improvement, and refinements to the layout of briefs, communications protocols and secretariat services made through the year were positively received.

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

Key results

The workload of the GCU increased substantially during the course of the year as a result of an increase in communications activities. The GCU provided support for major information activities, including The New Tax System, Defence Force Recruiting, the Republic Referendum, Lifetime Health Cover and the Telstra 2 sale. Despite the increased workload, the GCU continued to provide a full range of analysis, advice and support to the MCGC, the Prime Minister, the Executive and departments.

Demand for AUSPIC services remained high.

Ministerial Committee on Government Communications

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

The MCGC met on some 70 occasions during the year to consider some 25 information activities and other matters put to it by departments through the GCU. The number of meetings reflected the number of significant information activities undertaken by the Government. Information activities associated with the implementation of The New Tax System were the most significant of these — the delivery of consistent and coordinated information on a range of changes to overlapping target audiences by a number of departments and agencies, with inputs from a number of others, led the GCU and the Australian Taxation Office to dedicate additional resources to the coordination of The New Tax System information activities. Media expenditure on The New Tax System related campaigns was \$85.2 million. Other significant information activities and their related media expenditure were those associated with the Republic Referendum (\$24.7 million), Defence Force recruitment (\$29 million), Lifetime Health Cover (\$12.4 million) and the Telstra 2 sale (\$7.4 million).

The GCU was not always able to obtain papers from departments and agencies seven days in advance of MCGC meetings. However, it did consistently advise the MCGC of these instances and obtained waivers to the seven-day rule from the Chairman where this was considered appropriate.

The media rate negotiations resulted in discounts for the CAS that were significantly better than the standard rates offered. The survey of master placement agency performance indicated broad satisfaction with the services provided by the agencies, the CAS and the GCU. In

1999–2000 approximately \$211 million was spent on media placement of campaign and non-campaign advertising in the media through the CAS.

Photographic services

AUSPIC operates on a cost recovery basis to provide photographic services to the Government, parliament, senators and members. Demand for its services exceeded forecasts, reflecting an increased demand for the flexibility and quick turnaround possible with digital photography — technology in which AUSPIC has invested over several years.

Administered items

Media Commissions Advance Account

The funds in this account are used to remunerate the Commonwealth's contracted master media placement agencies, and if required any creative advertising agencies, for the placement of Commonwealth Government advertising. Revenue is derived solely from the media commission payable to the Commonwealth for its advertising.

Output 4.4 — Support to Official Establishments

Performance indicators and results

Output 4.4 Support to Official Establishments

Management of the Prime Minister's official residences.

Secretariat support for the Official Establishments Trust.

Performance indicators

Quality: The degree of satisfaction of the occupants and senior management with the management of the Prime Minister's official residences. This must be consistent with their status as part of the National Estate and in line with statutory heritage and planning obligations.

A high degree of satisfaction of the Official Establishments Trust members with the timeliness and quality of advice and secretariat support.

Cost of Outputs — \$0.4m

Qualitative assessment

Methodology

The Official Establishments Unit participates in meetings with the Prime Minister and his wife, senior departmental management and senior advisers within the Prime Minister's Office at which feedback on the unit's performance and level of service is provided.

The Chairman of the Official Establishments Trust provides regular feedback to the Secretary of the Trust regarding the quality of secretarial support provided to the Trust.

Feedback

All parties have indicated their satisfaction with the management of the residences.

Key results

The Official Establishments Unit continued to manage the Prime Minister's official residences — The Lodge, Canberra, and Kirribilli House, Sydney. In keeping with the official residences' status as part of the National Estate, the Official Establishments Trust and the Australian Heritage Commission were consulted about any significant works undertaken at the residences in 1999–2000.

In July 1999, the unit engaged a Canberra based conservation architect, Mr Peter Freeman, to develop a Conservation Management Plan for The Lodge. The plan, which was in final draft form in June 2000, contains an historical and physical overview of the residence, an assessment and statement of its cultural significance, and a conservation policy.

Four meetings of the Official Establishments Trust and one meeting of The Lodge House Committee were facilitated by the unit during the year. The Chairman of the Trust expressed his satisfaction with the standard of service provided by the unit, particularly in relation to the organisation and conduct of meetings and the preparation of business papers.

Administered items

Prime Minister’s official residences

Administered item

Prime Minister’s official residences.

Performance indicators

Quality: The serviceability and standard of The Lodge and Kirribilli House, including practicality, level of amenity, style and presentation.

Administered Expenses — \$1.6m

Qualitative assessment

Methodology

The Official Establishments Unit participates in meetings with the Prime Minister and his wife, senior departmental management and senior advisers within the Prime Minister’s Office to discuss the performance of the unit.

The Chairman of the Official Establishments Trust provides regular feedback to the Secretary of the Trust regarding the level of secretarial support provided to the Trust.

Feedback

All parties indicated their satisfaction with the presentation and maintenance of the residences.

Key results

Kirribilli House

During 1999–2000 work was completed on the rebuilding of the second staircase at Kirribilli House. The remnants of the previous staircase were used to provide more convenient and suitable access to the first floor from the eastern wing and an alternate emergency egress point. No other major structural work was undertaken at Kirribilli House. However, minor maintenance and rejuvenation of the building exterior and gardens were undertaken in preparation for functions to be conducted during the Sydney Olympic and Paralympic Games.

Following discussions with the Official Establishments Trust and the Australian Heritage Commission, it was agreed that the Kirribilli House harbourside pool and adjacent boat dock will be preserved as a ruin. The site is significant in heritage terms as the pool was constructed around 1854 and is thought to be the oldest of its kind on Sydney Harbour. The structure has deteriorated over a number of years and the majority of it has now collapsed into the harbour.

The Lodge

Stage one of a project to install new airconditioning and heating systems at The Lodge was undertaken. This stage involved the upgrading of systems on the ground floor. Installation of equipment to service the first floor of the residence will be undertaken later in the 2000 calendar year. Previously only the ground floor was serviced by airconditioning or heating and these systems were 20 and 30 years old respectively.

More information on the Official Establishments and their administration can be found in the special article on page 71 of this report.

Output 4.5 – Support for Ministerial Offices and former Governors-General

Performance indicators and results

Output 4.5 Support for Ministerial Offices and Former Governors-General

Provision of office services for the Prime Minister's Office, other Ministers' offices in the Prime Minister's portfolio and former Governors-General.

Performance indicators

Quality: The degree of satisfaction of the Prime Minister, other portfolio Ministers, their advisers and office managers in respect of the office services provided.

The degree of satisfaction of former Governors-General with the office services provided.

Cost of Outputs — \$2.9m

Qualitative assessment

Methodology

The department maintains regular contact with the support staff and office manager of the Prime Minister's Office and with the support staff of former Governors-General. This provides the opportunity for staff to receive ongoing feedback about their performance.

Feedback

Support staff indicated that the department had provided a proactive approach to service delivery and accurate and timely support.

Key results

The Corporate Support Branch arranged the temporary relocation of the Melbourne offices of the Prime Minister and former Governors-General to Casselden Place during the refurbishment of 4 Treasury Place. Feedback from relevant staff about the relocation was positive.

The Information Services Branch managed the implementation of the 'Mobile Minister' software package acquired by the Prime Minister's Office (PMO) to manage the Prime Minister's diary and calendar and the provision of a secure dial-in facility to enable remote access by PMO staff to electronic information resources. The branch provided advice to the PMO on information technology security and has undertaken a number of steps to enhance the security of electronic information held by the PMO.

Administered items

Allowances to former Governors-General

<p>Administered item Allowances to former Governors-General.</p>	<p>Performance indicators Quality: Former Governors-General receive allowances in accordance with the relevant Remuneration Tribunal determination and on time.</p> <p>Administered Expenses — \$2.3m</p>
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Qualitative assessment

Methodology

The responsible staff within the Corporate Support Branch maintained regular contact with the support staff of the former Governors-General.

Feedback

All former Governors-General were satisfied with the quality of the service.

Key results

The former Governors-General have received allowances in accordance with the relevant Remuneration Tribunal determinations.

Official Establishments Programme — Special Report

Introduction

The four official residences used by the Governor-General and the Prime Minister — Government House and The Lodge in Canberra and Admiralty House and Kirribilli House in Sydney — are included on the Register of the National Estate and generally referred to as the Official Establishments. A permanent collection of works of Australian artistic and historical interest, purchased and owned by the Australiana Fund, is displayed in the Official Establishments.

The Prime Minister's residences are administered by the department, which provides services and staff for the residences. The Governor-General's residences are administered by the Office of the Official Secretary to the Governor-General. This article does not address in detail the history and administration of the Governor-General's residences.

The conservation and development of the official residences of both the Governor-General and the Prime Minister are subject to the guidance of the Official Establishments Trust.

History of The Lodge and Kirribilli House

The Lodge

In 1923, the Melbourne architects Percy Oakley and Stanley Parkes won first prize in a competition for the design of houses in the suburb of Blandfordia (now Forrest) in Canberra. Messrs Oakley and Parkes were invited in 1924 by the Chief Architect of the Commonwealth, John Smith Murdoch, to provide sketches for the provisional accommodation in Canberra for the Prime Minister. According to the Final Report of the Committee on Official Establishments, 'it was originally intended that the Prime Minister's residence would be "occupied by him until such time as a permanent monumental Prime Minister's residence is constructed, and thereafter to be used for other official purposes such as for the President of the Senate or the Speaker of the House of Representatives"'.

The style selected for the Prime Minister's residence combined a Regency influence with a Mediterranean theme, a combination notable in 1920s houses, including those in the suburbs

surrounding The Lodge. The architectural form of The Lodge was domestic — no office accommodation was provided, making the Prime Minister’s home separate from his office, staff, department and the ministry.

Work was begun by builder, James Taylor, of Glebe, New South Wales, in December 1925, and was completed in April 1927. The Lodge was built by Australian craftsmen, using Australian materials, at a cost of £28,319. At current prices, this is equivalent to approximately \$1.6 million. This figure included furnishing and decorations and the development of a 2.8 hectare site from bare grazing land to lawns, flower, fruit and vegetable gardens, orchards and recreational facilities, including a tennis court and croquet lawn.

The first recorded use of the name ‘The Lodge’ was in a letter of 19 April 1927 from Sir John Butters, Chief Commissioner of the Federal Capital Commission, to the architects Oakley and Parkes. The name may have been intended to distinguish between a temporary dwelling and a permanent residence for the Prime Minister.

The first occupants of The Lodge were the Rt Hon. S M Bruce and Mrs Ethel Bruce, who moved into The Lodge on 4 May 1927, just before the opening of Parliament on 9 May. In 1929 the incoming Prime Minister, the Rt Hon. J H Scullin, declined to occupy The Lodge as he considered it too grand. Consideration was given to letting The Lodge. It was also suggested that the building could become the home of the National Library or a private hospital, but nothing came of either proposal.

In 1932, the Rt Hon. J A Lyons and his wife Dame Enid Lyons moved into The Lodge with the youngest six of their eleven children. In keeping with its function as a domestic residence, substantial alterations were required, including the construction of three additional bedrooms.

No further major changes were made to The Lodge until the late 1960s, when the house was redecorated and a swimming pool and courtyard installed. An Australian native garden was planted by Mrs Bettina Gorton during the Rt Hon. J G Gorton’s Prime Ministership. The garden was dedicated to Mrs Gorton after her death and a plaque installed in 1984 naming it the ‘Bettina Gorton Native Garden’ in recognition of Mrs Gorton’s work during the period 1968–71. The site of The Lodge was reduced to 1.8 hectares in 1969–70, when Adelaide Avenue was widened and a brick boundary wall built.

In 1985–86, in keeping with the historical significance of the house, the state areas of The Lodge were redecorated in the style of the 1920s. During the renovations, many items of original furniture and fittings purchased for The Lodge in 1927 were located and reinstated. Furniture appropriate to the period has been purchased and made available by the Australiana Fund, and the National Gallery of Australia has lent a selection of works by Australian artists. In 1991–92 the kitchen and staff quarters were upgraded and a cool room installed. Construction of a new carport was completed in 1993 and the driveway was resurfaced in 1994–95.

The depreciated replacement cost of The Lodge, as determined by the Australian Valuation Office as at 30 June 2000, is \$2.29 million.

Although the house and grounds have been altered over the years to meet the domestic, ceremonial and executive needs of the Prime Minister of the day, the heritage integrity of The Lodge has been retained.

Kirribilli House

In 1854, Adolphus Feez, a merchant of Rabone Feez & Company, bought an area of approximately half a hectare on Kirribilli Point, Sydney, from J L Travers, the owner of Admiralty House, then known as Wotonga. Between 1856 and 1858, Feez built a two-storey rendered rubble stone building in the Picturesque Gothic Revival style.

The property was sold in 1858 and it had a number of owners between then and 1919. During this period the house was substantially enlarged with sympathetic additions in the Gothic style. In 1919, it was reported that the land was to be subdivided by its then owner, Arthur W Allen, a Sydney solicitor. Following public agitation for the house and gardens to be preserved, the then Prime Minister, the Rt Hon. W M Hughes, approved the compulsory acquisition of the property by the Commonwealth.

For some years following, the house was used to accommodate members of the Governor-General's staff when Admiralty House was occupied by the Governor-General. In 1930, at the height of the Depression, the Commonwealth Government discontinued the use of Admiralty House and Kirribilli House as the Sydney residence of the Governor-General and the contents of both houses were dispersed by public auction. Kirribilli House was leased to various tenants until 1956.

In 1956 the Commonwealth decided to restore and repair Kirribilli House and to use it as a residence for overseas guests of the Commonwealth and as a Sydney residence for the Prime Minister of the day. Since that time, Kirribilli House has welcomed royalty, heads of state and heads of government. The first guest of the Commonwealth after the renovation was His Excellency Mr Nobusuke Kishi, Prime Minister of Japan. Following the renovations in 1956, Kirribilli House was subject only to minor maintenance and redecoration until a major programme of work was undertaken in the 1980s. This work included repair and re-slating of the roof, the installation of a damp-proof course to address rising damp and repairs to walls, floors and ceilings and electrical and hydraulic services.

Prime Ministers have increased their use of the Sydney residence — the Rt Hon. R G Menzies used to stay at Kirribilli House on his visits to Sydney and the Hon. R J Hawke used Kirribilli House during the summer months. The Hon. P J Keating also made use of the residence on numerous occasions. The Hon. J W Howard divides his time between The Lodge and Kirribilli House, where his family is based.

The depreciated replacement cost of the Kirribilli House buildings, as determined by the Australian Valuation Office as at 30 June 2000, is \$1.82 million.

Management of Kirribilli House has been guided by a commitment to preserving the historical integrity of the residence and to ensuring that the residence is maintained at a standard appropriate to an official residence of the Commonwealth.

Official Establishments Trust

On 22 September 1976, the Government appointed the Committee on Official Establishments to advise it on matters relating to the four Official Establishments. In its Final Report, tabled in Parliament by the Rt Hon. J M Fraser on 12 September 1979, the Committee recommended the establishment of a permanent and independent advisory body. The Government accepted that recommendation and on 20 September 1979 established the Official Establishments Trust under the chairmanship of Sir Andrew Grimwade CBE.

The Official Establishments Trust advises the Prime Minister and Governor-General on the conservation, development and operation of the buildings and grounds of the Official Establishments. The Trust ensures that all works carried out at the residences are consistent with the philosophical approach of conservation plans for the residences and that the plans comply with the *Australian Heritage Commission Act 1975*.

The Trust undertakes its advisory role in consultation with the occupants of the houses and officials of the department and with the Office of the Official Secretary to the Governor-General. The Trust ensures that the personal preferences of the occupants are taken into account, particularly in respect of the private areas of the Official Establishments. The Trust also has special regard for the ceremonial and historical aspects of the Official Establishments and for the requirements of other authorities and organisations concerned with the National Estate.

Members of the Trust are appointed by the Prime Minister for terms of two to three years. Remuneration of members is in the form of sitting fees paid in accordance with a determination of the Remuneration Tribunal.

The Trust prepares annual reports, tabled in Parliament, which set out details of the Trust's operation, activities and details of expenditure on the official residences.

Australiana Fund

In announcing the establishment of the Committee on Official Establishments in September 1976, the Rt Hon. J M Fraser said the Committee should advise the Government on the purchase of objects which would be suitable for the Official Establishments and which should be preserved in the national interest. He observed that the historical value of the official United States guest house in Washington, Blair House, was enhanced by a collection of furnishings purchased on advice of a committee.

In its Interim Report of April 1977, the Committee on Official Establishments noted the absence of a collections policy to determine the acquisition of pictures, furnishings and art objects for use and display in the official residences. The Committee recommended that an 'Australiana Fund' be established to encourage private gifts, donations and loans of works of art, antiques, furnishings and material (Australian and other) of historical interest and importance to the Official Establishments.

The Government accepted the recommendation that an Australiana Fund should be created. The Fund was incorporated in March 1978 as a public company limited by guarantee to acquire and preserve appropriate decorative items for display and use in the official residences or in any other place determined by the board of directors of the Fund. The Fund is non-political and self-governing. The President of the Fund is the spouse of the Prime Minister or such other person as may be nominated by the Prime Minister. Since the Fund's inception, the serving Prime Minister's wife has been President *ex officio*.

The Fund receives all its funds for acquisitions from direct public participation and from corporate donation. The Government provides financial support to the Fund only through an annual grant which is designed to contribute to the salary costs of the Fine Arts Adviser and associated accommodation and administrative expenses.

The collection of paintings and fine and decorative works of art illustrating Australian cultural accomplishments and heritage is lent to the Official Establishments by the Fund for display in the residences. The current value of the collection exceeds \$3 million.

Open days

The Committee on Official Establishments recommended in its report to Parliament in 1979 that there be greater public access to the Official Establishments.

The Lodge and Kirribilli House, in addition to their historic significance as official residences owned by the Commonwealth of Australia, are buildings of architectural note. The Lodge is an excellent example of the distinctive Australian Federal Capital style, and Kirribilli House, one of the earliest substantial houses to be built in Kirribilli, is one of only two to be built in the Picturesque Gothic style before 1860. Furnishings and works of art which have been selected by the Australiana Fund for display in the residences are similarly of significant interest.

Open days have been held from time to time at each of the residences, during which state areas and grounds have been open for public inspection. Since 1996, nine open days have been held at The Lodge and one at Kirribilli House. These open days have been hosted by various organisations and charity groups, including the Australiana Fund and The Smith Family.

Operations of the Official Establishments

Officers of the department's Official Establishments Unit provide administrative support for the Official Establishments Trust and support the Prime Minister of the day and his family by managing The Lodge and Kirribilli House. The department advises the Prime Minister on the maintenance and restoration of the official residences consistent with their status as part of the National Estate, drawing upon advice from the Official Establishments Trust. In particular, the department oversees the management of The Lodge and Kirribilli House, including the staffing, administration, repairs, maintenance and restoration requirements of the residences.

The Prime Minister's accommodation and sustenance at the official residences are provided at government expense. Costs are met by the department from moneys appropriated to it for this

purpose by Parliament in the annual budget. The Prime Minister of the day meets the cost of a range of items and functions that are exclusively personal, such as family birthday parties.

The table below shows the real running costs, ie adjusted for price inflation, for The Lodge and Kirribilli House combined, in each of the past eight years. It is evident that the annual cash cost has been around \$1.4 million for most of the period. These estimates include the costs of maintenance and conservation (repairs, maintenance, renovations, furniture and fittings, grounds maintenance and consultants), administration (utilities, food, beverages and other household costs) and wages. The additional costs of guarding and security maintenance are met by the Protective Security Co-ordination Centre in the Attorney-General’s Department.

The Lodge and Kirribilli House

Year	\$ million *
1992–93	1.75
1993–94	1.34
1994–95	1.45
1995–96	1.38
1996–97	1.10
1997–98	1.09
1998–99	1.40
1999–2000	1.45

NOTE

* Running costs expressed in 1998–99 dollars.

Domestic staff at the residences are employed under the *Members of Parliament (Staff) Act 1984*. The first round of Australian Workplace Agreements for the staff was negotiated in 1998. New agreements are currently being negotiated. In line with Commonwealth competitive tendering and contracting principles, repairs and garden maintenance at The Lodge and repairs and maintenance at Kirribilli House are contracted out using select tender processes.

Scrutiny and accountability

Administration of the Official Establishments programme is guided by the principle that due regard should be paid to the public interest in the preservation of Australian heritage and to the private interest of the Prime Minister of the day in maintaining a domestic residence.

The department administers the Official Establishments programme in an open, responsive and professional manner. The department recognises that management of the Official Establishments programme must carefully balance the public and private interests and the heritage, executive and domestic functions of the official residences. The Lodge and Kirribilli House are the official residences of the Prime Minister of the day, with domestic, ceremonial

and executive functions. The programme observes longstanding arrangements whereby the Commonwealth finances official entertainment functions but does not fund significant private functions. The residences are also symbolic items of Australian history and cultural heritage. Care of the houses, and decisions on the practicality of their design, standard and presentation, must take into account their heritage value, official and domestic functions, current use and public expectation.

These considerations mean not only that care must be taken to protect the important building fabric of the residences but also that it must be possible to adapt the residences, through alterations and additions, to provide the facilities necessary for a Prime Minister to perform official duties effectively.

Sources

The Australiana Collection, Fine Arts Press, 1990

Management and Accountability

Corporate governance

The Secretary is responsible for advising the Prime Minister and managing the department in a way that promotes proper use of Commonwealth resources. These responsibilities and the key elements of the governance framework for departmental Secretaries are specified in the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999*. The Secretary fulfils these responsibilities through a range of management processes. Specifically, the Secretary provides the key avenue for Prime Ministerial direction on departmental work and chairs:

- meetings of the departmental Executive;
- regular meetings of the Executive plus division heads; and
- quarterly meetings of the Audit Committee.

In addition, the Secretary:

- oversees the annual work planning process; and
- monitors a range of indicators of corporate performance and activities through a monthly corporate report.

The Secretary regularly discusses with the Prime Minister the immediate and longer term priorities for departmental policy advice and support, as well as receiving feedback from the Prime Minister on the department's performance generally and on particular areas of the department's responsibilities. The Secretary consults frequently with individual staff and groups of staff on the development of the policy advice and support the department provides to the Prime Minister, particularly on major policy issues and events. The Secretary also represents the department in contacts with key external interests and representatives.

The **Executive** comprises the Secretary, three Executive Coordinators and the First Assistant Secretary, International Division, who reports directly to the Secretary. The Executive is responsible for setting departmental priorities, allocating resources, evaluating Senior Executive Service (SES) performance and determining staff remuneration. Further information on the Executive appears in the Organisational Structure and Senior Staffing table on page 10.

The Secretary, Executive Coordinators and division heads meet regularly in an **SES Meeting** to review recent developments and performance of the department and consider a range of

topics, including the numerous administrative support, policy advising and coordinating responsibilities of individual divisions, as well as matters of internal corporate management.

The **Audit Committee** develops an annual programme of audits, considers the recommendations contained in individual reports and oversees the timely implementation of all recommendations the committee accepts.

Annual divisional work plans, based on extensive discussion with divisional and SES staff, are prepared for the Secretary's approval. The work plans review the outcomes and performance for the previous year and outline the work priorities and planned expenditure for the forthcoming year. In the process of finalising work plans, the allocation of the department's overall budget is also settled.

The specific tasks identified in the performance agreements of individual members of staff, especially those at executive level, are closely aligned with the tasks and priorities set out in divisional work plans. Performance agreements link individual and corporate performance by providing a mechanism for staff and managers to identify tasks and priorities and to set in place indicators by which to measure performance.

In addition to the committees chaired by the Secretary, two other committees contribute to the corporate management of the department: the Consultative Committee, established under the departmental Certified Agreement, and the Information Management Consultative Group.

The **Consultative Committee**, chaired by Executive Coordinator Government and Corporate, is a forum for management to consult with staff and their representatives on issues of corporate significance. The committee comprises four elected staff representatives, two union representatives and three management representatives.

The **Information Management Consultative Group** meets as required and comprises the Assistant Secretary, Information Services Branch, Assistant Secretary, Corporate Support Branch and a Senior Executive representative from each division. A representative from the department's contracted internal auditors also attends the meetings as an observer. The group has responsibility for ensuring that the department's information strategies are consistent with the strategic directions and business functions of both the Government as a whole and the department.

Operational initiatives

In 1999–2000, as a part of ongoing performance review of budget and management accounting services, the department completed reviews of internal controls relating to bank accounts, procedures relating to payments, receipts and reconciliations, and cash forecasting processes. Devolved banking arrangements were introduced in line with the whole-of-government initiative to allow agencies to manage their resources in a more businesslike manner. Banking services were market tested by a portfolio cluster, and a contract and service level agreement were being negotiated. The department also successfully managed the introduction of the GST, meeting the Government's requirements under The New Tax System.

During the year, the department established a business improvement section to identify opportunities for improved performance and to facilitate any necessary changes. The initial project for the section was to manage the implementation of a client service charter for the delivery of corporate services to the Prime Minister, his Office, portfolio Ministers and departmental staff, and to establish complaint handling and feedback mechanisms. The charter was finalised in June 2000 and identifies the key services, the standards at which they will be delivered, associated performance measures and client responsibilities. The charter extends to corporate services delivered by private sector companies under contract to the department.

A small team was established to implement the Government's online strategy. The strategy was published in April 2000 by the Office of Government Online to assist agencies give effect to the Prime Minister's commitment in the December 1997 *Investing for Growth* statement that all appropriate services will be delivered online by 2001 to complement, not replace, existing service delivery channels. The team undertook preliminary work associated with the development of the department's inaugural Online Action Plan and meeting the Government's requirements for electronic publishing and electronic procurement.

During the year, the department reviewed energy usage and is investigating strategies to reduce energy consumption and improve waste management.

The adoption of a three-year Information Management Strategic Plan for 1999–2001 has led to a more focused approach in the delivery of information management services to meet business requirements. The department sees information security as a key business driver. Four detailed Threat and Risk Assessments were conducted during the year, including an assessment to identify and mitigate threats posed to the department's local area network infrastructure.

The department has implemented mechanisms to review performance in the delivery of information technology and telecommunications (IT&T) services. Responsibility for the provision of IT&T services was outsourced to Advantra Pty Ltd from 1 July 1999 as part of the Group 5 contract. Advantra's performance is governed by a set of specified service levels, including agreed standards for network and telephone service availability, speed of response to help desk inquiries and speed of resolution of problems. Service credits are included in the outsourcing agreement as an incentive mechanism for the delivery of services at the contracted level. In the first 12 months of the contract, Advantra failed to meet a number of service levels and the department imposed all service credits accrued in accordance with the agreement. The department has collaborated with other Group 5 agencies, the Group 5 Contract Management Office and Advantra to develop procedures and processes for effective service delivery and has established a number of mechanisms to assess whether the contract is operating to meet the needs of its clients. These mechanisms include a client feedback and complaints process, user forums and a programme of surveys to measure service quality and client satisfaction.

The department completed all year 2000 compliance work on the department's business-critical systems and contingency planning in November 1999 in accordance with the requirements of the Office of Government Online. As a result, the department did not experience any year 2000 problems with critical business systems.

Recommendations from a review of services and organisational structure of the Records Management Unit were progressed during the year. A new version of the information system supporting the records management function, TRIM Captura, was implemented in September

1999 and training was provided for its users. The new system will provide the department with greater capacity to manage both electronic and paper based records.

The Parliamentary Correspondence Management System was modified to reflect the department's current parliamentary workflow requirements, resulting in a more effective tracking/interrogation system. The system extends throughout the department and selected portfolio ministerial offices, providing online information in relation to correspondence and briefings.

Internal audit arrangements and activities

The Audit Committee meets quarterly and comprises the Secretary and four other Senior Executives, and a representative from the Australian National Audit Office attends the meetings as an observer.

In 1999–2000, the internal audit function was provided under contract by Deloitte Touche Tohmatsu. A plan was developed early in the year and Deloitte Touche Tohmatsu completed 20 audits during the year based on this plan.

As part of the contract, Deloitte Touche Tohmatsu also conducted fraud risk assessments throughout the department and prepared a fraud control plan for the period 1999–2001. In developing the plan, the contractor estimated risks in each division and assessed the effectiveness of internal controls in reducing those risks. The fraud control plan, rated highly by the Commonwealth Law Enforcement Board's Fraud Evaluation Committee, is an important strategic document which draws together all the fraud prevention, detection, resolution and reporting initiatives the department has adopted. The plan is expected to be fully implemented by the end of 2000.

Three incidents of theft were reported during 1999–2000. One involved the theft of two computers from the department. The matter was the subject of a police investigation and legal action which resulted in the successful prosecution of the person concerned (the person ceased to be a Commonwealth employee prior to the detection of the theft and the conviction). Another incident involved the theft of a small antique drop sided table and a microwave oven. This matter also was the subject of a police investigation and legal action which resulted in the prosecution of the person, with the charges found to be proven. The third incident, involving the theft of a laptop computer from an employee's residence, is being investigated by police.

A market testing process for internal audit and fraud control services was completed in June 2000, with Deloitte Touche Tohmatsu again being selected as the successful tenderer. The previous contract expired on 30 June 2000 and a new contract will extend from 1 July 2000 to 30 June 2003, with an option for the department to extend the contract for up to a further three years.

Social justice and equity

The department provided advice and support for the Government on a wide range of policies and programmes bearing directly on social justice and equity. The department also supports the principles of diversity and fairness in its own working environment.

The Industry and Environment Division contributed to the development of a framework for monitoring issues related to service delivery in regional and rural Australia. Social Policy Division advised on several important initiatives contributing to social justice and equity, including:

- the Youth Pathways Action Plan Task Force;
- the Stronger Families and Communities Strategy;
- a proposal for additional funding of \$150 million to better meet the needs of people with disabilities; and
- the 2000–01 Budget regional health package.

The Office of the Status of Women (OSW) continued to ensure that the views of all women are considered in its advice to government, through the following activities:

- the Australian Women's Round Table hosted by Senator Newman, Minister Assisting the Prime Minister for the Status of Women;
- consultations with states and territories and the community to inform women and to seek their input on the UN Special Session of the General Assembly entitled 'Women 2000: Gender Equality, Development and Peace for the 21st Century' and the Convention on the Elimination of All Forms of Discrimination Against Women;
- a series of workshops aimed at strengthening national women's non-government organisations' capacity to represent their constituencies and provide input into government policy to benefit women; and
- OSW's new website, designed to ensure that people with disabilities, people from regional and rural Australia and people with older computer equipment can access the site readily.

The Office of Indigenous Policy continued to provide advice to the Government on issues affecting Aboriginal and Torres Strait Islander people (including advice on the process of reconciliation), secretariat support to the Council for Aboriginal Reconciliation and support for the community outreach work of the council. The council works well with peak ethnic community bodies, on which access and equity target groups are well represented, to identify means by which state and territory ethnic community councils and local ethnic communities can pursue reconciliation issues.

The promotional campaign for the Australian honours system is specifically aimed at raising awareness of the honours system in the wider community. Regular media campaigns are undertaken in regional Australia, where local community organisations (including women's, Indigenous and ethnic groups) are invited to participate in the awareness raising of Australian honours through their own communities and in the wider regional community.

The Awards and National Symbols Branch (ANSB) biennial newsletter, *It's an Honour*, is much enhanced, with wider distribution, particularly to those organisations whose members are under-represented in honours awards.

A new, simplified nomination form for the Order of Australia (with guidelines in six languages other than English) is now available. The form is also available on the Awards and National Symbols Branch website, www.itsanhonour.gov.au, which also provides easy access to

comprehensive information on Australian honours. The branch's resource and speakers kits assist community organisations (including women's, Indigenous and multicultural groups) with valuable reference material and through a speakers network.

The Government Communications Unit assisted departments and agencies to comply with the Government's policies that information activities provide for the delivery of messages that are culturally appropriate to people whose first language is not English and messages that meet the needs of the hearing and sight impaired.

The Referendum Task Force assisted the Government in developing and implementing the neutral public education programme in the lead-up to the referendum in November 1999. The programme aimed to provide balanced, factual information to Australian voters. Research supported the need for communications strategies targeting the information needs of people from Indigenous and non-English speaking background communities. The task force worked with specialist communications consultants to ensure the neutral education programme was accessible to the widest possible audience. Materials were available in 22 languages other than English, in Indigenous and non-English language media (radio and print) and in alternative formats for people with a print disability.

Within the department itself, the principles of workplace diversity remained a priority. The initiatives undertaken in 1999–2000 included raising staff awareness of arrangements to deal with workplace harassment, promotion of the International Day of People with a Disability and NAIDOC Week celebrations, and guidance on the application of the APS Values. Modifications to the department's Human Resource Management Framework under the *Public Service Act 1999* maintained the department's support for workplace diversity principles through revised staff selection and induction arrangements, and the performance appraisal scheme.

Appropriate ethical standards

The department has strategies in place to ensure that all departmental employees observe the highest standard of ethical behaviour and, as explained in the section on internal audit above, that appropriate action is taken where those standards are not met. The department's Human Resource Management Framework incorporates a series of personnel policy statements and guides that focus on upholding and promoting the APS Values and the Code of Conduct in the *Public Service Act 1999*. New employees are provided with information on the APS Values, the Code of Conduct and the department's goals and corporate values.

Legally binding Chief Executive Instructions (CEIs), issued under the *Financial Management and Accountability Act 1997*, determine the financial management framework applying within the department. The CEIs encourage continuous improvement in financial management and are used by staff as a reference point in ongoing performance reporting and reviews. Guidelines to the CEIs provide references to the relevant legislative framework and related administrative matters, and recommend relevant procedures.

Determination of SES remuneration

The remuneration of Senior Executive Service employees in the department is determined having regard to the following general principles:

- remuneration is to be clearly linked to performance to provide better rewards for better work;
- arrangements for determining remuneration should be sufficiently flexible to reflect the particular skills, experience and work responsibilities of each SES employee;
- remuneration determinations should be demonstrably fair and equitable between employees, although market factors may be considered in individual cases where appropriate; and
- remuneration levels may take account of efficiency gains, including any reduction in administrative complexity and cost achieved through the simplification of rules.

SES salaries were reviewed at the end of the performance cycle in October 1999. New salary ranges for SES bands were established and individual salaries were reviewed again early in 2000, in the context of negotiating the second general round of Australian Workplace Agreements for SES staff.

The indicative SES salary ranges established are as follows:

Band	\$
1	80,000 – 110,000
2	100,000 – 130,000
3	120,000 – 160,000

However, where both parties agree, individual employees within particular bands may be paid outside these salary ranges. The points in these salary ranges were determined having regard to the annual survey of SES remuneration commissioned by the Department of Employment, Workplace Relations and Small Business and general economic conditions.

The salary of an individual within these ranges is determined having regard to the employee's performance appraisal assessment, their skills and experience and the market for their particular combination of skills and experience.

Performance payments were made to SES staff for the appraisal cycle ending 30 September 1999. Annual appraisals are made against the objectives, milestones and indicators set out in each employee's performance agreement. The amount of any bonus was a matter for the Secretary's judgement, with up to 15 per cent of the employee's salary being the maximum payable.

Of the 49 staff eligible to be assessed for the year ending 30 September 1999, 18 received performance pay. A total of \$123,530 was paid, distributed as follows: SES Band 1, \$55,750; SES Band 2, \$32,980; and SES Band 3, \$34,800.

Details of the number of SES staff who received or who were due to receive total remuneration of \$100,000 or more are set out in Note 14 in the Financial Statements in this report.

External scrutiny

Decisions of courts

In July and August 1999, the former Secretary of the Department of Defence, Mr Paul Barratt, AO, took action in the Federal Court against the Prime Minister, the Secretary and the Commonwealth to prevent the termination of his appointment (*Barratt v Howard* [1999] FCA 1132, *Barratt v Howard* [1999] FCA 1183 and *Barratt v Howard & Ors* [2000] FCA 190). In March 2000, the Full Bench of the Federal Court:

- confirmed that the rules of procedural fairness applied to decisions to terminate a Secretary's appointment (these requirements are noted in section 59 of the *Public Service Act 1999*, which deals with the termination of the appointment of a Secretary);
- rejected the proposition that a Secretary's appointment could be terminated only if there had been some fundamental fault in the Secretary's performance;
- agreed that a Minister's loss of trust and confidence in a Secretary was sufficient to justify termination if that lack of trust and confidence was prejudicial to the effective and efficient administration of the department; and
- rejected arguments that a Secretary is entitled to be given reasons for the Minister's loss of trust and confidence in him or her.

Audits

The Auditor-General provided an unqualified audit opinion on the department's 1998–99 Financial Statements. In 1999–2000, the department was not the subject of an agency-specific audit, although at the end of the year, the Australian National Audit Office (ANAO) did commence a preliminary study of the selection processes and ongoing management of the major Federation Fund projects. Should a full audit proceed, the ANAO envisages completing it in late 2000–01.

The department participated in the cross-agency audits of public sector travel, financial management information system implementation and the Commonwealth Emergency Management arrangements. The International Division's role as chair of the Commonwealth Counter Disaster Task Force was reviewed by the ANAO as part of the latter audit. The report on this audit found that the task force was working effectively. The department agreed with the ANAO's recommendation that a high level inter-agency forum be established within the Defence portfolio to develop long-term strategies on issues such as disaster mitigation.

Management of human resources

In 1999–2000, the department successfully implemented changes resulting from the new *Public Service Act 1999*. Departmental procedures and guidelines were revised in accordance with the requirements of the new Act, Regulations, Public Service Commissioner's Directions and Advices.

New Work Level Standards were developed during the year reflecting the APS eight-level classification structure and complementing the department's broadbanding arrangements.

The department's Certified Agreement for non-SES staff and Australian Workplace Agreements for SES staff provide the framework for the effective management and development of staff. The flexibilities available under the Certified Agreement have assisted the department in recruiting and retaining highly skilled staff in a less regulated APS employment market. The department's flexible remuneration arrangements complement the longstanding attraction of developmental opportunities available through employment in a central agency.

The department's performance appraisal schemes for SES and non-SES staff provide a framework for assessing employee performance and identifying training and development needs. Specialist training for staff in relation to the performance appraisal system was provided during the year. A consultant was engaged to review the departmental non-SES Performance Appraisal Scheme. The outcomes of the review will be addressed in the context of a new Certified Agreement.

The department provided support for personal and professional training and development in a number of ways, including:

- providing access to a data base of relevant training and development programmes;
- targeted training on specific issues such as negotiation and contract management;
- supporting management development programmes for senior non-SES staff and Executives; and
- encouraging academic endeavour through studies assistance.

During the year, a total of 215 staff participated in 649 days of training. In-house training for staff in strategic negotiation, editing and proofreading, information technology and financial and people management was provided. One staff member participated in the Senior Women in Management Programme, two staff participated in exchanges to posts in the United Kingdom and Canada and four staff participated in Career Development Assessment Centres. The department is part of the consortium funding the Assessment Centres, which are managed by the Public Service and Merit Protection Commission.

In 1999–2000, the department engaged 11 graduates. During their initial year, they undertake a training programme covering the role of the APS and government, the Senate and legislative processes as well as personal development training, including presentation and negotiation skills.

Guidelines on Occupational Health and Safety (OH&S) and details of the OH&S agreement are available to all staff via the Human Resource Management Framework. No major health and safety issues were reported during the year. Comcare Australia was notified of one case under section 68 of the *Occupational Health and Safety (Commonwealth Employees) Act 1991*.

Statistical information on the department's staff is available in Appendix 1.

Purchasing and assets management

Purchasing activities within the department were conducted in accordance with the Commonwealth Procurement Guidelines, including the use of competitive tendering processes (see below). Successful tenderers were selected on the basis of an assessment against the core principles that underpin the procurement activities of Commonwealth agencies. Contracts were required to have key performance indicators through which contract performance can be measured. Additionally, each contract entered into by the department was supported by a clear management structure.

In 1999–2000, the department was a party to five key contracts, valued at \$2.4 million, resulting from recent outsourcing activities. Services provided included information technology and telecommunications, payroll and accounts processing, security vetting, internal audit and fraud control and the production of the departmental annual report.

Payment to suppliers in relation to capitalised assets totalled \$1.1 million and included computer software, office equipment and furniture and fittings.

Freedom of Information

In 1999–2000 the department received 23 requests (three fewer than in 1998–99) for access to documents under the *Freedom of Information Act 1982*. These documents covered a range of administrative activities undertaken by the department. The department received three applications for internal review of decisions. One application was made to the Administrative Appeals Tribunal for a review of the department's decision but the application was withdrawn by the applicant.

Information about the department's Freedom of Information procedures and about access to departmental and archival records in various categories appears in Appendix 2. More information on FOI activity is to be found in the Annual Report on the Operation of the FOI Act produced by the Attorney-General's Department.

Advertising and market research

Details of payments made to advertising and market research organisations during 1999–2000 are contained in Appendix 3 to this report.

Consultancy services and competitive tendering and contracting

Consultancies

The policies and procedures for selecting consultancies and approving expenditure for them are set out in the department's Chief Executive Instructions. The procurement method is determined by reference to a series of cost thresholds set out in the Chief Executive Instructions.

During the year, 116 consultants were engaged to carry out research projects and to provide professional or technical advice services that could not be provided by staff of the department. Five consultants were engaged for more than one consultancy.

The total expenditure by the department on consultancy services was \$11.4 million. This compares with expenditure of \$3.1 million in 1998–99 and \$3.4 million in 1997–98. A significant proportion of the increase in expenditure related to the referendum on whether Australia should become a republic.

The following table shows the distribution of expenditure on consultancies by the department during the past three years.

Distribution of expenditure on consultancy services

	1999–2000		1998–99		1997–98	
	Number	Expenditure \$	Number	Expenditure \$	Number	Expenditure \$
Policy advice and coordination and support services for government operations	44	7,201,419	15	564,159	21	464,506
Women's policy	34	1,147,648	13	455,656	29	558,928
Indigenous policy	22	2,956,057	37	1,589,785	51	1,664,429
Corporate services	16	159,258	14	473,046	21	732,756
Total	116	11,464,382	79	3,082,646	122	3,420,619

Total expenditure on consultancy services covers payments made on all contracts let during 1999–2000, as well as payments made on contracts let in previous years.

Details of consultancy contracts let during 1999–2000 to the value of \$10,000 or more are contained in Appendix 4 to this report.

Competitive tendering and contracting

A Contract Management and Coordination Unit was established to manage several corporate contracts and provide advice on competitive tendering and contracting issues. The unit market tested internal audit and fraud control services, resulting in the negotiation of a new contract and service level agreement with Deloitte Touche Tohmatsu. The unit also managed the development of a fraud control plan for the department for 1999–2001 and the novation of the contract for the provision of corporate and support services to the department from CanDeliver to the Reliance Group Pty Ltd.

The department effectively administered and monitored the contracts for the provision of domestic and international travel services, property management, cleaning, building maintenance, security guarding and vetting services to the department.

Details of CTC contracts let during 1999–2000 in excess of \$100,000 are contained in Appendix 4 to this report.

Discretionary grants

Grant programmes administered by the department during 1999–2000 were as follows:

- Australiana Fund Grant-in-Aid Programme, providing assistance towards administrative costs of the Australiana Fund; and
- National Women's Non-Government Organisation Grants Programme, providing national secretariat funding to three national women's non-government organisations, funding for projects undertaken by women's non-government organisations and capacity building funding for sector development.

During the year, a number of ad hoc grants were also administered within the department, mainly by the Office of the Status of Women. A list of grant recipients is available to members of parliament, senators and the general public, on request to the department.

Financial Statements

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Auditor-General for Australia



INDEPENDENT AUDIT REPORT

To the Prime Minister

Scope

I have audited the financial statements of the Department of the Prime Minister and Cabinet for the year ended 30 June 2000. The financial statements comprise:

- Statement by the Secretary;
- Operating Statement, Balance Sheet, Statement of Cashflows, Schedule of Commitments and Schedule of Contingencies;
- Statements of Administered Revenues and Expenses, Assets and Liabilities and Cashflows, and Schedules of Administered Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements.

The Secretary is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the Department which is consistent with my understanding of its financial position, its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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Audit Opinion

In my opinion:

- (i) the financial statements have been prepared in accordance with Schedule 2 of the Finance Minister's Orders;
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 2 of the Finance Minister's Orders, of:
 - the financial position of the Department of the Prime Minister and Cabinet as at 30 June 2000 and the results of its operations and its cash flows for the year then ended; and
 - the Commonwealth assets and liabilities as at 30 June 2000 and the revenue, expenses and cash flows of the Commonwealth for the year then ended, which have been administered by the Department.



P. J. Barrett
Auditor-General

Canberra
4 August 2000

Department of the Prime Minister and Cabinet
STATEMENT BY THE SECRETARY
for the period ended 30 June 2000

In my opinion, the attached financial statements give a true and fair view of the matters required by Schedule 2 to the Finance Minister's Orders made under section 63 of the *Financial Management and Accountability Act 1997*.

Signed



M W Moore-Wilton
Secretary

2nd August 2000

OPERATING STATEMENT

for the period ended 30 June 2000

	<i>Notes</i>	<i>1999-2000</i> \$'000	<i>1998-99</i> \$'000
Operating revenues			
Revenues from government	3A	49,063	42,435
Sales of goods and services	3B	746	399
Interest	3C	500	-
Net gains from asset sales	3D	31	-
Other	3E	24,628	1,065
Total operating revenues		74,968	43,899
Operating expenses			
Employees	4A	27,711	28,266
Suppliers	4B	40,825	18,515
Depreciation and amortisation	4C	1,699	1,988
Write-down of assets	4D	4	158
Net losses from sales of assets	4E	-	2,022
Other	4F	1,770	165
Total operating expenses		72,009	51,114
Operating surplus (deficit) before abnormal items		2,959	(7,215)
Abnormal items	5A	3,967	-
Operating surplus (deficit)		6,926	(7,215)
(Loss) on extraordinary items	5B	-	(100)
Net surplus (deficit)		6,926	(7,315)
Equity Interests			
Net surplus (deficit) attributable to the Commonwealth		6,926	(7,315)
Accumulated surpluses or (deficits) at beginning of reporting period		(2,043)	5,272
Total available for appropriation		4,883	(2,043)
Capital use provided for and paid		(551)	-
Accumulated surpluses (deficits) at end of reporting period	10A	4,332	(2,043)

The above Operating Statement should be read in conjunction with the accompanying notes.

STATEMENT OF ADMINISTERED REVENUES AND EXPENSES
for the period ended 30 June 2000

	<i>Notes</i>	<i>1999-2000</i> <i>\$'000</i>	<i>1998-99</i> <i>\$'000</i>
Operating revenues			
Non-taxation			
Revenue from Government	3F	22,929	1,170,000
Sales of goods and services	3G	-	5
Other sources of non-taxation revenues	3H	7,342	184
Total non-taxation		30,271	1,170,189
Total operating revenues		30,271	1,170,189
Operating expenses			
Personal benefits	4G	2,285	4,473
Grants	4H	2,903	2,128,871
Depreciation and amortisation	4I	71	49
Net write-down of assets	4J	-	78
Other	4K	23,056	40,546
Total operating expenses		28,315	2,174,017
Operating surplus or deficit before abnormal items		1,956	(1,003,828)
Abnormal items	5A	1,951	-
Net contribution (cost) to the budget outcome		3,907	(1,003,828)
Transfers to the Official Public Account			
Amount remitted from administered revenues		(155)	(95)
Net deficit		3,752	(1,003,923)
Accumulated results at beginning of reporting period		13,309	1,017,232
Accumulated results at end of reporting period	10B	17,061	13,309

The above statement of Administered Revenues and Expenses should be read in conjunction with the accompanying notes.

BALANCE SHEET

as at 30 June 2000

	<i>Notes</i>	1999-2000 \$'000	<i>1998-99</i> <i>\$'000</i>
ASSETS			
Financial Assets			
Cash	7A	12,358	21
Receivables	7B	712	5,978
Total financial assets		13,070	5,999
Non-financial assets			
Infrastructure, plant and equipment	8A	4,049	4,024
Intangibles	8B	1,494	1,582
Other	8C	1,379	2,572
Total non-financial assets		6,922	8,178
Total assets		19,992	14,177
LIABILITIES			
Provisions and payables			
Employees	9A	8,846	9,444
Suppliers	9B	779	883
Other	9C	1,204	25
Total provisions and payables		10,829	10,352
Total liabilities		10,829	10,352
EQUITY			
	10A		
Capital		4,831	5,868
Accumulated surpluses (deficits)		4,332	(2,043)
Total equity		9,163	3,825
Total liabilities and equity		19,992	14,177
Current liabilities		4,198	2,641
Non-current liabilities		6,631	7,711
Current assets		14,449	8,271
Non-current assets		5,543	5,906

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF ADMINISTERED ASSETS AND LIABILITIES

as at 30 June 2000

	Notes	1999-2000 \$'000	1998-99 \$'000
ASSETS			
Financial assets			
Cash	7C	5,875	-
Receivables	7D	1,570	387
Investments	7E	476,342	476,447
Total financial assets		483,787	476,834
Non-financial assets			
Land and buildings	8D	26,576	19,736
Infrastructure, plant and equipment	8E	483	330
Other	8F	901	533
Total non-financial assets		27,960	20,599
Total assets		511,747	497,433
LIABILITIES			
Provisions and payables			
Employees	9D	92	-
Suppliers	9E	2,150	405
Personal Benefits	9F	5,750	4,000
Total provisions and payables		7,992	4,405
Total liabilities		7,992	4,405
EQUITY			
	10B		
Capital		299	387
Accumulated results		17,061	13,309
Reserves		486,395	479,332
Total equity		503,755	493,028
Total liabilities and equity		511,747	497,433
Current liabilities		2,179	709
Non-current liabilities		5,813	3,696
Current assets		8,347	920
Non-current assets		503,400	496,513

The above Statement of Administered Assets and Liabilities should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

for the period ended 30 June 2000

	<i>Notes</i>	1999-2000 \$'000	1998-99 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations for outputs		48,083	46,167
Sales of goods and services		681	1,468
Interest		426	-
Other		24,915	-
Total cash received		74,105	47,635
Cash used			
Employees		27,082	27,546
Suppliers		40,508	17,456
Other		2,252	-
Total cash used		69,842	45,002
Net cash from operating activities	6A	4,263	2,633
INVESTING ACTIVITIES			
Cash received			
Other		2	31
Total cash received		2	31
Cash used			
Purchase of property, plant and equipment		704	2,656
Purchase of Intangibles		432	-
Total cash used		1,136	2,656
Net cash from investing activities		(1,134)	(2,625)
FINANCING ACTIVITIES			
Cash received			
Special account equity		3,928	-
Equity injection		5,839	-
Total cash received		9,767	-
Cash used			
Capital use paid		551	-
Other		8	-
Total cash used		559	-
Net cash from financing activities		9,208	-
Net increase in cash held		12,337	8
Cash at the beginning of the reporting period		21	13
Cash at the end of the reporting period	7A	12,358	21

ADMINISTERED CASH FLOWS

for the period ended 30 June 2000

	<i>Notes</i>	<i>1999-2000</i> \$'000	<i>1998-99</i> \$'000
OPERATING ACTIVITIES			
Cash received			
Cash from Official Public Account		22,559	1,169,902
Other		6,395	89
Total cash received		28,954	1,169,991
Cash used			
Employees		505	-
Personal benefits		434	377
Grants		2,788	2,128,981
Cash to Official Public Account		155	89
Other		21,316	40,439
Total cash used		25,198	2,169,886
Net cash from operating activities	6B	3,756	(999,895)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of Plant & equipment		-	5
Proceeds from sales of equity instruments		-	999,895
Cash from Official Public Account		-	98
Other		105	-
Total cash received		105	999,998
Cash used			
Purchase of property, plant and equipment		-	98
Cash to Official Public Account		-	5
Total cash used		-	103
Net cash from investing activities		105	999,895
FINANCING ACTIVITIES			
Cash received			
Special account equity		1,715	-
Cash from Official Public Account		299	-
Total cash received		2,014	-
Net cash from financing activities		2,014	-
Net increase in cash held		5,875	-
Cash at the beginning of the reporting period		-	-
Cash at the end of the reporting period	7C	5,875	-

SCHEDULE OF COMMITMENTS

as at 30 June 2000

	Departmental		Administered	
	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000
By type				
Other commitments				
Operating leases*	28,237	24,643	-	-
Project commitments	-	230	-	-
Other commitments	9,000	721	972	3,400
Total other commitments	37,237	25,594	972	3,400
Net commitments	37,237	25,594	972	3,400
By maturity				
All net commitments				
One year or less	6,034	3,975	972	2,539
From one to two years	6,757	3,813	-	780
From two to five years	16,577	10,215	-	81
Over five years	7,869	7,591	-	-
Net commitments	37,237	25,594	972	3,400
Operating Lease Commitments				
One year or less	3,804	3,975	-	-
From one to two years	4,169	3,813	-	-
From two to five years	12,394	10,215	-	-
Over five years	7,870	7,591	-	-
Net commitments	28,237	25,594	-	-

* Operating leases comprise leases of office accommodation for the department.

The above Schedule of Commitments should be read in conjunction with the accompanying notes.

SCHEDULE OF CONTINGENCIES

as at 30 June 2000

	Departmental		Administered	
	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000
CONTINGENT LOSSES				
Other guarantees	-	-	-	-
Total contingent losses	-	-	-	-
CONTINGENT GAINS				
Claims for damages/costs	-	-	-	-
Total contingent gains	-	-	-	-
Net contingencies	-	-	-	-

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

The outcome of the following claims is unknown and the amount of liability, if any, cannot be reliably estimated:

Administered

The Commonwealth is currently defending claims brought against it by two Aboriginal people seeking damages in relation to their alleged removal as children pursuant to now-repealed legislation during the period when the Commonwealth administered the Northern Territory. There are over 700 writs filed against the Commonwealth entailing 2,100 claims which may proceed should these cases be successful.

The Department also has administrative responsibility for a damages claim involving the Commonwealth, the former Minister for Aboriginal and Torres Strait Islander Affairs and others in relation to a heritage protection application in the Hindmarsh Island region of South Australia.

The Department has administrative responsibility for a range of other litigation relating to Indigenous matters, which arises from time to time.

The above Schedule of Contingencies should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

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Notes to and forming part of the Financial Statements for the period ended 30 June 2000

NOTE 1. DEPARTMENTAL OUTCOME

The Department's outcome is *sound and well coordinated government policies, programmes and decision making processes*.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with Schedule 2 to the Financial Management and Accountability (FMA) Orders made by the Minister for Finance and Administration. Schedule 2 requires that the financial statements are to be prepared:

- in compliance with Australian Accounting Standards, Accounting Guidance Releases and Urgent Issues Group consensus views; and
- having regard to Statements of Accounting Concepts.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost principles. Except where stated, they have not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the prices of specific assets.

The continued existence of the department in its present form, and with its present outcome, is dependent on government policy and on continuing appropriations by Parliament.

(b) Changes in Accounting Policy

Changes in accounting policy have been identified in this note under their appropriate headings.

(c) Agency and Administered Items

Agency assets, liabilities, revenues and expenses are those that the department controls.

Administered assets, liabilities, revenues and expenses are those which are controlled by the Commonwealth and managed by the department on behalf of the Commonwealth.

The purpose for the distinction between agency and administered items in the financial statements is to enable assessments of efficiency in providing goods and services while at the same time providing accountability for all resources under the responsibility of the department.

The basis of accounting described in Note 2 (a) applies to both agency and administered items.

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

Schedule 2 requires that administered transactions be accounted for on a double entry basis. The effects of this requirement are that:

- transfers of cash to and from the Commonwealth's Official Public Account (OPA) will be reported on the face of the statement of Administered Revenues and Expenses where operating transactions are involved; and that
- where transactions involving financial assets and liabilities not arising from operations are involved, receivables from and payables to the OPA will be recognised in the statement of Administered Assets and Liabilities.

Administered items are distinguished from agency items in the financial statements by shading.

(d) Official Gifts

Official gifts brought to account in the Financial Statements include official gifts purchased by the department for presentation by the Governor-General, Prime Minister, Ministers or approved parliamentary delegations.

(e) Revenues from Government

Revenues from Government are revenues relating to the core operating activities of the Department.

Agency appropriations

Appropriations for departmental outputs are recognised to the extent that they have been received or are entitled to be received.

Administered appropriations

Administered appropriations are recognised as revenue only to the extent that cash is transferred from the OPA to enable administered liabilities to be settled. The amount of revenue is disclosed as *transfers – cash from OPA* in the statement of Administered Revenues and Expenses.

(f) Resources Received Free of Charge

Services received free of charge are recognised in the operating statement as revenue 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 services is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements. In the latter case, the assets are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

In prior years, net assets received under a restructure of administrative arrangements were recognised as revenue. From 1 July 1999, such assets are recognised directly against equity.

(g) Other Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

(h) Grants (Administered)

The Department administers a number of grant schemes on behalf of the Commonwealth. The Department applies a uniform policy for all grants. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied. Where grants moneys are paid in advance of performance or eligibility, a prepayment is recognised.

(i) Employee Entitlements

The liability for employee entitlements 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 Department is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2000 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2000. In determining the present value of the liability, the Department has taken into account attrition rates and pay increases through promotion and inflation.

(j) Superannuation

Departmental staff contribute to the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) and other superannuation schemes held outside the Commonwealth. Employer contributions for 1999-00 were: CSS - \$1,755,590; PSS - \$1,598,258; and other schemes - \$96,161. These contributions have been expensed in these financial statements.

No liability is shown for superannuation in the Statement of Assets and Liabilities as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

(k) Leases

Operating lease payments are charged to the Statement of Agency Revenues and Expenses on a basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives taking the form of 'free' leasehold improvements and rent free holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

(l) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. Accounting policies for financial instruments are stated at note 15.

(m) Financial Instruments

Accounting policies for financial instruments are stated at note 15.

(n) 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.

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, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

(o) Property, Plant & Equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of Assets and Liabilities, except for purchases costing less than \$2,000, 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

Schedule 2 requires that property plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation in successive three-year cycles. All valuations are independent.

The department has implemented its progressive revaluations as follows:

- freehold land and buildings were revalued as at 30 June 2000 (having been previously revalued as at 30 June 1997);
- leasehold improvements were revalued as at 30 June 1999;
- plant and equipment assets, were revalued as at 30 June 1999 if considered significant (assets are considered significant if their cost is greater than \$50,000); and

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

- Official Establishments administered plant and equipment assets were revalued as at 30 June 2000 (having been previously revalued as at 30 June 1997).

Assets in each class acquired after the commencement of the progressive revaluation cycle will be reported at cost for the duration of the progressive revaluation.

With the application of the deprival method of valuation, the department values land at its current market buying price and its other assets at their depreciated replacement cost. Any assets which would not be replaced or are surplus to requirements are valued at net realisable value. At 30 June 2000, the Department had no assets in this situation.

Recoverable amount test

The carrying amount of each item of non-current property plant and equipment assets is reviewed to determine whether it is in excess of the asset's recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value.

(p) Depreciation and Amortisation of Non-Current Assets

Land, being an asset with an unlimited useful life, is not depreciated.

Buildings are depreciated over their useful life using the straight line method.

The cost (or other value) of leasehold improvements is amortised on a straight line basis over the estimated useful life of the improvement or the unexpired period of the lease, whichever is the shorter.

Depreciation on infrastructure, plant and equipment is calculated using the straight line method so as to write off the cost of each item less its estimated residual value, progressively over its estimated useful life. Depreciation and amortisation rates applying to each class of depreciable asset are as follows:

	<i>1999-2000</i>	<i>1998-1999</i>
Administered assets		
Buildings on freehold land	150 years	150 years
Plant & equipment	4 to 50 years	4 to 50 years
Departmental assets		
Leasehold improvements	Lease term	Lease term
Plant & equipment	4 to 10 years	4 to 10 years

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

(q) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Cost is determined as the purchase price of such inventory items, and no threshold for recognition is applied.

(r) Administered Investments

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the Whole of Government level.

The Commonwealth's investment in other controlled authorities and companies in this portfolio is valued at the aggregate of the Commonwealth's share of the net assets or net liabilities of each entity. The carrying amount of each investment and the associated investment reserve is fixed as at 1 July 1997.

(s) Former Governors-General allowances

The Department has administrative responsibility for the payment of Former Governors-General allowances. The first ever actuarial assessment of the liability in relation to these allowances was made as at 30 June 2000.

(t) Taxation

The Department is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

(u) Capital User Charge

A capital usage charge of 12 percent is imposed by the Commonwealth on the net departmental assets of the agency. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year.

(v) Insurance

The Department is insured with Comcover for risks other than workers compensation, which is dealt with via continuing arrangements with Comcare.

(w) Comparatives

Comparative figures have been adjusted to conform with changes in presentation in these financial statements where practicable.

Comparatives are not presented in Notes dealing with the Reporting on Outcomes, due to 1999-2000 being the first year of the implementation of accrual budgeting.

(x) Rounding

Amounts have been rounded to the nearest \$1,000 except in relation to the following:

- act of grace payments and waivers;
- remuneration of executives; and
- remuneration of auditors.

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

	<i>1999-2000</i>	<i>1998-99</i>
	<i>\$'000</i>	<i>\$'000</i>

NOTE 3. OPERATING REVENUES

The amount and particulars of the following classes of revenues were included in the aggregate amounts shown in the Operating Statement.

Note 3A - Revenues from government

Appropriations for outputs	48,083	41,202
Resources received free of charge	980	1,233
Total	49,063	42,435

Note 3B - Sales of goods and services

Goods and services	746	399
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Note 3C - Interest

Interest revenue	500	-
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Note 3D - Net gains from asset sales

Net gains from asset sales	31	-
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Note 3E - Other operating revenues

Special account	3,064	-
Transfers from commonwealth agencies	21,564	1,065
Total	24,628	1,065

Administered

Note 3F - Administered revenues from government

Transfers from official public account	22,559	1,170,000
Appropriations accrued	370	-
Total	22,929	1,170,000

Note 3G - Sales of goods and services

Sales of goods and services	-	5
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Note 3H - Other Administered Revenue

Resources received free of charge:		
- Gifts received free of charge	-	7
- Office accommodation for former Governors-General and the Prime Minister	102	96
Special account	7,232	-
Other	8	81
Total	7,342	184

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

	1999-2000 \$'000	1998-99 \$'000
NOTE 4. OPERATING EXPENSES		
The amount and particulars of the following classes of expenditure were included in the aggregate amounts shown in the Operating Statement.		
Note 4A - Employee expenses		
Remuneration (for services provided)	27,554	27,481
Separation and redundancy	157	785
Total	27,711	28,266
Note 4B - Supplier expenses		
Supply of goods and services	35,717	15,021
Operating lease rentals	5,108	3,494
Total	40,825	18,515
Note 4C - Depreciation and amortisation		
Depreciation of infrastructure, plant and equipment	711	1,612
Amortisation of intangibles - software	519	376
Amortisation of lease incentive	469	-
Total	1,699	1,988
Note 4D - Write-down of assets		
Financial assets		
- Receivables	-	4
- Petty Cash	4	-
Non financial assets		
- Infrastructure, plant and equipment	-	154
Total	4	158
Note 4E - Net losses from sales of assets		
Non-financial assets		
- Infrastructure, plant and equipment	-	2,022
Note 4F - Other costs of providing goods and services		
Special account payments	1,770	-
Transfer of funds to other government bodies	-	165
Total	1,770	165

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	<i>1999-2000</i>	<i>1998-99</i>
	<i>\$'000</i>	<i>\$'000</i>
NOTE 4. OPERATING EXPENSES (continued)		
Administered		
Note 4G - Personal benefits		
Former Governors-General	2,285	4,473
Note 4H - Grants		
Grants to non-profit institutions	620	2,724
Grants to other sectors in the Commonwealth	5	2,125,997
Grants to State and Territory governments	2,278	150
Total	2,903	2,128,871
Note 4I - Depreciation		
Infrastructure, plant and equipment	34	49
Buildings	37	-
Total	71	49
Note 4J - Net write-down of assets		
Non financial assets		
- Land & buildings	-	78
Note 4K - Other		
Reconciliation process	5,252	3,376
State occasions	4,492	2,234
Women's programs	2,461	758
Official establishments	1,570	1,306
Aboriginal land rights	-	30,542
Legal and compensation	5,605	2,330
Federation fund	105	-
Special account	3,571	-
Total	23,056	40,546

**Notes to and forming part of the Financial Statements
for the period ended 30 June 2000**

<i>1999-2000</i>	<i>1998-99</i>
\$'000	\$'000

NOTE 5. ABNORMAL AND EXTRAORDINARY ITEMS

Note 5A - Abnormal items

The Department for the first time recognised special accounts within the financial statements. The opening balances of the accounts have been recognised as an abnormal item for the 1999-2000 financial year.

Note 5B - Extraordinary items

Restructuring

1998-99: As a result of restructuring of administrative arrangements the Department assumed responsibility for Government Communications Unit & AUSPIC from the Department of Finance and Administration on the 20 October 1998. The Department relinquished responsibility for reporting the Wik Task Force on the 20 October 1998 to Attorney-General's Department.

Net expense resulting from restructuring

Incoming		
- Government Communications Unit	-	(236)
- AUSPIC	-	83
Outgoing		
- Wik Task Force	-	53
	-	(100)

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

	1999-2000 \$'000	1998-99 \$'000
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NOTE 6. CASH FLOW RECONCILIATION

Note 6A - Agency Reconciliation

Reconciliation of net cost of services to net cash provided by operating activities

Operating surplus (deficit) before extraordinary items	6,926	(7,215)
Extraordinary item - restructuring	-	(100)
Operating result	6,926	(7,315)
Depreciation of infrastructure, plant and equipment	1,230	1,988
Amortisation of lease incentive	469	-
Net loss (gain) on sale of infrastructure, plant and equipment	(31)	2,022
Write-down of assets	4	158
Abnormal items	(3,967)	-
Extraordinary item - restructuring	-	100
Other	-	5,868
Change in operating assets and liabilities		
(Increase)/ decrease in receivables	(570)	(1,000)
(Increase)/ decrease in other assets	725	(415)
Increase/ (decrease) in suppliers	(104)	628
Increase/ (decrease) in employee provisions	(598)	614
Increase/ (decrease) in other liabilities	179	(15)
Net cash provided by operating activities	4,263	2,633

Note 6B - Administered Reconciliation

Reconciliation of net change in administered assets to net cash provided by operating activities

Net change in administered assets	3,752	(1,003,923)
Depreciation of infrastructure, plant and equipment	34	49
Depreciation of buildings	37	-
Write-down of assets	-	78
Abnormal items	(1,951)	-
Other	-	289
Change in operating assets and liabilities		
(Increase)/ decrease in receivables	(1,274)	(387)
(Increase)/ decrease in inventories	-	21
(Increase)/ decrease in other assets	(368)	(167)
Increase/ (decrease) in suppliers	1,685	-
Increase/ (decrease) in personal benefit & employee provisions	1,842	4,145
Net cash provided by operating activities	3,756	(999,895)

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	1999-2000 \$'000	1998-99 \$'000
NOTE 7. FINANCIAL ASSETS		
Note 7A - Cash		
Cash held in special accounts	4,893	-
Cash in short term investments	7,230	-
Cash on hand and at bank	235	21
Total	12,358	21
Note 7B - Receivables		
Appropriations	-	5,868
GST receivable	35	-
Accrued revenue - special account	365	-
Accrued revenue - interest	77	-
	442	-
Goods and services	239	114
Less provision for doubtful debts	(4)	(4)
Net receivables for goods and services	235	110
Total receivables	712	5,978

Receivables (gross) which are overdue are aged as follows:

Overdue by:		
less than 30 days	1	13
30 to 60 days	-	28
more than 60 days	29	42

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	1999-2000 \$'000	1998-99 \$'000
NOTE 7. FINANCIAL ASSETS (continued)		
Administered		
Note 7C - Cash		
Cash held in special accounts	5,871	-
Cash on hand and at bank	4	-
Total	5,875	-
Note 7D - Receivables		
Appropriations	370	387
GST receivable	58	-
Accrued revenue - special account	1,142	-
Total Receivables	1,570	387
Note 7E - Investments		
Short term investments		
Federation fund	-	105
Commonwealth Authorities and Companies ¹		
Australian Institute of Aboriginal and Torres Strait Islander Studies	2,554	2,554
Aboriginal Hostels	40,092	40,092
Torres Strait Regional Authority	11,302	11,302
Aboriginal and Torres Strait Islander Commission	292,894	292,894
Aboriginal and Torres Strait Islander Commercial Development Corporation	50,767	50,767
Indigenous Land Corporation	72,696	72,696
Central Land Council	5,074	5,074
Northern Land Council	851	851
Anindilyakwa Land Council	159	159
Tiwi Land Council	(47)	(47)
Total Commonwealth Authorities and Companies	476,342	476,342
Total Investments	476,342	476,447

¹ Accounting policy in regard to Commonwealth Authorities and Companies

All amounts comprise the net assets of the particular entity as at 30 June 1997 with the exception of Aboriginal Hostels Limited which is as at 21 June 1997.

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	1999-2000 \$'000	1998-99 \$'000
NOTE 8. NON-FINANCIAL ASSETS		
Note 8A - Infrastructure, plant and equipment		
Other infrastructure, plant and equipment - at cost	3,573	2,948
Accumulated depreciation	(1,496)	(1,148)
	2,077	1,800
Other infrastructure, plant and equipment - at valuation 1998-99	3,525	3,602
Accumulated depreciation	(1,553)	(1,378)
	1,972	2,224
Total	4,049	4,024
Note 8B - Intangibles		
Intangibles	2,937	2,505
Accumulated depreciation	(1,443)	(923)
Total	1,494	1,582
Note 8C - Other		
Lease incentive	300	768
Prepayments	1,079	1,804
Total	1,379	2,572
Administered		
Note 8D - Land and buildings		
Land - at valuation 1999-2000	22,500	16,600
Buildings - at valuation 1999-2000	6,166	5,547
Accumulated depreciation	(2,090)	(2,411)
	4,076	3,136
Total	26,576	19,736
Note 8E - Infrastructure, plant and equipment		
Other infrastructure, plant and equipment - at valuation 1999-2000	738	814
Accumulated depreciation	(256)	(484)
Total	483	330
Note 8F - Other		
Inventory		
Official gifts for acquittal	121	121
Official gifts received	231	231
Other	9	9
	361	361
Prepayments	540	172
Total	901	533

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 8G. ANALYSIS OF INFRASTRUCTURE, PLANT, EQUIPMENT AND INTANGIBLES

<i>Aggregate for all Property, Plant and Equipment</i>	<i>Other infrastructure plant and equipment</i>	<i>Intangibles</i>	<i>Total</i>
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TABLE A Movement summary 1999-2000 for all assets irrespective of valuation basis

	\$'000	\$'000	\$'000
Gross Value as at			
1 July 1999	6,550	2,504	9,054
Additions	742	432	1,174
Disposals	(194)	-	(194)
Revaluations	-	-	-
Other movements	-	-	-
Gross value as at 30 June 2000	7,098	2,937	10,034
Accumulated depreciation/amortisation at 1 July 1999	2,526	924	3,450
Depreciation/amortisation charge for assets held at 1 July 1999	635	435	1,069
Depreciation/amortisation charge for additions	77	84	161
Adjustment for disposals	(188)	-	(188)
Adjustments for revaluations	-	-	-
Adjustments for other movements	-	-	-
Accumulated depreciation/amortisation at 30 June 2000	3,049	1,443	4,492
Net book value as at 30 June 2000	4,049	1,494	5,542
Net book value as at 1 July 1999	4,025	1,580	5,605

TABLE B Summary of balances of assets at valuation as at 30 June 2000

Item			
As at 30 June 2000			
Gross value	3,525	-	3,525
Accumulated depreciation	(1,553)	-	(1,553)
Other movements	-	-	-
Net book value	1,972	-	1,972
As at 30 June 1999			
Gross value	3,602	-	3,602
Accumulated depreciation	(1,378)	-	(1,378)
Other movements	-	-	-
Net book value	2,224	-	2,224

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 8H. ANALYSIS OF INFRASTRUCTURE, PLANT, EQUIPMENT AND INTANGIBLES
(continued)

Administered

<i>Aggregate for all Property, Plant and Equipment</i>	<i>Land</i>	<i>Buildings</i>	<i>Total land and buildings</i>	<i>Other infrastructure, plant & equipment</i>	<i>Total</i>
--	-------------	------------------	---------------------------------	--	--------------

TABLE A Movement summary 1999-2000 for all assets irrespective of valuation basis

	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Gross value as at 1 July 1999	16,600	5,547	22,147	814	22,961
Additions	-	-	-	-	-
Revaluations	5,900	619	6,519	(76)	6,443
Disposals	-	-	-	-	-
Other movements	-	-	-	-	-
Gross value as at 30 June 2000	22,500	6,166	28,666	738	29,404
Accumulated depreciation/amortisation as at 1 July 1999	-	2,410	2,410	484	2,895
Depreciation/amortisation charge for assets held 1 July 1999	-	37	37	34	71
Depreciation/amortisation charge for additions	-	-	-	-	-
Adjustment for revaluations	-	(357)	(357)	(263)	(620)
Adjustment for disposals	-	-	-	-	-
Other movements	-	-	-	-	-
Accumulated depreciation/amortisation as at 30 June 2000	-	2,090	2,090	256	2,346
Net book value as at 30 June 2000	22,500	4,076	26,576	483	27,058
Net book value as at 1 July 1999	16,600	3,136	19,736	330	20,066

TABLE B Summary of balances of assets at valuation as at 30 June 2000

Item					
As at 30 June 2000					
Gross value	22,500	6,166	28,666	738	29,404
Accumulated depreciation/amortisation	-	(2,090)	(2,090)	(256)	(2,346)
Other movements	-	-	-	-	-
Net book value	22,500	4,076	26,576	483	27,058
As at 30 June 1999					
Gross value	16,600	5,547	22,147	-	22,147
Accumulated depreciation/amortisation	-	(2,411)	(2,411)	-	(2,411)
Other movements	-	-	-	-	-
Net book value	16,600	3,136	19,736	-	19,736

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	<i>1999-2000</i>	<i>1998-99</i>
	<i>\$'000</i>	<i>\$'000</i>
NOTE 9. PROVISIONS AND PAYABLES		
Note 9A - Employees		
Leave	8,846	9,444
Note 9B - Suppliers		
Trade creditors	779	883
Note 9C - Other		
Lease incentive	9	25
Unearned revenue	195	-
Return of capital	1,000	-
Total	1,204	25
Administered		
Note 9D - Employees		
Leave	92	-
Note 9E - Suppliers		
Special account	1,400	-
Trade creditors	750	405
Total	2,150	405
Note 9F - Personal benefits		
Former Governors-General allowances	5,750	4,000

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 10. EQUITY

Note 10A - Agency equity

Item	Capital		Accumulated results		Total equity	
	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000
Accumulated results						
Balance at 1 July 1999	5,868	-	(2,043)	5,272	3,825	5,272
Equity adjustment	(38)	-	-	-	(38)	-
Operating result	-	-	6,926	(7,315)	6,926	(7,315)
Repayment of capital	(1,000)	-	-	-	(1,000)	-
Capital injection	-	5,868	-	-	-	5,868
Capital use charge	-	-	(551)	-	(551)	-
Balance at 30 June 2000	4,831	5,868	4,332	(2,043)	9,163	3,825

Note 10B - Administered equity

Item	Capital		Accumulated results		Asset revaluation reserve		Administered investments reserve		Total reserves		Total equity	
	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000
Balance at 1 July 1999	387	-	13,309	1,017,232	2,990	2,990	476,342	476,342	479,332	479,332	483,028	1,496,564
Equity adjustment	(88)	-	-	-	-	-	-	-	-	-	(88)	-
Operating result	-	-	3,752	(1,003,923)	-	-	-	-	-	-	3,752	(1,003,923)
Net revaluation increases	-	-	-	-	7,063	-	-	-	7,063	-	7,063	-
Changes in accounting policies	-	387	-	-	-	-	-	-	-	-	-	387
Balance at 30 June 2000	299	387	17,061	13,309	10,053	2,990	476,342	476,342	486,395	479,332	503,755	493,028

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	<i>1999-2000</i>	<i>1998-99</i>
	<i>Actual</i>	<i>Actual</i>
	<i>\$</i>	<i>\$</i>
NOTE 11A. RECEIPTS AND EXPENDITURE OF THE RESERVED MONEY FUNDS		
Services for other governments and non agency bodies		
Legal Authority: Financial Management and Accountability Act 1997		
Opening balance		
Cash	-	8,548
Investments	-	3,320,000
Total opening balance	-	3,328,548
Receipts		
Other	-	68,096,953
Total receipt	-	68,096,953
Expenditure	-	71,094,783
Closing balance		
Cash	-	330,718
Total closing balance	-	330,718

Other Trust Moneys

Legal Authority: Financial Management and Accountability Act 1997

Opening balance		
Cash	-	3,535
Investments	-	40,000
Total opening balance	-	43,535
Receipts		
Other	-	2,735,061
Total receipts	-	2,735,061
Expenditure	-	2,071,073
Closing balance		
Cash	-	707,523
Total closing balance	-	707,523

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	<i>1999-2000</i>	<i>1998-99</i>
	<i>Actual</i>	<i>Actual</i>
	\$	\$
NOTE 11A. RECEIPTS AND EXPENDITURE OF THE RESERVED MONEY FUNDS (continued)		
Federation Fund Reserve		
Legal Authority: Financial Management and Accountability Act 1997		
Opening balance		
Cash	-	-
Investments	-	1,000,000,000
Total opening balance	-	1,000,000,000
Receipts		
Appropriation	-	-
Other	-	-
Total receipts	-	-
Expenditure	-	999,894,834
Closing balance		
Cash	-	105,166
Total closing balance	-	105,166

Business Against Domestic Violence Reserve

Legal Authority: Financial Management and Accountability Act 1997

Opening balance		
Cash	-	10
Investments	-	1,000,000
Total opening balance	-	1,000,010
Receipts		
Other	-	50,000
Total receipts	-	50,000
Expenditure	-	-
Closing balance		
Cash	-	1,050,010
Total closing balance	-	1,050,010

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

	<i>1999-2000</i> <i>Actual</i> \$	<i>1998-99</i> <i>Actual</i> \$
NOTE 11B. RECEIPTS AND EXPENDITURE OF SPECIAL ACCOUNTS		
Special Account		
Legal Authority: Financial Management and Accountability Act 1997		
Opening balance		
Cash	2,088,250	-
Total opening balance	2,088,250	-
Receipts		
Other	725,967	-
Total receipts	725,967	-
Expenditure	1,560,193	-
Closing balance		
Cash	1,254,023	-
Total closing balance	1,254,023	-

The Special Account was formerly reported as Reserved Money Funds. Please refer to note 11A.

Campaign Reserve Special Account

Legal Authority: Financial Management and Accountability Act 1997

Opening balance		
Cash	1,840,249	892,930
Total opening balance	1,840,249	892,930
Receipts		
Other	2,011,050	1,245,806
Total receipts	2,011,050	1,245,806
Expenditure	212,512	298,487
Closing balance		
Cash	3,638,788	1,840,249
Total closing balance	3,638,788	1,840,249

Funds in this account are used to cover a portion of the costs incurred by the Government Communications Unit in managing the Central Advertising System, which provides consolidated media buying services to Commonwealth departments and agencies. Revenue is derived from a small fee levied on departments and agencies that undertake advertising campaigns.

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

	<i>1999-2000</i> <i>Actual</i> \$	<i>1998-99</i> <i>Actual</i> \$
NOTE 11B. RECEIPTS AND EXPENDITURE OF SPECIAL ACCOUNTS (continued)		
Media Commissions Special Account		
Legal Authority: Financial Management and Accountability Act 1997		
Opening balance		
Cash	1,715,247	487,815
Total opening balance	1,715,247	487,815
Receipts		
Other	6,385,295	5,037,497
Total receipts	6,385,295	5,037,497
Expenditure	2,229,483	3,810,065
Closing balance		
Cash	5,871,059	1,715,247
Total closing balance	5,871,059	1,715,247

Funds in this account are used to remunerate the Commonwealth's contracted master media placement agencies and, if required, any creative advertising agencies, for the placement of Commonwealth government advertising. Revenue is derived from the media commission payable to the Commonwealth for its advertising.

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 12A. AGENCY APPROPRIATIONS

Annual appropriations for departmental items (price of outputs)

	<i>1999-2000</i>
	<i>\$</i>
Balance available at 1 July	-
Add: Appropriation Acts Nos 1 & 3 credits:	-
- Act 1 - basic appropriations (budget)	48,403,000
- Act 3 - basic appropriations	(320,000)
Add:FMA Act	
s31 appropriations	22,841,000
Total appropriations available for the year	70,924,000
Expenditures during the year	67,768,774
Balance of appropriations for outputs at 30 June 2000	3,155,226

Annual appropriations for departmental non-revenue items

	<i>Carryovers</i>
	<i>1999-2000</i>
	<i>\$</i>
Balance available at 1 July	-
Add: Appropriation Act No.2 (budget)	5,300,000
Add: Appropriation Act No. 4	539,000
Total appropriations available for the year	5,839,000
Expenditure debited during the year	2,470,226
Balance of appropriations for capital at 30 June 2000	3,368,774

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 12B. ADMINISTERED APPROPRIATIONS

Annual appropriations for Administered expense items

	<i>Administered expenses 1999-2000</i>
	<i>\$</i>
Balance available at 1 July	-
Add: Appropriation Act Nos 1 and 3	
Basic appropriations specified Acts 1 (budget)	19,480,000
Basic appropriations specified Acts 3	6,580,000
Add:FMA Act	
s31 appropriations	-
Total appropriations available for the year	26,060,000
Expenditure debited during the year	22,088,582
Balance unspent	3,971,418
Appropriations lapsing	3,601,000
Balance of appropriations at 30 June 2000	370,418

Annual appropriations for Administered non-revenue items

	<i>Capital 1999-2000</i>
	<i>\$</i>
Balance available at 1 July	-
Add: Appropriation Act No 2 (budget)	-
Add: Appropriation Act No 4	299,000
Total appropriations available for the year	299,000
Expenditure debited during the year	299,000
Balance of appropriations for capital at 30 June 2000	-

Special Appropriations (unlimited) for administered items

	<i>Budget estimate 1999-2000</i>	<i>Actual expenditure 1999-2000</i>
	<i>\$</i>	<i>\$</i>
<i>Governor General Act 1974</i>		
Allowances to former Governors-General	490,000	433,893
	490,000	433,893

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 13. REPORTING OF OUTCOMES

Reporting by Outcomes

	<i>Outcome 1</i>	
	<i>Budget</i>	<i>Actual</i>
	<i>\$'000</i>	<i>\$'000</i>
Net subsidies, benefits and grants expenses	8,300	5,188
Other administered expenses	18,250	23,127
Total net administered expenses	26,550	28,315
Add net cost of entity outputs	48,083	46,104
Outcome before abnormal/extraordinary items	74,633	74,419
Abnormal/extraordinary items	-	1,951
Net Cost to Budget Outcome	74,633	76,370
Total assets deployed as at 30/6/2000	513,785	519,175
Net assets deployed as at 30/06/2000	503,699	501,755

The actual figures include administered expenses relating to the administered special account. There is no corresponding amount included in the budget column.

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 13. REPORTING OF OUTCOMES (continued)

<i>Outcomes</i>	<i>Appropriations for Administered Expenses</i>			<i>Appropriation of Departmental Revenues</i>				<i>Total Appropriations \$'000</i>
	<i>Expenses against Special Appropriations</i>	<i>Expenses against Annual Appropriations</i>	<i>Total Administered Expenses (A)</i>	<i>Revenue from Government (Appropriations) (B)</i>		<i>Revenue from other sources</i>	<i>Total Price of Outputs</i>	
				<i>Special Appropriations</i>	<i>Annual Appropriation Acts</i>	<i>Total</i>		
Outcome 1	434	26,060	26,494	-	48,083	48,083	22,841	70,924
Total	434	26,060	26,494	-	48,083	48,083	22,841	70,924
							<i>Appropriation Act 2 Administered Capital</i>	299
							<i>Appropriation Act 2 Departmental Capital</i>	539
							<i>Total Appropriations</i>	75,415

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

NOTE 14. EXECUTIVE REMUNERATION

The table below identifies the number of executive officers in receipt of total remuneration of \$100,000 or more, within brackets of \$10,000. The number of executives involved increased from 28 in 1998-99 to 41 in 1999-2000. The measure of total remuneration in 1999-2000 included the value of accrued leave not used, which increased total remuneration by \$323,055. The value of accrued leave not used was not included in 1998-99. Average total remuneration per executive officer, excluding the amount of separation and redundancy payments and adjusted for the inclusion of the value of accrued leave not used, increased from \$127,586 in 1998-99 to \$132,202 in 1999-2000.

	<i>1999-2000 Number</i>	<i>1998-99 Number</i>
The number of executive officers who received or were due to receive total remuneration of \$100,000 or more:		
\$100,000 to \$110,000	2	7
\$110,001 to \$120,000	9	4
\$120,001 to \$130,000	8	6
\$130,001 to \$140,000	6	4
\$140,001 to \$150,000	5	3
\$150,001 to \$160,000	5	1
\$160,001 to \$170,000	1	-
\$170,001 to \$180,000	2	1
\$190,001 to \$200,000	1	-
\$200,001 to \$210,000	1	-
\$260,001 to \$270,000	-	1
\$270,001 to \$280,000	-	1
\$330,001 to \$340,000	1	-
	41	28

The aggregate amount of total remuneration of executive officers shown above. **\$5,784,390** \$3,765,498

Total remuneration includes:

- The aggregate amount of performance pay paid during the year to executive officers shown above. **\$123,530** \$86,823
- The aggregate amount of separation and redundancy payments during the year to executive officers shown above. **\$41,037** \$193,099

Notes to and forming part of the Financial Statements for the period ended 30 June 2000

NOTE 15. FINANCIAL INSTRUMENTS

Note: All financial instruments are recognised in the financial statements and the carrying amounts of each instrument equals its net fair value.

Part 1. Terms, conditions and accounting policies

Financial instrument	Notes	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
<i>Financial Assets</i>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	7	Cash at bank is recognised at its nominal amount. Interest is credited to revenue as it accrues.	Moneys in the Agency's bank accounts are swept into the Official Public Account nightly and interest is earned on a daily balance at rates based on money market call rates. Interest is paid quarterly.
Receivables for goods and services	7	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less likely rather than more likely.	Settlement is net 14 days or less.
Accrued revenue	7	Interest is credited to revenue as it accrues. Interest is payable quarterly.	Interest is due on the last day of each quarter.
<i>Financial Liabilities</i>		Financial liabilities are recognised when a present obligation to an external party occurs and is reliably measurable.	
Trade creditors	9	Creditors and accruals are recognised at their nominal amounts which are the amounts at which the liabilities will be settled. They are recognised to the extent that the related goods or services have been received.	Settlement is net 28 days or less.

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 15. FINANCIAL INSTRUMENTS (continued)

Part 2(i). Interest Rate Risk: Agency

<i>Financial instrument</i>	<i>Notes</i>	<i>Floating interest rate</i>		<i>Fixed interest rate 1 year or less</i>		<i>Non-interest bearing</i>		<i>Total</i>		<i>Weighted average effective interest rate</i>
		<i>1999-2000 \$'000</i>	<i>1998-99 \$'000</i>	<i>1999-2000 \$'000</i>	<i>1998-99 \$'000</i>	<i>1999-2000 \$'000</i>	<i>1998-99 \$'000</i>	<i>1999-2000 \$'000</i>	<i>1998-99 \$'000</i>	
Financial Assets										
Cash at Bank	7A	5,128	-	7,230	-	-	21	12,358	21	5.3%
Receivables for goods and services	7B	-	-	-	-	712	5,978	712	5,978	n/a
Total assets		5,128	-	7,230	-	712	5,999	13,070	5,999	
Financial Liabilities										
Trade creditors	9B	-	-	-	-	779	883	779	883	n/a
Total liabilities										

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 15. FINANCIAL INSTRUMENTS (continued)

Part 2(ii). Interest Rate Risk: Administered

Financial instrument	Notes	Floating interest rate		Fixed interest rate 1 year or less		Non-interest bearing		Total		Weighted average effective interest rate
		1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	1999-2000 \$'000	1998-99 \$'000	
Financial Assets										
Cash at Bank	7C	-	-	-	-	5,875	-	5,875	-	n/a
Receivables for goods and services	7D	-	-	-	-	1,570	387	1,570	387	n/a
Total assets		-	-	-	-	7,445	387	7,445	387	
Financial Liabilities										
Trade creditors	9E	-	-	-	-	2,150	405	2,150	405	n/a
Total liabilities										

Part 3. Credit risk

The maximum exposure to credit risk as at reporting date in relation to each class of financial assets is the carrying amount of the assets as indicated in the statement of Assets and Liabilities. There are no significant exposures to any concentration of credit risk. No collateral or other security is held in relation to any financial asset.

Notes to and forming part of the Financial Statements
for the period ended 30 June 2000

NOTE 16. ACT OF GRACE PAYMENTS AND WAIVERS

There were no act of grace payments and waivers made during the reporting period.

NOTE 17. AFTER BALANCE DATE EVENTS

The Department is not aware of any after balance date events.

NOTE 18. SERVICES PROVIDED BY THE AUDITOR-GENERAL

The fair value of services provided by the Auditor-General during the 1999-2000 financial year was \$115,000. These services in 1999-2000 (and 1998-99) were provided free of charge. No other services were provided to the Department by the Auditor-General.

Appendixes

Summary

Appendix 1 — Staffing Statistics

- Table 1 Staff distribution at 30 June 2000
- Table 2 Staff employed by classification, gender and location at 30 June 2000
- Table 3 Non-ongoing staff employed by classification, gender and location at 30 June 2000

Appendix 2 — Freedom of Information

- FOI procedures and initial contact points
- Categories of documents held by the department
- Access to archival records

Appendix 3 — Advertising and Market Research

Appendix 4 — Consultancy Services and Competitive Tendering and Contracting

Appendix 1 — Staffing Statistics

Table 1 — Staff distribution at 30 June 2000

<i>Division</i>	<i>Number</i>
Executive	8
Economic Division	31
Industry and Environment Division	23
Forests and Olympics Division	17
Social Policy Division	28
Office of the Status of Women	33
Office of Indigenous Policy	46
International Division	42 (a)
Commonwealth Heads of Government 2001 Task Force	3
Cabinet Secretariat	17
Government Division	43
Government Communications Division	15
Corporate Services	66(b)
Support Services	9 (c)
Total	381

NOTES

(a) Includes 16 Ceremonial and Hospitality Unit staff.

(b) Includes 3 Official Establishments Unit staff.

(c) Comprises 4 support staff for former Governors-General and 5 divisional liaison staff in ministerial offices.

All staff listed are employed under the *Public Service Act 1999* and include 23 non-ongoing staff, 12 part-time staff and 7 paid inoperative staff.

Unpaid inoperative staff are not included.

Table 2 — Staff employed by classification, gender and location at 30 June 2000

Location and Classification	Female		Male		Total
	Part-time	Full-time	Part-time	Full-time	
Australian Capital Territory					
Secretary				1	1
Senior Executive Service					
Band 3		1		2	3
Band 2		4		8	12
Band 1		10		19	29
Executive Level					
2 (PMC Band 3)	2	26		37	65
1 (PMC Band 3)	2	48		36	86
Australian Public Service					
6 (PMC Band 2)	2	32		26	60
5 (PMC Band 2)	1	20		9	30
4 (PMC Band 2)	2	26	1	6	35
3 (PMC Band 1)	1	21	1	5	28
2 (PMC Band 1)		6		8	14
1 (PMC Band 1)					
Graduate Australian Public Service		3		8	11
New South Wales					
Australian Public Service					
3 (PMC Band 1)		1			1
Victoria					
Australian Public Service					
6 (PMC Band 2)		3			3
Queensland					
Australian Public Service					
6 (PMC Band 2)		2			2
3 (PMC Band 1)		1			1
Departmental Total	10	204	2	165	381(a)

NOTE

(a) Includes 23 non-ongoing staff, and 7 paid inoperative staff.

Table 3 — Non-ongoing staff employed by classification, gender and location at 30 June 2000

<i>Location and Classification</i>	<i>Female</i>		<i>Male</i>		<i>Total</i>
	<i>Part-time</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Full-time</i>	
Australian Capital Territory					
Executive Level					
2 (PMC Band 3)	1			5	6
1 (PMC Band 3)		1		1	2
Australian Public Service					
6 (PMC Band 2)		2		2	4
5 (PMC Band 2)		2			2
4 (PMC Band 2)		1			1
3 (PMC Band 1)		4			4
2 (PMC Band 1)				2	2
1 (PMC Band 1)					
Victoria					
Australian Public Service					
6 (PMC Band 2)		1			1
Queensland					
Australian Public Service					
3 (PMC Band 1)		1			1
Departmental Total	1	12		10	23

Appendix 2 — Freedom of Information

In accordance with section 8 of the *Freedom of Information Act 1982* (the FOI Act), this appendix contains information about FOI procedures and access to departmental documents. Information is provided also about access to documents of an archival nature, in accordance with the *Archives Act 1983*, the Archives Regulations and the *Royal Commissions Act 1902*.

FOI procedures and initial contact points

Applicants seeking access under the FOI Act to documents in the possession of the department should forward a \$30 application fee and apply in writing to:

The Secretary
Department of the Prime Minister and Cabinet
3–5 National Circuit
BARTON ACT 2600

Attention: FOI Coordinator
 Legal and Culture Branch
 Government Division

The FOI Coordinator is available between 9.00 a.m. and 5.00 p.m. Monday to Friday and can be contacted by telephone on (02) 6271 5849 or by fax on (02) 6271 5776.

If an applicant is dissatisfied with a decision made under the FOI Act, he or she may apply to the Secretary of the department seeking an internal review, which is subject to a \$40 application fee. Once the application fee is received, an officer of the department who is at least one level above that of the initial decision-maker will conduct the review.

The department, if it approves access, will provide copies of documents after it has received payment of any charges which apply. Alternatively, applicants may arrange to inspect documents at the department's Barton office if the documents lend themselves to this form of access.

Categories of documents held by the department

Category	Description
<i>Cabinet documents</i>	Relate to the business of Cabinet and include: <ul style="list-style-type: none"> • documents that have been submitted to the Cabinet; and • official records of the Cabinet.
<i>Executive Council documents</i>	Relate to the business of the Executive Council and include: <ul style="list-style-type: none"> • documents that have been submitted to the Executive Council; and • official records of the Executive Council.
<i>Documents of royal commissions and major inquiries</i>	The department is official custodian for the records of completed royal commissions and a number of major government inquiries.
<i>Representations to the Prime Minister</i>	The Prime Minister receives a large number of written representations each year. They concern every aspect of government policy and administration.
<i>Working files</i>	The department holds files dealing with policy and administration in all areas in which the Commonwealth Government is involved. The documents on these files include correspondence, analysis and policy advice by departmental officers, comments on Cabinet submissions and drafts of these and other documents.
<i>Documents on internal departmental administration</i>	These documents include personnel records, organisation and staffing records, financial and expenditure records, and internal operating documentation such as office procedures, instructions and indexes.
<i>Programme documents</i>	The department holds documents relating to grants which it provides to various organisations and individuals under the programmes it administers.
<i>Documents open to public access subject to a fee or charge</i>	The department holds no documents in this category.
<i>Documents available for access or purchase subject to a fee or other charge</i>	The department's annual report is available for purchase from Commonwealth Government Info Shops. Other documents, including research documents, working group reports, information bulletins and policy statements, may also be obtained from Government Info Shops or the department.

Documents customarily available free of charge upon request

The department holds and makes available on request (free of charge) a range of documents including:

- research documents;
- policy statements;
- executive summaries;
- Council of Australian Governments communiqués; and
- the department's information technology strategic plan.

Access to the department's annual report and selected other documents relating to the department is available by means of the Internet. The address of the department's website is <http://dpmc.gov.au>.

Access to archival records

Public access to archival records

Under section 40 of the *Archives Act 1983*, members of the public may apply to the Australian Archives for access to records in the current open period, that is, records which are more than 30 years old. Generally, departmental documents in the custody of the Australian Archives are not subject to the FOI Act. People seeking access to the archival records of this department should make their requests directly to the Australian Archives.

Special access provisions of the Archives Act

Subsection 56(2) of the *Archives Act 1983* and Archives Regulation 9 provide that Commonwealth records, not otherwise available for public access under the Archives Act, may be made available to a person in accordance with arrangements approved by the Prime Minister.

Under the arrangements, approved in December 1988, special access may be available to:

- former Governors-General, former Ministers and former senior officials who wish to 'refresh their memories' of records which they personally dealt with while in office;
- authorised biographers of those above;
- people connected with the Government of the Commonwealth who have deposited their personal records in the custody of the Australian Archives; and
- people preparing major works for publication which are considered to be of national importance.

People seeking special access to the records of this department should contact the department at the address given above for the FOI Coordinator.

Royal commission records

Because of the Prime Minister's responsibility for the *Royal Commissions Act 1902*, the department exercises administrative control of the records of most completed royal commissions and therefore handles requests by other Commonwealth agencies, state government bodies and members of the public for access to closed period and exempt records. People seeking access to such records should contact the department at the address given above for the FOI Coordinator.

Requests for access to records of royal commissions held more than 30 years ago should be directed to the National Archives of Australia.

Archival Cabinet documents

On 1 January 2000, the department released records of the Cabinet for 1969 to the public through the Australian Archives.

Appendix 3 — Advertising and Market Research

This appendix contains details of payments made to advertising and market research organisations during 1999–2000, as required to be reported under the *Commonwealth Electoral Act 1918*. Payments of less than \$1,500 have not been included.

Payee	Amount	Purpose
Category: Market research organisations		
<i>Indigenous Policy (Output Group 2)</i>		
Cudex Pty Ltd	\$71,139 (b)	To conduct quantitative research into community attitudes about issues relevant to the development of a national document of reconciliation on behalf of the Council for Aboriginal Reconciliation
Irving Saulwick & Associates	\$50,000 (b)	To undertake qualitative research into the attitudes of Indigenous people towards issues related to a document of reconciliation on behalf of the Council for Aboriginal Reconciliation
Irving Saulwick & Associates	\$65,000 (b)	To conduct qualitative research into Community Attitudes about issues relevant to the development of a national document of reconciliation on behalf of the Council for Aboriginal Reconciliation
<i>Referendum Task Force (Output Group 4)</i>		
<i>Neutral public education programme</i>		
Newspoll Market Research	\$54,420 (b)	To conduct tracking research on the neutral public education programme advertising
Newspoll Market Research	\$26,276 (b)	To conduct comparative focus group testing of advertising concepts
Yann Campbell Hoare Wheeler	\$24,241 (b)	To conduct focus group testing of advertising materials
Yes advertising campaign		
ANOP Research Services Pty Ltd	\$750,000 (a) (b)	To provide market research services for the Yes Advertising Campaign Committee
No advertising campaign		
Nexus Quantum Pty Ltd	\$379,680 (a) (b)	To provide market research services for the No Advertising Campaign Committee
<i>Government Communications (Output Group 4)</i>		
Worthington Di Marzio Pty Ltd	\$19,600 (b)	To provide market research on the most appropriate wording for the branding of government advertising

Payee	Amount	Purpose
Category: Direct mailing organisations		
<i>Office of the Status of Women (Output Group 2)</i>		
DAS Distribution	\$33,135	Distribution of publications July 1999 – June 2000
<i>Referendum Task Force (Output Group 4)</i>		
Neutral public education programme Canberra Mailing	\$65,325	To provide mailing house and inbound telemarketing services for the distribution of public education materials in the lead-up to the 1999 referendum
Euro RSCG	\$44,386	Production of direct mail materials (information pamphlet)
Category: Media advertising organisations		
<i>Office of the Status of Women (Output Group 2)</i>		
AIS Media	\$6,244	Advertising for National Clearinghouse Partnership Against Domestic Violence
AIS Media	\$6,090	Advertising for funding under the Non-Government Organisations funding programme
AIS Media	\$6,618	Advertising for funding under the Non-Government Organisations funding programme
AIS Media	\$2,097	Advertising application for project funding
AIS Media	\$1,987	Advertising request for tenders
AIS Media	\$16,664	Advertising National Indigenous Violence Grants
<i>Ceremonial and Hospitality Unit (Output Group 3)</i>		
AIS Media	\$7,940	Advertisements for four consultant positions
Bethel Funerals	\$2,142	State funeral notice for the Hon. Kevin E Newman AO
Tobin Brothers	\$1,987	State funeral notice for the Hon.the Reverend Dr Malcolm George Mackay AM and Mrs Ruth Ella Mackay
<i>Referendum Task Force (Output Group 4)</i>		
Neutral public education programme Euro RSCG	\$150,984	To develop and produce the advertising campaign for the neutral public education programme for the 1999 referendum. (Includes creative development and account management)
Mitchell Media Partners	\$7,291,870	Campaign advertising for the neutral public education programme

Payee	Amount	Purpose
Yes Advertising Campaign		
Singleton Ogilvy & Mather (Sydney) Pty Ltd	\$400,000 (a)	To provide creative advertising agency services for the Yes Advertising Campaign Committee
Mitchell Media Partners	\$4,669,984 (a)	Campaign advertising for the Yes Campaign
No Advertising Campaign		
Nancarrow Marketing Communications Pty Ltd	\$450,000 (a)	To provide creative advertising agency services for the No Advertising Campaign Committee
PeeCeeBee Pty Ltd	\$115,000 (a) (b)	To provide advertising campaign director services for the No Advertising Campaign Committee
Mitchell Media Partners	\$5,327,939 (a)	Campaign advertising for the No Campaign

NOTE

- (a) A large part of the expenditure listed in this appendix relates to the Yes and No Advertising Campaigns conducted for the republic referendum. The Government allocated \$7.5 million to each of the Yes and No Advertising Campaign Committees to promote the arguments for and against change. The committees were made up of former delegates from the 1998 Constitutional Convention. While contracts for market research, direct mailing, advertising and other necessary activities were issued through the department, decisions about the selection of contractors, scope of the contracts and fees payable were made by the committees themselves. The department's role was limited to checking to ensure compliance with basic accountability standards.
- (b) As these services fall into the Consultancy Services category, they have also been included in Appendix 4 of this report in the table containing details of consultancy contracts.

Appendix 4 — Consultancy Services and Competitive Tendering and Contracting

Consultancy contracts let during 1999–2000 to the value of \$10,000 or more

<i>Consultant</i>	<i>Nature and purpose of consultancy</i>	<i>Contract price</i>	<i>Publicly advertised</i>	<i>Reason for engaging consultancy services</i>
POLICY ADVICE AND COORDINATION AND SUPPORT SERVICES FOR GOVERNMENT OPERATIONS				
OUTPUT GROUP 2				
Women's policy				
KPMG Consulting	National Project to develop information on Domestic Violence for Women with Disabilities	\$108,287	Yes	(a)
QUAY Connection	Establish awareness, increase adoption of best practice and increase media coverage for Partnership Against Domestic Violence activities	\$194,840	Yes	(a)
Diapason	Facilitation of community consultations regarding Beijing Plus 5 and Australia next CEDAW report	\$44,373	No	(a)
BMA Organisational HR Consultants	The development of National Competency Standards for workers who come into professional contact with people affected by domestic violence	\$103,804	Yes	(a)
University of NSW Centre for Gender Related Studies	To establish a national clearinghouse on domestic and family violence	\$180,000	Yes	(a)
Morgan Disney and Associates	National research consultancy on the incidence and experience of domestic violence amongst older people	\$72,485	Yes	(a)
Strategic Partners	Production of a domestic violence resource manual for working with young people	\$70,000	Yes	(a)
Yve Repin	Facilitate a Capacity Building Workshop	\$27,494	No	(a)
YWCA	To prepare and participate in the 44 th Session of the Commission on the Status of Women and Beijing Plus 5	\$25,000	No	(a)
Women's Rights Action Network	Human Rights Education Project	\$13,000	No	(a)
PRO:NED	Consultancy services for the Executive Search Pilot Program	\$56,576 Paid on a per nomination basis	Yes	(a)

<i>Consultant</i>	<i>Nature and purpose of consultancy</i>	<i>Contract price</i>	<i>Publicly advertised</i>	<i>Reason for engaging consultancy services</i>
MC Media	Maintain and develop National Women's Communication Network including <i>NEWS</i> website	\$55,000	Yes	(a)
Eileen Pittaway	Lobby workshop training in UN process for Beijing Plus 5	\$10,000	No	(a)
Indigenous policy				
Atticus Communications Pty Ltd	Consultancy services for media/public relations in Western Australia	\$20,000	No	(a)
Australian Fieldwork Solutions	To process and analyse the draft Document for Reconciliation response forms	\$38,880	No	(a)
Australian National University	To produce a discussion paper on Indigenous retention rates to Year 12 - the role of literacy, numeracy and attendance	\$22,800	No	(a)
Brave Design Group Pty Ltd	Design and layout of the Fact Sheet Project	\$13,000	No	(a)
CPR Communications	Sponsorship raising for Corroboree 2000	\$60,000	No	(a)
Cudex Pty Ltd	To conduct quantitative research into community attitudes about issues relevant to the development of a national document of reconciliation on behalf of the Council for Aboriginal Reconciliation	\$71,139	No	(a)
Denise Robin	To prepare publications and other communications work for the Council for Aboriginal Reconciliation	\$12,960	No	(a)
Irving Saulwick & Associates	To undertake qualitative research into the attitudes of Indigenous people towards issues related to a document of reconciliation on behalf of the Council for Aboriginal Reconciliation	\$50,000	No	(a)
Irving Saulwick & Associates	To conduct qualitative research into Community Attitudes about issues relevant to the development of a national document of reconciliation on behalf of the Council for Aboriginal Reconciliation	\$65,000	No	(a)
Morgan and Banks	Executive placement services	\$20,900	No	(a)
National Indigenous Radio Service	To coordinate, set up (including outside broadcast unit) and manage a coordinated national radio broadcast to all Indigenous radio outlets for Corroboree 2000	\$27,116	No	(a)
NRS Group	To produce 24 x 30 second and 4 x 1 minute community service announcements	\$84,940	No	(a)

<i>Consultant</i>	<i>Nature and purpose of consultancy</i>	<i>Contract price</i>	<i>Publicly advertised</i>	<i>Reason for engaging consultancy services</i>
Penisun Pty Ltd	To produce ten reconciliation segments for television program Squawk TV	\$40,000	No	(a)
The Allen Consulting Group Pty Ltd	To support to the review of Aboriginal Hostels Limited	\$58,410	Yes	(a)
Tour Hosts	To develop, coordinate and manage a program for the final major public reconciliation event to be held in Sydney on Saturday 27 and Sunday 28 May 2000	\$100,000	Yes	(a)
University of Queensland	To provide assistance to the Council for Aboriginal Reconciliation on the Document of Reconciliation	\$81,541	No	(a)
Mallesons Stephens Jaques	Inquiry into behaviour of Indigenous Land Council Directors	\$70,000	No	(a)
ABC Products	To produce a 24 minute documentary for Imparja Television 'Finding Common Ground'	\$127,618	No	(a)
OUTPUT GROUP 3				
CHOGM 2001 Task Force				
Project Coordination (Australia) Pty Ltd	Consultancy services relating to design and construction costs for the proposed Canberra CHOGM venue	\$12,500	No	(a)
OUTPUT GROUP 4				
Referendum Task Force				
Neutral Public Education Programme				
Euro RSCG	To develop and produce the advertising campaign and information materials for the neutral public education programme — includes creative development, account management, production and distribution of advertising, information materials and press insert and consultants' travel	\$1,586,865	No	(a)
Newspoll Market Research	To conduct tracking research on the neutral public education programme advertising campaign	\$54,420	No	(a)
Newspoll Market Research	To conduct comparative focus group testing of advertising concepts — includes consultants' travel	\$26,276	No	(a)
Yann Campbell Hoare Wheeler	To conduct focus group testing of advertising materials — includes consultants' travel	\$24,241	No	(a)
Cultural Perspectives Pty Ltd	To develop and implement a communications strategy for non-English speaking background communities — includes consultants' travel	\$111,902	No	(a)

<i>Consultant</i>	<i>Nature and purpose of consultancy</i>	<i>Contract price</i>	<i>Publicly advertised</i>	<i>Reason for engaging consultancy services</i>
Darruya Pty Ltd	To develop and implement a communications strategy for Aboriginal and Torres Strait Islander communities — includes consultants' travel	\$40,250	No	(a)
SafetyWeb Internet Solutions Pty Ltd	Development of Referendum99 website	\$15,000	No	(a)
Yes advertising campaign				
Singleton Ogilvy & Mather (Sydney) Pty Ltd	To provide creative advertising agency services for the Yes Advertising Campaign Committee — includes creative development and production of advertising materials and how to vote materials, preparation of communications strategies for non-English speaking background and Aboriginal and Torres Strait Islander communities	\$1,946,953	No	(a)
Singleton Ogilvy & Mather (Sydney) Pty Ltd	To provide advertising campaign management services for the Yes Advertising Campaign Committee — includes management fee and consultants' and Yes Committee members' travel	\$118,780	No	(a)
ANOP Research Services Pty Ltd	To provide market research services for the Yes Advertising Campaign Committee	\$750,000	No	(a)
No advertising campaign				
Nancarrow Marketing Communications Pty Ltd	To provide creative advertising agency and campaign management services for the No Advertising Campaign Committee — includes creative development, production and distribution of advertising materials, how to vote materials and consultants' travel	\$1,552,570	No	(a)
PeeCeeBee Pty Ltd	To provide advertising campaign director services for the No Advertising Campaign Committee	\$115,000	No	(a)
Nexus Quantum Pty Ltd	To provide market research services for the No Advertising Campaign Committee	\$379,680	No	(a)
Simon Richards Group Pty Ltd	To provide strategic advice and planning with respect to non-English speaking background and ethnic communities for the No Advertising Campaign Committee	\$65,000	No	(a)

<i>Consultant</i>	<i>Nature and purpose of consultancy</i>	<i>Contract price</i>	<i>Publicly advertised</i>	<i>Reason for engaging consultancy services</i>
Government Communications				
Computer Consultancy and Training	Redevelopment of the Government Communications Unit's Register database	\$48,380	No	(a)
Worthington Di Marzio Pty Ltd	To provide market research on the most appropriate wording for the branding of Government advertising	\$19,600	No	(a)
Colmar Brunton Social Research	Client satisfaction survey for clients of the Master Media Placement agencies	\$56,420	No	(a)
Support to Official Establishments				
Peter Freeman Pty Ltd	Professional services in relation to the development of a Conservation Management Plan for The Lodge	\$30,000	No	(a)
Clive Lucas, Stapleton & Partners Pty Ltd	Professional heritage architectural advice and project management for restoration works and modifications to Kirribilli House	\$20,346	No	(a)
Mary Durack Interior Designs	Professional interior design advice and services in relation to The Lodge	\$19,220	No	(a)
CORPORATE SERVICES				
Corporate Support Branch				
Morgan and Banks	Post advertising recruitment services	\$25,000	No	(a)
People and Strategy (ACT) Pty Ltd	Review of non-SES Performance Appraisal	\$29,290	No	(a)
KPMG Consulting	Assistance with the tender process for the provision of banking services	\$48,100	No	(a) & (b)
PSI Consulting Pty Ltd	Assistance with the tender process for the provision of internal audit and fraud control services	\$16,100	No	(a) & (b)

NOTE

- (a) Specialist knowledge and/or resources essential and not available within the department.
 (b) Selected from DOFA endorsed panel of CTC consultants.

CTC contracts let during 1999–2000 in excess of \$100,000

<i>Contractor</i>	<i>Nature of the activity</i>	<i>Total value of contract</i>	<i>Period of contract</i>
Corporate Support Branch			
Rose Cleaning	departmental cleaning	\$132,603	1/4/2000–31/3/2001
Deloitte Touche Tohmatsu	Internal audit and fraud control	\$600,000	1/7/2000–30/6/2003

Glossary

ANAO	Australian National Audit Office
ANSB	Awards and National Symbols Branch
APEC	Asia–Pacific Economic Cooperation
AUSPIC	Government photographic service
BCC	Budget Coordination Committee
CABNET	Electronic document management system for Cabinet
CAS	Central Advertising System
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CEIs	Chief Executive Instructions
CERHOS	Ceremonial and Hospitality Unit
CHOGM	Commonwealth Heads of Government Meeting
COAG	Council of Australian Governments
DIMA	Department of Immigration and Multicultural Affairs
DOFA	Department of Finance and Administration
EEB	Employment and Education Branch
FISB	Families and Income Support Branch
FOI	Freedom of Information
GCU	Government Communications Unit
GST	Goods and Services Tax
HCSB	Health and Community Services Branch
INTERFET	United Nations mandated multinational force
IT&T	information technology and telecommunications
JSC	Joint Select Committee
MCGC	Ministerial Committee on Government Communications
NEWS	Network Exchange of Women’s Services
NGOs	non-government organisations
NRM	natural resource management
NSC	National Security Committee of Cabinet
OH&S	Occupational Health and Safety
OIP	Office of Indigenous Policy
OSW	Office of the Status of Women
PMO	Prime Minister’s Office
RFA	Regional Forest Agreement
SCNS	Secretaries’ Committee on National Security
SES	Senior Executive Service

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