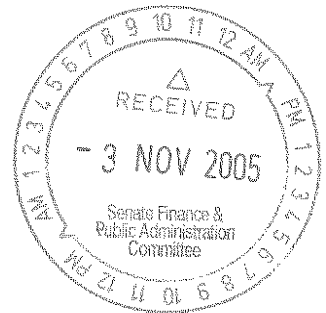




Australian Government

Department of the Prime Minister and Cabinet



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3-5 NATIONAL CIRCUIT
CANBERRA, A.C.T. 2600

Mr Alistair Sands
Secretary
Senate Finance and Public Administration Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Mr Sands,

On reviewing the evidence I gave at the Senate Finance and Public Administration Legislation Committee hearing of the Department of the Prime Minister and Cabinet on 31 October 2005 and in the light of additional information I have received, I wish to add to my evidence.

In regard to questions from Senator Evans' on costs for PM&C's new accommodation project. In particular he asked if the cost was \$23m or separately: "**Senator CHRIS EVANS**—On a different page of the report it had \$25 million. Was that just a wrong figure?". I advised that I was unsure but the figure of \$25m could have included the first year's depreciation.

In clarification, Budgets are allocated on a GST exclusive basis and the \$23m figure used in budget and general expenditure figures is GST exclusive. The Schedule of Commitments in the financial statements requires the amounts declared to be GST inclusive. Accordingly the fit out project is allocated a budget of \$23m (GST exclusive) but was reported in the Schedule of Commitments as \$25m (GST inclusive). A note below the schedule declares the figures to be GST inclusive where relevant.

I should be grateful if you would bring this information to the attention of the committee.

Judy Costello
Assistant Secretary
People and Resource Management Branch

2 November 2005