Australian Government

Department of Finance and Deregulation

March 2008

Portfolio Budget Statements
Constructors Kit

Officer Instruction for producing
Portfolio Budget Statements

Abbreviations

CBMS   →   Central Budget Management System
BEAM   →   Budget Estimates and Actuals Management (module of CBMS)
ACM   Appropriations and Cash Management (module of CBMS)
FMIS   →   Financial Management Information System (agency's own system)
AAOs   →   Administrative Arrangements Order (www.pmc.gov.au)
AAU   →   Agency Advice Units (within Finance)
FMA Act →   *Financial Management and Accountability Act 1997*
CAC Act   *Commonwealth Authorities and Companies Act 1997*
GGS   →   General Government Sector

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2008-09 PORTFOLIO BUDGET STATEMENTS CONSTRUCTOR'S KIT

OFFICER INSTRUCTION FOR PRODUCING PB STATEMENTS

The 2008-09 Portfolio Budget Statements (PB Statements) are different to previous years, with considerable changes being made to improve the format and flow of the documents.

Significant changes include the inclusion of an Agency Resource Statement (Table 1.1), an Agency Strategic Direction statement and a reformatted Outcomes and Planned Performance section. Overall the document has been reduced from five sections to three, with information consolidated as appropriate and removed if of little material value to the reader.

REVISED PB STATEMENT

The 2008-09 PB Statement has the following components:

- Portfolio Overview
    - Ministers and Portfolio Responsibilities
    - Portfolio Structure and Outcomes
    - Portfolio Resource Statement

- Agency Resources and Planned Performance

    - Section One: Agency Overview and Resources
        - Strategic Direction
        - Agency Resource Statement
        - Budget Measures

    - Section Two: Outcomes and Planned Performance
        - Outcomes and Performance Information
            - Outcome 1 Strategy
            - Outcome 1 Resource Statement
                - Output Group 1.1—Key results, performance indicators and targets

            - Outcome 2 Strategy (etc.)

    - Section Three: Explanatory Tables and Financial Statements

LAYOUT OF THE CONSTRUCTOR'S KIT

This constructor's kit has been developed to help budget officers in government agencies prepare and publish the 2008-09 PB Statements. It is designed to cover all aspects of the document, from the inclusion of resource, performance and financial information to the printing, publishing and delivery. This document is designed to provide the information required to construct 2008-09 PB Statements, explaining why information is being included and where the information should be sourced.

Page Layout of Constructors Kit

The constructor's kit is presented in a format mirroring the shell document provided to agencies. Each page of the shell requiring input from agencies is presented on the even page (left hand page) of this guidance, with the input sources below and the purpose, guidelines and changes from the 2007-08 PB Statement on the facing page.

IMPORTANT POINTS IN CONSTRUCTING YOUR AGENCY'S 2008-09 PB STATEMENT

The 2008-09 Portfolio Budget Statements (PB Statements) will differ significantly from the 2007-08 PB Statements in an effort to increase the transparency and accountability of government expenditure. At the same time as improving the quality of the documents, the 2008-09 PB Statements have been designed in a way to reduce the burden on agencies in producing the PB Statements by removing unnecessary and time consuming red tape. In producing PB Statements, agencies should keep the following points in mind.

UNDERLYING PRINCIPLES OF THE PB STATEMENTS

The following principles should be kept in mind when producing an agency's PB Statement.

- Relevant and Strategic
- Clarity and Brevity
- Performance Focused
- Coherent and Consistent

These principles should be used equally to ensure the best possible PB Statements are produced, providing readers with a clear and transparent account of the agency's planned performance for the Budget year and the resources to be used.

CONNECTION TO ANNUAL REPORTS

The format of the 2008-09 PB Statements is intended to more closely align with agency Annual Reports. Specifically in the formatting of Section Two: Outcomes and Planned Performance, the 2008-09 PB Statement will enhance the 'clear read' principle between PB Statements and Annual Reports. The resource statement will also provide a common picture of agency resourcing from Budget (in the PB Statements) through Additional Estimates (in the Portfolio Additional Estimates Statements) to the Annual Report increasing the transparency of government expenditure to parliament and the public across the entire financial year.

Furthermore the inclusion of the Strategic Direction statement sets out the key strategies and results to be achieved over the Budget year which, in turn, will be reported in the department overview section at the front of Annual Reports.

INCLUSION OF INFORMATION

To ensure that PB Statements are clear and concise, it is important for agencies to only include information which is relevant, and where it is most relevant. The document's design is cascading with four discernable layers of information: Portfolio, Agency, Outcome and Output Group.

To ensure PB Statements are without unnecessary repetition, agencies should, prior to producing the document, look to pigeon-hole information at the level where it is

most relevant to the reader and would contribute most to the document's flow. The pigeon-hole methodology requires agencies to determine in which section of the document information is most relevant and valuable to the reader before construction. This approach will result in the production of a more streamlined and concise document, strategically using information to best demonstrate the agency's contributions to its outcomes and government goals.

For example, it is unnecessary to include detailed specifics of each portfolio agency in the Portfolio Overview, as this information will be more relevant to the reader in the agency's Resources and Planned Performance section. It would improve the document if the agencies are very briefly outlined in the Portfolio Overview section, with the remainder of the section focusing on the issues and factors affecting the portfolio as a whole.

More guidance on the information expected in each component of the PB Statement is included throughout the Constructor's Kit.

PERFORMANCE INFORMATION ABOUT RESULTS AND IMPACTS NOT PROCESSES AND ACTIVITIES

Officers constructing their agency's PB Statements are to ensure that information included, specifically in articulating contributions to outcomes, is focused on the results and impacts planned by the agency and not on the processes which are facilitating the results. For example, the number of Ministerial Briefs produced demonstrates nothing more than the requirement for Ministerial Briefs and should only be included if the impact of the Briefs can be demonstrated to have contributed to the achievement of the relevant outcome. Performance information needs to show the impacts of output groups on outcomes (see Section 2 for more detail).

PB STATEMENTS ARE ENTIRELY IN PORTRAIT FORMAT FOR EASIER READING

The 2008-09 PB Statements are presented in an entirely portrait format, with all landscape tables either replaced or reformatted. This change in presentation is intended to improve comprehension for the reader, with a consistent format throughout. Agencies should not revert to landscape.

BUDGET PAPERS > PB STATEMENTS

Agencies are to remember that in instances of conflict between what is included in the Budget Papers and their PB Statements, that any figures or wording included in the Budget Papers and Appropriation Acts are authoritative. The figures included and wording of Outcomes in the Appropriation Acts become, once passed by Parliament, Acts of law and as such are the authoritative documents.

The PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretations Act 1901*.

PORTFOLIO OVERVIEW

The Portfolio Overview is intended to provide the reader with a high level snapshot of the portfolio, its agencies, its goals, structure and resources.

As it is the highest level of information to be presented in the PB Statement, portfolio agencies are to be brief in their descriptions and include information which is relevant and specific to the broader portfolio perspective. This will avoid unnecessary duplication of information presented in later sections. Information at the agency level should be included only as it contributes to a broader understanding of portfolio goals and responsibilities.

<u>Parts of Portfolio Overview</u>

- Ministers and Portfolio Responsibilities
- Portfolio Structure and Outcomes
  - *Figure 1: Portfolio structure and outcomes (<u>Figure1 Portfolio structure</u>)*
- Portfolio Resource Statement
  - *Total Portfolio Resources (<u>Table 1 Total Portfolio Resources</u>)*

[INSERT NAME] PORTFOLIO OVERVIEW

MINISTER(S) AND PORTFOLIO RESPONSIBILITIES

This section provides a brief overview of the portfolio, including the relevant Portfolio Minister(s) and the structure of the portfolio. The portfolio structure is to be summarised in Figure 1.

The example of Figure 1 is for illustration only. Agencies may need to modify it to ensure that it provides a clear and simple guide to the portfolio, for example where more than one page is needed to incorporate all basic information (although retaining a portrait format).

Only the major specific agency responsibilities should be described here along with outcome statements. Further information on individual agency outcomes and responsibilities should be left to the Agency Resources and Planned Performance section.

The information contained under the 'Portfolio Overview' should remain high level. All issues relating to a particular agency's performance, such as broader environmental factors that may affect performance, should be addressed in the individual 'Agency Resources and Planned Performance' statements.

Administrative Arrangements Order changes, if relevant, should be described briefly.

The major responsibilities of the portfolio should reflect the '*Matters Dealt with*' included in the most recent AAOs. It is not necessary to list relevant legislation

Agencies are to only include information which is relevant and of value at the Portfolio level in this section

Sources of Information

The Portfolio Overview is a textual section and there are not any required information sources. However when putting together this section it maybe helpful to look at the Portfolio Agency's:

– Administrative Arrangement Orders (*Matters dealt with by the department:….*);
– Portfolio Department's Mission and / or Vision Statement;
– Ministerial Statements by Portfolio Minister;
– Consistent themes in Portfolio Agencies' Outcome Statements;
– Major new government policy or legislation affecting the portfolio and the intended results and impacts; and
– Any similar information disclosed in the previous Annual Report.

MINISTERS AND PORTFOLIO RESPONSIBILITIES

Purpose
The Portfolio Overview section is for portfolio agencies to provide the reader with an overview of the portfolio and its agencies at a strategic and high level. Specifics should be left to the relevant agency's 'Resources and Planned Performance' section.

Guidance
The Portfolio Overview is the highest level of information presented to the reader and should describe the primary areas of responsibility the Portfolio has within the broader context of government.

In providing an overview, Portfolio agencies are encouraged to specify any portfolio goals that the Portfolio as a whole is working towards while recognising the contributions and relationships of Portfolio agencies.

The overview should include a brief overview of the agencies within the Portfolio and their relationships with other agencies in the Portfolio. Again, to avoid unnecessary duplication, details about each agency in the Portfolio should be included only in the context of its contribution to the wider goals of the Portfolio as a whole.

The content of the overview should include common themes across the portfolio outcomes, for instance the broad impacts and/or trends of education policy on the Australian community for the Education, Employment and Workplace Relations portfolio or improvements in indigenous affairs under the Families, Housing, Community Services and Indigenous Affairs portfolio.

Any significant changes to the Portfolio's environment or its responsibilities since Additional Estimates should also be outlined, including AAO changes.

Agencies should keep the Portfolio Overview statement to 2 pages.

Changes from 2007-08 PB Statements
There have been no changes from the 2007-08 PB Statements in the requirements for this section, aside from the clarification of what is to be included and excluded and the tone of the section.

Figure 1: XXXXXXXXXX portfolio structure and outcomes

Portfolio Minister XXXXXXXXXX

Minister for XXXXXXXXXX

Parliamentary Secretary XXXXXXXXXX

Department of XXXXXXXXXX
Portfolio Secretary XXXXXXXXXX
Outcome 1 XXXXXXXXXXXXXXXXXXXX
Outcome 2 XXXXXXXXXXXXXXXXXXXX

Agency XXXXXXXXXX
Secretary: XXXXXXXXXX
Outcome: XXXXXXXXXXXXXXX

Agency XXXXXXXXXX
Chief Executive Officer: XXXXXXXXXX
Outcome: XXXXXXXXXXXXXXX

Agency XXXXXXXXXX
Chairman: XXXXXXXXXX
Outcome: XXXXXXXXXXXXXXX

Where relevant, link each Minister with their agency of responsibility. This increases the transparency of Ministerial accountability

All entities within the General Government Sector and within the Portfolio are to be included

Outcomes confirmed by running BEAM Appropriation Bill Detail Report

Appropriation Bill 1 2008-2009   Appropriation Bills Detail Report
Agriculture, Fisheries and Forestry, All Agencies

AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO

DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY
Department of Agriculture, Fisheries and Forestry
Outcome 1 -

More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY
Australian Fisheries Management Authority
Outcome 1 -

Ecologically sustainable and economically efficient Commonwealth fisheries

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Sources of Information

The Portfolio Structure diagram should include all entities within the General Government Sector (GGS) within the Portfolio.

The Portfolio department should ensure that Outcome wording matches that included in CBMS and therefore in the Appropriation Bills by running Appropriation Bills Detail Report: BEAM Reports → Appropriation Bills → Appropriation Bill Detail Report.

It is the Portfolio Department's responsibility to ensure the correct details are included for the heads of agencies (i.e. Chief Executive Officers).

PORTFOLIO DIAGRAM

<u>Purpose</u>
The Portfolio Structure and Outcomes diagram is to provide the reader with a diagrammatic presentation of the portfolio structure and the responsible Ministers. The diagram should clearly indicate the Minister(s), the Portfolio Department and Secretary, and the other agencies and their Chief Executive Officers (CEOs).

The diagram provides readers with a single glance view of the portfolio's outcomes and the most senior responsible officials by agency, whether they be Secretaries, CEOs, Commissioners, Chairman, etc.

<u>Formatting Guidance</u>
Portfolio departments are to include all entities within the General Government Sector (GGS) within their Portfolio in the diagram. If portfolio departments are uncertain whether or not particular agencies are within the GGS, they should run a CBMS Common Information Tree Report: <u>BEAM Reports → Common Information Tree Reports → Policy Splits Common Reports → (Report Type) Query agency table</u>

Both FMA Act (*Financial Management and Accountability Act 1997)* and CAC Act (*Commonwealth Authorities and Companies Act 1997)* bodies are to be included.

The example included in the shell is the preferred portrait presentation of a portfolio's structure.

In line with the whole documents presentation, Figure 1 is to be presented in a portrait format.

Where applicable, agencies are to indicate each Ministers' responsibilities if they are specific to an agency or body within the Portfolio, increasing the transparency of Ministerial accountability.

<u>Changes from 2007-08 PB Statements</u>
Changes to this section from the 2007-08 PB Statement are minimal.

To enhance the readability of the documents, the 2008-09 PB Statements are intended to be entirely portrait in presentation and, as such, agencies are expected to follow the example provided in constructing their Portfolio Structure and Outcomes diagram.

The link between junior Ministers and the agencies and bodies they are responsible for has been included to improve the transparency of Ministerial control and responsibility.

PORTFOLIO RESOURCES MADE AVAILABLE IN THE BUDGET YEAR

Table 1: Portfolio resources made available in the Budget year

	Appropriation			Receipts	Total
	Bill No. 1	Bill No. 2	Special		
	$m	$m	$m	$m	$m
Department xxxxx					
Administered appropriations					
Departmental appropriations					
Total:					
Agency xxxxx					
Administered appropriations					
Departmental appropriations					
Total:					
Agency xxxxx					
Administered appropriations					
Departmental appropriations					
Total:					
Agency xxxxx					
Administered appropriations					
Departmental appropriations					
Total:					

Resources available within Portfolio.

Agencies will enter these figures into CBMS in the lead up to Budget and will be required to sign off on the final figures (CFO Sign-Off Forms) before Budget.
PB Statement figures <u>must</u> match figures in the Appropriation Bills and Budget Paper 4

PORTFOLIO BUDGET STATEMENTS 2008-09

XXXXX PORTFOLIO

BUDGET INITIATION AND EXPLANATIONS OF APPROPRIATIONS SPECIFIED BY OUTCOMES BY AGENCY

BUDGET RELATED PAPER NO. #

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AGENCY RESOURCING 2008-09

BUDGET PAPER NO.4
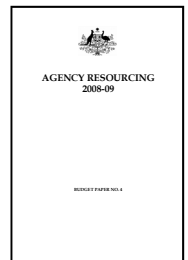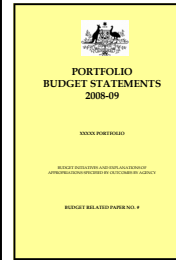
Agency Receipts are equal to s 31 receipts + non-appropriated special account receipts

Figures found in BEAM Agency Resourcing Report

FINANCE AND DEREGULATION
Agency Resourcing—2008-2009

	Departmental				Administered					
						Appropriation Bill No. 2				
Entity/Outcome/ Non-operating	Appropriation Bill No. 1	Appropriation Bill No. 2	Special Appropriation	Receipts (a)	Appropriation Bill No. 1	SPPs	Other (b)	Special Appropriation	Receipts (a)	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Department of Finance and Deregulation										
Outcome 1	-		-		-	-	-			
Outcome 2	-		-		-	-	-			
Outcome 3	-		-		-	-	-			
Outcome 4	-		-		-	-	-			
Special Capital Appropriation			-							
Total	-	-	-		-	-	-			
TOTAL	-	-	-		-	-	-			

(a) Departmental and administered receipts from independent sources that are available to be spent.
(b) Includes *New Administered Expenses* and *Administered Assets and Liabilities*.

<u>Sources of Information</u>

The source of information for the Portfolio Resource Statement is CBMS. All details should be available by running the Agency Resourcing Report in BEAM: <u>BEAM Reports → Appropriation Bills → Appropriation Bill Report → Agency Resourcing Table</u>.

The figures entered into the PB Statement and Budget Paper 4 must match and therefore all the information should come from this CBMS report.

PORTFOLIO RESOURCES

Purpose

The purpose of the Portfolio resources made available in the Budget year table is to present an aggregate picture of the total resources provided to the Portfolio for the Budget year, broken down by agency. The table does not take into account amounts carried forward, nor does it include special account balances and must match back to the Agency Resourcing Table in Budget Paper 4.

This statement completes the 'Portfolio' level picture with the agency having provided an overview of the major responsibilities and Portfolio goals for the Budget year, a diagrammatic illustration of the agencies working towards these goals, and an overview of the resourcing made available to the Portfolio.

Guidance

The figures for the total Portfolio Resources are to be sourced from CBMS by running the BEAM 'Agency Resourcing' report.

The figures included in producing this table **must** match the figures included in the Appropriation Bills and in the 'Agency Resourcing Table' in Budget Paper 4 as they are the authoritative documents and PB Statements are for their explanation. Using the figures from CBMS will ensure consistency as it is the central repository of Budget information used for the production of the Budget Papers.

The receipts column includes funds received from Other Sources, including through section 31 agreements (Net Appropriations) and non-appropriated credits to agency Special Accounts.

For further guidance on the inclusion of figures in CBMS and the composition of the figures generated, see Estimates Memorandum 2008/xx *2008-09 Budget Appropriation Bills and Budget Paper 4 "Agency Resourcing" - Process and Timetable.*

Changes from 2007-08 PB Statements

Previous PB Statement guidance and the 2007-08 PB Statements did not have mandatory requirements for agencies to include a Portfolio level resource table. The inclusion for 2008-09 is to complete the Portfolio overview section and to provide the reader with a simple snapshot of the resources made available in the financial year to achieve the goals and responsibilities of the Portfolio.

AGENCY RESOURCES AND PLANNED PERFORMANCE
SECTION 1: AGENCY OVERVIEW AND RESOURCES

The Agency Overview and Resources section is to articulate a complete picture of each agency's strategic direction, resources, planned results and performance over the Budget year.

The section contains three components: The Strategic Direction statement, the Agency Resource Statement and Budget Measures table. Together these sections link agency strategy with the resources available. It also highlights the key priority areas for the Government by summarising the new measures allocated at Budget and included in Budget Paper 2.

The Strategic Direction statement identifies the major ongoing and new functions for the agency, and the challenges ahead. The Resource Statement illustrates all available resources over the Budget year, including Annual and Special Appropriations and Special Account aggregates. Relevant Budget measures are also summarised to complete the overview.

Parts of Section 1: Agency Overview and Resources

- Strategic Direction
- Agency Resource Statement
  - *Agency Resource Statement (Table 1.1 Agency Resource Statement)*
- Budget Measures
  - *Budget Measures (Table 1.2 Budget Measures)*

DEPARTMENT OF XXXXXXXXX

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The strategic direction is a textual statement providing agencies the opportunity to explain the strategic 'story' of the year ahead for the agency, focusing on the headline items which it views are of the most importance. Agencies are to ensure that this section remains strategic and does not just mechanically list out functions and activities. Rather, the strategic direction is to recognise the headline budget decisions affecting the agency, the major on-going functions, any new functions and any significant partnership arrangements as well as upcoming challenges in the year ahead.

Agencies are to ensure that in preparing their Strategic Direction statement they include the following information so that across government there is consistency and coherence to government's priorities and focus. Statements should be no longer than 3 pages in length. The below points should not be used as headings, but should be used as a guide to content:

- *The primary functions and responsibilities of the agency and the outcomes it plans to achieve or progress in the year ahead.*

- *Major new measure packages affecting the agency from the 2008-09 Budget onwards. Explain how the new measures contribute to the agency's outcomes. As a simple guide, those packages referred to in Ministerial Press Releases on Budget Night would be mentioned here.*

- *New functions since the previous Budget or Additional Estimates should be outlined here, including AAO and MOG changes, new functions of government and the transfer of functions between agencies.*

- *The challenges impacting on their services and outcomes, for example economic conditions, social challenges, impediments to goals and major risks.*

A well written and concise Strategic Direction statement provides the reader with a clear view of the agency's direction for the Budget year

It can also provide your agency with a single statement of direction for the year ahead, adding to organisational coherence

The Strategic Direction statement should give context to agency outcomes by outlining the strategies which will be implemented in contributing towards them

Agencies contribute to their outcomes but many other influences will impact on the achievement of the desired results and outcomes. By outlining significant external factors which could impact on the agency's outcomes, the agency's contribution and performance can be measured fairly and accurately

Sources of Information

The Strategic Direction is a brief and concise textual statement that reflects the strategic direction that the agency will be pursuing over the coming year.

These strategies can be drawn from:

- Agency business plans and performance goals for the year;
- Ministerial Statements about the agency's agenda;
- Significant Budget packages affecting the agency; and
- Issues identified in the previous year's Annual Report.

STRATEGIC DIRECTION STATEMENT

Purpose
Strategic Direction statements should explicitly state the agency's goals and key results over the Budget year, providing context for how the agency will be contributing to its Outcomes. The statement is to set the course for the agency, identifying major ongoing functions, new functions and measures allocated to the agency, and any significant challenges which will impact on the agency's performance against its outcome over the year.

Guidance
Preparation of the Strategic Direction statement will reflect the direction of the agency as the statement is intended to provide a blueprint of the Budget year ahead. It is important to remember that the PB Statements are 'Budget Related' documents and should be written with that context in mind. That said, the aim of the Strategic Direction, and the broader document as a whole, is not financial. Its purpose is essentially to tell the story of the agency over the coming year, the strategies to be pursued and the planned results and goals to be achieved.

Agencies are encouraged to supplement Budget year information with an outline of longer-term strategies and goals beyond the Budget year, articulating broader directions planned over the forward years and medium term. This can enhance the statement by situating Budget year performance and results in the context of longer term outcomes.

Agencies are to briefly outline their Outcomes and provide context for how they align with the agency's Strategic Direction, linking agency contributions to the achievement of government outcomes.

Agencies should keep the Strategic Direction statement to 2-3 pages.

Changes from 2007-08 PB Statements
The Strategic Direction replaces the Agency Overview section of the 2007-08 PB Statements. By re-orientating agency descriptions towards their strategic goals for the year, and away from a simple overview of processes and activities, the Strategic Direction statement should provide direction for the agency and indicate to Parliament the year ahead for the agency.

Table 1.1: Agency XXXXXXXX resource statement — Budget estimates for 2008-09 as at Budget May 2008

	Estimate of prior + year amounts available in 2008-09 $'000	Proposed at Budget = 2008-09 $'000	Total Estimate 2008-09 $'000	Estimated Appropriation Available 2007-08 $'000
Ordinary Annual Services				
Departmental outputs				
Departmental outputs				
s31 Relevant agency receipts			5	
Total				
Administered expenses				
Outcome x				
Outcome y				
Outcome z				
Total				
Total ordinary annual services A				
Other services				
Administered expenses				
Specific payments to States, Act, NT and local government				
Outcome a				
Outcome c				
Total				
New administered expenses				
Outcome b				
Total				
Departmental non-operating				
Equity injections				
Previous years' outputs				
Total				
Administered non-operating				
Administered Assets and Liabilities				
Total				
Total other services B				
Total Available Annual Appropriations				
Special Appropriations				
Special Appropriations limited by criteria/entitlement	20,000,000	20,000,000	**20,000,000**	20,000,000
Special Appropriation Act x				
Special Appropriation Act y				
Special Appropriations limited by amount				
Special Appropriation Act z				
Total Special Appropriations C				
Total Appropriations excluding Special Accounts				

The Agency Resource Statement provides readers with a single picture of all resources available for use from all sources, over the budget year

Estimated actuals for revised (current) budget year are found in the agency FMIS

Annual Appropriations found in BEAM Appropriation Bills QA Report

QA Report - Appropriations

Estimated carried forwards for the Departmental Outputs, Departmental and Administered Non-Operating, Special Appropriations limited by amount and Special Account balances are found in the agency FMIS.

Estimated Special Appropriation expenses are found in BEAM Special Appropriations Report

Sources of Information
All appropriation data for this section of the Agency Resource Statement must come from CBMS. This includes the Annual Appropriation figures (green) and the Special Appropriation figures (blue).

The Annual Appropriation figures (green) can be found by running BEAM Reports → Appropriation Bills → Appropriation Bill QA Report. The Special Appropriation estimates (blue) can be found by running BEAM Reports → Special Appropriations Report. The estimated carry forward figures are to be calculated by extrapolating ACM drawdown trends and the estimated appropriation available are to retrieved from the agency's own FMIS.

Further guidance on the technical requirements are included in Attachment A.

AGENCY RESOURCE STATEMENT (PART 1)

<u>Purpose</u>

The Agency Resource Statement consolidates all the resources available to the agency over the Budget year in a single table. It indicates to the reader all the various funding sources the agency may draw against in achieving its government mandated outcomes and objectives. The Agency Resource Statement provides carry-forward amounts and the balances of Special Accounts to increase the transparency of agency resources and to fully demonstrate all available resources.

<u>Guidance for part 1</u>

Agencies are required to populate *Table 1.1 Agency Resource Statement*. <u>All</u> appropriation data is to be drawn from CBMS with the estimated carry-forward amounts and the estimated appropriation available to be drawn from the agency's own FMIS.

Appropriation figures, both annual and special, are to be included from BEAM and **must** match those included in the Appropriation Bills and in Budget Paper 4. These are found by running BEAM reports: Appropriation Bills QA Report and the Special Appropriations Report.

As the Resource Statement details all the available departmental operating appropriations (outputs) through summing the carried forward amounts, Budget appropriation and estimated s. 31 receipts it will be greater than the total of all outputs included in the Outcome Resource Statements, which indicate the estimated appropriation required for the budget year. Table 3.1.1 provides a reconciliation between the total available and the estimated appropriation required.

Special Account non-appropriation receipts and s 31 receipts are to sum to the total 'receipts' included in the portfolio resource statement (and included in Budget Paper 4).

Agencies need to determine the estimated carry-forwards by extrapolating ACM drawdown trends, at the agency level for Departmental Outputs and Departmental Non-Operating and by Outcome for Administered Non-operating. Administered operating (i.e. Outcomes) cannot have carry forward amounts.

Special Appropriations limited by amount may have carry forward amounts, but Special Appropriations with criteria/entitlement limits cannot have carry forwards.

It is expected that the Resource Statement will be too long for a single page, it must therefore be placed on facing pages.

Further guidance on the technical requirements are included in <u>Attachment A</u>.

<u>Changes from 2007-08 PB Statements</u>

The move to a single resource table consolidates the information included in Table 2.1 Appropriations and Other Resources, Table 2.3 Other Resources Available to be Used and Table 2.5 Special Appropriations in the 2007-08 PB Statements.

Table 1.1: Agency XXXXXXXX resource statement — Budget estimates for 2008-09 as at Budget May 2008 (continued)

	Estimate of prior [+] year amounts available in 2008-09 $'000	Proposed at Budget [=] 2008-09 $'000	Total Estimate 2008-09 $'000	Estimated Appropriation Available 2007-08 $'000
Special Accounts[6]				
Opening balance				
Appropriation Receipts				
Appropriation Receipts - other agencies[7]				
Non-Appropriation receipts to				
Special Accounts				
Total Special Account D				
Total resourcing				
A+B+C+D				
Less appropriations drawn from				
annual or special appropriations above				
and credited to special accounts				
Total net resourcing for agency X				

1. Appropriation Bill (No.1) 2008-09.
2. Appropriation Bill (No.2) 2008-09.
3. s31 Relevant Agency receipts — estimate.
4. Estimated adjusted balance carried from previous year for Annual Appropriations.
5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Resource Statements as they budget for estimated appropriation required and not the total available. For reconciliation see Table 3.1.1.
6. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.
7. Appropriation receipts from agency X annual and special appropriations for 2008-09 included above.

Third Party Drawdowns from and on behalf of other agencies

	$'000
Payments made on behalf of other agencies (Third Party drawdown access) (disclosed in the respective agency Resource Statement)	
Payments made on behalf of other agencies (Third Party drawing rights) (disclosed above)	
Revenue received from other agencies for the provision of services (disclosed above within Departmental s31)	
Payments made by other agencies on behalf of Agency X (disclosed above)	
Payments made to other agencies for the provision of services (disclosed above)	

Most agencies will have to split the Agency Resource Statement over 2 pages. This must be done over facing pages

These footnotes are required to ensure clarity of information included in the Agency Resource Statement

The breakdown of Third Party Drawdowns are found in the agency FMIS, following agreement with the other entity

Sources of Information

Special Account figures are to be drawn from CBMS, as the central repository of government financial data. Agencies may need to use information from their own FMIS to breakout lower level information, however all aggregates must equal the figures in CBMS.

The third party drawdowns table information will be drawn from agencies own FMIS in agreement with the other agencies. Agencies must agree the numbers with the giving or receiving agency before publication to ensure consistency across PB Statements.

Further guidance on the technical requirements are included in Attachment A,

AGENCY RESOURCE STATEMENT (PART 2)

Purpose
The Agency Resource Statement consolidates all the resources available to the agency over the Budget year in a single table. It indicates to the reader all the various funding sources the agency may draw against in achieving its government mandated outcomes and objectives. The Agency Resource Statement provides carry-forward amounts and the balances of Special Accounts to increase the transparency of agency resources and to fully demonstrate all available resources.

Guidance for part 1
The Special Account section aggregates the total resources available through an agencies Special Accounts (excluding off-book accounts such as Other Trust Monies etc.)

Agencies are required to populate *Table 1.1 Agency Resource Statement*. The data required for this section is to come from CBMS by running a BEAM report: BEAM Reports → Annual Estimates → Annual Estimates Special Account Report.

Agecnies must ensure their data entry and data maintainence allows for reconciliation between the CBMS reports and any information held in their FMIS.

Appropriations from other agencies into the Special Account must also be split out to increase the transparency of the Special Account totals.

Furthermore Special Account non-appropriation receipts plus s 31 receipts are to sum to the total 'receipts' included in the portfolio resource statement (and included in Budget Paper 4).

It is expected that the Resource Statement will be too long for a single page, it must therefore be placed on facing pages.

The third party drawdowns section is to detail the material drawdowns by the agency or on the agency's behalf occurring over the budget year. See the guidance in Appendix A on the types of third party drawdowns. The data included will account for the information that was included in the former Purchaser-Provider section of previous PB Statements.

Changes from 2007-08 PB Statements
The move to a single resource table consolidates the information included in Table 2.1 Appropriations and Other Resources, Table 2.3 Other Resources Available to be Used and Table 2.5 Special Appropriations in the 2007-08 PB Statements.

The third party drawdowns section will account for the information that was included in the former Purchaser-Provider section of previous PB Statements.
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1.3 BUDGET MEASURES

Budget measures relating to agency xxxxx are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

Table 1.2: Agency 2008-09 Budget measures

	Output Group	2008-09 $'000	2009-10 $'000	2010-11 $'000	2011-12 $'000
Revenue measures (if applicable)					
Measure short title	x.x				
Administered revenues		(x)	(x)	(x)	(x)
Departmental revenues		(x)	(x)	(x)	(x)
Total		**(x)**	**(x)**	**(x)**	**(x)**
Total revenue measures	Administered	(x)	(x)	(x)	(x)
	Departmental	(x)	(x)	(x)	(x)
	Total	**(x)**	**(x)**	**(x)**	**(x)**
Expense measures (if applicable)					
Measure short title [1]	x.x				
Administered expense		(x)	(x)	(x)	(x)
Departmental outputs		(x)	(x)	(x)	(x)
Total		**(x)**	**(x)**	**(x)**	**(x)**
Total expense measures	Administered	(x)	(x)	(x)	(x)
	Departmental	(x)	(x)	(x)	(x)
	Total	**(x)**	**(x)**	**(x)**	**(x)**
Capital measures (if applicable)					
Measure short title	x.x				
Administered capital		(x)	(x)	(x)	(x)
Departmental capital		(x)	(x)	(x)	(x)
Total		**(x)**	**(x)**	**(x)**	**(x)**
Total capital measures	Administered	(x)	(x)	(x)	(x)
	Departmental	(x)	(x)	(x)	(x)
	Total	**(x)**	**(x)**	**(x)**	**(x)**

Prepared on a Government Financial Statistics (fiscal) basis

1. The lead agency for measure xxxxxxxxxx is agency xxxxxxx. The full measure description and package details appear in Budget Paper 2 under the xxxxxxx portfolio.

Measure titles must match those to be used in Budget Paper No. 2. The wording for cross portfolio measures should be the same in each PB Statements affected by the measure. When the agency is not the lead agency, i.e. the measure description appears under another portfolio in Budget Paper No. 2, a footnote must be included to reference the lead portfolio to enable a clear connection to the measure description in the Budget Papers.
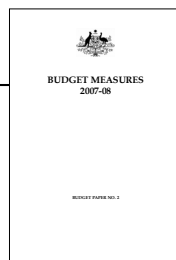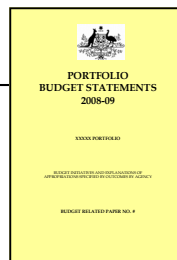
> Budget Measures indicate the government's new expense, revenue and capital measures for the year ahead

> Budget Measures, both title and figures, must match those included in Budget Paper 2

> Departmental and Administered figures are broken out to provide additional detail of the funding associated with each measure. The 'Total' line for each measure are the figures that appear in Budget Paper 2

> Measures are to be included on a fiscal basis as their appear in Budget Paper 2.

PORTFOLIO BUDGET STATEMENTS 2008-09

XXXXX PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF APPROPRIATIONS SPECIFIED BY OUTCOMES BY AGENCY

BUDGET RELATED PAPER NO. #

BUDGET MEASURES 2007-08

BUDGET PAPER NO. 2

> Measure details found in BEAM by aggregating adjustments

Source of Information

Budget Measures are found in CBMS by manually aggregating the BEAM adjustments linked to each specific measure code. Measure codes are initiated by Agency Advice Units, which pre-populates the working title, decision and authority for the measure in BEAM. Agencies must confirm the figures with Finance to ensure that they match the figures published in Budget Paper No. 2. Measure descriptions and sometimes figures can change right up to Budget. Agencies should check regularly with the relevant AAU to ensure accuracy.

Final measures titles and dollars will be provided to agencies from Finance following the completion of Budget Paper No.2.

BUDGET MEASURES

<u>Purpose</u>
The Budget Measures section highlights new Government decisions taken at Budget. It includes measure titles and estimates for budget and forward years. Agencies are required to indicate by footnote when measures link to other agencies to allow packages of measures to be easily identified and located in Budget Paper 2 and across different PB Statements.

<u>Guidance</u>
In preparing the Budget Measures section agencies are required to populate *Table 1.2 2008-09 Budget Measures.* The table is in a portrait format to allow for easier comprehension by readers, with agencies to include all measures by category (revenue, expense or capital) as they are to appear in Budget Paper No. 2.

The details for populating Table 1.2 are to be drawn from CBMS by manually accumulating BEAM adjustments against specific measure codes and through cross-checking with AAU staff in Finance. Measure figures are to be reported on a <u>fiscal</u> basis so as to be identical to those included in Budget Paper No.2.

The measure titles and Budget and Forward Estimate figures included in producing this table must match the figures included in Budget Paper No.2 as the Budget Papers are the authoritative documents and PB Statements are for explanation.

Furthermore, to increase transparency, in instances where agencies are not the lead agency in a measure package, they are required to footnote the lead agency and portfolio to allow easy cross reference to the measure description in Budget Paper No.2.

In the PB Statement agencies are to list the output group within which the measure will be implemented. This provides the reader with further organisational context for the measure and provides a link between the measure and the related performance information in Section Two of the PB Statement.

<u>Changes from 2007-08 PB Statements</u>
The primary change from 2007-08 PB Statements is the presentation of the measures table in portrait format and the movement of the table from the old Section Two: Resources to the new Section One: Agency Overview and Resources.

The move into Section One is to complete the agency overview and provide the reader with a complete snapshot of strategic direction, resources and new government decisions.

The portrait format of the table is keeping with the intention to have the entire document in a single format, and therefore to improve readability.

AGENCY RESOURCES AND PLANNED PERFORMANCE
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

The Outcomes and Planned Performance section of the PB Statement provides the link between government resources and government performance and details the planned contributions to government outcomes. Replacing the old Section 3: Outcomes, the new Section Two is more focused on the planned performance of agencies, refocusing the reporting from processes and activities to performance, results and contributions to outcomes.

Output Groups are to be the primary vehicle of reporting performance and results. Inclusive of all available funding, Output Groups will provide a more consistent basis for performance reporting. See 'Reporting Performance by Output Group' on page 26-27 for more specific guidance on authoring Section Two.

The presentation of performance information has been refocused, with agencies required to state performance indicators and set mandatory measurable targets which, combined, will provide the reader with the information required to judge the agency's performance in contributing towards its outcomes.

Parts of Section 2: Outcomes and Planned Performance

2.1 Outcomes and Planned Performance
- Outcome 1: xxxxxxx
  - Outcome 1 Strategy
  - Outcome 1 Resource Statement *(Table 2.1 Outcome Resource Statement)*
    - Output Group 1.1: xxxxxx
    - Output Group 1.2: xxxxxx

- Outcome 2: xxxxxx (etc.)

Box 1:

Section 2: Outcomes and planned performance

2.1   OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of *Agency /Department xxxxx* in achieving government outcomes.

For the rest of Section 2, use the following template and provided guidance to report for each Outcome.

2.1.1   Outcome 1: xxxxx

Outcome 1 Strategy

Briefly outline key strategies towards achieving outcome 1. Identify major projects that will be undertaken in contributing to outcome 1. Also identify the key initiatives beyond the current years' results within the medium and longer term strategies which are planned to contribute to outcome 1.

Box 2:

Table 2.1: Total resources for Outcome 1		
Outcome 1:	2007-08 Total estimate of available resources $'000	2006-07 Estimated actual $'000
Output Group 1.1:		
Administered Items:		
xxxx xxxxx		
Special Appropriations:		
Special Appropriation Act: Title and Section/Policy split		
Departmental Outputs		
xxxx xxxxx		
Revenues from other sources (s.31) for xxxxx xxxxx		
Special Accounts		
Special Account A		
Opening balance		
Appropriation receipts		
Non-Appropriation receipts to Special Accounts		
Subtotal for Output Group 1.1	0	0
Output Group 1.2:		
Administered Items:		
xxxx xxxxx		
Special Appropriations:		
Special Appropriation Act: Title and Section/Policy split		
Departmental Outputs		
xxxx xxxxx		
Revenues from other sources (s.31) for xxxxx xxxxx		
Special Accounts		
Special Account A		
Opening balance		
Appropriation receipts		
Non-Appropriation receipts to Special Accounts		
Subtotal for Output Group 1.2	0	0
Total resources for Outcome 1		
	2008-09	2007-08
Average staffing level (number)		

¹ Appropriation item reciepted into xxxxx Special Account

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

Agencies are to use Output Groups to group departmental outputs, administered items/programs and other revenues which are for the same purpose, contribute to achieving similar results and can be measured by the same group of performance indicators. This provides an opportunity to provide low level resource information for the individual outputs and administered items/programs which are contributing to the same result, but the opportunity to

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Box 3:

Contributions to Outcome 1

Output Group 1.1: xxxxxx

Agencies are to present key performance information on the principle results they plan to achieve under Output Group 1.1 in contributing to the achievement of Outcome 1.

Output Group 1.1: Title
Output Group Description: should outline the key results to be achieved by the output group and how these results contribute to the achievement of the outcome. Specifics of each components' results, if included, are to go under the component title below.

Components of Output Group 1.1:
- Title of Component *(as it appears in Table 2.1)*
  A brief outline of the results to be achieved by each item is to be outlined under each component (if relevant to the key results of the output group).
- Title of Component *(as it appears in Table 2.1)*
- Title of Component *(as it appears in Table 2.1)*
- Title of Component *(as it appears in Table 2.1)*

Key Performance Indicators	2008-09 Target
A range of indicators should be chosen to best indicate the contributions of the output group to the outcome. Agencies should require no more than 10 indicators to demonstrate the most significant contributions of the output group to the outcome.	*Measurable targets are mandatory.*

REPORTING RESULTS PERFORMANCE BY OUTPUT GROUP

A significant change from the 2007-08 PB Statement is the way in which resource information and, of equal importance, performance information is to be included in demonstrating an agency's contributions to its outcomes.

Previously PB Statement information was detailed by funding source, whether that be Annual Departmental Appropriation, Annual Administered Appropriation, Special Appropriation or from Other Sources. This in turn shaped the presentation of performance information, with agencies using funding type as the means for grouping expected results and performance.

For the 2008-09 PB Statements, agencies are to report on the key results and performance using Output Groups to group related activities which are working to achieve similar results and performance goals, irrespective of funding type.

This change is evident in the Outcome Resource Statement (Table 2.1) where the different sources of funding are bundled together under the relevant Output Group. This provides the platform for improved and more inclusive performance reporting at a level which is of most use to the reader. It also goes further than the previous Outcome Statements in clearly displaying the total available resources to be used on achieving particular results or performance target.

Output Groups are to be used by agencies as a means of grouping funding by like results and performance. Output Groups are to be more inclusive than previously used or specified in guidance, encompassing departmental outputs (agency produced goods and services, including policy advice and the facilitation and delivery of administered items) and administered items or programs, both through Annual Appropriation and Special Appropriation and Special Account payments, as they contribute to achieving the same result.

The diagram opposite demonstrates how the components of the 2007-08 PB Statement are to be included in new Outcome Resource Statement, by output group. It also demonstrates that the revised Outcome Statement contains the same information as previous Outcome Statements, just repackaged. For instance administered items/program are to be included as they were in previous PB Statements under the relevant output group along with the outputs etc. which contribute towards the same results and performance indicators.

All administered items require some level of departmental support in the form of outputs. Output Groups would represent the outputs of the section of an agency as well as the administered items or programs they are administering. For performance reporting this results in a more holistic approach, for instance, where the delivery and policy development (outputs) of an administered item or program is reported on with the administered item or program proper to give a full representation of funding of results and planned performance of all components.

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This way of formatting the Outcome section, by the results and performance of the Output Groups (regardless of the funding sources for each component) will shape the content and format of performance indicators and performance targets.

2007-08 PB Statement
Table 2.1 Total resources available for Outcome x

	Estimated actual 2006-07 $'000	Budget estimate 2007-08 $'000
Administered appropriations		
Administered Item 1.1		
Administered Item 1.2		
Administered Item 1.3		
Administered Item 1.4		
Special Appropriation Act and Section/Policy Split		
Special Appropriation Act and Section/Policy Split		
Special Appropriation Act and Section/Policy Split		
Special Appropriation Act and Section/Policy Split		
Total administered appropriations		
Departmental appropriations		
Output Group 1.1 -		
Output 1.1.1 -		
Output 1.1.2 -		
Subtotal Output Group 1.1		
Departmental appropriations		
Output Group 1.2 -		
Output 1.2.1 -		
Output 1.2.2 -		
Subtotal Output Group 1.2		
Total revenue from government (appropriations)		
Contributing to price of departmental outputs		
Revenue from other sources		
Output 1.1.1 -		
Output 1.2.2 -		
Total revenue from other sources		
Total price from departmental outputs		
(Total revenue from government and from other sources)		
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)		

2008-09 PB Statement
Table 2.1 Total resources available for Outcome x

Outcome 1:	2007-08 Total estimate of available resources $'000	2006-07 Estimated actual $'000
Output Group 1.1:		
Administered Items:		
xxxxx xxxxx		
Special Appropriations:		
Special Appropriation Act: Title and Section/Policy split		
Departmental Outputs		
xxxxx xxxxx		
Revenues from other sources (s.31) for xxxxx xxxxx		
Special Accounts		
Special Account A		
Opening balance		
Appropriation receipts		
Non-Appropriation receipts to Special Accounts		
Subtotal for Output Group 1.1	0	0
Output Group 1.2:		
Administered Items:		
xxxxx xxxxx		
Special Appropriations:		
Special Appropriation Act: Title and Section/Policy split		
Departmental Outputs		
xxxxx xxxxx		
Revenues from other sources (s.31) for xxxxx xxxxx		
Special Accounts		
Special Account A		
Opening balance		
Appropriation receipts		
Non-Appropriation receipts to Special Accounts		
Subtotal for Output Group 1.2	0	0
Total resources for Outcome 1		

2008-09 PB Statement
Output Group table and performance information

Output Group 1.1: Title
Output Group Description: should outline the key results to be achieved by the output group and how these results contribute to the achievement of the outcome. Specifics of each components' results, if included, are to go under the component title below.
Components of Output Group 1.1:
• Title of Component *(as it appears in Table 2.1)*
A brief outline of the results to be achieved by each item is to be outlined under each component (if relevant to the key results of the output group).
• Title of Component *(as it appears in Table 2.1)*
• Title of Component *(as it appears in Table 2.1)*
• Title of Component *(as it appears in Table 2.1)*

Key Performance Indicators	2008-09 Target
A range of indicators should be chosen to best indicate the contributions of the output group to the outcome. Agencies should require no more than 10 indicators to demonstrate the most significant contributions of the output group to the outcome.	*Measurable targets are mandatory.*

A worked example of this revised formatting is presented at Appendix B to assist agency staff in constructing Section 2 of the PB Statement and in linking performance and resource information from 2007-08 to 2008-09.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of Agency /Department xxxxx in achieving government outcomes.

For the rest of Section 2, use the following template and provided guidance to report for each Outcome.

2.1.1 Outcome 1: xxxxx

Outcome 1 Strategy

Briefly outline key strategies towards achieving outcome 1. Identify major projects that will be undertaken in contributing to outcome 1. Also identify the key initiatives beyond the current years' results within the medium and longer term strategies which are planned to contribute to outcome 1.

> The Outcome Strategy is to identify the major efforts undertaken over the budget year which will contribute to the Outcome

> Agencies can also specify longer term and broader strategies or projects being undertaken in contributing towards the outcome over the Forward Estimates, with short term goals and performance indicators to demonstrate progress

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Sources of Information

The Outcome Strategy statement should concisely indicate the key initiatives and major strategies that will be undertaken in contributing to the agency's outcomes. Senior management within the business areas responsible for the outcome, and the agency head should be setting the direction for outcomes, and specifying the strategies to be employed.

The Outcome Strategy section should build upon internal management goals, agency business plans and strategic direction ensuring alignment between agency performance and its contributions towards its outcomes.

OUTCOME STRATEGY

Purpose
The Outcome Strategy section is to outline the significant strategies and policies the agency will be undertaking in contributing towards its outcomes. It should provide the reader with a clear indication of the key policy directions to be implemented in contributing towards the outcome and how these link to the output groups, performance indicators and targets.

Guidance
In authoring the outcome strategy agencies should be indicating the way in which they will be contributing towards the outcome and the broader strategies which the agency will be pursuing to contribute to the outcome. It should provide a bridge between the organisational management structures and strategies and the outcomes set by government.

The type of inclusions are similar in nature to what is included in Outcome Summary section of the Annual Report, although obviously focus on strategies for the future. A strong Outcomes Strategy statement will better support the 'clear read' principle between the PB Statements and the Annual Report, with the strategies outlined at Budget reported in the Annual Report.

Agencies should also include references to any material cost recovery arrangements that impact on the achievement of each outcome. In line with the Cost Recovery Policy (see www.finance.gov.au) — all Cost Recovery Impact Statements are to be included on agency websites.

Changes from 2007-08 PB Statements
The Outcome Strategy replaces the 'Summary of Contributions to Outcomes' diagram from previous PB Statements with a shorter statement focused on the key strategies to be undertaken in contributing towards outcomes.

Table 2.1: Total resources for Outcome 1

Outcome 1:	2007-08 Total estimate of available resources $'000	2006-07 Estimated actual $'000
Output Group 1.1:		
Administered Items:		
xxxxx xxxxx		
Special Appropriations:		
Special Appropriation Act: Title and Section/Policy split		
Departmental Outputs		
xxxxx xxxxx		
Revenues from other sources (s.31) for xxxxx xxxxx		
Special Accounts		
Special Account A		
Opening balance		
Appropriation receipts		
Non-Appropriation receipts to Special Accounts		
Subtotal for Output Group 1.1	0	0
Output Group 1.2:		
Administered Items:		
xxxxx xxxxx		
Special Appropriations:		
Special Appropriation Act: Title and Section/Policy split		
Departmental Outputs		
xxxxx xxxxx		
Revenues from other sources (s.31) for xxxxx xxxxx		
Special Accounts		
Special Account A		
Opening balance		
Appropriation receipts		
Non-Appropriation receipts to Special Accounts		
Subtotal for Output Group 1.2	0	0
Total resources for Outcome 1		

	2008-09	2007-08
Average staffing level (number)		

[1] Appropriation item reciepted into xxxxx Special Account

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

Agencies are to use Output Groups to group departmental outputs, administered items/programs and other revenues which are for the same purpose, contribute to achieving similar results and can be measured by the same group of performance indicators. This provides an opportunity to provide low level resource information for the individual outputs and administered items/programs which are contributing to the same result, but the opportunity to

> Agencies are to detail the different resource types that contribute to the results and impacts of each Output Group

> The breakdown of departmental components is at the discretion of the agency in best describing and representing the resources utilised to achieve the Output Groups' results

> The attribution of departmental appropriation is to indicate the best estimate possible at Budget, as departmental funds are nominal and can change in the course of the Budget year.

Sources of Information

The breakdown of resource information at the Outcome level is largely an exercise in attribution. The attribution is to be produced from the agency FMIS budget forecasts.

Administered figures from Annual Appropriations must sum to the Outcome totals included in the Appropriation Bills found in BEAM Reports → Appropriation Bills → Appropriation Bill QA Report. Special Appropriations, with section and policy splits to be included as appropriate, can be found in BEAM by running BEAM Reports → Special Appropriations Report and Special Account (flows) are to be found BEAM Reports → Annual Estimates → Annual Estimates Special Account Report with further drill down from the agency FMIS, as required.

Departmental splits are notional splits across the agency. The attribution to Outputs is to be as accurate as possible at the time of Budget to indicate the best estimate of resource allocation.

OUTCOME RESOURCE STATEMENT

<u>Purpose</u>
The Outcome Resource Statement drills down further into the data included in the Agency Resource Statement and provides the reader with the connection between resources available and the agency's planned results and performance. It provides the tangible link between government resources and the intended results contributing towards government outcomes which follows in Section 2.

<u>Guidance</u>
The Outcome Resource Statement is to be produced using *Table 2.1 Total Resources for Outcome 1*. The attribution and allocation of departmental resources within the Outcome and within the Agency is at the agency's discretion in best contributing to the Outcomes of government (subject to the relevant funding controls).

The focus of the Outcome Resource Statements is different to the Agency Resource Statement in that it won't detail the total *available* appropriation but rather the operating *attribution planned* for the Budget year across outputs and output groups. This difference in focus means the departmental outputs across all outcomes are unlikely to sum to the total departmental appropriations available (inclusive of carry-forwards) due to holdings for amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities . Table 3.1.1 is to be used by agencies to reconcile the difference between outcome aggregates and the agency resource statement.

For administered funds the outcome totals must match what is included in the Agency Resource Statement and Appropriation Bills. Special Appropriations and Special Accounts figures must also, in aggregate, equal the figures included in the Agency Resource Statement.

Administered items/programs are to remain being reported at the outcome level, with output groups to coalesce around either a specific large administered item/ program or groupings of smaller items/programs.

<u>Changes from 2007-08 PB Statements</u>
The changes from the 2007-08 PB Statements result from using Output Groups as the primary vehicle for performance reporting and the revision of the table to have resources grouped according to the results they intend to achieve, not the source or type of funding. This section has been designed with the aim of improving the platform for performance reporting and, as such, results and performance dictate the format of the Outcome Resource Statement and not the reverse, which has previously been the case.

Contributions to Outcome 1

Output Group 1.1: xxxxxx

Agencies are to present key performance information on the principle results they plan to achieve under Output Group 1.1 in contributing to the achievement of Outcome 1.

Output Group 1.1: Title

Output Group Description: should outline the key results to be achieved by the output group and how these results contribute to the achievement of the outcome. Specifics of each components' results, if included, are to go under the component title below.

Components of Output Group 1.1:
- Title of Component *(as it appears in Table 2.1)*
  A brief outline of the <u>results</u> to be achieved by each item is to be outlined under each component (if relevant to the key results of the output group).
- Title of Component *(as it appears in Table 2.1)*
- Title of Component *(as it appears in Table 2.1)*
- Title of Component *(as it appears in Table 2.1)*

Key Performance Indicators	2008-09 Target
A range of indicators should be chosen to best indicate the contributions of the output group to the outcome. Agencies should require no more than 10 indicators to demonstrate the most significant contributions of the output group to the outcome.	*Measurable targets are mandatory.*

Agencies are to focus on articulating the key results they plan to make over the budget year and make the tangible link between how these results contribute to government outcomes. The expected results should provide context for the performance indicators chosen

Agencies are to list the resource elements that contribute to the Output Group

All Key Performance Indicators are required to have <u>measurable</u> targets

<u>Sources of Information</u>

Generating performance information, specifying results and setting performance targets is an internal exercise for agencies. The performance indicators used by agencies should mirror or build upon those used by the agency in its own internal management, to ensure that operations are working towards government outcomes efficiently and effectively. Specific indicators and targets should be developed with the responsible area, who will be best able to set realistic targets and will also know what data can be collected and measured.

When specifying the Key Performance Indicators for each Output Group, and the results to be achieved, agencies should be indicating the most significant contributions the agency is making towards the outcome. Processes and activities are not to be included unless their direct impact towards the outcome can be demonstrated and measured.

See <u>Appendix C</u> for more guidance on setting performance indicators and Targets.

OUTPUT GROUPS AND PERFORMANCE INFORMATION

Purpose

The purpose of this section is to demonstrate an agency's contributions to its outcomes. It is important that agencies articulate the results they plan to achieve over the Budget year and set performance targets to measure their success. In stating the planned contributions to outcomes and in setting performance targets, agencies are making a tangible link between government objective and government resources, and setting the benchmarks by which their performance can be measured.

Guidance

In producing the *Contributions to Outcomes* section agencies are to follow the template provided with the shell document. Agencies should firstly articulated the planned results and contributions to outcomes across each output group as a whole before shaping the performance indicators.

When setting performance targets agencies are to be conscious of previous years' targets and their progress towards them. Performance targets should not be static, they should grow with improved practices and methods, periodically being evaluated and revised to ensure agencies are achieving the best possible results in contributing towards their outcomes at the lowest cost. For more detailed guidance on performance reporting and the setting of performance indicators and targets, refer to Appendix C.

Agencies are to report performance by output group by selecting (usually up to 12) key performance indicators per output group of activities (inclusive of administered items, outputs, special appropriations and in some instances special accounts). This represents a move away from reporting the performance of individual items (whether administered or departmental) towards a more strategic and meaningful level of performance indicators, demonstrating a more tangible link between the output group results (and performance indicators) and the outcomes of government. Individual items therefore may not have specific indicators, but contribute to the achievement of broader results and indicators.

Measures of individual items' performance will still remain valuable to internal management, but their inclusion in the PB Statements should be weighed up against their ability to demonstrate performance and results against government outcomes. Specifically indicators which demonstrate the effectiveness of the output group's contributions to the relevant outcome are preferable in articulating the agencies performance.

Where a cost recovery arrangement is significant in contributing to the agencies' outputs, it should be briefly described and reference should be made that the relevant Cost Recovery Impact Statement is available on the agencies' website as required by government policy (see www.finance.gov.au).

Changes from 2007-08 PB Statements

Section two (section three in 2007-08 PB Statements) has not undergone significant change. However, as explained earlier, performance reporting is to be more inclusive and results focused. Agencies will not be reporting on their outputs and administered items separately, but together, as a single contribution to the achievement of government outcomes.

AGENCY RESOURCES AND PLANNED PERFORMANCE
SECTION 3: EXPLANATORY TABLES AND BUDGETED FINANCIAL STATEMENTS

The Explanatory Tables and Budgeted Financial Statements section of the PB Statements provides a bookend to the document, providing readers with technical financial information of the agency's operations over the Budget and three forward years. Furthermore Section Three provides a reconciliation between total agency resources and outcome attribution and indicates the planned movements in administered funds, and Special Account flows and indigenous expenditure.

Agencies should, to the extent that it is possible in an Estimates context, be consistent in preparing their budgeted financial statements, applying the same accounting assumptions and processes that they expect to use in preparing the financial statement to be included in the Annual Report.

Agencies are to refer to, and follow the Finance Minister's Orders (FMOs) and Forms of Financial Statements available at: http://www.finance.gov.au/ace/

Parts of Section 3: Explanatory Tables and Financial Statements

- 3.1 Explanatory Tables
    - Reconciliation of total available appropriation and outcomes (*Table 3.1.1 Reconciliation of total available appropriation and outcomes*)
    - Movement of Administered Funds *(Table 3.1.2 Movement of funds)*
    - Special Accounts *(Table 3.1.3 Special Accounts Table)*
    - Australian Government Indigenous Expenditure Statement (*Table 3.1.4 AGIE*)

- 3.2 Budgeted Financial Statements
    - Agency Resourcing and Financial Statements
    - Analysis of budgeted financial statements
    - Budgeted financial statement tables (*Tables 3.2.1 – 3.2.7*)
    - Notes to the financial statements

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities. Table 3.1.1 reconciles the total available appropriation and amounts attributable to all outcomes.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	$'000
Total available departmental operating appropriation (outputs)	
Less total attributed in outcome resource statements	
Estimated departmental operating appropriaition carry-forward	
for 2009-10 (outputs)	-

1. Insert footnote

The 'total available departmental operating appropriation (outputs)' is equal to the carry-forward estimate +budget appropriation +estimated s31 receipts included in the Agency Resource Statement (Table 1.1). The 'total attributed [to outcomes] equals the sum of all amounts included and budgeted for in the agency Outcome [Resource Statements].

The net effect of subtracting the amounts attributable to [outcomes from the total available will] result in the initial estimate of the carry-forward amount [into 2009-10].

Agencies are encouraged breakout the 'estimated departmental operating appropriation carry-forward' amount to increase transparency

Agency xxxxxx Resource Statement - Budget estimates for 2008-09 as at Budget May 2008

	Estimate of prior [+] year amounts available in 2008-09 $'000	Proposed at Budget [=] 2008-09 $'000	Total Estimate 2008-09 $'000	Estimated Appropriation Available 2007-08 $'000
Ordinary Annual Services				
Departmental outputs				
Departmental outputs	1,000	2,000	3,000	
s31 Relevant agency receipts		100	100	
Total	**1,000**	**2,100** [1]	**3,100**	

Sources of Information
The total available departmental operating appropriation (outputs) is the 'Total' line in the 'Total Estimate' column in the Agency Resource Statement as shown in green, including carry-forward amounts, departmental outputs appropriated at Budget and estimates s.31 receipts anticipated in the Budget year.

The 'total attributed in outcome resource statements' will equal the sum of all outputs attributed to outcomes in Outcome Resource Statements.

Agencies are encouraged, as appropriate, to breakout the estimated carry-forward into 2009-10 to increase transparency.

RECONCILIATION OF TOTAL APPROPRIATION AND OUTCOMES

Purpose

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year.

The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year. This carry-forward amount relates to the meeting the agency's future obligations to maintain its asset base and to meet employee entitlement liabilities.

Table 3.1.1 therefore reconciles the agency's total available departmental operating appropriation with the amounts attributable to government outcomes in the Budget year.

Guidance

The 'total available departmental operating appropriation (outputs)' is equal to the carry-forward estimate +budget appropriation +estimated s.31 receipts included in the Agency Resource Statement (Table 1.1). The 'total attributed in outcome resource statements' is the amounts included and budgeted for in the agency Outcome Resource Statements (Table 2.1).

The net effect of subtracting the amounts attributable to outcomes from the total available will result in the initial estimate of the carry-forward amount for the 2009-10 Budget year.

Agencies are encouraged, as appropriate, to breakout the estimated carry-forward into 2009-10 to increase transparency.

Changes from 2007-08 PB Statements

This is a new table for the 2008-09 PB Statements.

3.1.2   Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

Table 3.1.2: Movement of administered funds between years

M	Movements of funding between years	$'000
[insert text]		

1.   Insert footnote

Movement of administered funds between years from 2007-08 to 2008-09 should be listed here. Only movements of funds approved since the 2007-08 Additional Estimates are to be reported (as displayed in the 2007-08 Portfolio Additional Estimates Statements).

It is recommended that agencies provide a few lines description to this table briefly explaining the major movement of funds between years that are reported. The movement of funds between years figure must be provided to your Finance Agency Advice Unit for clearance before PB Statements are printed.

Agencies with movements in multiple years may wish to include additional rows relating to movements between years other than 2007-08 to 2008-09.

Movements of funds include:

- *Annual Appropriation acts – moving all or some unexpensed annual administered expense appropriation for an agency outcome from the previous year into the current year resulting in a new appropriation (rephasings). The process applies to unexpensed:*

  - *administered expenses appropriations in Acts 1, and 3;*

  - *specific purpose payments appropriations in Acts 2, and 4; and*

  - *new administered expenses appropriations in Acts 2, and 4.*

- *Movement of estimates across years with no net impact on the forward estimates or new appropriations (previously known as re profiling).*

Changes to estimates for Special Appropriations including Special Accounts

Agencies need to at a minimum include the outcome under which movements are occurring (as outcomes are the point of appropriation). Where possible agencies should also provide item/ program information to increase transparency

MOVEMENT OF ADMINISTERED FUNDS

Purpose

The Purpose of the Explanatory Tables is to provide additional resource information to readers. The information has been moved to the rear of the document to consolidate the technical financial information in the one section rather than mixing technical and narrative information and distorting the intended clarity of the document.

The Movement of administered funds table details the amount of unexpensed annual administered appropriations which the agency is carrying forward from previous years to the Budget year through re-appropriation.

Guidance

To move annual administered appropriations from previous years to the Budget year, agencies need to complete the spreadsheet attached to Estimate Memorandum 2008/11 *Movement of Administered Funds Final Applications* and request, through their relevant Agency Advice Unit (AAU) and a letter from their portfolio Minister to the Finance Minister, approval for the movement of funds. For the 2008-09 Budge these need to be completed no later than 28 March 2008.

Changes from 2007-08 PB Statements

There are no changes from the 2007-08 PB Statement for the Movement of administered funds table, except that the table has been moved to Section 3.

Table 3.1.2 is the old Table 2.4 from the 2007-08 PB Statement.

3.1.3 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by [agency name].

Table 3.1.3: Estimates of Special Account cash flows and balances

	Outcome	Opening balance 2008-09 2007-08 $'000	Receipts 2008-09 2007-08 $'000	Payments 2008-09 2007-08 $'000	Adjustments 2008-09 2007-08 $'000	Closing balance 2008-09 2007-08 $'000
Name of account (A)						
Name of account (D)						
Total special accounts **2008-09 Budget estimate**						
Total special accounts 2007-08 estimate actual						

(A) = Administered
(D) = Departmental

Inclusion of some explanatory text accompanying this table, or use of footnotes, is encouraged if they aid comprehension — especially a short description on the purpose of the special account. If agencies use a shortened title in the table, they must include the determination number (for section 20 special accounts e.g. FMA Act s.20 det. 2007/98) to ensure cross referencing to the actual determination is possible. For those accounts created in enabling legislation agencies may choose to include an Acts glossary indicating the full Act title and use a shortened version in the table.

Agencies are encouraged to use an Acts glossary for those accounts which are created in enabling legislation to avoid the table becoming too cumbersome

Sources of Information

Details of Special Account flows, opening and closing balances are to be populated from CBMS. Agencies may require lower level information from their own FMIS, however the figures in CBMS are the authoritative figures used for the consolidation of the whole of government accounts and therefore any data from agency FMISs must reconcile with the CBMS figures.

The estimated opening balance will equal the estimated closing balance for the previous years transactions.

The majority of determination numbers for section 20 FMA Act created special accounts are available in CBMS: BEAM Reports → Common Information Tree Reports → Policy Splits Common Reports → (Report Type) Appropriation CIT CoA Relationships Report (see FAQs for screen shots of report).

SPECIAL ACCOUNT FLOWS

Purpose

The purpose of the Special Account table is to provide more detail on the expected flows in agency Special Accounts over the Budget year, including the estimated payments which will be made from the account and adjustments which are expected over the Budget year. Furthermore accounts which are in essence 'off book' accounts or which hold 'special public moneys', such as Other Trust Moneys, do not constitute funds available to the agency and therefore will not appear in the agency resource statement. Reporting in Table 3.1.3 therefore ensures transparency and accountability of the all funds held by the Commonwealth.

Special Accounts are a mechanism through which agencies can set aside funds for a specific purpose. As such, it is important that the reporting and accountability mechanisms are robust to ensure probity of use.

Guidance

When including Special Account information agencies are to identify the full title of the legislation or legislative instrument which authorised the creation of each Special Account. These are set up by two means, either:

- In enabling primary legislation, in which case the full legislative title and appropriate section (s) need to be included; or

- Through a determination by the Finance Minister under section 20 of the FMA Act, in which case include the title of and the determination number of the legislative instrument.

As some titles will be too long to include cleanly in Table 3.1.3, agencies can use short titles and include an Acts glossary to detail the full title of the enabling legislation. The majority of section 20 determinations used to created special accounts are available in CBMS by running a BEAM CIT report.

Changes from 2007-08 PB Statements

There are no changes from previous PB Statements for the Special Account table, except that the table has been moved to Section 3.

Table 3.1.3 is the old Table 2.6 from the 2007-08 PB Statement.

3.1.4 Australian Government Indigenous Expenditure

Table 3.1.4: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total	Output Group
	Bill No. 1 $'000	Bill No. 2 $'000	Special Approp $'000	Total Approp $'000	$'000	$'000	
	(A)	(B)	(C)	(D)	(E)	(F)=(D)+(E)	(G)
Agency y							
Outcome x							
[title/agency]							
Administered 2008-09							
Administered 2007-08							
Departmental 2008-09							
Departmental 2007-08							
Total Outcome 2008-09							
Total Outcome 2007-08							
Outcome z							
[title/agency]							
Administered 2008-09							
Administered 2007-08							
Departmental 2008-09							
Departmental 2007-08							
Total Outcome 2008-09							
Total Outcome 2007-08							
Total Administered 2008-09							
Total Administered 2007-08							
Total Departmental 2008-09							
Total Departmental 2007-08							
Total AGIE 2008-09							
Total AGIE 2007-08							

Notes
1.   Enter 2008-09 in bold type, 2007-08 in italics
2.   Column (D) = (A) +(B)+(C)
3.   (E) includes section 31 receipts
4.   Omit reference to any outcomes for which there is zero AGIE to record
5.   Asterisk any figures that are notional splits across outcomes. Do not asterisk figures where the notional split is due solely to the notional nature of all Departmental appropriations

> It is important that agencies include the relevant output group to ensure cross reference with Section 2 of the PB Statements.

Sources of Information

Agencies are to include details of the indigenous specific activities and services they perform, by outcome and appropriation type. Furthermore agencies are to calculate comparator figures for the estimated actuals for 2007-08.

AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE STATEMENT

Purpose

Following the 'mainstreaming' of indigenous expenditure, all agencies which undertake indigenous specific programs are to include an Australian Government Indigenous Expenditure (AGIE) Statement in their PB Statement.

The AGIE Statement consolidates indigenous specific spending by outcome to provide the reader with a overview of the spending commitments. Details of the expenditure are found in the relevant output groups.

Guidance

Agencies are to breakdown their indigenous specific expenditure by outcome and then by appropriation type, either Bill No.1 or No.2, Special Appropriation or Other , including Section 31 receipts.

Furthermore the statement is split by appropriation classification, either administered or departmental, with comparator figures included to allow year-on-year comparisons. The comparator figures are to be calculated in the same manner as the estimated actual figures included in the agency and outcome resource statements.

Details of specific spending is to be included in the outputs section of the PB Statement. Agencies are required to indicate the relevant output group (in column G) to allow readers to find further information on the indigenous expenditure, including performance information and targets.

Changes from 2007-08 PB Statements

There are no changes from previous PB Statements for the AGIE table, except that the table has been moved to Section 3.

Table 3.1.4 is the old Portfolio Table 1 from the 2007-08 PB Statement.

3.2   BUDGETED FINANCIAL STATEMENTS

3.2.1   Differences in agency resourcing and financial statements

OPTIONAL: This part is to be included and used (where relevant) to reconcile any significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

Also differences which arise because of related entity transactions should be outlined here.

This is to be a simple explanation at the whole of agency level and is to be used to resolve any queries that may arise for readers from any differences between the resource statement in section one of the Portfolio Budget Statements and the financial statements contained within section three.

3.2.2   Analysis of budgeted financial statements

This component of no more than 2-3 pages preceding the budgeted financial statements for each agency is intended to assist the lay reader to understand expected trends within the agency's budgeted financial statements and administered schedule.

The section will mainly focus on expected changes in 2008-09 compared with the last official published position (i.e. 2007-08 additional estimates) but agencies are also encouraged to show trends drawing on prior and forward years where necessary, and can draw on graphs where helpful for the lay reader. The section should explain the primary causes of movements within the department's financial statements, identifying the relevant financial statement. It should also explain the more significant changes in administered items, with reference to the relevant tables.

This overview is intended to better link the financial statements with other parts of the PB Statements and should be expressed in non-technical language.

3.2.3   Budgeted financial statements tables

Zero balances in particular items in financial statement tables may be deleted.

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**
Paste link Table 3.2.1 here
Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**
Paste link Table 3.2.2 here

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**
Paste link Table 3.2.3 here

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)
Paste link Table 3.2.4 here
Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)
Paste link Table 3.2.5 here

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)
Paste link Table 3.2.6 here

**Table 3.2.7: Schedule of budgeted administered cash flows
(for the period ended 30 June)**
Paste link Table 3.2.7 here

3.2.4   Notes to the financial statements

This is where the agency should explain the financial statements, especially major and unusual items or variances. Although agencies are not required to provide a full set of notes as required by the Finance Minister's Orders (Reporting requirements) issued under the Financial Management and Accountability Act 1997 and the Accounting Standards, they should include detailed notes where this would provide important additional information and explanations to readers.

Sources of Information

The Budgeted Financial Statements are to be drawn from agency FMISs. Where appropriate the figures are to match with the figures included in the Agency Resource Statement.

FINANCIAL STATEMENTS

Purpose
The financial statements conclude each agencies PB Statement and provide readers with the technical and detailed financial movements for the Budget year and three forward years.

Guidance
Agencies should, to the extent that it is possible in an estimates context, be consistent in preparing their budgeted financial statements, applying the same accounting assumptions and processes that they expect to use in preparing the financial statement to be included in the Annual Report.

Agencies are to refer to, and follow the Finance Minister's Orders (FMOs) and Forms of Financial Statements which available at: http://www.finance.gov.au/ace/

Changes from 2007-08 PB Statements
Since the 2007-08 PB Statements four tables are no longer required by agencies. The Departmental capital budget statement, and the Departmental property, plant, equipment and intangibles—summary of movement have been removed, along with the Schedule of administered capital budget and the Schedule of administered property, plant, equipment and intangibles—summary of movement.

These tables are no longer required as they did not add any substantive information to the documents. This will reduce the workload for agencies in constructing their PB Statements, without in any significant reductions in transparency or accountability.

It is recognised, however, that agencies with substantial balance sheet and investment programs may with to continue providing this information. If it aids in disclosure of agency resources then this should be done.

PRINTING AND DISTRIBUTION OF PB STATEMENTS AND UPLOADING TO BUDGET.GOV.AU

This section addresses the following issues to ensure that agency PB Statements are printed, uploaded and distributed in line with the requirements of the Treasury, the Department of Finance and Deregulation and the Parliament.

1. Security Requirements for PB Statement preparation, publishing and distribution.
2. Portfolio Responsibilities and Quality Assurance by Finance.
3. Which printer to use and printing specifications.
4. Delivery to Lockup, the Senate, House of Representatives, Treasury and Finance.
5. How to upload the information to budget.gov.au and agency websites.
6. Portfolio descriptions to be used for the 2008-09 PB Statements
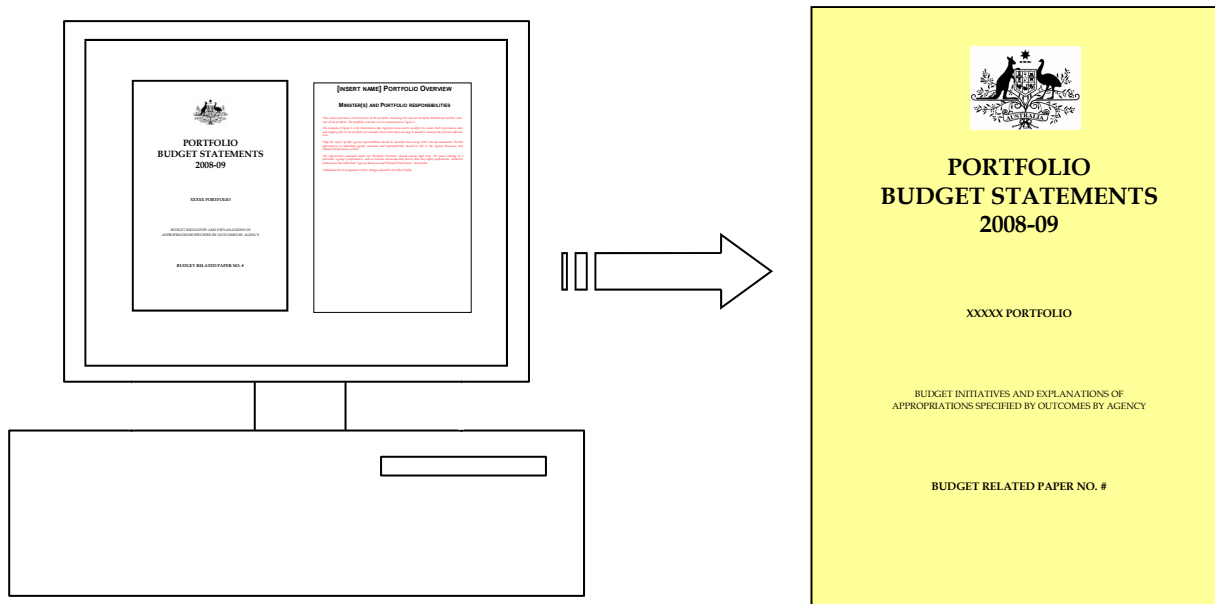
Security Requirements for PB Statement preparation, publishing and distribution.

The Budget Papers and Budget Related Papers are classified at the **Protected** level up to the time they are publicly released. The Treasurer has endorsed this classification and it is the responsibility of each portfolio agency to ensure appropriate security. If staff are unsure of the correct security processes during the budget preparation period they should contact their agency security adviser. Issues to keep in mind include:

- PB Statements should be prepared in a secure area of the agency.
- Budget documentation should under no circumstances be distributed via unsecure electronic mail.
- The 'need to know' principle should be applied in the distribution of all Budget material.
- PB Statements should not be prepared by external companies or contractors who cannot demonstrate that their premises meet the security standards as detailed in the Protective Security Manual 2000 for protected information.
- Staff with knowledge of any information relating to the Budget should not discuss it in non-official circles.

If you have any questions regarding security issues please speak to the security adviser in your agency.

Portfolio Responsibilities and Quality Assurance by Finance.

Portfolio agencies are responsible for ensuring the accuracy and completeness of the information contained in their PB Statements. Portfolios do not need to provide their whole PB Statements document to the Department of Finance and Deregulation (Finance) for checking however certain material **does** need to be provided to Finance for clearance. This is not a new requirement.

Finance has the responsibility for approving the content of appropriations and measures tables. This material appears in other government documents for which the Minister for Finance and Deregulation has responsibility. Finance will also check compliance with the requisite special account disclosures in Table 3.2: Estimates of special account flows and balances, and in the Total resources for Outcome (s) Tables (2.1, 2.2 etc).

To the extent that information in the PB Statements describes measures published in Budget Paper No. 2, it must be consistent with the measures descriptions in Budget Paper No. 2.

Portfolios are asked to provide their Agency Advice Unit (AAU) contact in Finance with draft copies of:

–   Table 1.1: Agency Resource Statement;

–   Table 1.2: Department/agency measures;

–   Table 2.1: Total resources for outcome(s).

–   Table 3.1.1: Movement of administered funds from 2007-08 to 2008-09;

–   Table 3.1.2: Estimates of Special Account flows and balances.

Agencies will be advised of the appropriate timelines closer to each Budget.

Agencies must not print their PB Statements until these checks are completed AND Finance has given approval for printing.

Likewise, portfolios should note that the PB Statements cannot be approved for printing until the relevant sections of the **Appropriation Bills** *and* **Budget Paper Number 2 have been finalised** by the Finance Minister and Treasurer.

Finance will immediately advise portfolios of any changes to the draft documents as a result of this clearance process.

To assist portfolios, Finance will progressively provide them with the relevant information from CBMS and the Appropriation Bills. Portfolios will be responsible for ensuring that their overall PB Statements document is consistent with the information provided by Finance.

Which Printer To Use And Printing Specifications

Specifications

Hard copy of the PB Statements **must** be produced on standard B5 size paper (17.6 cm x 25 cm) with a font point size of at least 10 point to ensure that the statements are consistent with other budget documents and related papers, and with a primrose yellow cover. For consistency all portfolios must have the portfolio name made clearly visible on the spine of the documents. Finance and the Printer (see details below) will check all PBS Statements covers before printing commences.

Printer

The tender to print and secure freight for the Australian Government Budget from 2007-08 up to and including the 2010-11 Budget was awarded to CanPrint Communications Pty Ltd. It is strongly recommended that Portfolio Agencies contact CanPrint to arrange printing for the PB Statements. If printing is carried out 'in-house' agencies must liaise with Finance and CanPrint to ensure that cover

stock, colour and text is consistent with all other Portfolio Agencies.

It is the responsibility of each Portfolio agency to arrange the printing and secure freighting of their PB Statements. Contact officers for CanPrint Communications Pty Ltd are: Ron Hutchison and Peter Reid on 62954422.

Portfolios should make sure they have sufficient hard copies of their PB Statements for their own internal needs, and make additional hard copies of their PB Statements available on request to other stakeholders, not including the distribution requirements listed below.

Classification

Please be aware that the PB Statements are classified as Protected documents until they are tabled in Parliament. Accordingly boxes of the PB Statements should be labelled as follows: 'Protected' Budget 2008-09 Embargo till 19.30 hrs 13 May 2008 (budget night).

Delivery to Lockup, the Senate, House of Representatives, Treasury and Finance.

The Senate and House Table Offices and Treasury require the PB Statements to be delivered **by hand** in Parliament House by **no later than close of business Monday, 12 May 2008**.

Due to security measures that preclude access of non-authorised vehicles at the entrances to Parliament House, delivery arrangements for PB Statements will be as follows.

If a Portfolio agency prints in-house they must arrange for an officer of the agency to deliver the copies of PB Statements for the Senate, the Treasury and the House of Representatives to the Documents Officer, Senate Table Office, SG 25.

Agency officers who deliver the Statements will require Commonwealth Officer passes and trolleys to transfer the documents from the car park to SG 25. Boxes will have to be x-rayed by security at the entrance—agency officers will be required to unload and reload the boxes at this point.

If you have any queries about or difficulties with these arrangements, please contact the Documents Officer, Senate Tabling Office. (Phone: (02) 6277 3037

Find below delivery and distribution requirements for:
  - Parliament and Media Budget Lockup
  - Executive and Parliamentary offices
  - Parliamentary Committees

Parliament and Media Budget Lockup

(i) Department of the <u>Senate</u>:   **(150 copies)**
Publications Officer, Senate Table Office, Room SG 25
Department of the Senate,
Parliament House
CANBERRA ACT 2600   Phone: (02) 6277 3037

(ii) Department of the House of Representatives   **(25 copies)**
Documents Officer
Table Office, Suite RG89
Department of the House of Representatives
Parliament House
CANBERRA ACT 2600   Phone: (02) 6277 4793

 (iii) Department of Treasury (LOCKUP)   **(80 copies)**
Manager, Liaison
C/- Senate Table Office, Room SG 25
Department of the Senate, Parliament House
CANBERRA ACT 2600   Phone: (02) 6263 3736

(iv) Department of Finance and Deregulation (LOCKUP)   **(45 copies)**
Budget Framework Branch
Financial Management Group
Department of Finance and Administration
John Gorton Building
King Edward Terrace
PARKES ACT 2600   Phone: (02) 6215 3510

Executive and Parliamentary Offices

(i)   Your portfolio Minister (following the Minister's 'signing off' on the final document);
(ii)   The Minister representing the portfolio in the other Chamber; and
(iii)   **4 copies** to the Parliamentary Library <u>after</u> the Appropriation Bills have been introduced:

       Acquisitions Librarian
       Department of the Parliamentary Library
       Parliament House
       CANBERRA ACT 2600

Parliamentary committees

PB Statements only need to be sent to <u>your</u> portfolio's relevant parliamentary committee/s, not all parliamentary committees listed below. Mailing of the PB Statements, <u>after tabling</u>, will be permissible when distributing copies to parliamentary committees.

Legislation Committee	Portfolios	Contact Officers		
		Secretary	**Estimates**	**No. of copies**
Community Affairs	Family, Housing & Community Services and Indigenous Affairs; Health and Ageing	Mr Elton Humphrey Ph (02) 6277 3515	Estimates Officer Ph. (02) 6277 3516	12
Economics	Innovation, Industry , Science and Research; Resources, Energy and Tourism; Treasury	Mr John Hawkins Ph. (02) 6277 3541	Estimates Officer Ph. (02) 6277 3540	8
Employment, Workplace Relations, and Education	Education, Employment and Workplace Relations	Mr John Carter Ph. (02) 6277 3520	Estimates Officer Ph. (02) 6277 3521	12
Environment, Communications, Information Technology and the Arts	Environment, Water, Heritage and Arts; Broadband, Communications and Digital Economy	Committee Secretary Ph: 6277 3526	Estimates Officer Ph. (02) 6277 3526	8
Finance and Public Administration	Parliament; Prime Minister & Cabinet; Finance and Deregulation; Human Services	Mr Stephen Palethorpe Ph. (02) 6277 3530	Estimates Officer Ph. (02) 6277 3534	6
Foreign Affairs, Defence and Trade	Defence (including Veterans' Affairs); Foreign Affairs and Trade	Dr Kathleen Dermody Ph. (02) 6277 3535	Estimates Officer Ph. (02) 6277 3535	6
Legal and Constitutional	Attorney General; Immigration and Citizenship	Mr Peter Hallahan Ph. (02) 6277 3560	Estimates Officer Ph. (02) 6277 3560	6
Rural and Regional Affairs and Transport	Agriculture, Fisheries and Forestry; Infrastructure, Transport, Regional Development	Ms Jeanette Radcliffe Ph. (02) 6277 3511	Estimates Officer Ph. (02) 6277 3511	8

Required Distribution of Hard Copy to Government Agencies – after Budget night

Information Research Centre   **(20 copies required)**
Australian National Audit Office
Centenary House
19 National Circuit
BARTON ACT 2600   Phone:(02) 6203 7564

Library Deposit Scheme Distribution Service   **(39 copies required)**
C/ Decipha Pty Ltd
Locked Bag 7760
Canberra Business Centre ACT 2610   Phone: (02) 6211 3340

Further Distribution

As the PB Statements will be placed on the portfolio internet site, further distribution of the PB Statements in hard copy may not be necessary. However, portfolios are encouraged to hold sufficient extra hard copies available to make free copies of their PB Statements available on request after the introduction of the Appropriation Bills to:
      - Other departments and relevant agencies;

- Major client organisations; and

- The libraries of tertiary institutions.   (*Note the above change of contract to Decipha Pty Ltd for the Library Deposit Scheme Distribution Service*)

How to upload the information to budget.gov.au and agency websites.

Publishing the PB Statements on the Internet

All Budget documentation will be published on the Internet again this year with hyperlinks between budget documents for ease of reference and to assist reading across these documents. The Australian Government Budget website www.budget.gov.au will link readers to PB Statements on the portfolio's own website.

Standard file-naming convention:

The following file naming convention for electronic versions of the PB Statements (for download) has been mandated to aid file comprehension and retrieval for readers who download the documents, and to remove the confusion that occurs when files are not clearly named or numbered. Otherwise, it can be difficult to correctly reassemble the document in the correct order, particularly for users who will not have to a hard copy.

An example of the recommended convention is: *FinancialYear+Portfolio+'PBS'+a file sequence number (ie 01, 02 etc)+Chapter Number (or agency name etc)*

Examples would be:

2008-2009_DBCDE_PBS_01_Parts_A_and_B
2008-2009_DBCDE_PBS_10_ABC
2008-2009_Health_PBS_05_Outcome3

Note: The file sequence number simply indicates which file would be read first, second, third et cetera if the document was read like a book. Naming the files in this way means that the order of files downloaded into a sub-directory would be the same order as the order of presentation of chapters in the PB Statements.
This would result in the electronic files being listed in the same order as the printed chapters, and therefore easier and more intuitive navigation for those accessing the files.

Publishing electronic copies of the PB Statements

All portfolios need to post their electronic copy of the PB statements to their departmental website (see below for timing). This should be posted in an accessible format as recommended by Australian Government Information Management Office (AGIMO) (for example, post the document in multiple formats to be sure it can be read by screen readers). Portfolios should provide the Department of the Treasury with details of:

- the URL address where the portfolio will post its PB Statements;

- contact details for the author of the PB Statements; and

- contact details for the portfolio's webmaster.

These details will need to be forwarded to webcontent@treasury.gov.au by close of business **Monday 12 May 2008.**

Contact: Treasury Web Content team on 6263 4040.

Portfolio agencies please ensure that this information is forwarded to the area responsible for Web Publishing.

The PB Statements must be posted to the designated website no earlier than 7.30 pm and no later than 8.00 pm Budget Night, i.e. **Tuesday 13 May 2008**.

Internet publication standards for government documents

The Guide for Minimum Web Standards and other publishing requirements and guidance is available at:

http://www.agimo.gov.au/information/publishing

Portfolio descriptions to be used for the 2008-09 PB Statements

Agencies are to use the following portfolio descriptions for the covers of their PB Statements. This numbering is the 'Budget Related Papers No. #' for all PB Statements.

1.1 Agriculture, Fisheries and Forestry portfolio

1.2 Attorney-General's portfolio

1.3 Broadband, Communications and the Digital Economy portfolio

1.4 Defence portfolio

       1.4A Department of Defence

       1.4B Department of Veterans' Affairs

       1.4C Defence Housing Australia

1.5 Education, Employment and Workplace Relations portfolio

1.6 The Environment, Water, Heritage and the Arts portfolio

1.7 Families, Housing, Community Services and Indigenous Affairs portfolio

1.8 Finance and Deregulation portfolio

1.9 Foreign Affairs and Trade portfolio

1.10 Health and Ageing portfolio

1.11 Human Services portfolio

1.12 Immigration and Citizenship

1.13 Infrastructure, Transport, Regional Development and Local Government portfolio

1.14 Innovation, Industry, Science and Research portfolio

1.15 Prime Minister and Cabinet portfolio

1.15A Department of the Prime Minister and Cabinet

       1.15B Department of Climate Change

1.16 Resources, Energy and Tourism portfolio

1.17 Treasury portfolio

1.18 Parliamentary Departments

       1.18A House of Representatives

       1.18B Senate

       1.18C Department of Parliamentary Services.

FREQUENTLY ASKED QUESTIONS

?

Frequently Asked Questions

To further supplement the guidance provided in the Constructor's Kit, the following responses have been developed to questions that have arisen over the development and testing period of the PB Statements to further assist agencies in the production of the 2008-09 PB Statements.

The section is divided to follow the format of the PB Statements, covering topics as they appear in the document and with the relevant contact details.

Additional guidance on Frequently Asked Questions will be circulated via the PB Statements user group as required.

–   **There is no longer a Cost Recovery or Purchaser-Provider Section (Section 4 in the 2007-08 PB Statements), do agencies still need to report on these arrangements in the 2008-09 PB Statement?**
    Section four of previous PB Statements has been removed. Details of Cost Recovery arrangements and Purchaser-Provider relationships should be covered in the Strategic Direction statement of the agency where they are integral or material to the operations of the organisation.

    Transparency of cost recovery arrangements will continue as agencies are still required to be reported Cost Recovery Impact Statements on their websites. Inclusion in the 2008-09 PB Statements is no longer mandatory.

    Furthermore agencies' purchaser-provider arrangements are to be disclosed in the 'Third Party Drawdowns from and on behalf of other agencies' and then included, as material, in the context of the output groups which are affected.

–   **There is no longer an Evaluation component of the Outcome Section – do agencies still need to report on planned and completed evaluations in the 2008-09 PB Statement?**
    The Evaluation section has been removed from the 2008-09 PB Statements with agencies to include any significant evaluations or reviews, both planned and completed, in the context of the output group or Strategic Directions Statement where it is relevant.

–   **Which agencies are included in the PB Statement?**
    All General Government Sector entities are to be included in the PB Statements. These details can be found by running: BEAM Reports → Common Information Tree Reports → Policy Splits Common Reports → (Report Type) Query agency table.

– **Does the Agency Resource Statement or the Outcome Resource Statement include GST?**
  No. Both Resource Statements are GST exclusive.

– **Can our agency include more information in the 2008-09 PB Statements?**
  Some agencies may wish to include additional information in the PB Statements. Finance encourages agencies to provide further transparency to the Parliament and the public. That said more information does not necessarily result in improved transparency or better reporting, and agencies should be conscious of providing quality over quantity, particularly in regard to performance information.

  The inclusion of additional resource information outside the shell document's requirements should be included in Section 3: Explanatory Tables and Budgeted Financial Statements. For instance agencies may wish to include a breakout of their estimated revenues from other sources (both those retained for use by the agency (s31 receipts) or on behalf of the government).

  Agencies should contact Finance on their additional requirements.

– **Will the Agency Resource Statement be audited?**
  No. The resource statement will not be auditable as it is a policy focused resource statement linked directly to the Appropriation Bills/ Acts and not the financial statement.

– **As the Capital Budget Statement and the Property, Plant Equipment and Intangibles Statement are no longer mandatory do we still need to input that data into CBMS?**
  Yes. Although the reporting requirement in the PB Statement is now optional and not mandatory, agencies are to input the data into CBMS as they have done previously.

– **Does the new Outcomes reporting format require administered items/ programs to be reported by output?**
  No. The inclusion of items in the resource statement and the output group (outputs + administered items/programs) should be the same as in the 2007-08 PB Statement but re-packaged.

– **Does the Estimated Available Appropriation column in the Agency Resource Statement include approved Movements of Funds Request??**
  The Estimated Available Appropriation figure should be less any approved movements of funds, as these amounts will be re-appropriated in the Budget year.

- **How are agencies to include Special Accounts in the Outcome Resource Statement (Table 2.1)?**

  Special Accounts are to be included in the Outcome Resource Statement under the appropriate output group. See diagram below.

Outcome 1:	2007-08 Total estimate of available resources $'000	2006-07 Estimated actual $'000
Output Group 1.1: Whole of government coordination of policy development and service delivery for Indigenous Australians		
Departmental Outputs:		
Policy Services and Program Management	31,018	31,539
Service Delivery	37,513	39,634
Special Appropriations:		
Aboriginals Benefit Special Appropriation	88,376	86,500
Special Accounts*:		
Aboriginals Benefit Special Account		
Opening balance	150,730	135,881
Appropriation receipts	88,376	86,499
Non-Appropriation receipts to Special Accounts		
Subtotal for Output Group 1.1	307,637	293,554
Total resources for Outcome 2		

Prepared on a Government Financial Statistics basis

	2008-09	2007-08
Average staffing level (number)		

* For estimated payments for Special Accounts see Table 3.1.3

[1] Appropriation item receipted into Aboriginals Benefit Special Account

Agencies are to include the appropriation line under the relevant heading, whether that be a special appropriation as above or an administered item or output.

To ensure that the amount is not double counted, agencies must ensure the amount is only included once in the output group total. Furthermore the item is to be footnoted as being receipted into the particular Special Account. A standing note for Outcome tables including Special Accounts, directs readers towards Table 3.1.3 for estimated payments from Special Accounts.

– **What numbers are to be included in the Agency Resource Statement and what should they equal to?**

The below diagram details the mechanics of the Agency Resource Statement, with the required numbers and the sums to be performed. Where there is an 'X' there should not be any amounts included.

		Estimate of prior [+] year amounts available in 2008-09 $'000	Proposed at Budget [=] 2008-09 $'000	Total Estimate 2008-09 $'000	Estimated Appropriation Available 2007-08 $'000
Ordinary Annual Services					
Departmental outputs					
Departmental outputs		a	b	=a+b	
s31 Relevant agency receipts		X	c	=c	
Total		**=a**	**=b+c**	=a+b+c	
Administered expenses					
Outcome x		X	d	=d	
Outcome y		X	e	=e	
Outcome z		X	f	=f	
Total		X	**=d+e+f**	**=d+e+f**	
Total ordinary annual services	A	=a	=b+c+d+e+f	=a+b+c+d+e+f	
Other services					
Administered expenses					
Specific payments to States, Act, NT and local government					
Outcome a		X	g	=g	
Outcome c		X	h	=h	
Total					
New administered expenses					
Outcome b		X	i	=i	
Total					
Departmental non-operating					
Equity injections		j	k	=j+k	
Previous years' outputs		X	l	=l	
Total					
Administered non-operating					
Administered Assets and Liabilities		m	n	=m+n	
Total					
Total other services	B	=j+m	=g+h+i+k+l+n	=g+h+i+j+k+l+m+n	
Total Available Annual Appropriations		=a+j+m	=b+c+d+e+f+g+h+i +k+l+n	=a+b+c+d+e+f+g+h +i+j+k+l+m+n	
Special Appropriations					
Special Appropriations limited by criteria/entitlement					
Special Appropriation Act x		X	o	=o	
Special Appropriation Act y		X	p	=p	
Special Appropriations limited by amount					
Special Appropriation Act z		q	r	=q+r	
Total Special Appropriations	C	=q	=o+p+r	=o+p+q+r	
Total Appropriations excluding Special Accounts		=a+j+m+q	=b+c+d+e+f+g+h+i +k+l+n+o+p+r	=a+b+c+d+e+f+g+h +i+j+k+l+m+n+o+p+ q+r	

Numbers will equal to:

a	is equal to the total departmental appropriation receivable available to an agency from previous years and cash holdings
b	is equal to Departmental Appropriation for agency as it appears in the Appropriation Bills (Bill 1).
c	is equal to estimated s. 31 receipts for the Budget year
d/e/f	is equal to administered appropriation to the outcome as it appears in the Appropriations Bills (Bill 1)
g/h	is equal to the SPP totals by outcome as it appears in the Appropriations Bills (Bill 2)
i	is equal to any new administered expenses by outcome as it is included in the Appropriations Bills (Bill 2)
j	is equal to the accumulation of previous years appropriation receivable and cash holdings for equity injections
k	is equal to the equity injection amount as it appears in the Appropriations Bills (Bill 2)
l	is equal to the previous years' outputs amount as it appears in the Appropriations Bills (Bill 2)
m	is equal to the accumulation of previous years appropriation receivable and cash holdings for assets and liabilities appropriations
n	is equal to the assets and liabilities amount as it appears in the Appropriations Bills (Bill 2)
o	equal to the total expenses estimated for the specific special appropriation act as it appears in Budget Paper No. 4
p	equal to the total expenses estimated for the specific special appropriation act as it appears in Budget Paper No. 4
q	is equal to any appropriation receivable amounts available for use in the Budget year from the previous years against the specific special appropriation
r	is equal to the total expenses estimated for the specific special appropriation act as it appears in Budget Paper No. 4

CONTACTS

CONTACTS

Department of Finance and Deregulation

In the first instance, agencies should contact Finance staff in the relevant Agency Advice Unit with enquires.

For guidance on the preparation of the PB Statements agencies should contact the Budget Framework Branch:

Sam Trobe	samuel.trobe@finance.gov.au	Ph: 6215 3856
Rod Smith	rod.smith@finance.gov.au	Ph: 6215 3510
Mel Frost	melissa.frost@finance.gov.au	Ph: 6215 2813

For guidance on the production of the Appropriation Bills and the Agency Resourcing Table in Budget Paper 4, agencies should contact the Appropriation Bills Team:

Garry Brooke	garry.brooke@finance.gov.au	Ph: 6215 3738
Jeff Dun	jeff.dun@finance.gov.au	Ph: 6215 3198

Treasury

Treasury are responsible for the Budget website: www.budget.gov.au, Budget Lock-up and can assist with document formatting issues.

<u>Web Content</u>
Kim Hansen	webcontent@treasury.gov.au	Ph: 6263 4040

<u>Document Formatting</u>
Lani McMahon	Lani.mcmahon@treasury.gov.au	Ph: 62633254
Elizabeth Cameron	elizabeth.cameron@treasury.gov.au	Ph: 6263 2997

<u>Budget Lock-Up</u>
Tony Murray	tony.murray@treasury.gov.au	Ph: 6263 3736
Michael Price	michael.price@treasury.gov.au	Ph: 6263 2971

CanPrint

The tender to print and secure freight for the Australian Government Budget from 2007-08 up to and including the 2010-11 Budget was awarded to CanPrint Communications Pty Ltd. It is strongly recommended that Portfolio Agencies contact CanPrint to arrange printing for the PB Statements. If printing is carried out 'in-house' agencies must liaise with Finance and CanPrint to ensure that cover stock, colour and text is consistent with all other Portfolio Agencies.

It is the responsibility of each Portfolio agency to arrange the printing and secure freighting of their PB Statements. Contact details for CanPrint Communications Pty Ltd are:

Ron Hutchison and Peter Reid   Ph: 62954422.

Address: 16 Nyrang Street
                Fyshwick, ACT 2609

Senate Table Office

The Senate Table Office requires 150 copies of each PB Statements for Senators. Furthermore the Budget Lock-up delivery point for 80 copies is the Senate Table Office in Parliament House. Their contact details are:

Naomi Kaub   Ph: 62773037

Location: Room SG 25
                Department of the Senate, Parliament House
                Canberra, ACT 2600

APPENDIX A: AGENCY RESOURCE STATEMENT

FROM PB STATEMENTS TO ANNUAL REPORT

Introduction of the Agency Resource Statement
Understanding the Purpose and Content

Introduction

To simplify and improve the transparency of the Financial Framework a Resource Statement has been introduced, encompassing all of the resource available to an agency in a single presentation for Parliament. The Resource Statement is to replace a number of existing presentations, consolidating the available information.

The statement will be introduced with effect from the 2008-09 Budget and financial year.

Purpose of the Changes

The purposes of the changes are to:

–   improve transparency through ensuring that interested parties can clearly gauge the full resourcing available to an agency irrespective of source, including annual and special appropriations provided to agencies by the parliament;

–   focus on providing full and open information on the resourcing of agencies rather than the statements meeting formal accounting requirements; and

–   ensure that at all main reporting points (i.e. Budget, AEs etc), it is clear what resourcing has been budgeted for, or provided to, an agency and at the end of the year, what resourcing was actually used.

General Information

A Resource Statement will be required each time an agency's resources are reported to Parliament, as a result of being affected by an Appropriation Bill or to meet statutory reporting obligations (i.e. in their Annual Report, subject to agreement of the JCPAA).

This means, in a typical year, that an agency would produce a Resource Statement within their Portfolio Budget Statement (PBS) for the May Budget, another at Additional Estimates (in their Portfolio Additional Estimates Statements - PAES), and a third for their Annual Report.

There are also occasions when other Resource Statements may be required - for example when Supplementary Additional Estimates arise (in the Portfolio Supplementary Additional Estimates Statements – PSAES) or ad hoc / emergency Appropriation Bills are being presented. While a Resource Statement should if possible be prepared in the same timeframe as Emergency Bills are prepared, this may not be possible and the Resource Statement may need to be prepared and published online within a week of the Bills being introduced to Parliament.

Information to be presented

The first Resource Statement will appear in the **PBS**. It will provide information on the proposed allocation of resources to an agency, including those resources carried over from the previous year that are available in the Budget Year, resources put forward in the Annual Appropriation Bills 1 and 2, other estimates of resources from Special Appropriations and other receipts expected in the Budget Year.

– The sum of these resources is known as the 'total estimate'. Appropriation figures can be directly traced from the Appropriation Bills to the Resource Statement.

The second Resource Statement will typically appear in the **PAES** which are usually published in February. This Resource Statement will update the total estimate from the Budget to include any new resources allocated to the agency through Annual Appropriation Bills 3 and 4, adjustments such as Financial Management and Accountability Act (FMAA) s30, s 32, etc. that increase or decrease the available resources outside of the Appropriation Bills, and update any other figures for the revised Budget year (e.g. 2007-08 for the 2008-09 Budget year) that have been adjusted. (Note that 'revised Budget' year refers to the 2007-08 financial year).

– The revised Budget year adjustments relate to the fact that revised Budget year end information is estimated in the PBS – as there is still two months to go until 30 June.

– By the time the PAES is prepared the final audited result has been included in the revised Budget year Annual Report. As these numbers usually vary in some way from the estimate included in the PBS, information is to be updated so that the available resources figure being carried forward reflects the actual year end figures.

– The 'revised estimate' is the total of the previous Resource Statement estimate, plus adjustments and new Appropriations. Appropriation figures must be directly traceable from the Appropriation Bills to the Resource Statement in Annual Report.

The final Resource Statement for the year is intended to be included in the Agency's **Annual Report** and come in two parts. It will differ slightly from the Budget Resource Statement in that it will also show a link to the financial statements. It will include the final revised estimate for the year and total expenses (Part 1), and will be supported by a table (Part 2) that covers details of the payments made (i.e. a cash view) to permit explanation of appropriation balances being carried forward.

– The 'Final Estimate' heading is the total amount of resources allocated to the agency over the year, including any adjustments since Parliament last received information in the current year PAES / PSAES/ ad hoc Bill until 30 June.

– The 'Total Expenses' column includes all expenses recorded against an item in the Budget Year. These actual figures will be drawn from an agency's Financial Management Information System (FMIS).

–   Other than Total Expense Data, all figures in the Resource Statement and supporting table can be traced directly from the financial statements in the Annual Report to the Resource Statement.

Planned flow of information between Statements

	Budget Year					Prior Year Comparison
PBS	Estimate of Prior Year amounts available in 2008-09	+ Proposed at Budget	= Total Estimate			v Estimated Available Appropriation
PAES	Estimate as at Budget	+ Proposed at AEs	= Revised Estimate			v Actual Available Appropriation
PSAES	Estimate as at AEs	+ Proposed at SAEs	= Revised Estimate			v Actual Available Appropriation
Ad hoc Bills i.e. NT Emergency Response Bill	Estimate as at SAEs	+ Proposed at (DATE of Bill)	= Revised Estimate			v Actual Available Appropriation
Annual Report	Estimate as at last Resource Statement	+ Adjustments since previous Resource Statement	= Final Estimate	v Total Expenses		v Total Expenses
Annual Report - Cash Reconciliation	Final Estimate	+ Carried forward amounts available for prior year expenses	- Payments Made	- Formal Reductions in Appropriation	= Carried Forward	

The Resource Statement takes into account the resources that are made available for use, or used, in the given year. It includes:

–   adjustments to appropriations when these apply in that year; and
–   amounts carried forward or similar items where these are able to be used in the Budget Year (i.e. Departmental Outputs, Departmental Non-operating and Administered Non-Operating Items from the Other Services Appropriation Bills).

The Resource Statement will include comparative informative on the current year's estimate against either the previous year's estimate or actual figures. The previous year's figure should be given as the actual amount when it becomes available.

Resource statements will include mandatory fields as well as some that will only be required as relevant.

The headings/sections marked in bold are mandatory.

If there is no appropriation allocated, or transaction activity, indicate with a '-'.

Those sections marked in italics need only be included if activity is recorded against them.

Ordinary Annual Services (Bills 1, 3 and 5)

Departmental Outputs
S 31 Relevant Agency Receipts

Administered Expenses
(all outcomes to be listed, and include short title description regardless of annual appropriation allocation)

Other Services (Bills 2, 4 and 6)

Administered Expenses
Specific Payments to States, Act, NT and local government
    (By Outcome)
New Administered Expenses
    (By Outcome)

Departmental Non-Operating
Equity Injection
Previous Years' Outputs

Administered Non-Operating
Administered Assets and Liabilities

Special Appropriations
Special Appropriations limited by criteria/entitlement
    (By Act name and year – section or policy detail to be provided if historically provided)
Special Appropriations limited by amount.
    (By Act name and year – section or policy detail to be provided if historically provided)

Special Accounts
Opening Balance (total of all Special Account opening balances)
Appropriation Receipts (own agency annual or special appropriation receipts)
Appropriation Receipts from other agencies
Non-Appropriation Receipts to Special Accounts

Total Resourcing

A+B+C+D
Less appropriations drawn from annual or special appropriations above and credited to special accounts

Total Net Resourcing for Agency

An adjustment may be necessary to net out the agency's appropriation receipts to special accounts that are included in annual or special appropriation estimates or payments made in the current year.

Further information:

Where do the figures come from?

Figures are to be drawn from an Agency's FMIS and CBMS, where there will be a clear read to the Appropriation Bills with transparency ensured by clearly replicating these numbers in the Resource Statement.

In each Resource Statement there will be footnoting against the number in the Bills/ Adjustments column in order for readers to determine to what the number is related. For example in example 2 over the page, the Administered Expense for Outcome 2, is proposed to receive $48,480,000 from Appropriation Bill (No. 3) 2005-06. The reader knows this because the footnote against the 48,480 provides further detailed information with the name of the Bill in full.

The first Resource Statement of a Budget Year (the PBS Resource Statement) will normally be developed in May prior to the start of the Budget Year. Carried forward or opening balances of resources available to be used in the Budget Year are required to be included to 'open the year'. As these numbers will not yet have been finalised, an agency will need to develop estimates for these.

The items to be carried forward that are available the Budget Year are:

– Departmental Outputs from the Ordinary Annual Services Bill (Bill 1&3);
– Departmental Non-operating and Administered Non-Operating Items from the Other Services Appropriation Bill (Bill 2&4):
– Special Appropriations limited by amount; and
– Special Account balances.

How to determine the carried forward amount for 'estimate of prior year amounts available in the Budget Year':
The carry-forward figure is equal to the appropriation receivable for the agency and its cash holdings.

In order to determine the estimate for the carried forward appropriations the agency should ascertain the amounts drawn down through ACM, extrapolate forward the expected draw downs for the remaining part of the financial year and deduct this amount from the total appropriations made available in the financial year. The estimated amount will be adjusted in the PAES Resource Statement as it is typically prepared after the Annual Reports have been published, including the finalised audited carried forward amounts. Do not estimate s8 amounts for the prior year comparator or carried forward amount.

Opening balances for special accounts

Agency FMIS should have reasonably accurate estimates for balances, receipts and payments from special accounts and the opening balances to be included in the resource statement are the same as those that would have been previously provided in the PBS. The opening balance will equal the estimated closing balance for the revised (current) budget year.

Adjustments

All adjustments from the last Resource Statement to the current period will need to be included. For example FMAA s30, 31 and 32 may all need to be itemised along with adjustments to take into account actual carried forward amounts as these are finalised following the close of Budget Year books and following s8 processes.

Adjustments to items need not be carried forward to each new statement as a separate line item; however the net effect of the adjustment should carry forward within the numbers. The exception to this is s31 adjustment estimates which cannot be finalised until the Annual Report is produced.

For example, in the partial Resource Statements below (examples 1 and 2), there are s31, s32 and estimate updates for Departmental Outputs and for Administered Expenses. The result of the s32 and estimate adjustments carry forward into the subsequent SAEs Resource Statement totals, but only the s31 adjustment is explicitly retained as a separate line item.

Example 1: Portfolio Additional Estimates Resource Statement

	Estimate as at Budget 2005-06 $'000	+	Proposed at Additional Estimates = 2005-06 $'000	Revised Estimate 2005-06 $'000
Ordinary Annual Services				
Departmental Outputs	516,519		20,059 [1]	536,578
Adjustment of carried forward figure from 2004-05			3,902 [4]	3,902
s32 Transfer of Agency function - 15 January 2006			-1,053	-1,053
s31 Relevant Agency receipts	85,006		123 [3]	85,129
total	**601,525**		**23,031**	**624,556**
Administered Expenses				
Outcome 1 - Population Health	152,542			152,542
s32 Transfer of Agency function - 15 January 2006			-15,600	-15,600
Outcome 2 - Medicines and Medical Services	277,447		48,480 [1]	325,927

[1] Appropriation Bill (No.3) 2005-06
[2] Appropriation Bill (No.4) 2005-06
[3] s31 Relevant Agency receipts - revised estimate
[4] Adjustments to correct prior year estimate figures

Example 2: Portfolio Supplementary Additional Estimates Resource Statement

	Estimate as at PAES **+** 2005-06 $'000	Proposed at SAEs **=** 2005-06 $'000	Revised Estimate 2005-06 $'000
Ordinary Annual Services			
Departmental Outputs	539,427	3,645 [1]	543,072
s31 Relevant Agency receipts	85,129		85,129
total	**624,556**	**3,645**	**628,201**
Administered Expenses			
Outcome 1 - Population Health	136,942		136,942
Outcome 2 - Medicines and Medical Services	325,927		325,927

[1] Appropriation Bill (No.5) 2005-06
For further information on special accounts see Table x, Section 3
All figures are given exclusive of GST

Additional Estimates Resource Statement

As this Resource Statement will be typically produced after the Annual Report for the previous year has been finalised, the comparator for the previous year will be final, or actual, figures. A sub-table specifying the adjustments to totals will need to be included with the Resource Statement in order to provide complete transparency to readers on the nature of carried forward amounts.

Special Appropriations

Special Appropriations are to be broken down by Act. If there has been historical interest in the section/policy breakdown of the Act, this should also be included, such as

- Social Security (Administration) Act 1999
  - Age Pension
  - Carer Payment

All special appropriations that are active in the Budget Year, or immediate Prior Year, need to be included in the Resource Statement. All special appropriations limited by amount that have a carried forward balance will also need to be included.

Special Appropriations - Third Party Transactions

Some agencies administer legislation for special appropriations where they are not the exclusive authorised drawer of the appropriation. For example FaHCSIA administers the *Social Security (Administration) Act 1999* however it does not draw on this appropriation itself. Centrelink has been authorised to draw on this appropriation on behalf of FaHCSIA in order to pay its clients.

The agency that administers the legislation and has policy authority will be required to disclose information on the special appropriation in its Resource Statement. For example FaHCSIA's Resource Statement will include *Social Security (Administration) Act 1999* and its associated resources, whereas Centrelink's Third Party section will detail the payments

made on FaHCSIA's behalf (see over the page for more detail on Third Party Drawdowns).

Special Accounts

This section will include all special account balances available to the agency to contribute towards achieving its outcomes. Special accounts which hold 'special public moneys' and are not for agency use in achieving its outcomes, such as 'Other Trust Moneys' are not be included in the Resource Statement, but are still to be disclosed in Table 3.1.2.

The 'Guidelines for the Management of Special Accounts' (http://www.finance.gov.au/finframework/special_accounts.html) lists the four categories of special accounts:

1. Australian Government Funded Expenditure Commitments
2. Joint Program with the State and/or Industry
3. Business Operations and Activities
4. Special Public Moneys

Categories 1, 2, 3 are to be included in the resource statement, indicating the funds over which the department has control to pursue its outcomes.

The special account section of the Resource Statement will include all special account opening balances (even for special accounts that have balances but have been dormant for years); receipts (including own agency and other agency appropriation receipts, and non-appropriation receipts) and total payments (including all transfers between special accounts or within the agency).

All special accounts, including special public money special accounts, will be fully disclosed in Table 3.1.2 in Section 3 of the PBS with a description of purpose.

Footnoting and other notes

In order to ensure that a reader may accurately identify where a number is drawn from footnoting should be used throughout the table. The following footnotes, with common numbering, may be used by many agencies:

For PBS, PAES or PSAES Resource Statements:

[1] Appropriation Bill (No.1) 2008-09 (PBS), or (No.3) (PAES)

[2] Appropriation Bill (No.2) 2005-06 (PBS) or (No.4)(PAES)

[3] FMAA s31 Relevant Agency receipts estimate.

[4] Estimated adjusted balance carried from previous year for Annual Appropriations (PBS) or Adjustments to correct prior year estimate figures - see table below (PAES)

[5] The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Budgets, for the reconciliation see Table 3.1.1 Reconciliation of Total Available Appropriation and Outcome Budgets

[6] Estimated opening balance for special accounts (PBS) or Adjustments to correct prior year estimate figures - see table below (PAES) For further information on special accounts see Section 3, Table 3.2

[7] Appropriation receipts from agency annual and special appropriations for 2008-09 included above.

[x] Advance to the Finance Minister on DATE

[y] FMAA s32 transfer of agency function to/from OTHER AGENCY NAME on DATE

For Annual Report Resource Statements:

[1] Appropriation Bill (No.1) 2008-09, Appropriation Bill (No.3) 2008-09

[2] Appropriation Bill (No.2) 2008-09 and Appropriation Bill (No.4) 2008-09

[7] Appropriation receipts from AGENCY annual and special appropriations for 2008-09 included above. For full information see Section X, Table Y in the Annual Report

[8] FMAA s30 Refunds credited

Annual Report Part 1

[3] FMAA s31 Relevant Agency Receipts - Estimate Carried Fwd (Column a) and Actual Receipts (Column c)

[6] Special Accounts - Estimate Carried Fwd (Column a) and Actual Receipts (Column c).

Annual Report Part 2 (Cash Reconciliation)

[3] s31 Relevant Agency Receipts - Actual Receipts (Column a)

[5] Special Accounts - Estimate Carried Fwd Actual Receipts (Column a).

[N/A] No figures are recorded for 'Amounts carried forward for prior year expenses' for these items, as these amounts were available for use in the Budget Year and have been included throughout the Resource Statement series for 2008-09

Formal Reductions in Appropriation are FMA Act ss8 and 9 of Appropriation Act 1 and ss 7,8 and 11 of Appropriation Act 2

Other notes may include:

All figures are given exclusive of GST (all resource statements)

Proposed at AEs includes all Adjustments determined between Budget and AEs (PAES) (if other FMAA adjustments have been determined)

Why the Resource Statement includes Accrual and Cash figures

Annual appropriation amounts and estimates of special appropriations are developed on an accrual basis. However, appropriations are drawn down on an 'as needs' cash basis. As a result differences can arise between the appropriations available for use and the funds actually drawn.

In order to provide useful information on the annual appropriation amounts carried forward from one year to the next, it is necessary to consider the appropriation receivable and cash holdings to establish the estimated carry forward in the PBS. The actual figures will be available for the PAES which come after the completion of the annual report for the revised (prior) Budget year.

Accrual figures alone are insufficient to explain the carry-over figure as the available resources column is a mixture of operating statement and balance sheet activities. If the Resource Statement only provided total expenses and did not include cash, an explanation would be required to explain:
- which expenses had reduced the available appropriation to be carried forward to the following year and which had not;
- expenses accrued but not paid;
- those expenses that have accrued and been paid; and

- prepayments (amounts paid but not yet accrued).

If an agency has a significant difference between its total expenses and cash payments, the agency may wish to provide further detail in their Annual Report. For example further detail on accrual expenses such as depreciation expense and employee entitlements may provide greater transparency.

As agencies budget on an accrual basis and the appropriations are developed using this basis, expense figures need to be given to show the budgeting situation of an agency. The cash position also needs to be explained in order to give a clear sense of an agency's cash position going forward.

Outcome Changes

An agency which has been affected by Outcome changes between years or within the Budget Year, should provide a statement mapping the previous outcomes to the new outcomes and reconciling the resourcing in the strategic direction statement of the PBS (or other relevant statement) and this should also be reflected in the Resource Statement. The reconciliation table should apportion the former outcome appropriations as appropriate to the new outcome structure. Do not include former outcomes but use the reapportioned data from the previous year as the comparator.

Third Party Draw downs from and on behalf of other agencies

There are two types of third party drawdowns which agencies need to be mindful of to ensure correct reporting.

The first, and by far the most common, are 'Third party (ACM) drawdown access arrangements' which allows another agency apart from the owning agency to drawdown on an appropriation item e.g. Centrelink drawing on FaHCSIA's Social Security special appropriation for entitlement payments. These instances require the owning agency to maintain the estimates, policy and reporting for the appropriation item. For the resource statement the owning agency is required to include the appropriation item in their resource statement, with details of the access arrangements included in the Third Party Drawdowns table. The using agency will only include the details of the drawdowns in the Third Party Drawdowns table and not in the resource statement.

The second form of Third Party Drawdowns are 'Independent third party drawing right' arrangements. Different to the access arrangement mention above, this type allows the using agency to not only access drawdowns but also operate the appropriation item in CBMS through maintaining separate estimates and actual reporting of the item. In these circumstances the using agency includes the drawdowns in their resources statement and financial statements. Both owning and using agencies would outline the arrangement in the Third Party Drawdown table of the resource statement.

Agencies are to agree with the corresponding agency the amounts to declare. For Special Appropriations agencies should list the relevant agency, Act name, section or policy split if applicable, and the amount.

APPENDIX B: WORKED EXAMPLE OF OUTCOME RESOURCE TABLE AND OUTPUT GROUP PRESENTATION

Appendix B has been included to provide users with an indicative example of how Section Two: Outcomes and Planned Performance will look when populated with data from the 2007-08 FACSIA PB Statement.

Revised Presentation of Outcome Resource Information (Table 2.1)

These diagrams demonstrate how to display resource information in Table 2.1 for the 2008-09 Portfolio Budget Statement (below). The figures have been taken from Table 3.1 (opposite). in the FaCSIA 2007-08 PB Statement (Output Group 2.2).

Diagram 1: Table 2.1 presentation for 2008-09 PB Statements

Output Group 2.2: Support for People with Disabilities			
Administered Items:			
COAG Helping Younger People with Disabilities in Residential Care	14,266	4,190	**1**
Commonwealth State and Territory Disability Agreement	636,916	620,792	**2**
Services for People with a Disability	246,367	236,232	**3**
Mental Health	93,766	8,674	**4**
Departmental Outputs			
Policy Services and Program Management	23,919	21,919	**5**
Service Delivery	9,264	6,344	**6**
Subtotal for Output Group 2.2	1,024,498	898,151	
Total resources for Outcome 2			

	2008-09	2007-08
Average staffing level (number)		

Output groups are to be used by agencies as a way of grouping related activities contributing to government outcomes (in the example Output Group 2.2 Support for People with Disabilities). Both related administered items and departmental outputs are to be grouped together in the outcome resource table (Table 2.1) to give readers a clear understanding of the resources designated for a particular purpose. The example demonstrates the difficulty a reader would have in ascertaining the total resources allocated towards supporting people with disabilities in previous PB Statements. The new presentation will make the resource information more intelligible and straight forward.

Administered items (or programs, as used by some agencies) are to remain at the outcome level as they have been in previous budgets. Their presentation however is to be included in the broader category of output group for the 2008-09 Budget to better indicate the total resources required to achieve specific results and therefore outcomes of government.

Diagram 2: Table 3.1 presentation of 2007-08 PB Statements

	Estimated actual 2006-07 $'000	Budget estimate 2007-08 $'000
Administered appropriations		
Administered Annual Appropriations Bill 1		
Payments under s.33 of the FMA Act 1997	170	170
Financial Management	487	-
Reimbursement to Great Southern Rail for concessional fares	7,506	6,844
4 Mental Health	8,674	93,766
3 Services for People with a Disability	236,232	246,367
Ex-Gratia Payments to Unsuccessful Applicants of Carer Payment (Child)	10	5,000
Support for Carers	7,962	8,880
Youth Engagement	34,749	34,916
Support for Victims of Trafficking	755	55
Women's Leadership and Development	3,808	3,831
Women's Safety Agenda	15,438	15,014
Subtotal Bill 1	**315,791**	**414,843**
Administered Annual Appropriations Bill 2		
Compensation for Extension of Fringe Benefits	201,834	206,027
2 Commonwealth State Territory Disability Agreement	620,792	636,916
Disability Services LGA	1,489	1,529
1 COAG Health Services - Younger People with Disability in Residential Aged Care	4,190	14,266
Subtotal Bill 2	**828,305**	**858,738**
Total administered appropriations	**1,144,096**	**1,273,581**
Administered Special Appropriations		
Bereavement Allowance	1,287	1,411
Special Benefit	68,762	72,966
Age Pension	22,838,770	23,963,293
Seniors Concession Allowance	214,671	54,163
Telephone Allowance for Commonwealth Seniors Health Card Holders	15,566	16,312
Utilities Allowance	148,780	161,842
Carer Allowance Adult	921,804	794,047
Carer Allowance Child	413,013	365,737
Carer Payment	1,401,621	1,507,869
Widow B Pension	7,065	6,605
Wife Pension (Age)	161,243	153,178
Wife Pension (DSP)	234,161	213,516
Subtotal Special Appropriation	**26,426,743**	**27,310,939**
Departmental appropriations		
Appropriations applicable across Outcome 2		
Policy Services & Program Management	775	760
Service Delivery	1,420	2,123
Total items across Outcome 2	**2,194**	**2,884**
Output Group 2.1 - Support for the Aged		
Policy Services & Program Management	12,508	13,145
Service Delivery	265,537	285,116
Total Output Group 2.1	**278,045**	**298,261**
Output Group 2.2 - Support for People with Disabilities		
5 Policy Services & Program Management	21,975	23,919
6 Service Delivery	6,344	9,264
Total Output Group 2.2	**28,319**	**33,184**
Output Group 2.3 - Support for Carers		
Policy Services & Program Management	9,368	9,233
Service Delivery	45,616	49,171
Total Output Group 2.3	**54,984**	**58,404**
Output Group 2.4 - Support for Youth		
Policy Services & Program Management	6,832	6,745
Service Delivery	3,848	4,808
Total Output Group 2.4	**10,680**	**11,553**

Revised Presentation of Performance Information and Output Group Components

Diagram 3: Output Group Table and performance information presentation for 2008-09 PB Statements

Output Group 2.2: Support for People with Disabilities

Output Group 2.2 contributes to Outcome 2 by encouraging and supporting people with disabilities to participate in the community. Crucial to participation is the provision of support for both people with disabilities and their carers and families.

FaHCSIA, working with State and Territory governments, will contribute to Outcome 2 by improved social support and community based care arrangements for people with a mental illness or intellectual disability, including additional support to their families and carers. Furthermore, FaHCSIA is promoting independence and self-reliance by providing employment assistance and other services to people with disabilities to encourage and support their engagement and participation in the community.

1

Components of Output Group 2.2:

Administered Item 2.2.1 – COAG Helping Younger People with Disabilities in Residential Care

The 'Help Younger People with Disability in Residential Aged Care program' will reduce the number of younger people, initially those aged less than 50, with disabilities living in residential aged care services. The program will also assist some younger people who remain in Residential Aged Care to access more age appropriate supports and services. **2**

Administered Item 2.2.2 – Commonwealth State Territory Disability Agreement

The Commonwealth State Territory Disability Agreement (CSTDA) provides the national framework for the provision of government support services for people with disability. The agreement signed allocates funding to state and territory governments for the planning, policy setting and management of accommodation support, community support, community access and respite care services. The Australian Government has similar responsibilities in relation to employment services for people with disability, aiming to increase and improve the quality of their participation in the community through employment. Both levels of government provide support for advocacy, and print disability. **3**

Administered Item 2.2.3 – Services for People with a Disability

FaHCSIA will improve the economic and social participation of people with disabilities by: providing supported employment, improving access to information and assisting with access to services.

This administered item includes the Auslan Interpreting Services as a booking service, which arranges free Auslan interpreter services for deaf people attending Medicare-related consultations by a general practitioner and certain specified private health consultations by a specialist.

The Employment Assistance and Other Services funding - is provided to help people with more severe disabilities gain and maintain supported employment, to provide respite care, and to promote the inclusion of people with disabilities in Australian society through the provision of print disability services, postal concessions for the blind, advocacy and other related services. **4**

The review of the impact of the case based funding on disability business services was completed in late 2006. Further consultation will be required during 2007- 08 to consider the review's recommendations to further improve supported employment for people with disabilities.

The 2006 review of National Disability Advocacy Program acknowledged that advocacy remains a valuable and much needed program. Work will continue throughout 2007-08 to improve the program's efficiency and effectiveness and ensure it is targeted to those in greatest need.

Administered Item 2.2.4 – Mental Health

The COAG Mental Health funding delivers community based programs to support families, children and young people affected by mental illness, with a particular focus on Indigenous families and those from a culturally and linguistically diverse background. Flexible respite care options have also been developed for carers and families who are caring for people with a mental illness, psychiatric disability and/or intellectual disability. In addition to, personal helpers and mentors, which assist people with a severe functional limitation resulting from a mental illness. **5**

Output 2.2.1 – Policy Services and Program Management

Output 2.2.2 – Service Delivery

Key Performance Indicators	2008-09 Target
PI	

Diagram 4: Output components and performance information presentation in 2007-08 PB Statements

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- *Migration Programme – 4,000 additional family stream places for 2006-07 (part in Outcome 2, part in Outcome 3);*
- *Migration Programme – 8,800 place increase for 2007-08 (part in Outcome 2, part in Outcome 3);*
- *National Disability Advocacy Program – enhancements;*
- *Pension Bonus Scheme – enhancements;*
- *Reconnect - continuation of funding;*
- *Respite Support for Carers of Young People with Severe and Profound Disabilities - continuation and expansion of funding;*
- *Seniors bonus payment;*
- *Social Security Agreement between Australia and Germany - supplementary agreement; and*
- *Social Security Agreement between Australia and Korea – establishment.*

3.2.3 Contributions to achievement of Outcome 2

Contribution of Outputs to Outcome 2

Support for the Aged (Output Group 2.1) will contribute by:

- helping to support the aged through the provision of income support targeted to those in need while providing incentives for productive use of savings and investments;
- helping to support the aged through access to concessions and related allowances; and
- encouraging Australians to become financially stronger through providing financial information services.

Support for People with Disabilities (Output Group 2.2) will contribute by: **[1]**

- increasing the level of social support and community based care for people with a mental illness or intellectual disability and their families and carers; and
- promoting independence and self-reliance through provision of employment assistance services and other services for people with a disability.

Support for Carers (Output Group 2.3) will contribute by:

- assisting carers to continue in their caring role and to prepare for life after caring responsibilities through information and support, including respite and peer support; and
- helping parents or immediate family members to make private financial provisions for the current and future care and accommodation needs of a person with severe disability.

Support for Youth (Output Group 2.4) will contribute by:

- helping young people overcome barriers to participation through the delivery of targeted programs;

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- improving the life prospects of young Australians by successfully engaging young people, helping to enhance their self-esteem, and improving the profile and contribution of young people in the community; and
- developing partnership arrangements within and across levels of government to support innovations in youth and family support arrangements around young people's transitions to independence and adulthood.

Support for Women (Outcome Group 2.5) will contribute by:

- ensuring that women are consulted on, and have input to, emerging policy that has a major impact on women;
- communicating with, and providing information to, women;
- helping vulnerable women, such as those experiencing domestic violence, through prevention, awareness raising, research and identifying best practice ways of support;
- increasing the number of women in leadership roles throughout society by providing capacity building, such as leadership programs; and
- acknowledging and celebrating the many and diverse contributions that women make to Australia.

The Office for Women (OfW) is included in this outcome group, providing policy advice and administering programs for women. The OfW reports to the Hon Julie Bishop MP in her role as Minister assisting the Prime Minister for women's issues.

Administered activities

Payments and Services Under Outcome 2

Payments under s33 of the FMA Act 1997

Payments under section 33 of the *Financial Management and Accountability Act 1997* are act of grace payments made in special circumstances at the discretion of the Minister for Finance and Administration.

Reimbursement to Great Southern Rail for Concessional Fares

Great Southern Rail is under contract to provide concessional fares on their services (the 'Indian Pacific', 'The Ghan', and 'The Overland') to certain veterans and holders of Pensioner Concession Cards (PCCs) and Commonwealth Seniors Health Cards (CSHCs). Around 50,000 people benefit from these concessions each year.

Services for People with a Disability

Improving economic and social participation of people with disabilities by: **[4]**

- providing supported employment;
- improving access to information; and
- assisting with access to services.

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This administered item contains the following sub-programs: **[4]**

The Auslan Interpreting Services - is a booking service, which arranges free Auslan interpreter services for deaf people attending Medicare-related consultations by a general practitioner and certain specified private health consultations by a specialist.

The Employment Assistance and Other Services funding - is provided to help people with more severe disabilities gain and maintain supported employment, to provide respite care, and to promote the inclusion of people with disabilities in Australian society through the provision of print disability services, postal concessions for the blind, advocacy and other related services.

The review of the impact of the case based funding on disability business services was completed in late 2006. Further consultation will be required during 2007-08 to consider the review's recommendations to further improve supported employment for people with disabilities.

The 2006 review of National Disability Advocacy Program acknowledged that advocacy remains a valuable and much needed program. Work will continue throughout 2007-08 to improve the program's efficiency and effectiveness and ensure it is targeted to those in greatest need.

Mental Health

The COAG Mental Health funding delivers community based programs to support families, children and young people affected by mental illness, with a particular focus on Indigenous families and those from a culturally and linguistically diverse background. Flexible respite care options have also been developed for carers and families who are caring for people with a mental illness, psychiatric disability and/or intellectual disability. In addition to, personal helpers and mentors, which assist people with a severe functional limitation resulting from a mental illness.

Support for Carers

This support assists carers to continue in their caring role and to prepare for life after caring responsibilities end, through:

- respite services; and
- peer support groups.

This administered item contains the following sub-programs:

The Assistance for Carers Program - assists carers through a number of Australian Government payments and services. Under this appropriation, young carers are encouraged to complete secondary education or a vocational equivalent through the provision of respite services, and are supported in difficult situations through telephone hotline, and age-appropriate information.

The Peer Support Groups for Parents of Young Children with Disabilities program - funds facilitate peer support groups to support parents of young children with disabilities.

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Commonwealth State Territory Disability Agreement **[3]**

The Commonwealth State Territory Disability Agreement (CSTDA) provides the national framework for the provision of government support services for people with disability. Under the three agreements signed so far, the state and territory governments have responsibility for the planning, policy setting and management of accommodation support, community support, community access and respite care services. The Australian Government has similar responsibilities in relation to employment services for people with disability. Both levels of government provide support for advocacy, and print disability. The third CSTDA Agreement will expire on 30 June 2007.

COAG Health Services - Younger People with a Disability in Residential Aged Care

On 10 February 2006 COAG agreed to jointly fund and develop a new $244 million program, 'Help Younger People with Disability in Residential Aged Care program', over five years to reduce the number of younger people with disabilities living in residential aged care services. The program will initially target people aged less than 50 years in residential aged care. The program will also assist some younger people who remain in Residential Aged Care to access more age appropriate supports and services.

Carer Allowance

Carer Allowance is an income supplement for people who provide daily care and attention at home to a person who has disabilities or a severe medical condition. The payment is not means-tested and is indexed annually.

Carer Payment

Carer Payment is an income support payment for people whose caring responsibilities prevent them from undertaking substantial workforce participation. The payment is means-tested and paid at the same rate as other social security pensions.

Disability Support – trusts and gifting exemptions from assets test

Special Disability Trusts assist parents wishing to make private financial provisions for the current or future accommodation and care for their son or daughter with severe disability. Other assistance provided in the Private Provisions measures includes access to mediation and counselling services for families, financial information kits and research.

Youth Engagement

Youth Engagement improves the connection and engagement of young people with their family, community, education, training and employment and includes three funding streams:

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Output Group 2.2 Support for People with Disabilities

Administered Items

- COAG Helping Younger People With Disabilities in Residential Aged Care
- Commonwealth State Territory Disability Agreement
- Services for People with a Disability
- Mental Health

Departmental Outputs

- Policy Services and Program Management
- Service Delivery

Administered Items		
Indicator Type	**Indicator**	**Estimate**
Price	$14.3 million	
COAG Helping Younger People With Disability in Residential Aged Care		
Effectiveness - Targeting	Expenditure in 2007-08 matches all jurisdictions except SA/ACT	NSW $4.7m
		VIC $3.5m
	PI	QLD $2.7m
		SA $1.1m
		WA $1.4m
		Tas $0.3m
		NT $0.1m
		ACT $0.2m
		according to signed bilateral agreements

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The inclusion of information in the Output Group tables for the 2008-09 PB Statement is indicated by the diagram opposite. The sections of the 2007-08 PB Statement which map to the revised presentation are indicated above.

The Output Group description section [1], in the new template, is to provide the context and outline the key results to be achieved by the output group as a whole towards the outcome, in the example FaCSIA Outcome 2. Then below each component agencies can briefly specify the contributions to the output groups results and subsequently the performance indicators. Only the key results of the whole output group are to be included in the components section—some will therefore not have any additional detail. In the example opposite the contributions of the two outputs, policy services and program management and service delivery, have no additional results outside the administered items which they support.

Cont. →

Furthermore in the new format, duplication and repetition of information will become apparent. The previous templates required information on the same topic several times over—the outcome overview, contributions towards outcomes, output group descriptions, output / administered item descriptions and finally performance information. In instances were this occurs agencies are to take the opportunity to refine the information provided in line with the guidance in the Constructor's Kit, i.e. focussing on results and including information only where it is of most value to the reader.

Furthermore, due to the revised presentation of information agencies are to reconsider the performance indicators included in the 2008-09 PB Statement to best demonstrate the results the agency is to achieve in contributing to government outcomes.

Agencies are to report performance by output group by selecting (between 8-12) key performance indicators per output group of activities (inclusive of administered items, outputs, special appropriations and in some instances special accts). This represents a move away from reporting the performance of individual items (whether administered or departmental) towards a more strategic and meaningful level of performance indicators, demonstrating a more tangible link between the output group results (and performance indicators) and the outcomes of government. Individual items therefore may not have specific indicators, but contribute to the achievement of broader results and indicators.

Moreover, measures of individual items' performance will still remain valuable to internal management, but their inclusion in the PB Statements should weighted up against their ability to demonstrate performance and results against government outcomes. Specifically indicators which demonstrate the effectiveness of the output group's contributions to the relevant outcome are preferable in articulating the agencies performance.

APPENDIX C: GUIDANCE ON SETTING PERFORMANCE INDICATORS AND TARGETS

Performance Management and Portfolio Budget Statements

Performance monitoring involves selection of indicators, methods and data that allow agencies and their stakeholders to understand and assess progress against the Government's policy objectives. This appendix provides guidance for agencies on how to design and choose the most useful information to meet the requirements of PB Statements.

This guidance provides basic information and advice on how to set up a performance monitoring regime that meets the mandatory requirements of the Department of Finance and Deregulation.

In keeping with the Government's policy, and leading international public sector practices, the focus for agency performance information is results. Results are framed in terms of contributions to outcomes, the output groups for implementing the Government's policies, and other activities performed by agencies, which are the means by which the outcomes are achieved.

It is strongly recommended that the performance information developed for external purposes is the same as, or based on, information developed for internal management. This will help to ensure signals and understandings are common and consistent across all stakeholders, the 'clear line of sight' referred to by the Management Advisory Committee[1]. It will also help to keep the cost of performance monitoring down.

SETTING UP A PERFORMANCE MONITORING REGIME

This section of the guidance sets out six basic steps in setting up a performance monitoring regime:

1. Defining outcomes and program/administered items and outputs for measurement
2. Selecting indicators
3. Specifying targets, benchmarks and reference points
4. Data collection
5. Analysis
6. Reporting

1 Defining outcomes and programmes for measurement

To define the precise results to be measured and monitored and establish a robust performance management framework there are three basic principles to focus on:

- what is most important to the agencies and its stakeholders, particularly the Government and Parliament, in terms of performance or 'success'

- what is useful for accountability, analysis and decision-making; and

- what is cost effective to collect and report at the time it is needed by stakeholders.

A common technique used worldwide to identify the most important performance information is to set up a logical framework. The logical framework is built around the main phases in achieving results:

- obtaining inputs;
- processing inputs through activities and programmes;
- the goods and services produced from those activities;
- the initial consequences resulting from delivering goods and services; and
- the final impacts achieved.

Ideally, the logical framework is built up through a strategic planning process. It progresses by posing and answering a series of linked questions about what happens at each important step towards achieving outcomes, starting with the need that the agency is seeking to address. For example: In order to achieve a need identified in the Government's policy objectives, what is the final impact that must be observed?; What changes would need to occur to achieve the desired final impacts?; What goods and services would need to be produced and delivered to the target groups to induce the desired consequences?; What activities would need to be performed to produce the goods and services?; What resources would be necessary to perform the activities required?

The process of designing the logical framework should spell out the components required for measuring outcomes and output groups. Those components can then be used to tailor the specific indicators needed to judge progress and performance.
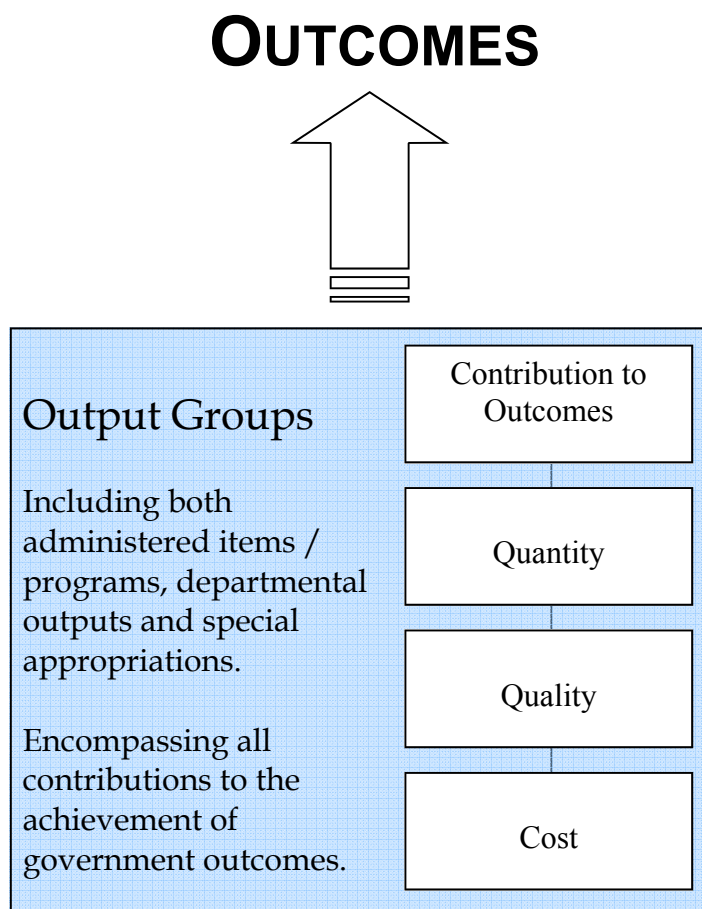
2 Selecting indicators

Performance indicators provide the means for measuring achievements. Indicators need to provide the reader with an objective and balanced picture of output group attributes and the characteristics of outcomes.

Figure 1 (over the page) illustrates the range of performance indicators relevant to the Government's performance system.

Performance information for output groups and their components should relate to four key attributes: contribution to outcomes, cost and the quantity and quality of goods and services provided.

Figure 1—Hierarchy of Performance Indicators

OUTCOMES

Output Groups	Contribution to Outcomes
Including both administered items / programs, departmental outputs and special appropriations.	Quantity
	Quality
Encompassing all contributions to the achievement of government outcomes.	Cost

Indicators for output groups and their attributes can be set at two levels:

1. quantity, quality and cost of the goods and services produced; and
2. contributions to outcomes for each major activity or group of activities.

Quantity, quality and cost can refer to grants, subsidies, regulations, services, taxes, fees and fines, in addition to direct service delivery and third party outputs (such as from States, Territories and non-Government organisations) and departmental outputs. Contributions to outcomes are measured by effectiveness indicators. Indicators of effectiveness seek to draw out the specific effects caused by agencies, filtering out the impact of other influences.

In choosing output group indicators and targets, agencies should aim to answer 'yes' to all of the following questions:

– Is it possible to demonstrate the relationship between the indicators and Government outcomes?

– Are the indicators easily understood by non-technical stakeholders?

– Is the relationship between the programmes/services and their indicators and

targets clear and obvious?

–   Are the indicators and targets SMART?

    a   Specific – clear, concise and precise;

    b   Measurable – quantified;

    c   Achievable – practical and reasonable;

    d   Relevant – to stakeholders (including Government, Parliament, customers, beneficiaries); and

    e   Time bound – related to a period of time or time limit?

–   Do the indicators and targets provide sufficient, robust and balanced representation of the actions taken, and goods and services delivered by the program/service?

–   Do the indicators and targets adequately capture the intended relationship between Government programmes/services and outcomes (or, if not, is there a robust means of monitoring and evaluating the contribution of Government programmes/services to the outcome)?

–   Will the results of measuring programmes/services be available for evaluation and reporting in an appropriate form when needed for a reasonable cost?

–   Is there a mechanism for review and revision of programme/services measurement to ensure that it remains appropriate and sufficient for agency and Government needs?

Other important characteristics of indicators

The optimal number of indicators is not easy to determine, and can differ according to the circumstances. It is generally advisable to establish a balanced set of indicators to avoid unintended bias and address competing or conflicting interests. It may also be important to include contextual indicators, which relate to the general state of affairs relating to a target group, even though there may be no direct relationship with the agency and programmes. Indicators should be selected on the basis of their ability to assist in objectively clarifying the agency's achievements, particularly the extent to which the agency or programme causes the changes observed in outcomes.

Cost is another important factor to consider in deciding the number and type of indicators because collecting, analysing and reporting performance information is not costless. Costs should to be kept at a reasonable level considering the importance of what is being measured. For example, a larger set of indicators would be warranted for billion dollar programmes than for million dollar activities.

Different types of indicators serve different purpose, for example, leading indicators provide an early indication of whether results are consistent with expectations. Lagging indicators show secondary effects or delayed reactions. It is important to ensure that the choice of indicators reflects their intended use.

Combinations of indicators can provide a guide to relative success. For example, the ratio of inputs to goods and services produced offers a measure of efficiency, the ratio of inputs to outcomes provides a measure of cost effectiveness.

One technique to assist in deciding on the range and type of indicators to use is the Balanced Scorecard, developed by Kaplan and Norton[2]. This technique suggests that organisations collect and report indicators on financial, internal, learning and growth, and customer perspectives. The Balance Scorecard is becoming increasingly popular for monitoring performance for internal management in the private and public sectors. In regard to the Australian public sector, the technique needs to be adapted to ensure that outcomes, programmes and formal accountability requirements are addressed effectively within the scorecard.

3 Specifying targets, benchmarks and reference points

Indicators are rarely valuable to users as stand-alone pieces of information. They usually need to be set in the context of what the Government or agency is trying to achieve and how well they are achieving it. This can be assisted by setting targets that the agency intends to achieve, benchmarks for comparing achievements with independent standards and/or reference points that help to explain how the achievements are making a difference in a wider context.

Common types of target, benchmark or reference point include:

–   specific, planned achievements based on the budgets and resources available;
–   previous results, possibly extrapolated to reflect changes in circumstances e.g. prices, target population numbers or other characteristics;
–   achievements by other providers;
–   national or international standards; and
–   best practices or long term aspirations.

In keeping with the SMART criteria, agencies are encouraged to choose targets that are achievable for management and reporting purposes as they help to assess how well the agency is doing at the time, and consequently what should be changed to make improvements. Best practices and international standards are more useful in helping agencies to understand the gap between where they are and where they want to be. Previous results are useful for accountability for past performance or summative evaluation but are less useful for decisions on current and future achievements.

Building targets, benchmarks and reference points into strategic planning and budgeting can be a major advantage in ensuring that the agency is focussed and resourced to achieve the desired results and outcomes of government. It also allows agencies to take account of the wider environment and potential risks that can impede the delivery of programmes and the achievement of outcomes.

4 Data collection

The data required for measuring and monitoring performance are interrelated with the indicators and targets chosen. Data must relate to the indicators and targets, but it is not unusual for indicators and targets to be revised or changed subject to the availability of data at reasonable cost.

Data is collected from a variety of sources, including agency accounts, programme implementation and delivery records, customer responses, independent observations and statistical collections. Data can be either directly or indirectly related to indicators, output groups and outcomes. The most common source of directly related data is agency operations. Operational data has the significant attraction of being relatively cheap and convenient to collect.

Wherever possible, agencies are encouraged to build in performance data collection as an integral part of programme development, implementation and operation. This will ensure a regular, virtually automatic, accessible and cost effective source of information for programme monitoring. It also has the potential to reinforce the key attributes of performance for programme administrators.

Agencies can obtain an even more significant benefit if they identify their evaluation data needs in advance of implementation. Building in data collection for evaluations can mean the difference between evaluations based on subjective inferences and more robust analysis based on objective, validated and independent observation. The latter type of evaluation can be far more valuable as they can be used to successfully counter bias, subjectivity and ad hoc reactivity that could otherwise undermine worthwhile progress.

Data that is not available from internal sources also requires advance planning, but is often more costly and less frequent than operational data. It is particularly important when considering collecting data from external sources to identify the amount and type of information needed, how it will be collected (and by whom) and the cost-effectiveness of collection methods. In addition, agencies should consider the quality and understandability of the data from the perspective of analysts and programme managers, and its credibility with stakeholders including relevance, reliability and verifiability.

The Finance and ANAO guide to *Better Practice in Annual Performance Reporting* identifies good practices in data management for performance information including: the establishment of data quality assurance arrangements; and a central repository of documentation on methodology, processes for collection of data and the management of performance data.

5 Analysis and assessment of outcomes and output groups

It is generally useful to apply some basic performance tests from monitoring of outcome and programme indicators and to provide an assessment or explanation of results to assist users when the results are reported.

Basic assessment techniques for analysing and interpreting performance information involve heuristic and variance analysis, or judgements about whether the results appear to be moving in the right direction. There are obvious limitations of this type of analysis (relating to its subjective, short term orientation), however it can be very useful as a basis for deciding whether more detailed analysis is required. For example, if progress appears to be consistent with expectations, it is reasonable to assume that all is well. If there are significant differences between plans and results, or if results are inconsistent with expectations, action to seek further information is warranted.

Where data permits, it may be possible to assess progress in terms of efficiency and effectiveness. Efficiency relates to how well inputs are turned into specific products or services. Effectiveness relates to how well the progressive results are achieving the outcomes intended.

There are many different forms of efficiency and effectiveness that can be useful to managers and other users of programme information. For example, average efficiency can be measured by the total value of goods and services produced divided by the total value of inputs. Marginal efficiency considers the efficiency of producing the last unit of a good or service, for example the value change in production from the previous year to the current year relative to the change in the value of inputs. Effectiveness can be assessed by the gap between plans or desired impacts and actual impacts. Cost-effectiveness compares the value consumed in achieving an outcome with some standard or comparator such as previous or best practice costs.

6 Reporting

Not all information on output groups and outcomes is used for the same purpose. Some is used for accountability, for example, in relation to the use of inputs, products and services, and lower level outcomes that are substantially under the control of the responsible agencies, as included in PB Statements. The same information is needed by management, including the Government, but they also need information for assessing contributions to higher level outcomes and to assess whether results are consistent with expectations.

The content of reports should be tailored to the intended audience and their likely use of the information. For example, internal users will need a more operational focus, while external users such as readers of PB Statements will be interested in the relevance of agency performance to customers, beneficiaries and the country as a whole. External audiences are likely to prefer more aggregated or consolidated data

than internal users. At all levels the indicators and targets should clearly explain the key aspects of performance in the context of users interests, whether that is operational efficiency, accountability for appropriations, or effectiveness of contributions to outcomes.

Reporting requirements for the Government and agency management are prescribed through Chief Executive Instructions and the various policy and administrative requirements issued from time to time through Estimates Memorandums, Finance Minister's Orders and other official circulars.
The needs for information by Parliament and other external stakeholders are primarily defined by the form and content of Portfolio Budget Statements and agency annual reports. In preparing reports to external users, agencies should note that Finance and ANAO consider, 'good performance reporting involves the use of accurate, consistent and complementary information, which presents a balanced and coherent snapshot of an agency's achievements within a strategic context'.

The channel and form of reporting is often prescribed for agencies, especially for external reporting. However, it is important to review whether the way in which results are reported are the most convenient and effective for getting the key performance messages to users. Internet reporting is becoming more common in the private sector, especially for non-mandatory reporting such as expanded continuous disclosure reporting and sustainability performance reporting

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Notes

[1] Management Advisory Committee, *Performance management in the Australian public service: a strategic framework*, Canberra 2001

[2] Kaplan, R.S. and Norton D.P., *The balanced scorecard: measures that drive performance*, Harvard Business Review, January-February 1992. More recent works by Kaplan and Norton using their methodology are included in the list of references at the end of this guidance
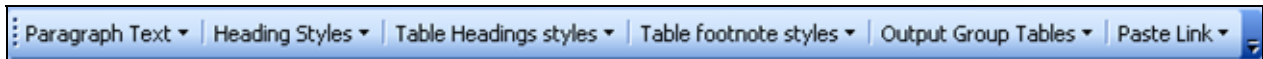
APPENDIX D: TEMPLATE AND FORMATTING GUIDANCE

2008-09 PBS — Template guidelines

The Portfolio Budget Statements template

It is suggested that you attach the template file **Portfolio Budget Statements.dot** to the shell document which has been forwarded to you.

If you do so you will have access to a toolbar (see below) which will assist you in the formatting and compiling of your document.

| Paragraph Text ▾ | Heading Styles ▾ | Table Headings styles ▾ | Table footnote styles ▾ | Output Group Tables ▾ | Paste Link ▾ |

Attaching the template to the shell document

Step A: Saving the files

1. Do **NOT** double click to open the template or shell document in your email client, for example Outlook or Lotus Notes. (In Outlook, use the File menu to Save Attachments.)

2. Save the template to your desktop or location of your other Word templates.*

3. Save the shell document to an **another** location. This location should be where you will draft the document.

*Tip: We advise that you speak with your IT department about the location of departmental templates.

Step B: Attaching the template to an existing document

4. Open the shell document.

5. From the **Tools** menu, select **Template and Add Ins …**

6. Click the **Attach** button and browse to the location where you saved the template.

7. Click **Open**.

8. Check **Automatically update document styles**.

9. Click **OK**.

10. From the **Tools** menu, select **Template and Add Ins …**

11. Uncheck **Automatically update document styles**.

12. Click **OK**.

13. You should be able to see the toolbar shown above.

Tip: Ensure you uncheck the Autuomatically update document styles. If you send a document with the option checked to a person who does not have access to the location of the template, the template association will be lost and styles revert to those of the recipient's Normal template.

Note: You can work in the shell document only, you do not have to attach the template. If you elect not to attach the template, the only part of the document relevant to you would be size requirements for Excel tables on page 3.

### Applying styles from the toolbar

14. Select text.

15. Click the drop down arrow on the toolbar.

16. Select the required style.

Tip: To apply the style to a single 'paragraph' of text you need only position the cursor anywhere in the 'paragraph'.

Viewing applied styles

If you wish to check the styles applied in a document use the following method to open a style area on the left hand side of the screen.

17. From the **View** menu, select **Normal**.

18. From the **Tools** menu, select **Options**.

19. Click the **View** tab.

20. In the **Outline and Normal options** area, **Style area width** enter a value.

21. Click **OK**.
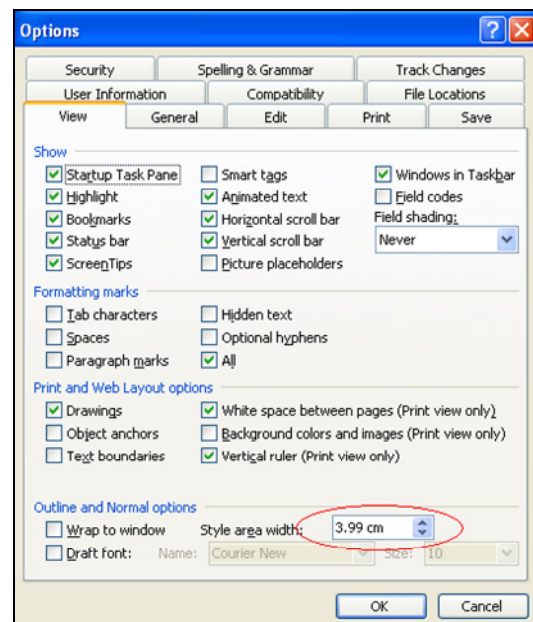
Tips:

*   The style area is only visible in Normal or Outline view.

*   Styles used in tables cannot be seen in the style area.

Toolbar item	Description
Paragraph Text	Contains styles for normal body text.
Normal	Apply to normal paragraphs — this includes blank line after.
Normal indent	Apply to text to indent 1 cm from the left.
Single paragraph	Apply to text where you do not require a blank line after, eg inside address.
Bullet	First level bullet outline.
Dash	Second level bullet outline.
Double dot	Third level bullet outline.
Heading Styles	Contains styles for all paragraph headings.
Heading 1	Apply to portfolio or agency name above their table of contents and Section 1
Heading 2	Apply to Section headings.
Heading 3 through 6	Apply to all other paragraph headings — use in correct hierarchical order.
Figure	Apply to heading for portfolio structure and outcome figure.
Table heading styles	Styles to be used for headings above Excel tables paste linked in Word.
Table Main Heading	Apply to table heading to be used above Excel or other tables.
Table Heading Continued	Apply to table heading to be used above tables which are continued to a new page.
Table Graphic	Apply to paste linked objects, for example, Excel table (see notes above).
Table Footnote styles	Apply to footnotes below tables — Copy only table across not its footnote text.
Note for use with numbers	Apply to footnotes that are numbered (see notes above).
Notes no numbering	Apply to unnumbered footnotes only.
Output Group Tables	Styles to be used in the Output Group boxes
Insert Output Group table	Use to insert extra Output Group tables if required
Table Column Heading Left	Column heading left aligned
Table Column Heading Right	Column heading right aligned
Table Column Heading Centred	Column heading centre aligned

Toolbar item	Description
Table Text Left	Text left aligned
Table Text Right	Text right aligned
Table Text Centred	Text centred aligned
Table Text Bullet	Bullet, 1st outline level
Table Text Indented	Text indented .5 cm

Tables for inclusion in the 2008-09 Portfolio Budget Statements

Finance have suppled shell tables for inclusion in the 2008-09 Portfolio Budget Statements.

Tip: Do **NOT** increase the table width. They have been sized to fit within the B5 margins used in the PBS.

Excel table size requirements

Excel tables must be:

Wide — 13.6 cm exactly

Height — 19.5 cm maximum.

Checking the size of the table in Word

1. Click on the linked table in Word to select it
2. Click Format menu, Object …
3. Click the Size tab
4. Check width and height.
5. If the table is not the correct width or height you will need to resize the table in the Excel spreadsheet and copy and paste link again.

Tip: Resizing the object in Word will cause problems with resolution when the document is printed.

Paste linking Excel table into Word

It is suggested that you paste link tables into Word. There are a number of reasons for this practice.

1. When the Excel data is updated the Word document can be easily updated.
2. Placing a linked object into a document helps to keep the file size smaller. An unlinked object increases the document size.
3. Unless you have access to the Excel file when you double click on a linked object in Word you cannot open a copy of the workbook.

Copying and linking

6. Before copying tables you should ensure that the gridlines are not showing. To turn them off:
   - From the **Tools** menu, select **Options**, and click on the **View** tab.
   - Uncheck the **Gridlines**, and click **OK**.
   - Set **Zoom** to **100%**.
7. Select the table and copy in the usual manner. Do **NOT** copy the heading or footnotes with the table — these should be entered in Word.
8. Move to the Word document.
9. Type in the heading formatted with **Table Main Heading** style.
10. Press **Enter**.
11. Click the **Paste Link** button on the template toolbar.
12. Select **Paste Excel Table**.

Tip: If your table is not showing you may need to apply the table graphic style.

13. Select what you can see of the table
14. Click the Paragraph text drop down on the toolbar, select Table graphic.

Table and chart footnotes

The footnotes or source notes should NOT be copied over as part of the table or chart object.

All footnotes or source notes relating to the table or chart are to appear beneath the table or chart.

Use the **Table footnote styles** menu on the template toolbar to apply styles:

- **Note for use with numbers** to format footnote references to numeric or alpa table references.
- **Note no numbering** for unnumbered notes.

Locking and unlocking Excel objects in Word

Locking Excel table or chart links

Once you have imported paste-linked objects, ensure that you lock the links. This allows you to update the objects exactly when you want, and prevents lengthy delays on opening the file while Word checks all the links.

Chart links should remain locked in Word. Links should only be unlocked when the chart data needs to be updated or changed.

To lock the linked chart and protect it from updating:

15. From the **Edit** menu, select **Links**.
16. Select the **Locked** option button.

Unlocking Excel table or chart links

Links should only be unlocked when the source spreadsheet has been changed in Excel.

17. In Excel open the source worksheet and make the necessary adjustments.
18. In Word select the table object.
19. From the **Edit** menu, select **Links**.
20. Uncheck the **Locked** option.
21. Select the **Update now** button.
22. Check the **Locked** option to relock the link.