

**SENATE
FINANCE AND PUBLIC ADMINISTRATION
LEGISLATION COMMITTEE**

*The Format of the Portfolio Budget Statements
Third Report*

Government Response

Recommendations

1. That forward estimates be required to be provided in a suitable location in the PBS for administered items.

Government Response:

Disagree: A similar recommendation was made in the Senate Committee's 2nd report, and was rejected by the Government on the basis that there is already extensive reporting of forward estimates provided in the budget documentation. Forward estimates information is provided at an aggregate level (cash and accrual) as well as for agency expenses, measures and on a functional basis. This information is published at both Budget and Mid Year Economic and Fiscal Outlook update.

The purpose of the Portfolio Budget Statements (PBS) is to explain the annual Appropriation Bills before the Parliament. As such, forward estimates information by output and for each administered item (or by program prior to the introduction of outcome-output budgeting) have never previously been included in the PBS, nor in the Explanatory Notes.

2. That the PBS contain, for every agency, the name and contact details of an officer who can answer simple factual questions on the contents of that agency's statements.

Government Response:

Agree: This is a simple administrative matter, which can be included in the PBS guidelines.

3. That Senate legislation committees report in each budget estimates report on the adequacy of the PBS provided for their use and in each additional estimates report on the performance information examined.

Government Response:

This is a recommendation for Legislation Committees themselves.

Suggestions

1. That a modified table be included in the PBS to codify the reasons for changes in budgets at output level.

Government Response:

Disagree: The PBS guidelines issued by the Department of Finance and Administration specify the information that agencies should include in their PBSs. The PBSs provide sufficient information, explanation and justification as to the purpose of each item in the Appropriation Bills. Modifying the table would add complexity without enhancing clarity.

2. That the PBS should be made easier to navigate through the increased use of indexing and cross-referencing.

Government Response:

Agree: The PBS Guidelines for 2001 – 2002 will emphasise the value of increased readability through better indexing and cross-referencing.

Note: other suggestions contained in the report relate either to agencies' or Senate Committees' responsibilities and are not matters which need to be covered in PBS guidelines.