



BUDGET

**PORTFOLIO BUDGET STATEMENTS 2008–09
BUDGET RELATED PAPER NO. 1.15A**

PRIME MINISTER AND CABINET PORTFOLIO

**BUDGET INITIATIVES AND EXPLANATIONS
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND OUTPUTS BY AGENCY**

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ISBN 978-1-921385-20-9 (paperback)

ISBN 978-1-921385-21-6 (RTF)

ISBN 978-1-921385-22-3 (PDF)

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Printed by CanPrint Communications Pty Ltd, Canberra



The Hon Anthony Byrne MP
Parliamentary Secretary to the Prime Minister

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2008-09 Budget for the Prime Minister and Cabinet Portfolio excluding the Department of Climate Change and its related entity, which are part of the Prime Minister and Cabinet Portfolio but for which statements are tabled separately (refer: Budget Related Paper No. 1.15B).

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the portfolio.

I present these statements to ensure proper and effective accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anthony Byrne', written over a light blue horizontal line.

Anthony Byrne

Abbreviations and conventions

The following notation may be used:

NEC/nec not elsewhere classified

nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

\$m \$ million

\$b \$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Ms Kym Partington, Chief Financial Officer in the Department of the Prime Minister and Cabinet on (02) 6271 5652.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET
STATEMENTS**

USER GUIDE

The purpose of the 2008–09 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2008–09 (or Appropriation Bill [Parliamentary Departments] No. 1 2008–09 for the parliamentary departments). In this sense 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 Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

This document does not include the PB Statements for the Department of Climate Change and its related agency, which are part of the Prime Minister and Cabinet Portfolio, but for which PB Statements are tabled separately (Refer: Budget Related Paper No. 1.15B).

STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS

The PB Statements have been revised for the 2008–09 Budget, with significant changes made to reduce the workload on agencies and to provide Parliament with more targeted and comprehensive information on government expenditure.

Included below is a brief outline of each section of the revised document.

Portfolio overview

The portfolio overview is largely unchanged, with portfolio departments required to briefly outline the responsibilities of the portfolio, and list the relevant agencies and ministers and the resources available.

Agency Resources and Planned Performance

A statement (under the name of the agency) for each agency within the portfolio.

Section 1: Agency overview and resources

This section includes three components:

- 1.1 Strategic direction
- 1.2 Agency resource statement
- 1.3 Budget measures.
- Section 1 provides readers with an overview of the functions and responsibilities of the agency, its contribution towards its outcomes for the budget year and the resources available.
- In Section 1.1 Strategic direction, agencies present a narrative approach rather than being restricted to a fixed number of headings. The key emphasis is on telling the agency's 'story'—the key strategies it is implementing to achieve its outcomes, what is involved, and how success and progress are to be measured.
- Sections 1.2 Agency resource statement and 1.3 Budget measures summarise resource information into two tables. The new agency resource statement details the source and nature of all the resources available to the agency. Budget measures information reflects the information covered in Budget Paper 2, with the output group against which the measures are to be pursued included to improve cross-referencing.

Agency Resources and Planned Performance (continued)	
Section 2: Outcomes and planned performance	<ul style="list-style-type: none"> • The outcomes section has undergone significant change to reorient agency reporting towards agencies' results in contributing to outcomes and away from a focus on activities and processes. • The outcome resource statement provides lower level resourcing information for general users at the results level, grouped by output group rather than appropriation type, as was previously the case. • Following the outcome resource statement, agencies use output groups for each outcome to group their intended contributions and the performance indicators used to assess the agency's effectiveness. By focusing on the results and impacts agencies are making towards outcomes, the revised PB Statements detail how agencies contribute to outcomes, rather than detailing activities.
Section 3: Explanatory tables and budgeted financial statements	<ul style="list-style-type: none"> • This section has been reworked to increase the readability of technical financial information. The section now includes: <ul style="list-style-type: none"> – an explanation of any differences at agency level between the information included in the Budget Papers and the PB Statements arising from the use of the GFS and AAS accounting methodologies – explanatory tables to provide supplementary information on the reconciliation between total available appropriation and outcome attribution, the rephasing and use of appropriations, Special Account flows and Australian Government Indigenous expenditure. • The capital budget statement and the property, plant, equipment and intangibles statements are no longer mandatory in the financial statements. This change has been made because, for most agencies, the information provided was of little value. Agencies with significant investment programs and/or balance sheets may continue using the statements to better explain their overall position.
Glossary	Explains key terms relevant to the portfolio.
Index	Alphabetical guide to the PB Statements.

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