

**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.

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.
- The intention of Section 1 is to provide 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 '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 the resources available to the agency. Budget measures information reflects the information covered in Budget Paper No. 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 Government Finance Statistics and Australian Accounting Standards accounting methodologies – explanatory tables to provide supplementary information on the reconciliation between total available appropriation and outcome attribution, the re-phasing 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.
Portfolio Glossary	Explains key terms relevant to the portfolio.
Acronyms	Lists acronyms and abbreviations used in the text.

