This guide outlines the present requirements for the preparation and approval of outcome statements that should be considered by General Government Sector (GGS) entities in preparing new or revising existing statements.

What are outcomes?

Outcomes are the results, consequences or impacts of Government actions.
What are outcome statements?

Outcome statements articulate Government objectives and serve three main purposes within the financial framework:

- to explain the purposes for which annual appropriations are approved by the Parliament for use by entities;
- to provide a basis for budgeting and reporting against the use of appropriated funds; and
- to measure and assess entity and programme non-financial performance in contributing to Government policy objectives.

All entities within the general government sector (GGS) must have at least one Outcome Statement¹.

What is the purpose of outcome statements?

Outcomes statements help to address three questions:

1. What does Government want to achieve? (Outcomes)
2. What activities does Government undertake to achieve this? (Programmes and activities)
3. How does Government monitor its progress towards achieving this? (Performance reporting)

The Government seeks to achieve benefits for the Australian community (outcomes) primarily through programmes delivered by entities.

Entities apply resources (e.g. funding, human resources, capital equipment) to activities and processes that generate products and services. These resources include the funds appropriated to entities through the annual Federal Budget, and/or revenue from other sources, such as receipts for services delivered, sales, levies and industry contributions.

Outcome statements form part of a broader reporting framework that aims to help those outside of the entities who have an interest in Government performance, including ministers, parliamentarians, external accountability bodies (e.g. the Auditor-General) and the public.

Creating new, or changing existing, outcome statements

New Outcome Statements may be required:

1. when a new entity is established, or when an existing function is transferred to a new entity; or
2. when an entity undertakes new functions or is transferred functions that are not captured within its existing outcome statements.

An existing outcome statement may be refined to incorporate a new function where this function falls within

¹ Please note the requirements do not apply to Commonwealth entities classified in Government Financial Statistics as public finance corporations (PFC’s) or public non-financial corporations (PNFC’s) as they are not part of the GGS.
the scope of the outcome, subject to meeting the outcome statement principles set out below. An outcome statement may also be revised where policy objectives, strategies or intended results for entity activities are refined or need to be clarified.

Key Principles for outcome statements

An outcome statement should be specific, focused, and easily interpreted, and:

1. identify the intended result(s) of the entity, with the level of achievement against the intended result(s) capable of being measured;
2. specify the target group(s) where this group is narrower than ‘Australia’ or ‘Australians’; and
3. specify the activities undertaken by the entity that contribute to the achievement of the intended result(s).

How should outcome statements be expressed?

Outcome statements should be written succinctly and precisely to ensure that the underlying purpose is clear. Statements should not include multiple purposes nor use technical and difficult language. This usually means they are covered by a single and relatively short sentence or statement.

Outcome statements should typically be set out as follows:

[Intended result] for [target group] through [actions]

or

[Intended result] through [actions] for [target group]

What this means in practice

The intended results of the entity should be identified with performance against those intended results capable of being measured.

- The intended results should be distilled from the Government’s international and domestic policy goals and objectives for the department or entity (be they relating to economic, social, environmental, national security or industrial relations), and the Government’s expectations of what the entity is to achieve.

The target group(s) should be clearly specified where this group can be identified more explicitly than simply ‘Australia’ or ‘Australians’.

- The target group need not be specified if it is implied that this outcome benefits Australians generally. Otherwise, the specific target group should be identified (e.g. ‘Women’, ‘Indigenous Australians’, ‘foreign countries’).

- Entities should only define a target group if it is clear that the results will only relate to that group and no others.

The broad activities the Government or entity will undertake to bring about the intended result should be
identified in an outcome statement.

- Entities should be able to describe the major actions, policy processes, events or business processes undertaken to bring about the intended result for the target group.

- Entities should be careful not to unduly limit the range of activities specified.

**Drafting tips**

**Ensure that the outcome statement is specific enough to form a valid appropriation**

An outcome statement cannot be so abstract as to be without meaning. Avoid using terms that:

1. cannot be clearly defined:
   - For example, the phrase ‘...in line with community views...’ leads to questions such as:
     - Which community?
     - How are the community’s views to be identified?

2. are generic or have multiple interpretations:
   - Ambitious words and phrases (e.g. world-wide appeal, economic advantage etc.) should be avoided unless clearly defined.
   - Words or phrases with subjective meanings (e.g. higher quality, enhanced, etc.) should only be used where the entity provides a reference point in relation to which the factors can be measured.
     - Entities can use their Portfolio Budget Statements to define terms in further detail or to further explain their reference points.

**Ensure that the outcome statement does not unnecessarily restrict the purpose for which an entity can spend money**

Entities may find that they cannot spend money in relation to an administered appropriation if outcome statements are so specific as to inappropriately limit the expenditure under the outcome. Entities should:

1. be careful in defining target groups:
   - Even terms as broad as ‘Australians’ can be limiting if the entity’s programmes can benefit people who are not Australian.
   - The description of the target group must be clear; avoid ambiguous terms (e.g. ‘young people’).

2. ensure that activities that may arise during the year are covered by the appropriation:
   - Use inclusive language where possible, rather than exhaustively defining the activities the entity will undertake.
   - Entities can use their Portfolio Budget Statements to expand on what types of activities are intended
How are outcome statements approved?

The Minister for Finance must approve all outcome statements.

Entities seeking to change their existing outcome statement(s) or introduce new outcome statements should follow the following steps:

1. Contact Finance through the relevant Agency Advice Unit and provide details of the proposed outcome statements ahead of discussions on the nature of the proposed changes.

2. Upon reaching agreement in principle with Finance that the proposed outcome statement(s) satisfies the three key principles and therefore describes a purpose fit for appropriation, entities should seek endorsement of this from internal senior legal counsel. Entities may wish to seek advice from the Australian Government Solicitor where uncertainty as to the validity of purpose remains.

3. Subject to these processes, entities should then prepare correspondence for their Minister to seek the Minister for Finance’s (Finance Minister) formal approval of the proposed changes.

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The minimum amount of information provided should include:

- Background information on the reason for the change.
- Proposed wording of new outcomes statement(s).
- Materiality of old and proposed outcomes.
- Mapping of the proposed outcomes to programmes and appropriations for incorporation in CBMS.
Outcome Statements Policy and Approval Process

4. Finance will brief the Finance Minister on the proposed outcome statements and prepare correspondence to the responsible Minister approving the final outcome statement(s).

5. To allow adequate time to complete these processes, entities should aim to ensure changes to outcome statements are finalised, including Central Budget Management System (CBMS) restructuring, before February each year.

**Why are outcome statements reported in Portfolio Budget Statements?**

Portfolio Budget Statements form part of the suite of information made available by government to describe Budget appropriations and entity activity.

As outcome statements provide the basis for the appropriation of money from the Commonwealth, they also provide an important role in the reporting of information, such as how an entity plans to spend its appropriations in the pursuit of government objectives.

The role of outcome statements on Portfolio Budget Statement reporting is described further in the constructor’s kit which can be found at:


**How do outcomes link to senior executive’s performance?**

Senior executives in the APS play a key role in the delivering government outcomes. They must be able to focus on the deliverables of their entity, and the links between these and broader government objectives.

To assist in measuring senior executive performance, the Australian Public Service Commission has developed a framework based on entity outcome statements. Further information on this framework can be found on the APSC’s website.


Further information on outcome statement policy and approval arrangements can be obtained by contacting the Performance Reporting and Planning Branch in Finance via: PMRAPerformanceFramework@finance.gov.au.