



**Australian Government**  
**Department of Finance**



# Guide to preparing the 2018-19 Portfolio Budget Statements

# Contents

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<b>Contents</b>	<b>2</b>
<b>1. Overview</b>	<b>4</b>
<b>1.1 Purpose</b>	<b>4</b>
<b>1.2 Who should prepare PB Statements</b>	<b>4</b>
<b>1.3 Structure</b>	<b>5</b>
1.1 User guide	7
1.2 Consistency of reporting – the “clear read” principle	7
1.3 Sourcing information	8
1.4 Clearance processes	8
<b>2. Publication requirements</b>	<b>9</b>
2.1 Security requirements	9
2.2 Which printer to use and printing specifications	9
2.3 Delivery to Parliament House and Finance	10
2.4 Budget media lockup requirements	13
2.5 Online publication	13
2.6 Issuing a corrigendum / addendum	16
<b>Guidance on the preparation of the 2018-19 PB Statements</b>	<b>18</b>
<b>3. Portfolio Overview section</b>	<b>19</b>
3.1 Minister(s) and portfolio responsibilities	19
3.2 Portfolio structure and outcomes	19
<b>4. Entity Overview and Resources section</b>	<b>21</b>
4.1 Strategic direction statement	21
4.2 Entity resource statement	22
4.3 Budget measures	27
<b>5 Outcomes and planned performance section</b>	<b>31</b>
5.2 Finance Secretary Direction	31
5.3 Structure of Section 2	32

5.4	Outcome statements	33
5.5	Linked programs box	33
5.6	Budgeted expenses by outcome table	35
5.7	Program components	37
5.8	Overview of Table 2.X.3 – performance information	38
5.9	Program title and brief description	39
5.10	Delivery	40
5.11	Performance criteria	41
5.12	Presentation of new or modified performance criteria	43
5.13	Purposes	43
<b>6</b>	<b>Budgeted financial statements section</b>	<b>45</b>
6.2	Budgeted financial statements	46
6.3	Departmental comprehensive income statement (showing net cost of services)	47
6.4	Budgeted departmental balance sheet	48
6.5	Departmental statement of changes in equity	48
6.6	Budgeted departmental statement of cash flows	48
6.7	Departmental capital budget statement	48
6.8	Departmental statement of asset movements	49
6.9	Administered financial statements (Tables 3.7 to 3.11)	49
<b>7</b>	<b>Related issues</b>	<b>50</b>
7.1	Machinery of Government changes	50
7.2	Program and outcome changes	52
7.3	Working with the templates	52
7.4	Preparing the Word template for printing	56
7.5	Preparing the Word template for online publication	56
7.6	Web accessibility requirements	56
7.7	Additional guidance on Cash Management Reports and Appropriation Bills	58
<b>8</b>	<b>Contacts</b>	<b>59</b>
<b>9</b>	<b>Glossary of terms</b>	<b>61</b>

# 1. Overview

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## 1.1 Purpose

The Portfolio Budget Statements (PB Statements) are formal ministerial documents. Together with the Budget Papers, PB Statements represent a package of documents tabled in Parliament on Budget night, which explain the Government's budget decisions.

The Appropriation Acts refer to the PB Statements as 'relevant documents' to the interpretation of the Acts, according to section 15AB of the *Acts Interpretation Act 1901*. The PB Statements provide additional explanation to the Appropriation Bills and, as a result, they must be consistent with the Bills, which once passed by Parliament, become law as Appropriation Acts. Should a discrepancy occur between the Appropriation Acts and the PB Statements, it is the Appropriation Acts that are definitive.

The PB Statements also provide further information (financial and non-financial) at the Portfolio and entity level about the ongoing policy and program delivery initiatives of the Government.

PB Statements are signed by the respective Portfolio Minister. Signing arrangements for PB Statements will be determined by the senior Portfolio Minister (the first minister shown in the current Ministry List issued by PM&C at <https://www.dpmc.gov.au/resource-centre/government/ministry-list>).

## 1.2 Who should prepare PB Statements

All Commonwealth entities that receive funding through the annual Appropriation Acts (whether directly or through a portfolio department) must be included in the PB Statements. Entities will normally be shown as separate chapters in the PB Statements, unless they are in the process of being merged or consolidated into another.

Where there is more than one department in a portfolio, senior Portfolio Ministers determine how the portfolio should be represented, i.e. whether there is to be a book for each department, or one consolidated book for the portfolio.

Entities are to use the following Portfolio numbers for the covers of their PB Statements:

- 1.1 Agriculture and Water Resources Portfolio
- 1.2 Attorney-General's Portfolio
- 1.3 Communications and the Arts Portfolio
- 1.4 Defence Portfolio
  - (B) Defence Portfolio (Department of Veterans' Affairs) – *subject to confirmation by their senior Portfolio Minister*
- 1.5 Education and Training Portfolio
- 1.6 Environment and Energy Portfolio
- 1.7 Finance Portfolio
- 1.8 Foreign Affairs and Trade Portfolio
- 1.9 Health Portfolio
- 1.10 Home Affairs Portfolio
- 1.11 Industry, Innovation and Science Portfolio
- 1.12 Infrastructure, Regional Development and Cities Portfolio
- 1.13 (A) Jobs and Innovation Portfolio (Department of Industry, Innovation and Science)
  - (B) Jobs and Innovation Portfolio (Department of Jobs and Small Business)
- 1.14 Prime Minister and Cabinet Portfolio
- 1.15 Social Services Portfolio
  - (B) Social Services Portfolio (Department of Human Services) – *subject to confirmation by their senior Portfolio Minister*
- 1.16 Treasury Portfolio
- 1.17 (A) Department of the House of Representatives
  - (B) Department of the Senate
  - (C) Department of Parliamentary Services
  - (D) Parliamentary Budget Office

Please note that these portfolio numbers and names may change from time to time as a result of Administrative Arrangement Orders.

### **1.3 Structure**

The PB Statements contain four levels of information: Portfolio, Entity, Outcome and Program. To ensure that PB Statements are clear and concise, it is important for entities to include information where it is most relevant. Guidance on the information required in each section of the PB Statements is included throughout this document.

Entities should produce PB Statements that present three key messages:

- What does the Government (through the entity) want to achieve?
- How and through what means does it propose to achieve this?

- How will it know if it is succeeding or making progress?

Entities can publish additional information that goes beyond the requirements of the PB Statements on their websites. Entities should also include a cross-reference at the start of their PB Statement chapter to their corporate plans, which provide a more granular, operational level of detail.

The 2018-19 PB Statements will have the following structure:

### **Portfolio reporting**

User Guide to the Portfolio Budget Statements

Portfolio overview

- Minister(s) and portfolio responsibilities
- Portfolio structure and outcomes

### **Department/entity reporting**

Entity resources and planned performance

- Section One: Entity overview and resources
  - Strategic direction statement
  - Entity resource statement
  - Budget measures
  - Changes in entity outcomes and programs (where applicable)
- Section Two: Outcomes and planned performance
  - Budgeted expenses and performance for Outcome X
    - Linked programs
    - Budgeted expenses for Outcome X
      - Program components of Outcome X (optional)
    - Planned performance criteria for Outcome X
- Section Three: Budgeted financial statements
  - Differences between entity resourcing and financial statements (optional)
  - Explanatory notes and analysis of financial statements
  - Budgeted financial statements tables

### **Portfolio glossary**

### **Index**

## 1.1 User guide

This diagram outlines the Commonwealth performance framework. It identifies the content of each publication and the relationships between them, and was first used in the 2017-18 Budget. This diagram must be included and not be moved, reworded or deleted from its position in the PB Statement Word template.

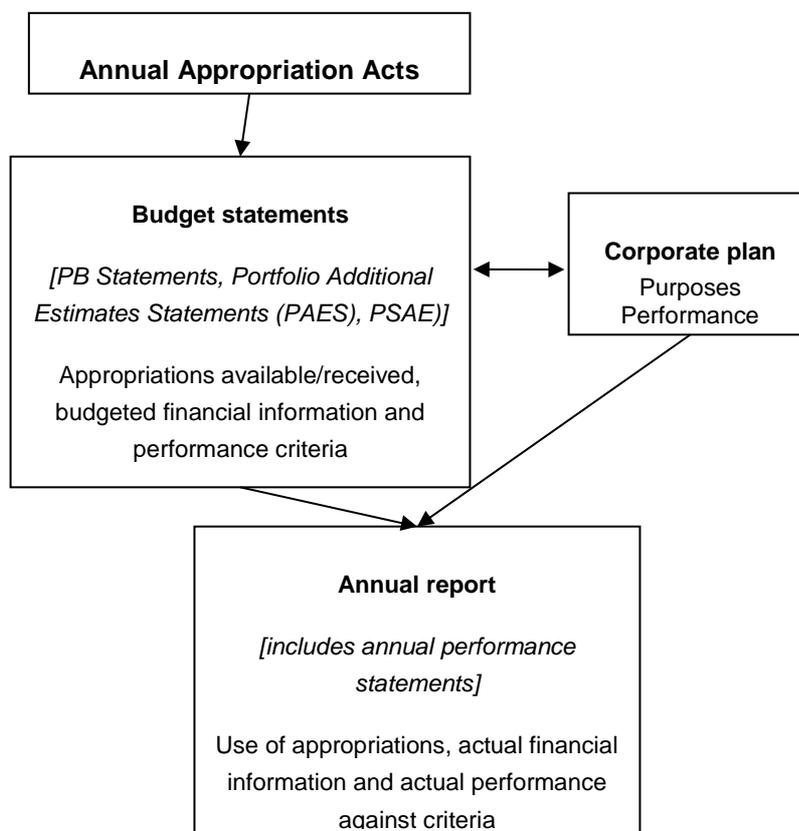
## 1.2 Consistency of reporting – the “clear read” principle

The 2018-19 PB Statements will cover the current financial year (2017-18), the budget year (2018-19) and the forward estimates years (2019-20, 2020-21 and 2021-22).

A fundamental principle of the Outcome and Program Framework is the consistency of reporting information over an entity’s financial cycle.

To achieve this, there must be a clear linkage (a “clear read”) from the Appropriation Bills to the budget statements, to the Corporate Plan and to the Entity Annual Report. As such, performance against financial and non-financial performance criteria outlined in the PB Statements and Corporate Plan will need to be reported in the Annual Report.

**Figure 1: ‘Clear read’ linkages**



Under the accounting standard *AASB 1055 Budgetary Reporting*, entities are also required to explain variances between the financial statements presented in their PB Statements (and where appropriate, their revised Budget figures in their PAES or the following year’s PB Statements) and the financial statements presented in their annual reports. These explanations will be audited by the Australian National Audit

Office (ANAO) as part of their audit of the annual financial statements. Consequently, entities are reminded of the importance of maintaining internal documentation in order to substantiate the basis of the estimates included in the PB Statements.

### 1.3 Sourcing information

The financial information reported in the PB Statements must match the figures in the Central Budget Management System (CBMS).

CBMS is the central source of budget information and is the basis of whole-of-government figures, the Appropriation Bills, financial data and Budget Papers (BP) Nos. 1-4. As such, all appropriation figures must be sourced from CBMS to ensure consistency between the PB Statements, the Appropriation Bills and the Budget Papers.

An entity's financial management information system may be used to supplement information in CBMS, particularly if information to be published is at a lower level in the PB Statements.

### 1.4 Clearance processes

While there is no requirement for portfolios to provide their whole PB Statements document to the Department of Finance (Finance) for checking, certain material, however, needs to match exactly the information contained elsewhere in the Budget Papers for which the Treasurer and Minister for Finance are responsible. This includes information on the appropriations and the measures tables. As the PB Statements describe measures that are published in BP No. 2, the two documents should be consistent and the PB Statements must not be printed until BP No. 2 is cleared.

*Table 1.2: Budget measures* should be provided to your Finance Agency Advice Unit (AAU) for checking against BP No. 2 measures titles and Appropriation Bills reports prior to the PB Statements being printed.

Portfolio entities are responsible for ensuring the accuracy and completeness of the information contained in their PB Statements, including the presentation of information that is consistent with CBMS. The following areas should be checked by entities prior to publication:

- the PB Statements are completed in accordance with the guidance and templates provided;
- the measures table matches the final measures list provided by your Finance AAU;
- the Average Staffing Level (ASL) numbers match the numbers to be published in BP No.4;
- all Bills information matches the Appropriation Bill Schedule in the Appropriation Bill report from CBMS; and
- the relevant Chief Finance Officer (CFO) sign-offs on Bills and estimates have been provided to your Finance AAU.

## 2. Publication requirements

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### 2.1 Security requirements

The PB Statements are classified as **Protected** and under embargo up until they are tabled in Parliament and publicly released. The Treasurer has endorsed this classification and it is the responsibility of each portfolio entity to ensure appropriate security arrangements are made. If staff are unsure of the correct security processes during the budget preparation period, they should contact their entity's security adviser.

Issues to keep in mind include:

- PB Statements should be prepared in an area of the entity appropriate for managing Protected-level material.
- PB Statements documentation should not, under any circumstances, be distributed via unsecure electronic mail.
- The 'need to know' principle should be applied in the distribution of all material.
- PB Statements should not be prepared by external companies or contractors who cannot demonstrate that their premises meet the security standards for protected information as provided by the Protective Security Policy Framework (<http://www.protectivesecurity.gov.au>).

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

### 2.2 Which printer to use and printing specifications

#### *Specifications*

Hard copies of the PB Statements **must** be produced on standard B5 size paper (17.6 cm x 25 cm) with the following font requirements:

- For tables (including those in the Excel workbook), Arial and 8 point (minimum font size 7.5 point);
- For other text (in the Word template), Book Antiqua and 10 point.

Adherence to the fonts and styles provided in the templates (available from CBMS User Reference Material in CBMS) ensures that the statements are consistent with other Budget documents and related papers.

For the covers, entities must use **'Tablex System Board 200gsm – Yellow'** paper with the **cover text in black**.

For consistency, all portfolios must have the portfolio name made clearly visible on the spine of the documents.

## Printer

It is recommended that portfolio departments contact CanPrint to arrange printing of their PB Statements.

If printing is carried out 'in-house' or using another printer, entities must liaise with Finance to ensure that cover stock, colour and text is consistent with other portfolios' PB Statements.

It is the responsibility of each portfolio department to arrange the printing and secure freighting of their PB Statements. The contact officer for CanPrint Communications Pty Ltd is Andrew Brien on (02) 6295 4417.

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, such as:

- other departments and relevant entities;
- major client organisations; and
- the libraries of tertiary institutions.

### *Classification*

Please be aware that the PB Statements are classified as **Protected** documents until they are tabled in Parliament. Accordingly, packaging for the PB Statements should be labelled as follows:

**Protected – Budget 2018-19**  
**Under Embargo until 20:15 hours 8 May 2018**

## 2.3 Delivery to Parliament House and Finance

Portfolio departments are to deliver printed copies of the PB Statements to Parliament House and Finance by **4.30pm Monday, 7 May 2018**.

All PB Statement deliveries to Parliament House (whether using CanPrint, another printer or by portfolio staff) should occur through the Parliament House loading dock (access via Brisbane Avenue).

- For those portfolios delivering their own PB Statements or using a printer other than CanPrint, please contact the Budget Reporting and Framework Team in Finance by Friday, 5 May 2017 (Budget\_Framework@finance.gov.au) for delivery procedures.
- Should you have any questions or difficulties with these arrangements, please contact the Documents Officer, Senate Table Office on (02) 6277 3037.

## **Number of books**

For delivery by 4:30 pm Monday 7 May 2018 (minimum 253 copies)	
<p>Parliament House</p> <p>Documents Officer – Senate Table Office, Room SG 25 Department of the Senate Parliament House CANBERRA ACT 2600</p> <p>Ph: (02) 6277 3037</p> <p><i>* Books for Parliament House are to be delivered to a single location – the Senate Table Office will then arrange for the books to be distributed to recipients. Books <u>must</u> be separately boxed as follows:</i></p> <ul style="list-style-type: none"> <li>• 90 copies – Senate;</li> <li>• 20 copies – House of Representatives;</li> <li>• 30 copies – Treasury media lockup;</li> <li>• 50 copies – Treasury stakeholder lockup; AND</li> <li>• 25 copies – Parliamentary Library.</li> </ul>	215 copies*
<p>Department of Finance</p> <p>Budget Reporting and Framework Team Financial Analysis, Reporting and Management Department of Finance 1 Canberra Avenue FORREST ACT 2603</p> <p>Ph: (02) 6215 3099 (please also see page 59 for additional contacts)</p> <p><i># Please note:</i></p> <ul style="list-style-type: none"> <li>• <i>This allocation includes the copy for the Finance Secretary as required under the Requirement for Performance Information included in Portfolio Budget Statements (Finance Secretary Direction under section 36(3) of the Public Governance, Performance and Accountability Act 2013).</i></li> <li>• <b><i><u>PB Statements should NOT be delivered to your AAU</u></i></b> – the Budget Reporting and Framework (BRF) Team organises the distribution of PB Statements within Finance. Of the 38 copies BRF receives, 8-10 copies are usually allocated to your AAU – should your AAU require more copies, these should also be delivered to the BRF Team.</li> </ul>	38 copies#
<p>Your Portfolio Minister and advisors (<i>following the Minister’s sign-off on the final document</i>)</p>	Please confirm number required with your Minister’s office
<p>The Minister representing the portfolio in the other Chamber</p>	

For delivery after tabling/Budget night (minimum 90 copies)

Parliamentary Committees

*PB Statements only need to be sent to your portfolio's relevant parliamentary committee(s).  
PB Statements should be mailed to the following Committee address following tabling:*

[Name of Committee]  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

Community Affairs - <i>Health and Social Services portfolios (includes Human Services)</i>  Secretary – ph (02) 6277 3515 Estimates – ph (02) 6277 3516	5 copies
Economics – <i>Industry, Innovation and Science and Treasury portfolios</i>  Secretary – ph (02) 6277 3540 Estimates – ph (02) 6277 3540	8 copies
Education and Employment - <i>Education and Employment portfolios</i>  Secretary – ph (02) 6277 3521 Estimates – ph (02) 6277 3521	8 copies
Environment and Communications - <i>Communications and Arts and Environment portfolios</i>  Secretary – ph (02) 6277 3526 Estimates – ph (02) 6277 3526	5 copies
Finance and Public Administration - <i>Finance, Parliament, and Prime Minister and Cabinet portfolios</i>  Secretary – ph (02) 6277 3439 Estimates – ph (02) 6277 3534	8 copies
Foreign Affairs, Defence and Trade - <i>Defence (including Veterans' Affairs) and Foreign Affairs and Trade portfolios</i>  Secretary – ph (02) 6277 3535 Estimates – ph (02) 6277 3535	6 copies
Legal and Constitutional Affairs - <i>Attorney-General's and Immigration and Border Protection portfolios</i>  Secretary – ph (02) 6277 3560 Estimates – ph (02) 6277 3560	5 copies
Rural and Regional Affairs and Transport - <i>Agriculture and Water Resources and Infrastructure and Regional Development portfolios</i>  Secretary – ph (02) 6277 3511 Estimates – ph (02) 6277 3511	3 copies

For delivery <u>after</u> tabling/Budget night (minimum 90 copies) (continued)	
Information Research Centre Information Research Centre Australian National Audit Office Centenary House 19 National Circuit BARTON ACT 2600	15 copies
Library Deposit Distribution Scheme C/ Decipha Pty Ltd Locked Bag 7760 Canberra Business Centre ACT 2610 <a href="http://www.finance.gov.au/librarydeposit">http://www.finance.gov.au/librarydeposit</a>	27 copies (as at March 2018 - please check Library Deposit website prior to printing)

## 2.4 Budget media lockup requirements

Portfolios are to supply both printed copies of their PB Statements (as outlined on page 11 above) as well as Adobe PDF copies so they can be made available to the media in the Budget lockup on Tuesday, 8 May 2018.

Portfolios should email Adobe PDF copies of their full PB Statements to Finance either via Protected-rated email to [Budget\\_Framework@finance.gov.au](mailto:Budget_Framework@finance.gov.au) or via CabNet for the attention of [Budget\\_Framework@finance.gov.au](mailto:Budget_Framework@finance.gov.au) by **4:30pm Monday, 7 May 2018**. Finance will then arrange for these files to be provided to Treasury for the Budget lockup.

- To check whether your entity has Protected-rated email, please refer to the Fedlink user list: <http://www.fedlink.cybertrust.com.au/>.

## 2.5 Online publication

### *Publishing the PB Statements on the internet*

All Budget documentation will be published on the Internet 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](http://www.budget.gov.au) will link readers to PB Statements on each portfolio's website.

All portfolios must post an electronic copy of the PB Statements on their portfolio department's website. This should be posted in an accessible format as required by the Web Content Accessibility Guidelines issued by the Digital Transformation Agency (for example, post the document in multiple formats to be sure it can be read by screen readers).

The Web Content Accessibility Guidelines and other publishing requirements and guidance are available at <https://guides.service.gov.au/content-guide/accessibility-inclusivity/>.

Portfolios should email the Treasury Web and Publishing Communications team (BudgetPublishing@treasury.gov.au) no later than **5.00pm Monday, 7 May 2018** the following details:

- 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.

Portfolio departments should ensure the above information is forwarded on to their internal Web Publishing area for action.

**PB Statements must not be uploaded onto portfolio department's websites until they are tabled in the Senate.**

- Entities can check the tabling status by referring to the Department of the Senate's *Order of Business - Dynamic Red* page:  
[http://www.aph.gov.au/Parliamentary Business/Dynamic Red](http://www.aph.gov.au/Parliamentary_Business/Dynamic_Red)
  - Portfolio departments are to scroll down the page until they find the note referencing the '2018-19 Portfolio Budget Statements'. The light red column on the right hand side of the entry will show the time the documents were tabled. Please note that no Portfolio will be separately identified.
  - It is anticipated that this notice will appear on the *Dynamic Red* website around 8.15pm on Tuesday, 8 May 2018. If there is any doubt as to whether the PB Statements have been tabled, please call the Senate enquiries number ((02) 6277 3010) which will be able to provide the necessary advice.

Please note that the PB Statements **are not** archived on the Budget.gov.au website – portfolio departments should ensure electronic copies of past PB Statements remain available on their websites.

#### *Standard file-naming convention*

Portfolios should follow a consistent file-naming convention for electronic copies of the PB Statements as outlined below 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.

An example of the recommended convention is:

*FinancialYear + Portfolio + 'PBS' + a file sequence number (i.e. 01, 02 etc)  
+Chapter Number (or entity name/acronym, etc)*

Examples would be:

2018-19\_Communications\_PBS\_01\_Parts\_A\_and\_B

2018-19\_Communications\_PBS\_10\_ABC

2018-19\_Health\_PBS\_05\_Outcome3

Note: The file sequence number simply indicates which file would be read first, second, third etc if the document were 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.

### *Open Government Initiative – publication on data.gov.au*

As part of the Government's *Open Government* initiative to increase Budget transparency, portfolio departments are now required to provide a copy of finalised PB Statements tables for publication on data.gov.au under the default Australian Government license (Creative Commons BY 3.0 AU).

The PB Statements tables, as received from portfolios, will be published on data.gov.au in Excel workbook format, with a separate workbook for each entity.

The collection of PB Statements financial tables will be published in machine-readable format to assist those who wish to analyse the financial information.

The following financial tables with headings and footnotes will be published on data.gov.au:

- *Table 1.1: Entity resource statement;*
- *Table 1.2: Entity 2018-19 Budget measures;*
- *Table 2.X.1: Budgeted expenses for Outcome X;*
- *Table 2.X.2: Program components;*
- *Table 3.1 to 3.6: Departmental budgeted financial statements; and*
- *Table 3.7 to 3.11: Administered budgeted financial statements.*

Where an entity prepares two or more sets of tables, (for example Departmental budgeted financial statements consolidated and non-consolidated), these tables should be included and clearly marked.

As PB Statements information is under embargo until tabled in Parliament, portfolio departments are to coordinate and collate each Portfolio entity's financial tables and footnotes and send them to Finance either via CabNet or Protected-rated email to Budget\_Framework@finance.gov.au by **4.30pm Monday, 7 May 2018**.

- To check whether your entity has Protected-rated email, please refer to the Fedlink user list: <http://www.fedlink.cybertrust.com.au/>.
- Portfolio departments must undertake the following procedures prior to sending the financial tables to Finance. Also see Attachment B in the PB Statements EM.
  1. Tables should be in one Excel workbook per entity;
  2. Tables should be presented using the wrap-text function;
  3. Tables should not be merged in any way;
  4. Figures in tables are rounded and presented in thousands;
  5. Figures in tables are correct and the same as those presented in the publication;
  6. Tables should be presented as text and figures;
  7. Links to other workbooks should be broken / removed;
  8. All hidden and working sheets, as well as cell comments, should be removed;
  9. All hidden rows, blank rows and columns should be removed;
  10. All passwords should be removed from the files;

11. Footnotes must be in the correct format (one footnote per line); and
12. Footnotes should be pasted as text below the relevant tables, not as pictures.

When portfolios table a corrigendum to the PB Statements (see *Issuing corrigendum* section below), updated tables should be provided to Finance following tabling for upload onto data.gov.au.

Finance will review the files to ensure they meet the above requirements and will return files to Portfolios for amendment if required, prior to publication on data.gov.au.

- It is the portfolio departments' responsibility to check the integrity of the data provided in each table and that it matches the published PB Statements.

For information on data.gov.au please email [data@digital.gov.au](mailto:data@digital.gov.au).

## 2.6 Issuing a corrigendum / addendum

If necessary, refer to the PM&C's Guidelines for the Presentation of Documents to the Parliament at: <https://www.dpmc.gov.au/resource-centre/government/guidelines-presentation-documents-parliament-0>.

An addendum is required where information has been omitted / missing from the PBS or the Portfolio Supplementary Additional Estimates Statements (PSAES ) such as a table or a footnote. Portfolios which identify an error in their PBS, Portfolio Additional Estimates Statements (PAES), or PSAES should follow the following process:

- Advise your Minister's office of the error and seek approval for the updated PBS/PAES tables and pages;
- Contact the PM&C Tabling Officer to advise that a correction is required:
  - (02) 6277 7212; or
  - [tabling@pmc.gov.au](mailto:tabling@pmc.gov.au).
- If the error affects figures published in the Budget papers and/or Appropriation Bills, your Minister must submit the corrigendum (and background reports) to the Finance Minister for approval (and if required to be tabled out-of-session, a Transmittal letter - see below);
  - You must also advise your AAU and the Budget Reporting and Framework Team ([Budget\\_Framework@finance.gov.au](mailto:Budget_Framework@finance.gov.au)) prior to submitting the corrigendum to the Finance Minister for approval.
- Corrections will be tabled in the same manner and subject to the same copy requirements (including approval by the relevant Minister) as the original report.

Following approval by your Minister (and where required, the Finance Minister):

- For in-session tabling, i.e. Parliament is sitting:
  - A covering memorandum should be provided to the PM&C Tabling Officer. This memorandum does not need to be approved by the Minister, but does need to note the Minister's approval of the corrigendum.
  - The covering sheet for government documents and copies of the

corrigendum should also be provided to the PM&C Tabling Officer.

- For out-of-session tabling, i.e. Parliament is not sitting:
  - The Senate Tabling Office must be advised of the requirement to table the corrigendum out-of-session.
  
  - A covering memorandum should be provided to the PM&C Tabling Officer. This memorandum does not need to be approved by the Minister, but does need to note the Minister's approval of the corrigendum.
  
  - The covering sheet for government documents and copies of the corrigendum should also be provided to the PM&C Tabling Officer.
  
  - A Transmittal letter from the Minister to the President of the Senate to present a document when the Senate is not sitting is required.

Following tabling in Parliament, a soft copy of the corrigendum and any updated Excel tables for data.gov.au should be emailed to [Budget\\_Framework@finance.gov.au](mailto:Budget_Framework@finance.gov.au).

# Guidance on the preparation of the 2018-19 PB Statements

## 3. Portfolio Overview section

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The *Portfolio Overview* section of the PB Statements is intended to provide the reader with a high-level summary of the portfolio, its Minister(s), portfolio entities, goals/objectives, and structure.

This section should include brief descriptions of portfolio entities and only include information that is relevant and specific from a portfolio perspective. This will avoid unnecessary duplication of entity-specific information presented in later sections.

Information at a department or entity level should be included only where it contributes to a broader understanding of portfolio goals and responsibilities.

### Components of Portfolio overview:

- Minister(s) and portfolio responsibilities – text description of portfolio of around two pages.
- Portfolio structure and outcomes
  - Figure 1: Portfolio structure and outcomes

### 3.1 Minister(s) and portfolio responsibilities

The *Minister(s) and portfolio responsibilities* section should provide a description of the Portfolio Minister(s) and the structure of the portfolio, as well as its objectives at a strategic and high level. Specifics of particular portfolio entities should be left to the relevant entity's section.

It should include a brief discussion of common themes across the portfolio outcomes, for example, the broad impacts and/or trends of health policy on the Australian Community (Health portfolio), or improvements in Indigenous Affairs (Prime Minister and Cabinet portfolio). Portfolios should also take into account the following sources of information when preparing this section:

- Major new government policy or legislation affecting the portfolio and the intended results and impacts;
- Portfolio department's mission and/or vision statement; and
- Ministerial statements by portfolio Ministers.

### 3.2 Portfolio structure and outcomes

The template for the *Portfolio structure and outcomes* figure can be found in the "Figure 1" tab of the Excel Tables workbook (available from CBMS User Reference Material in CBMS).

This figure is a graphical representation of the portfolio structure and the responsible Ministers. It should clearly indicate the names and titles of the Ministers, the portfolio department(s) and Secretary.

The figure must also include the other portfolio entities and their Chief Executive Officers (CEOs), principal bodies in the portfolio as defined by the Australian Government Organisations Register, and all portfolio entities covered by the *Public Governance, Performance and Accountability (PGPA) Act 2013*. Entities such as public financial corporations, public non-financial corporations, and entities outside of the General Government Sector, should at least be mentioned in this Section to show the Minister responsible for their functions.

Portfolios should include the current outcome statements for each entity as agreed by the Minister for Finance. The outcome statement(s) included in Figure 1, and throughout the PB Statement, must be consistent with the Appropriation Bills.

#### **Source of information:**

- A summary of portfolio entities which are subject to the *PGPA Act* can be found at <http://www.finance.gov.au/resource-management/governance/#flipchart>.
- Principal bodies is defined at <https://www.finance.gov.au/sites/default/files/types-of-bodies.pdf?v=1>.

## 4. Entity Overview and Resources section

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The *Entity Overview and Resources* section of the PB Statements is aimed at providing the reader with an overall picture of each entity's objectives and resources across the budget and forward estimates period.

This section should also provide the reader with an overall picture of each entity's strategic direction and planned performance, as well as a summary of new government measures.

There are three components to this section that together link the entity strategy with the resources available.

### Components of Section 1: Entity overview and resources

- Strategic direction statement;
- Entity resource statement (including *Table 1.1*); and
- Budget measures (*Table 1.2*).

#### 4.1 Strategic direction statement

The *Strategic direction statement* should be no longer than two pages.

The Strategic direction statement should outline an entity's anticipated strategic direction for the budget and forward years.

The Strategic direction statement should describe an entity's outcome statement(s) in a strategic, relevant and concise manner, as well as outline the broad strategies the entity intends to adopt in order to achieve these outcomes, and the planned results and goals to be achieved. The statement should also outline how these outcome statements contribute to the achievement of whole-of-government strategic priorities and outcomes.

The statement should identify major ongoing functions, new functions (or loss of functions) and measures allocated to the entity, and any significant challenges that will impact on the entity's performance against its outcome(s) over the medium term.

The statement should be reasonably high level – a detailed discussion of operational issues can be covered in the entity's corporate plan or on its website, which should be cross-referenced in this section.

## 4.2 Entity resource statement

The template for this table can be found in the “*Table 1.1*” tab of the Excel Tables workbook (available from CBMS User Reference Material in CBMS). There is a template for non-corporate Commonwealth entities (coloured green) and a template for corporate Commonwealth entities and Commonwealth companies (coloured red).

The *Entity resource statement* provides a summary of all resources available to the entity over the budget year which it may draw upon in achieving government outcomes and objectives. This table is to be prepared on a resourcing (i.e. appropriations/cash available) basis.

It provides a breakdown of these resources by funding source, and includes undrawn and unspent amounts from prior years as well as the balances of special accounts, but excludes amounts subject to quarantine or reduction. The table also provides a total estimate of Average Staffing Level (ASL) for the entity – this total should equal the ASL figures published for each outcome in *Table 2.X.1* (Budgeted expenses for Outcome X).

Entities with special accounts will need to ensure amounts transferred to and from the special accounts and other funding sources are netted off so they are not double counted.

The “2017-18 estimated actual” column shows the estimated amount available to the entity to spend in the 2017-18 financial year – this should exclude amounts proposed through Appropriation Bills (Nos. 5 & 6), as these would not have received Royal Assent at the time the PB Statements are tabled.

### Payments to the States

This is the second year of a new mandatory requirement for entities receiving appropriations, through Appropriation Bill (No. 2) 2018-19, for payments to States, Territories and local government, to include additional information in a mandatory footnote to *Table 1.1 Entity Resourcing Statement*. The note only applies for the current year appropriation and not prior year comparisons.

Footnote (I) in *Table 1.1* must include the particular purposes to which the payments to the States, ACT, NT and local government will be directed (including a breakdown of proposed amounts by State/Territory), where the terms and conditions, and the programs guidelines can be found, and the statutory or other provisions under which the terms and conditions are made. All requirements of the footnote must be addressed. An example is provided below.

(I) Relates to appropriations sought for payment to the States, ACT, NT and local governments in Appropriation Bill (No. 2) 2018-19. Outcome 1 – Program 1.1: Security and Justice includes the Schools Program under the Intergovernmental Agreement on Federal Financial Relations with payments of: \$0.XXm (ACT); \$XXm (NSW); \$XXm (SA); \$XXm (VIC) and \$XXm (WA). Information on the terms and conditions can be found in the Project Agreement for the Schools Security Program (<http://www.federalfinancialrelations.gov.au/content/npa/education.aspx>) and (<https://www.ag.gov.au/CrimeAndCorruption/CrimePrevention/Pages/SchoolsSecurityProgramme.aspx>). Terms and conditions are made under authority from section 7(2) of the *COAG Reform Fund Act 2008*, and the Intergovernmental Agreement on Federal Financial Relations.

## Resource Statement Sections

Note: In addition to the reports listed under the subsections below, the following report can be used to help quality assure all appropriation types:

- *Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.17 Agency Resourcing QA Report.*

### Prior year annual appropriation balances

The “prior year appropriations available” rows should reflect unspent/undrawn appropriations available at the start of the financial year (i.e. the closing balance of the previous year). This balance should also reflect opening special account balances for that period, i.e. at 1 July.

- For the “2017-18 estimated actual” column, this will be the closing unspent appropriations balance from the entity’s 2016-17 annual report, adjusted for any additional s51 withholdings and/or administrative quarantines currently in place.
- For the “2018-19 estimate” column, this will be the forecast closing unspent appropriations balance as at the end of the 2017-18 year, adjusted for any additional s51 withholdings and/or administrative quarantines currently in place. Amounts expected to be appropriated through Appropriation Bills (Nos. 5 & 6) should be excluded from this figure (but referenced in the footnote), as these amounts would not have received Royal Assent at the time the PB Statements are tabled.
- Entities can also check unspent, undrawn balances by running the Appropriation Balance Report from CBMS for the relevant financial year and referring to the “Available – Hard Limit” lines. The “Available – Hard Limit” lines show how much of the amount which is still available to the entity but has yet to be drawn down.
- Total available appropriation balance can be calculated by adding the Hard Limit lines for the relevant Program or Outcome for all financial years.
  - *Reports > CBMS Reporting > Operational Reports > Cash Management > Cash Operational Reports > CM.OR.010 Appropriation Balances Report.*

All unspent annual appropriations (both for ordinary annual services and for other services) from 2012-13 or earlier have been extinguished.

Unspent annual appropriations relating to the 2013-14 and 2014-15 financial years still exist. However, amounts withheld under section 51 (s51) of the *PGPA Act*, or administratively quarantined, should be excluded from the calculation of prior year balances for the purposes of the Entity resource statement, as they are not available to be spent by the entity.

- Under the *PGPA Act*, the Minister for Finance is able to withhold appropriations amounts under section 51.
  - These amounts should not be recognised as appropriations in *Table 1.1*.
  - For information on how to reflect s51 withholdings in the financial statements, please see Part I of RMG 125 Commonwealth Entities Financial Statements Guide, available on the Finance website (<http://www.finance.gov.au/resource-management/reporting-accounting/financial-reporting/>).

### *Annual Appropriations – Ordinary Annual Services*

The “Annual appropriations – ordinary annual services” rows should reflect the amount appropriated to the entity in the relevant year.

The amount is made up of:

- Amounts appropriated through Appropriation Acts (No. 1)
- + Advances to the Minister for Finance (AFM)
- +/- s74 Retained revenue receipts/External Revenue as a result of Machinery of Government changes
- - any withholdings under s51 of the *PGPA Act* (such as for foreign exchange movements, savings measures, movement of funds and reallocation)
- - administrative quarantines made by Finance
- (where the entity is receiving Bill 5 and/or 6 funding, do not include here but reference in the footnote)

For Departmental, annual appropriations are represented as a single amount, as Departmental Outcome splits are nominal only, and able to be utilised at the discretion of the agency.

For administered, the Annual appropriations is split into Outcome figures.

### *s74 Retained revenue receipts / External revenue*

The “s74 Retained revenue receipts” row should reflect the entity’s forecast Receipts from Independent Sources. These figures should be sourced from the “Receipts” columns in the Entity Resourcing Table report from CBMS.

- *Reports > CBMS Reporting > Statutory Reports > Budget Paper 4 > B4.T1 Agency Resourcing Table*

Note: Please refer to the latest EM concerning retained receipts / external revenue.

### *Departmental / Administered Capital Budget*

The “Departmental/Administered Capital Budget” figures should be sourced from the Capital Budget Statement Report (choose either Departmental or Administered – figures will be recorded against “9170000 – Capital Budget – Bill 1 (DCB)”).

- *Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.06 Annual Estimates Capital Budget Statement Report*

### *Annual Appropriations – Other Services*

The “Annual appropriations – other services” rows should be taken from the Appropriation Bill 2 report from CBMS.

- *Reports > CBMS Reporting > Statutory Reports > Appropriation Bills > Budget Bills > Appropriation Bill 2 – Portfolio Summary and Detail*
- For portfolio departments, the Appropriation Bill 2 report should be run at the portfolio rather than entity level.

- Amounts under the “Estimated Actual” column can be sourced by running the AAA Audit Report (which provides a point-in-time figure) and adjusting for any amounts expected to be spent by 30 June 2018.
  - *Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.10 Appropriation Bill – Actual Available Appropriations (AAA) Report*
  - *Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.11 Appropriations QA Report*

### Payments to Corporate Entities

- The “Payments to corporate entities” rows should be sourced from the Appropriation Act 1 and Bill 3, and Act 2 and Bill 4 “Portfolio Summary and Detail” reports.
  - *Reports > CBMS Reporting > Statutory Reports > Appropriation Bills > Budget Bills > Appropriation Bill x – Portfolio Summary and Detail*

### Special Appropriations

- The “Special Appropriations” rows should reflect the resourcing required in relation to special appropriations. These figures should match the figures published in BP No.4 (in both the Special Appropriations table and also the Entity Resource Table), and be sourced from the Detail Listing AEIFRS Report from CBMS.
  - *Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.13 Annual Estimates*
- Special appropriations should be reported as an aggregate in *Table 1.1*, with details of the special appropriations reported in *Table 2.X.1 (Budgeted expenses for Outcome X)*.

### Special Accounts

- The “Special Accounts” rows should reflect the receipts for all special accounts managed by the entity. These figures should be drawn from the “Special Accounts” report from CBMS. Special public moneys held in “Services for Other Entities and Trust Moneys” (SOETM) accounts should be excluded from this figure as they do not constitute funds available to the entity. Details of special accounts will also be reported in *Table 2.X.1 (Budgeted expenses for Outcome X)*.
  - *Reports > CBMS Reporting > Statutory Reports > Budget Paper 4 > B4.T4 Special accounts table*
  - *Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AER.09 Special accounts report*

### Average Staffing Level

- The “Average Staffing Level” figure should be discussed with Finance (please refer to contacts on page 59), and match the figures to be published in BP No.4 and the totals shown at the bottom of the outcome expense tables (Table 2.X.1). Please refer to the latest Finance guidance on *Average Staffing Levels (ASL)* for more information on ASL reporting.

## Third Party Payments

- The “Third Party Payments” information will be drawn from entities’ own records and should be agreed with the relevant entities. These figures should be prepared on a consistent basis with the rest of *Table 1.1*, i.e. using resourcing/appropriations transferred figures, and the reader should be able to reconcile figures between entities.
  - This sub-table should only be prepared by those entities which:
    - are material entities and have total third party payments of \$10 million or more in a year; or
    - have third party payments totalling more than 25 per cent of their total resourcing.
  - This sub-table is intended to show the types and materiality of inter-entity transfers of resourcing. Figures shown will be a sub-set of the total resourcing shown in the top section of *Table 1.1*.
    - “Payments made on behalf of another entity” occur where an entity accesses another entity’s appropriations to pay recipients or external parties on behalf of the other entity, for example, the Department of Human Services (DHS) would show the amount of appropriations it draws upon to pay income support recipients on behalf of policy departments, such as the Department of Social Services (DSS).
    - “Payments made by other entities on behalf of the entity” are those payments which have been outsourced to another entity to administer, for example, DSS would disclose the appropriations being drawn upon by DHS to pay income support recipients.
    - “Payments made to other entities for the provision of services” are amounts paid to other entities for contracted services, for example, for shared/corporate services.
    - “Receipts received from other entities for the provision of services” are amounts received where the entity provides services to another entity, for example, for the provision of shared/corporate services.
    - “Payments made to corporate entities within the portfolio” provides a breakdown of payments (from all appropriation sources) made by portfolio departments to each corporate entity in the portfolio – figures shown here should include amounts disclosed as “payments to corporate entities” in the Appropriation Bills. These amounts should be consistent with any figures reported in *Table 2.X.1*.

### Source of information:

- Appropriation information in this table must be sourced from CBMS and an entity’s annual reports, and should be consistent with information captured in an entity’s financial management information system (FMIS).
- New CBMS functionality for the preparation of the PBS Tables for Section 1 is in progress. Finance will inform portfolio budget teams and CBMS users by email when these tables are available to be used.

- For those tables that are not yet available in CBMS, and to assist agencies with quality assurance and cross-checking data, the majority of the information for the PBS Tables can be sourced by running the following reports in CBMS:
  - Reports > CBMS Reporting > Statutory Reports > Appropriation Bills > Additional Estimates Bills > Appropriation Bill 1 ("Portfolio Summary and Detail" report).
  - Reports > CBMS Reporting > Statutory Reports > Appropriation Bills > Additional Estimates Bills > Appropriation Bill 2 ("Portfolio Summary and Detail" report).
  - Reports > CBMS Reporting > Statutory Reports > Appropriation Bills > Supplementary Bills > Appropriation Bill 5 ("Portfolio Summary and Detail" report) - for 2017-18
    - Appropriation Bill 5 should not be included in the Resource Statement, as it would not have received Royal Assent at the time the PB Statements are tabled. However this information should be included in the Financial Statements section.
  - Reports > CBMS Reporting > Statutory Reports > Appropriation Bills > Supplementary Bills > Appropriation Bill 6 ("Portfolio Summary and Detail" report) - for 2017-18
    - Appropriation Bill 6 should not be included in the Resource Statement, as it would not have received Royal Assent at the time the PB Statements are tabled. However this information should be included in the Financial Statements section.
  - Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.13 Annual Estimates Detail Listing AEIFRS Report (PBF).
  - Reports > CBMS Reporting > Operational Reports > Cash Management > Cash Operational Reports > CM.OR.010 Appropriation Balances Report.
  - Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.06 Capital Budget Statement Report".
  - Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.10 Appropriation Bill - Actual Available Appropriations (AAA) Report - select the current financial year only to get the "Actual available appropriation" figure available on that day. This amount reflects what is available in Cash Management and should be adjusted for any amounts expected to be paid out by 30 June 2018. The amount shown in the AAA Audit Report will be net of any s51 withholdings and administrative quarantines. It will not include amounts to be appropriated through Appropriation Bill (Nos. 5 and 6) 2017-18 nor Advances to the Minister for Finance.

### 4.3 Budget measures

The template for this table can be found in the "*Table 1.2*" tab of the *Excel Tables workbook* (available from *CBMS User Reference Material* in CBMS).

The *Budget measures* section primarily highlights new government decisions taken since the tabling of the last set of Appropriation Bills, generally at Additional

Estimates. It includes measure titles and estimates for the current financial year (2017-18), the budget year (2018-19) and forward years (2019-20 to 2021-22).

For completeness, all measures need to be reported at the entity level in a Portfolio statement, i.e. either in the PB Statements, PAES, Portfolio Supplementary Estimates Statements (PSES), or PSAES. This includes measures with zero financial impact.

This complements the whole-of-government public reporting of all measures in either Budget Paper No. 2 (BP No. 2) or the Mid-Year Economic and Fiscal Outlook (MYEFO) and ensures a clear-read of Government decisions to entity level across key budget publications.

All details of 2018-19 Budget measures must match the final measures list provided by Finance before being reported in *Table 1.2*. Measure figures are to be reported on a fiscal balance basis as this is the basis on which BP No. 2 is prepared.

The measure title for cross Portfolio measures should be the same in each PB Statements affected by the measure. To increase transparency, where an entity is not the lead entity in a measure package, they are required to name the lead entity in a footnote to the measure to allow easy cross reference to the measure description in BP No. 2 and across PB Statements. This should be done with the following text:

The lead entity for measure titled xxxxxxxx is xxxxxxxx. The full measure description and package details appear in Budget Paper No. 2 under the xxxxxxxx portfolio.

*Table 1.2* is split into two parts – one part covers measures which will be announced in the 2018-19 Budget, and the other part covers those announced since the previous Budget which have not previously been reported in a Portfolio Statement, such as those announced in an Economic Statement, in a Pre-Election Economic and Fiscal Outlook or MYEFO and which were not included in the 2017-18 PAES.

The Budget measures published in the first part of *Table 1.2* should match the measures as printed in BP No. 2. Where a measure was reported in PAES and also appears in BP No. 2, it does not need to be reported again in the PB Statements. Measures in BP No. 2 will also include those that were Decisions taken but not yet announced at MYEFO, and have now been announced.

Measures in the second part of *Table 1.2* should match the measure as printed in the relevant economic statement/budget paper.

### *Measure reversals*

Where a measure reversal will be reported in BP No. 2, the measure reversal needs to be reported in Part 1 of the measures table.

Where a measure reversal has been reported in MYEFO, but has not been reported in PAES, the reversal needs to be reported in Part 2 of the measures table.

Measure reversals reported in either Part 1 of 2 of the measures table need to be reported on the following basis:

- where it is a full reversal, the measure should include dashes in fiscal impact (as zero net fiscal impact); and
- where it is a partial reversal, the measure should reflect the final amount to be appropriated, i.e. the difference between the initial measure and the partial reversal.

**Example – Reporting Measure Reversals**

Entity X has two measures that were announced in an Economic Statement, the Pre-Election Economic and Fiscal Outlook or the Mid-Year Economic and Fiscal Outlook:

Measure Title	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m
X Measure	\$2	\$4	\$6	\$8	\$10
Y Measure	\$1	\$2	\$3	\$4	\$5

These measures were subsequently reversed at Budget (fully or partially) through the announcement of the following measure reversals:

Measure Title	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m
X Measure – reduction	(\$1)	(\$2)	(\$3)	(\$4)	(\$5)
Y Measure - cessation	(\$1)	(\$2)	(\$3)	(\$4)	(\$5)

Entity X should report the following in their PB Statements that shows the net effect of these full/partial reversals, with an explanatory footnote to provide context:

**Table 1.2: Entity 2017-18 Budget Measures**  
**Part 1: Measures announced since the 2016-17 MYEFO**

Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Expense measures</b>					
X Measure (a)	1.1				
Administered expenses		1,000	2,000	3,000	4,000
<b>Total</b>		<b>1,000</b>	<b>2,000</b>	<b>3,000</b>	<b>4,000</b>
Y Measure (b)	2.2				
Administered expenses		-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- (a) This measure was originally announced in the 20XX Economic Statement/20XX Pre-Election Economic and Fiscal Outlook/2017-18 Mid-Year Economic and Fiscal Outlook (**whichever applies**) and has been partially reversed by (measure title) announced in the 2018-19 Budget. The above financial figures reflect the current net fiscal impact of the measure.
- (b) This measure was originally announced in the 20XX Economic Statement/20XX Pre-Election Economic and Fiscal Outlook/2017-18 Mid-Year Economic and Fiscal Outlook (**whichever applies**) and has been fully reversed by (measure title) announced in the 2018-19 Budget. The above dashes reflect that the measure has no fiscal impact as it has ceased.

*Decisions taken but not yet announced*

Where a measure was included in an economic statement as a “Decision taken but not yet announced” (DTBNYA) but has since been announced, it should generally be published in the next available budget statement following that announcement.

- The measure should be listed in *Table 1.2* with its full measure title and zero costs as these costs were previously included as an aggregate amount.
- 4.3.1.1.1 A footnote will be required explaining the item such as “Decision taken but not yet announced in the 20XX-XX Budget/MYEFO, with the following impact: 20XX-XX \$XX.XXX million; 20XX-XX \$X.XXX million and 20XX-XX \$X.XXX million.”

Where the measure has not been or will not be (e.g. for national security reasons) announced publically at the release of the next budget statement, the costs for the measure should continue to be included as part of the “Decisions taken but not yet announced” total line at the bottom of *Table 1.2*. The measure title should not be listed separately.

For further information the relevant AAU should be contacted in the first instance.

**Note:** Amounts in the contingency reserve (CR) must not be entered as estimates in PBF for the relevant entity, whether they are intended to be appropriated as annual or special appropriations. While in the CR these are not appropriated amounts.

### *Measures with indicative costs*

Where measures are published in an economic statement with indicative costs, these measures should be listed in *Table 1.2* where costs for each affected entity are known.

- Once final costs have been agreed, entities may republish the measure in *Table 1.2* of the PAES or PB Statements, and include a footnote stating that the measure was previously published in BP No. 2/MYEFO/the relevant economic statement and the costs shown are now final.
- For cross-portfolio measures where final costs have now been agreed for each entity, the measure should be listed in *Table 1.2* with the final agreed costs, with a footnote noting that it is a cross-portfolio measure previously published in BP No. 2/MYEFO/the relevant economic statement, and naming the lead entity.

### *Machinery of Government changes*

Where there are Machinery of Government changes, the gaining entity should publish any new measures relating to the function(s) being gained.

For further information on showing Machinery of Government changes in the PB Statements, please refer to Section 7.1 of this guidance.

### **Source of information**

- Figures should be presented on a fiscal balance basis – to confirm the correct amounts, please refer to the costing agreement provided by your AAU.
- Information to be included in this table may also be taken from estimates adjustments for measures (i.e. those entered against the reason code “Government decision or measure”) in CBMS.
- Titles of measures are to be confirmed against the final agreed measures list provided by Finance.

# 5 Outcomes and planned performance section

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For queries regarding performance reporting in the PB Statements, please contact the Performance Reporting and Planning Branch in Finance ([PMRA@finance.gov.au](mailto:PMRA@finance.gov.au)) or (02) 6215 3130.

For advice on changing outcome statements or programs, please contact your Agency Advice Unit in Finance in the first instance.

The *Outcomes and planned performance* section (Section 2) details the expenses incurred in delivering the outcomes and programs of an entity, and the performance information that will be used by the Parliament and other key stakeholders to indicate the impact of this expenditure.

The 2018-19 PB Statements are used to provide structured summary reporting of an entity's intended performance, focusing on programs. The reporting structure allows entities to demonstrate their intended performance in a logical and consistent manner, indicating to the public and the Parliament the resourcing provided and the progress towards achieving Government policy objectives.

*Table 2.X.3: Performance Criteria for Outcome X* takes into account the reporting requirements of the enhanced Commonwealth performance framework and Parliament's requirement that performance information across reporting documents (PB Statements, corporate plans and annual performance statements) allow a "clear read" of an entity's full performance story.

Further explanation of the relationship between these reporting documents is provided in a standard diagram, 'Enhanced Commonwealth Performance Framework – key components of relevant publications', situated in the User Guide section of the PB Statement Word template. Links to the entity's most recent corporate plan and annual performance statement are to be included in the standard note box situated in Section 2: Outcomes and planned performance in the 2018-19 PB Statements Word template.

## 5.2 Finance Secretary Direction

The requirements for reporting program performance in PB Statements are set out in a direction issued by the Finance Secretary under subsection 36(3) of the *PGPA Act* (available at <http://www.finance.gov.au/resource-management/performance>). This direction sets out the minimum mandatory requirements for performance information to be included in PB Statements, and the links that this information has to corporate plans and annual performance statements.

The mandatory minimum requirements are that an entity must do the following in its PB Statements:

1.	Map outcomes, programs and performance criteria to the entity’s purposes as expressed in its corporate plan.
2.	For existing programs, include at least one high level performance criterion, as well as targets and expected dates of achievement.
3.	For new or materially changed existing programs, outline all performance criteria, targets and expected dates of achievement.
4.	Include forecasts of program performance against expected targets for the current financial year. For the budget year and the three forward estimate years, include program performance criteria and expected targets.
5.	Report links with the programs and outcomes of other entities.

Section 36(3) of the *PGPA Act* requires the accountable authorities of all entities to comply with the Finance Secretary’s direction. The following guidance is intended to assist entities to comply with this Direction.

### 5.3 Structure of Section 2

The following illustrates the recommended structure for Section 2 of the PB Statements. Each outcome is described in a subsection 2.X as follows:

<u>Example</u> - Structure of Section 2	
<b>Outcome Statement X</b>	
<b>Linked programs box</b>	
<b>Table 2.X.1: Budgeted expenses for Outcome X</b>	
<b>Table 2.X.2: Program components for Outcome X (optional)</b>	
<b>Table 2.X.3: Planned performance criteria for Outcome X</b>	

Entities with multiple outcomes would repeat subsection 2.X for each and every outcome (i.e. 2.1 for Outcome 1, 2.2 for Outcome 2, etc). Entities with a single outcome would include the elements shown above under a single subsection 2.1.

Entities should use the table numbering scheme shown in the above example. For example, *Table 2.1.1* for the Budgeted expenses for Outcome 1; *Table 2.1.2* for program components related to Outcome 1 (if included); and *Table 2.1.3* for planned performance information for Outcome 1 (or *Table 2.1.2* if no program components are reported). For Outcome 2, these table numbers would run in the following sequence: *Table 2.2.1*; *Table 2.2.2* and *Table 2.2.3*. This scheme is intended to make it easy for readers to refer to information and provide consistency across PB Statements tabled by different ministers.

## 5.4 Outcome statements

The *outcome statements* should repeat the wording approved by the Minister for Finance (as per the Outcome and Programs policy referred to below). Entities that wish to vary their outcome statements to reflect changes in government policy or its strategic environment should consult Finance well in advance of the preparation of the 2018-19 Budget Appropriation Bills (and PB Statements) to agree on the wording of any proposed revisions and to ensure they have the best prospects of obtaining the approval of the Minister for Finance.

As outlined in the Commonwealth's Outcome Statements and Approval Policy (Outcomes policy), outcome statements articulate Government objectives and form an integral part of the appropriations framework. They:

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

An outcome statement should provide an immediate impression of what success looks like. It should provide readers with a sense of what performance information is likely to be useful in assessing whether a specific outcome is delivered satisfactorily. Performance information described in PB Statements (for example, in section 2.2 discussed below) should easily relate to the expectation created by the relevant outcome statement.

For information on amending an entity's existing Outcome Statement(s) or program structure, please refer to the Outcomes policy and Programs policy available on the Finance website: [www.finance.gov.au/resource-management/performance](http://www.finance.gov.au/resource-management/performance).

## 5.5 Linked programs box

The *linked programs box* should appear immediately after the Outcome Statement in subsection 2.X relevant to Outcome X. The information in this box is intended to provide readers with a sense of how the programs under Outcome X join up with programs delivered by other Commonwealth entities to contribute to common government objectives.

### Identifying linked programs

To identify linked programs, entities should consider whether one or more of its programs under an Outcome X has objectives in common with programs delivered by one or more other Commonwealth entities. Entities should work together to describe common objectives and ensure information in PB Statements is presented on a consistent basis.

The template for reporting linked programs is included under the "Linked Programs" heading in the Word template and, for convenience, is reproduced below. The red text provides a description of what information is to be provided in each row.

### Example - Linked programs

<b>Entity A</b> ( <i>insert the name of the entity with programs linked to Outcome X</i> )
<b>Programs</b> <ul style="list-style-type: none"><li>• Program X.X – <i>insert program name</i></li><li>• Program X.X – <i>insert program name</i></li></ul>
<b>Contribution to Outcome X made by linked programs</b> <p><i>Insert one or two sentences on how Outcome X benefits from the linked programs.</i></p>

The information included under the heading “Contribution to Outcome X made by linked programs” should provide the reader with an understanding of how the linked program makes a contribution to the successful delivery of the entity’s Outcome X. Where linked programs are covered by a cross-entity arrangement (e.g. a Memorandum of Understanding) or an intergovernmental agreement (e.g. a National Partnership Agreement) the name of this arrangement should be referenced in the contribution made by linked programs.

Some entities will have an Outcome X that is linked to programs delivered by other entities simply because they manage transactions on behalf of those other entities (e.g. payments to individuals under a range of programs or payments to other governments). In such cases, these entities should replace the “Contribution to Outcome X by linked Programs” with the heading “Contribution made by Outcome X” followed by a form of words similar to:

*“Outcome X contributes to the linked programs above by making payments on behalf of the entities listed.”*

The following provides an example of the linked program box relevant to the Department of Finance’s Outcome 2:

<b>Outcome 2: Support an efficient and high performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy advice and service delivery.</b>
<b>Linked Programs</b>
<b>Commonwealth Superannuation Corporation</b>
Program 1.1 – Superannuation Scheme Governance
<b>Contribution to Outcome 2 by linked programs</b>
The Commonwealth Superannuation Corporation works with the Department of Finance to ensure that the management of public sector superannuation is consistent with legislative obligations.
<b>Future Fund Management Agency</b>
Program 1.1 – Management of the investment of the Future Fund Program 1.2 – Management of the investment of the Nation Building Fund; DisabilityCare Australia Funds; the Asset Recycling Fund; and the Medical Research Future Fund.
<b>Contribution to Outcome 2 by linked programs</b>
The Future Fund Management Agency works with the Department of Finance to ensure that there are provisions for meeting long-term liabilities of public sector superannuation, and to ensure that the management of Australian Government Investment Funds is consistent with legislation and maximises returns to taxpayers.

In the above example, the linked programs box has been split into two boxes as the links between Finance’s Outcome 2 and programs delivered by other entities fall into two categories – one focussed on managing obligations to members of Commonwealth Superannuation Schemes and the other focussed on managing investments on behalf of the Government by the Future Fund Board of Guardians (which is supported by the Future Fund Management Agency).

## 5.6 Budgeted expenses by outcome table

The template for this table can be found in the “*Table 2.X.1*” tab of the Excel Tables workbook (available from CBMS User Reference Material in CBMS). There is a template for non-corporate Commonwealth entities (coloured green) and a template for corporate Commonwealth entities and Commonwealth companies (coloured red).

The *Budgeted expenses by Outcome table* (Table 2.X.1) provides the reader with further detail of an entity’s programs and expenses. In particular, this table shows the proposed use of appropriations, and links this expenditure to the entity’s financial statements (specifically the income statement). It provides a breakdown of total expenses for each outcome by funding source, and a short description of each outcome and program. A separate table should be prepared for each outcome.

- Where an entity wishes to describe a program in greater detail, for example, where it is made up of a number of sub-components, this should be done in *Table 2.X.2: Program components* (described in Section 5.6 below).

*Table 2.X.1* also provides an estimate of Average Staffing Levels (ASL) by outcome for the budget and prior year. The total ASL figures across all outcomes should reconcile with the ASL figures to be published in BP No. 4 and the entity-level total included at the bottom of *Table 1.1: Entity Resource Statement*. Please refer to the latest Finance guidance on *Average Staffing Levels (ASL)* for more information on ASL reporting (contacts are provided on page 59).

*Table 2.X.1* also includes information on movement of administered funds agreed at an outcome and program-level. This section details the amount of unexpended annual administered funding which the Government has agreed to reallocate from current or a prior financial years to the budget and forward years (2018-19 to 2021-22).

*Table 2.X.1* complements the *Table 1.1: Entity resource statement*, which in contrast, provides a summary of funding sources but not forecast expenditure.

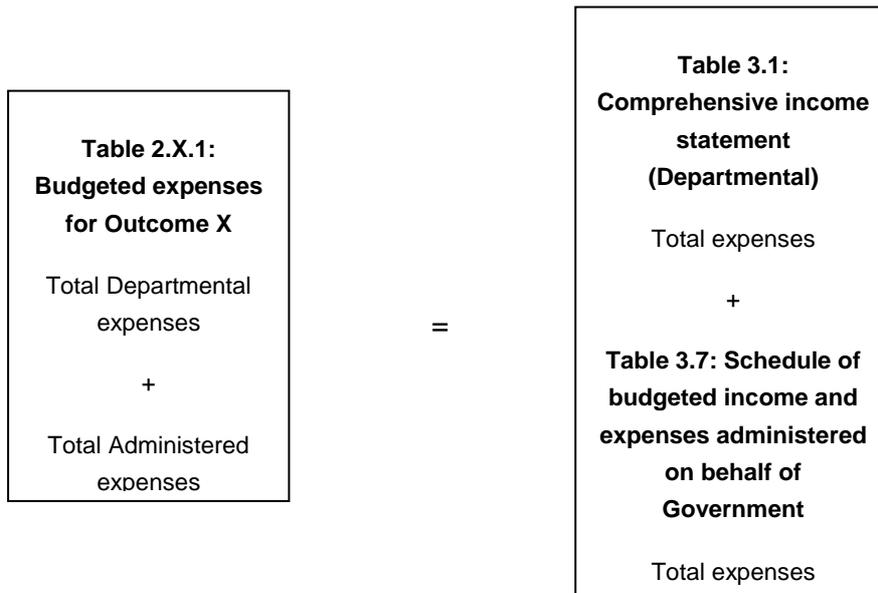
### Please note:

- At a minimum, there should be a *Table 2.X.1* for each outcome delivered by an entity (where X is “1” for Outcome 1, “2” for Outcome 2, etc).
- The total budgeted expenses for all outcomes reported in *Table 2.X.1* must equal the aggregate of total Departmental and Administered expenses as outlined in *the Comprehensive income statement (Table 3.1)* and Schedule of budgeted income and expenses administered on behalf of Government (*Table 3.7*).
- Total expenses shown in *Table 2.X.1* should reconcile to program and outcome expenses captured in CBMS.
- Where amounts are drawn down from an annual or special appropriation and credited to a special account, please ensure that the expenses are not double counted, for example, by only showing the final expenses against the special

account rather than the annual appropriation. Entities may wish to include a footnote describing such transfers at a program-level.

- For portfolio departments, payments made to corporate entities should be disclosed as a separate line item under the relevant outcome and program.
- Entities are to report on the costs of delivering specific, administered programs – these are referred to as program support. As program support will typically include an apportionment of corporate/overhead expenses (in addition to direct costs), a reliable and consistent allocation methodology should be used by entities to produce accurate information.
- Expenses deemed to be “program support” are likely to be recorded against the “Other Departmental” program in CBMS. Where these expenses are apportioned as “program support”, entities should ensure that estimates presented in the Outcome expense tables overall reconcile to the data in CBMS.
  - “Other Departmental” must not be used as a program name in the PB Statements. For CBMS programs named as “Other Departmental”, these should be reported in the PB Statements as either:
    - “program support”; or
    - where the entity only has one program and that funding covers the whole functions of the entity, against the entity’s name (e.g. the Productivity Commission reports under a single program titled “Productivity Commission”).
- Where relevant, entities may wish to include a footnote to relevant tables which explains that the allocation of departmental expenses to programs is notional only and based on attribution models maintained by entities.

A summary of the relationship between *Table 2.X.1* and the income statements is provided below:



## Source of information

- New CBMS functionality for the preparation of Tables 2 and 3 is in progress. Finance will inform portfolio budget teams and CBMS users by email when these tables are available to be used.
- Data for Budgeted Expenses by Program (the tables in Section 2 of the document) can only be sourced from CBMS at a total level, i.e. program-level expense information by appropriation is not available. This data will need to be sourced from the Entity's internal FMIS.
- The "Expenses not requiring appropriation in Budget year" line is to be used by entities where there is a government policy not to fund those expenses within the year; where the funding has been provided in a prior year but the expense will be incurred in the current year; or where the expenses reflect the usage of services provided free of charge.
  - For example, depreciation expenses which the Government has provided a separate capital budget/Collection Development Acquisition Budget should be shown in this line, along with expenses associated with audit services provided by the ANAO, and non-cash expenses for which the entity has received operating loss approval.
  - Items which do not or will not involve a cash flow impact (such as bad debt expenses) are also considered "expenses not requiring appropriation".
- Average staffing level figures across all outcomes should be discussed with Finance (please refer to contacts on page 59), and match the figures to be published in BP No. 4 and at the bottom of *Table 1.1: Entity resource statement*. Please refer to the latest Finance guidance on *Average Staffing Levels (ASL)* for more information on ASL reporting.
- Information on Movements of Funds should be sourced from approved movement of funds requests (as detailed in correspondence from the Minister for Finance) and/or adjustments in CBMS against the reason code "Movement of Funds".
  - For information on the Movement of Funds process, please contact your AAU.

### 5.7 Program components

The template for the *Program components* table can be found in the "*Table 2.X.2 Program Components*" tab of the Excel Tables workbook (available from CBMS User Reference Material in CBMS).

Entities are not required to provide reporting below the program level.

Program component reporting is a subset of program-level reporting, and program components can be funded through administered and departmental appropriations. If entities choose to provide program components, these should be clearly identified as components and not described as a program. An example of a program component that an entity chooses to report on could be an item of special public interest or political sensitivity.

Should entities choose to report on program components, a program component expense table should be provided for each and every program with more than one component. The full program expenses must still be shown in *the Budgeted expenses by Outcome X Table (Table 2.X.1)*. The itemised sub-set of expenses is then provided

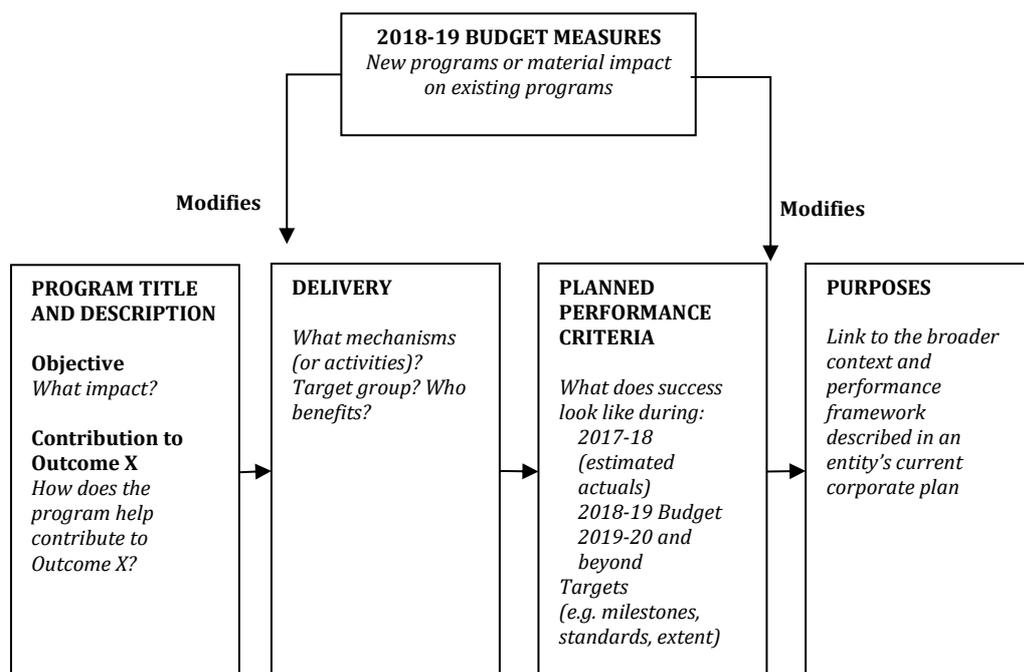
for each relevant program component. Sub-program expenses must reconcile with the relevant program total.

## 5.8 Overview of Table 2.X.3 – performance information

The template for *Table 2.X.3* can be found in the Word template (available from CBMS User Reference Material in CBMS).

The illustration below summarises the components of *Table 2.X.3* and their relationship to each other. Information for each program associated with an Outcome X begins with the program title, a brief description of the program objective and how it contributes to the wider objectives of Outcome X.

- The “Delivery” cell in *Table 2.X.3* will include information on how the program is delivered (e.g. through payments to eligible individuals) and the group/s targeted.
- The performance criteria cell in *Table 2.X.3* includes reporting on estimated performance results for 2017-18 and performance expectations for 2018-19 and over the forward estimates.
- The “Purposes” cell in *Table 2.X.3* indicates how a program is linked to purposes described in an entity’s corporate plan.



**Table 2.X.3: Performance criteria for Outcome X**

<b>Outcome X – Repeat relevant outcome statement for Outcome X</b>		
<b>Program X.1 – Brief description of Program X.1 (objective and how it contributes to delivering Outcome X)</b>		
<b>Delivery</b>	<i>Insert a brief description of the mechanisms through which Program X.1 will be delivered (e.g. the high-level activities) and the target group to be impacted.</i>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2017-18	<i>Forecast against performance criteria for 2017-18 described in 2017-18 Portfolio Budget Statements</i>	<i>Forecast against targets for 2017-18 described in 2017-18 Portfolio Budget Statements</i>
2018-19	<i>Criteria for assessing performance in 2018-19 [Note – performance criteria that reflect the material impact of 2018-19 Budget measures should be italicised]</i>	<i>Insert description of each target and value aimed at in 2018-19.</i>
2019-20 and beyond	<i>Criteria for assessing performance over the forward estimates [Note – if same criteria as 2018-19, use “As per 2018-19”.]</i>	<i>Insert description of each target and value aimed at over 2019-20 to 2021-22</i>
<b>Purposes (b)</b>	<i>Purpose statement – as it appears in current corporate plan – for each and every purpose to which Program X.1 contributes.</i>	
<b>Material changes to Program X.1 resulting from the following measures:</b>		
<b>Measure title – XXXX</b> <i>(Insert title of each measure that creates or materially impacts Program X.1)</i>		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*. Where new programs are established in the 2018-19 Budget, all of the performance criteria related to that program need to be shown.
- (b) *Insert footnote if purposes have been updated since the 2017-18 Corporate Plan (e.g. a form of words similar to “Refers to updated purposes that will be reflected in the 2018-19 Corporate Plan”).*

Table 2.X.3 also includes a list of new Budget measures in 2018-19 that either create new programs or materially impact on existing programs (in addition to the list of Budget measures in Table 1.2). Advice on assessing whether a new Budget measure impacts on an existing program and how to account for these impacts in Table 2.X.3 is provided in the sections below.

## 5.9 Program title and brief description

The program titles inserted in Table 2.X.3 should be the same as they appear in CBMS for the relevant program.

Program titles should be followed by a brief description that includes the:

- objective of the program (e.g. the difference it aims to make, the intended results, etc); and
- contribution it makes to achieving Outcome X (or why Outcome X cannot be delivered successfully without the program).

Program descriptions should be concise. It is anticipated that a program description will be no more than a few sentences (e.g. two or three). For example, a program that provides payments to assist rural families might be described along the following lines:

*“Program X.1 – to support rural families facing hardship through payments that allow them to adjust to structural changes in their local economy and benefit from the broader set of initiatives to deliver a sustainable regional Australia.”*

In this hypothetical example it is clear that the object of Program X.1 is to make payments to eligible families, and that it sits under an outcome that seeks to improve the economic sustainability of regional Australia.

## 5.10 Delivery

Entities should enter Delivery details in *Table 2.X.3* for each program associated with each Outcome X.

- The mechanism (or “the how”) through which the program is delivered – the primary high-level activities undertaken by an entity to deliver a program. For the regional assistance example referred to in section 5.8 this could be:
  - administering legislated criteria that allows eligible recipients to be identified and payment levels to be determined;
  - managing application processes and making the payments; and
  - public awareness campaigns to ensure that eligible recipients are aware of the opportunities to receive assistance.
- The target group (or “the who”) – the people who are to be benefited and/or those whose behaviour is to be influenced. For example, the target group for the illustrative regional assistance program would be rural families who are to benefit. An anti-smoking campaign may target those that smoke to encourage them to quit, or it may target young people to dissuade them from commencing.

When using information from previous PB Statements, entities should ensure that the 2018-19 PB Statements take into account material changes that have occurred during the 2017-18 Budget year.

The assessment of whether a material change has occurred to a program will, in the first instance, depend on how a program was described in an entity’s 2017-18 PB Statements. If a decision was taken at some other time during the 2017-18 Budget year (e.g. at MYEFO 2017-18), then reporting in relevant budget documents will form the basis for making a judgement on whether 2018-19 Budget measures materially affect a program.

### Identifying material changes

Material changes will typically result from Budget measures announced in the 2018-19 Budget or major government initiatives announced since the 2017-18 Budget.

When assessing if a new Budget measure or government initiative materially impacts on a program, entities should consider if the following has happened:

- the objective or intended impact of the program has changed;
- the mechanism(s) through which the program is delivered has changed; and/or
- the target group or those to be influenced has been changed.

The changes in the appropriations allocated to a program do not form the only basis for identifying material changes to a program.

A significant change to appropriation may also serve as a flag for reconsidering how a program is described in PB Statements. But, it will be variations in the nature of the program (e.g. the delivery mechanism, objective or target group) as a result of funding decisions that should be used as the ultimate indicator of material changes.

### Example – material change

Consider the example of a program to dissuade young people from taking up smoking:

- If a Budget measure increased funding for an advertising campaign to increase the number of people informed of the ill-effect of smoking it is unlikely to result in a material change in the program. The mode of delivery (government advertising) and the target group (young people) remain the same.
- However, a new Budget measure to substitute advertising to include the ill-effects of smoking in school curricula would be a material change. The target group and object of the program remains unchanged, but the delivery mechanism has changed. There will be a need to alter how “Delivery” (and other) information is described in *Table 2.X.3*.

## 5.11 Performance criteria

Entities should enter performance criteria in *Table 2.X.3* for each program associated with each Outcome X.

### **Important**

The Finance Secretary Direction under subsection 36(3) of the *PGPA Act* requires there is at **least one performance criterion** for each program. Where one criterion tells the performance story, one is enough.

Performance criteria included in *Table 2.X.3* needs to indicate how an entity will assess whether a program objective has been achieved, and whether the specific program makes the intended contribution to the overall outcome with which it is associated.

Entities should include the following performance criteria for the following reporting periods:

- **2017-18** (*Current Budget Year*) – an estimate of the actual performance results for each and every Key Performance Indicator published for a specific program in the entity’s 2016-17 PB Statements.
- **2018-19** (*New Budget Year*) – a description of what criteria will be used to assess whether a specific program delivers on its objectives in 2018-19.
- **2019-20 and beyond** (*Forward Estimates*) – a description of what criteria will be used to assess whether a specific program delivers on its objectives for each forward estimate (i.e. 2019-20, 2020-21 and 2021-22).

[**Note** – if the performance criteria to be applied during 2018-19 and beyond are the same as 2018-19, entities may wish to describe them “as per 2018-19” to avoid duplicating text.]

Performance criteria included in 2018-19 PB Statements should be focussed on the impact of programs. The Parliament has indicated its strong support for the enhanced Commonwealth performance framework that aims to lift the quality of performance information available to it and the broader public (for further information, see *RMG 130 – An overview of the enhanced Commonwealth*

*performance framework* at <https://www.finance.gov.au/resource-management/performance/>).

The performance criteria reported in *Table 2.X.3* must make sense within the context of the broader set of performance information in corporate plans, annual performance statements and any other public reporting under legislation or required by government. There must be a “clear read” across all these documents. Information across these documents must form an integrated set that allows readers to understand an entity’s full performance story, including the links between programs described in PB Statements and their relationship to purposes described in the entity’s corporate plan.

Entities should note advice provided in *RMG 131 – Developing good performance information* and the Quick Reference Guide – RMG 131 (available at <https://www.finance.gov.au/resource-management/performance/>) when developing performance criteria that contribute to an entity’s performance story.

In general, the set of good information that supports a meaningful performance story will be:

**RELEVANT**

Performance information should clearly state who benefits and how they benefit from the entity’s activities.

**RELIABLE**

Performance information should use information sources and methodologies that are fit-for-purpose and verifiable.

**COMPLETE**

Performance information should help stakeholders judge whether the purposes of an entity are being achieved.

The Finance Secretary Direction under subsection 36(3) of the *PGPA Act* requires PB Statements to include targets. Such targets are expected to complement descriptions of performance criteria used to assess a program in 2018-19 and across the forward estimates. Targets are to be included in *Table 2.X.3* following the description of performance criteria for relevant years.

Targets will typically help readers understand the standard to which certain aspects of program delivery will be achieved or the extent to which it is achieved (e.g. the reach of a government advertising campaign). For example, targets can be benchmarks that identify best practice or milestones that indicate progress to longer-term outcomes.

As noted above, targets complement performance criteria. It is rare they are comprehensive enough to stand-alone without other performance information.

Because targets are likely to be quantitative (e.g. number of transactions completed, satisfaction ratings or cost per output) they will tend to provide useful information on how a program is delivered. Judgements on the impact of this delivery will need to be supported by other information, which will often draw on a mix of quantitative and qualitative sources.

## 5.12 Presentation of new or modified performance criteria

As discussed, an entity's 2018-19 PB Statements should reflect changes since the 2017-18 Budget that have had a material impact on a program (e.g. as a result of a new 2018-19 Budget measure or announcement of government initiative).

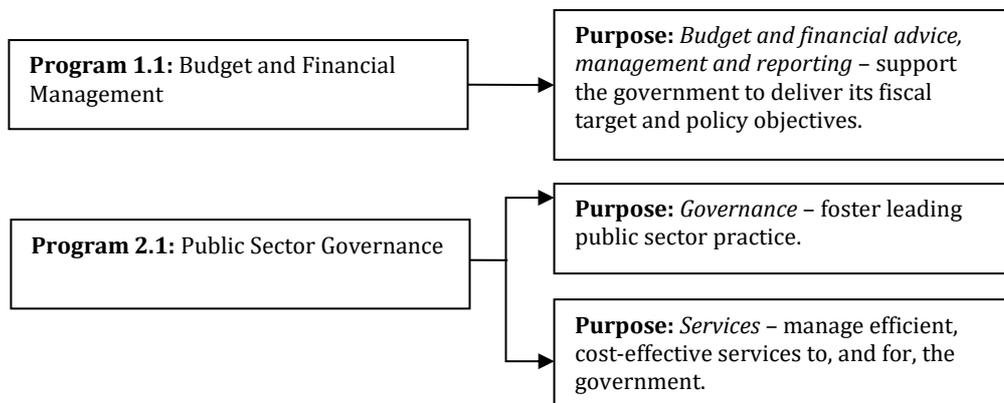
Performance criteria that have been modified or added to reflect such changes should be presented underlined and in *italics* in the Performance Criteria section of *Table 2.X.3* for the relevant program.

Presenting new or modified performance criteria underlined and in *italics* will indicate to readers that the program has materially changed (e.g. because its objective, delivery mechanism and/or target group has changed) and the way success is assessed has been adjusted appropriately. Where new programs are established in the 2018-19 Budget, all of the performance criteria related to that program need to be shown.

## 5.13 Purposes

*Table 2.X.3* should indicate the relationship between each program and the purposes described in an entity's current corporate plan – prepared in accordance with requirements set out in the Public Governance, Performance and Accountability Rule 2014 (the PGPA Rule).

How a program maps to purposes described in a corporate plan will depend on an entity's specific circumstance. Programs may map to more than one purpose.



Entities are encouraged to revisit the purposes described in 2017-18 in corporate plans to consider whether they can be improved upon. Entities may need to consider whether they have clear and distinct purposes that can be mapped against programs. If entities revise purposes after such consideration they should include a footnote indicating the purposes have been changed since their 2017-18 corporate plan was published, and the new purposes will be reflected in the 2018-19 corporate plan to be published by 31 August 2018.

Purposes should be relevant for the medium to longer term rather than just a list of short-term goals and functions. Purposes should have a clear focus on the benefit to society.

The relationship between purposes and programs establishes a “clear read” between performance information included in an entity’s PB Statements, the performance framework described in its corporate plan and the reporting of actual performance in annual performance statements included in annual reports.

A clear read across reporting documents allows performance information in different places—and different levels of granularity to be combined to provide stakeholders a complete picture of an entity’s performance story.

Entities are reminded that there is an expectation that corporate plans would be updated and published as soon as practical following any material changes that affect their purposes, how these purposes are fulfilled or the environment in which the entity operates. Such material changes are likely to include any changes noted in PB Statements that create new programs or modify significant existing programs.

# 6 Budgeted financial statements section

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The *budgeted financial statements* in Section 3 of the PB Statements provide readers with financial accounting information about the entity's operations over the Budget and three forward years.

Section 3 also provides a linkage between an entity's forecast resources and its forecast expenditure in achieving its outcomes.

Readers are also able to compare information in the Budgeted financial statements to the financial statements published in an entity's annual report to form a view on the financial performance of the entity.

## Components of Section 3: Explanatory tables and budgeted financial statements

- Budgeted financial statements
  - Differences between entity resourcing and financial statements
  - Explanatory notes and analysis of financial statements
  - Budgeted financial statements tables

### Departmental:

- *Table 3.1: Comprehensive income statement (showing Net Cost of Services) for the period ended 30 June*
- *Table 3.2: Budgeted departmental balance sheet (as at 30 June)*
- *Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2018-19)*
- *Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)*
- *Table 3.5: Departmental capital budget statement (for the period ended 30 June)*
- *Table 3.6: Statement of asset movements (2018-19)*

### Administered (where applicable):

- *Table 3.7: Schedule of Budgeted income and expenses administered on behalf of Government (for the period ended 30 June)*
- *Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)*
- *Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)*
- *Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)*

- *Table 3.11: Statement of administered asset movements (2018-19).*

## 6.2 Budgeted financial statements

The *budgeted financial statements* section of the PB Statements provides readers with financial information about the entity's operations over the budget and three forward years. They also include estimated actual information for the current financial year.

Entities 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 used at Budget and expect to use in preparing the financial statements to be included in the 2018-19 Annual Report.

Entities are to refer to, and follow the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, the *Commonwealth Entities Financial Statement Preparation Guide* and the *PRIMA Forms of Financial Statements* when preparing their budgeted financial statements. These documents are available at <http://finance.gov.au/resource-management/reporting-accounting/>.

**Please note:** For administered financial statements, entities should not report an administered appropriation receivable balance. This is consistent with Division 4 of the Financial Reporting Rule available in the link above.

Information in the budgeted financial statements **must be sourced from CBMS**, with the exception of the Impact of Net Cash Appropriation Arrangements note in *Table 3.1* and the certain sections of the *Capital Budget Statement (Table 3.5 and 3.10)* and *Asset Movement Table (Table 3.6 and 3.11)*.

Please note that, where applicable, Appropriation Bills 5 and 6 will be included in the data extracted from CBMS. When the PSAES' are produced, the financial impacts of these statements are reflected in the PBS.

### *Budgeted Financial Statements - AASB 1055 Budgetary Reporting*

The accounting standard *AASB 1055 Budgetary Reporting* requires entities to provide in their annual departmental and administered financial statements a comparison and explanations of major variances between their annual financial statements and the corresponding original budget amounts (from the PB Statements). These explanations will be audited by the ANAO as part of their audit of the annual financial statements. Prior year budget comparatives are not required. Entities may also choose to include revised budget information (from the PAES) as part of their variance explanations, however this is not compulsory.

**Please note:** Entities are reminded of the importance of maintaining internal documentation in order to substantiate the basis of the estimates included in the PB Statements. Appropriate documentation would include CBMS reconciliations, CFO sign-offs and Budget allocation authority. Entities also are reminded that PB Statement numbers must reconcile with those in CBMS.

For further information on the AASB1055 reporting requirements, please refer to *RMG 125: Commonwealth Entities Financial Statements Guide* and the *PRIMA Forms of Financial Statements*. Questions or concerns relating to the application of AASB 1055 to entities' financial statements can be directed to the Accounting Policy Team ([accountingpolicy@finance.gov.au](mailto:accountingpolicy@finance.gov.au)).

## Sources of information

New (system generated) Section 3 PBS tables for the Budgeted Financial Statements can be generated directly from CBMS through:

Reports > CBMS Reporting > Statutory Reports > PBS > Table 3.1 etc.

- Entities are encouraged to use these reports and become familiar with their use to improve entity processes in checking and completing their PBS tables.
- Entities must use the Excel templates in Attachment E (to the EM) to prepare their PBS document for publication.

The following report contains transaction-level and can be used to cross-check / verify data sourced from other reports:

- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.13 Annual Estimates Detail Listing AEIFRS Report (PBS)

### 6.3 Departmental comprehensive income statement (showing net cost of services)

For a mapping of accounts in CBMS to lines in the Budgeted financial statements, a *PB Statements Mapping* workbook can be downloaded from the section of CBMS under “CBMS Users – Reference Material”.

*The template for the Departmental comprehensive income statement (showing net cost of services) table can be found in the “Table 3.1” tab of the Excel Tables workbook (available from CBMS User Reference Material in CBMS).*

This statement depicts the entity’s estimated income and expenses in relation to its departmental operations over the financial year.

## Source of information

Information for these tables should also be sourced and cross-checked from the following CBMS operational reports:

- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.01 Annual Estimates Financial Statements
  - Note that all Account Hierarchies should be expanded (by right clicking on one of the Account Hierarchy items and selecting Hierarchical Navigation > All > Expand all hierarchies) prior to downloading reports
- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.02 Annual Estimates and Equity Report
- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.06 Capital Budget Statement Report

In preparing the “Note: Impact of Net Cash Appropriation Arrangements”, please refer to the similar note at the bottom of the CBMS Income Statement and also refer to *RMG 125: Commonwealth Entities Financial Statements Guide* from which figures should be shown in the “Depreciation/amortisation expenses previously funded through revenue appropriations” line. *RMG 125* is available at <http://finance.gov.au/resource-management/reporting-accounting/accounting-guidance/> (note this is manually derived).

## 6.4 Budgeted departmental balance sheet

The template for the *Budgeted departmental balance sheet* table can be found in the “Table 3.2” tab of the Excel Tables workbook (available from User Reference Material in CBMS).

Note: all references to reports hereunto can be sourced from User Reference Material in CBMS.

This statement depicts the entity’s estimated assets and liabilities in relation to its departmental operations at the end of the financial year.

### Source of information

The following report from CBMS should be used to prepare *Table 3.2*:

- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.01 Annual Estimates Financial Statements – select “Departmental” as the control type, and go to “Program View”.

## 6.5 Departmental statement of changes in equity

The template for the *Departmental statement of changes in equity* table can be found in the “Table 3.3” tab of the Excel Tables workbook.

This statement depicts the forecast movement in the entity’s equity position over the financial year (i.e. the change in the Government’s ownership interests in the entity).

### Source of information

The following report from CBMS should be used to prepare *Table 3.3*:

- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.02 Annual Estimates and Equity Report – select “2017-18” as the financial year and “Departmental” as the control type.

## 6.6 Budgeted departmental statement of cash flows

The template for the *Budgeted departmental statement of cash flows* table can be found in the “Table 3.4” tab of the Excel Tables workbook.

This statement depicts the entity’s estimated cash flows over the financial year.

### Source of information

The following report from CBMS should be used to prepare *Table 3.4*:

- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.01 Annual Estimates Financial Statements – select “Departmental” as the control type, and look up “Program View”.

## 6.7 Departmental capital budget statement

The template for the *Departmental capital budget statement* table can be found in the “Table 3.5” tab of the Excel Tables workbook.

This statement outlines the entity's capital appropriations that will be provided through Appropriation Bills (No.1 and 2) and the purpose for which they were provided (either to purchase assets, or for departmental supplementation), compared to their forecast capital expenditure.

### Source of information

The following report from CBMS should be used to prepare *Table 3.5*:

- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.06 Capital Budget Statement Report – select “Departmental” as the control type.
- Information to be included in the “Reconciliation of cash used to acquire assets to Asset Movement Table” should be sourced from *the cash flow statement (Table 3.4)* and the entity's FMIS.

## 6.8 Departmental statement of asset movements

*The template for the Departmental statement of asset movements table can be found in the “Table 3.6” tab of the Excel Tables workbook.*

This statement outlines the movements in the entity's asset holdings, such as the acquisition of new or replacement assets, disposals, revaluations or depreciation.

### Source of information

The following report from CBMS should be used to prepare *Table 3.6*:

- Reports > CBMS Reporting > Operational Reports > Estimates > Annual Estimates > AE.OR.02 Annual Estimates and Equity Report – select “2018-19” as the financial year and “Departmental” as the control type.
- Information to be included in the “Estimated expenditure on new or replacement assets” should be consistent with information included in an entity's Departmental Capital Management Plan and information contained in their FMIS.

## 6.9 Administered financial statements (Tables 3.7 to 3.11)

*The templates for the Administered financial statements (Tables 3.7 to 3.11) tables can be found in the Excel Tables workbook.*

These statements describe the resources managed by the entity on behalf of the Government and the public.

### Source of information

- Information for these tables can be sourced by running the same CBMS reports as *Table 3.1 to 3.6* (see Sections 6.2 to 6.7 above), but changing the control type to “Administered”.
- Please note: the “net cash appropriation arrangements” note does not apply to *Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government*, even though it may appear on the CBMS report.

# 7 Related issues

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## 7.1 Machinery of Government changes

Transfers of appropriations under section 75 of the *PGPA Act* as a result of Administrative Arrangement Order (AAO) changes must be reported in PB Statements and/or PAES.

Where section 75 transfers have not been agreed in time to be reported in the PB Statements, entities should note in their PB Statements that further details of the AAO changes will be reported in the next budget statement (i.e. PAES).

Affected entities should use explanatory footnotes to provide more detail and context wherever AAO changes apply.

Further information on implementing AAO changes can be found on the Australian Public Service Commission's website (<http://www.apsc.gov.au/publications-and-media/current-publications/machinery-of-government>).

### *Entity resource statement (Table 1.1)*

- The Entity resource statement should explain by way of footnote for each affected entity the resourcing impact of functions that are gained and/or transferred, and from/to which entity it was transferred.
- The third party payments section should also reflect functions transferred between portfolios. Entities should include a footnote describing the changes and the amounts transferred.

### Gaining entities

These are entities that gain functions under the new AAOs.

- The “2018-19 estimate” column should reflect all the resources available to the entity, including resourcing for those functions it has gained.
  - Where the AAO changes occur part-way through a financial year, the gaining entity should only show those resources available from the agreed date of effect of the AAO changes onwards.
- Entities should include a footnote to *Table 1.1* detailing the effects of the AAO changes.

### Losing entities

These are entities that lose functions under the new AAOs.

- The “2018-19 estimate” column should reflect all the resources available to the entity, excluding those functions it has lost.
  - Where the AAO changes occur part-way through a financial year, the losing entity should only show those resources available up to the agreed date of effect of the AAO changes.

- Entities should include a footnote to *Table 1.1* detailing the effects of the AAO changes.

### *Outcome information*

Entities should describe any changes to outcome and program structures as a result of AAO changes to Section 2 of their PB Statements, including information on functions/entities transferred and to/from whom.

- Outcome statements presented must be those approved by the Minister for Finance (or his delegate), and program names/structures must be those approved by Finance and as reported in CBMS. Please refer to Section 7.2 of this guidance for further information on outcome and program changes.
  - An optional template for showing outcome and program changes is included in the “Table 2 optional” tab of the Excel Tables workbook (available from CBMS User Reference Material in CBMS). Entities may choose to show outcome and program changes in an alternative table or pictorial format – the presentation chosen will depend on the scope of the changes.
- Previous year actuals figures reported in *Table 2.X.1 (Budgeted expenses by Outcome X)* should match expense figures captured in CBMS.
  - Gaining entities are not required to report prior year actual (i.e. 2017-18) for functions gained in the current financial year (i.e. 2018-19) – they should however include a reference to the losing entity’s PAES and/or upcoming annual report for further information.
  - Losing entities should show prior year actual (i.e. 2017-18) for functions lost in the current financial year (i.e. 2018-19), or describe where such information can be found, for example, in the entity’s PAES and/or upcoming annual report.
  - Further information on reporting AAO changes in financial statements can be found at <http://www.finance.gov.au/resource-management/reporting-accounting/>. For enquiries contact your AAU in the first instance.

### *Budgeted financial statements*

Entities’ financial statements should reflect the financial impact of functions/activities/programs transferred.

- Gaining entities should report the financial impact of the AAO changes from the agreed date of transfer onwards.
- Losing entities should report the financial impact of the AAO changes up to the agreed date of transfer.

### *Subsequent AAO changes following the PB Statements*

AAO changes can be announced at any time. This can occasionally be after the preparation of the Appropriation Bills has commenced or after the PB Statements have been completed but not yet tabled in Parliament.

If changes are announced so close to the presentation of the Appropriation Bills to Parliament that neither the Bills nor the budget statements can reflect the announced changes, these should be explained in the next budget statements and subsequently in the entity’s annual report.

## 7.2 Program and outcome changes

Changes to outcomes and programs cannot be reflected in the PB Statements until the requisite approval from Finance and/or the Minister has been received.

For information on changing programs and/or outcomes, please refer to the Outcomes Statements Policy and Approval Process and the Commonwealth Programs Policy and Approval Process, both available on the Finance website:

<http://www.finance.gov.au/resource-management/performance/>

## 7.3 Working with the templates

### *Saving the files*

Do not open and save the files. Use your email program to save the attachments. For example, using Outlook 2016:

1. Select the email containing the attachments
2. Click File and select Save Attachments.

### *Excel table specifications*

The Excel Tables have been formatted to B5 size. Should you need to reformat any of the tables, please use the following specifications:

<b>Font name</b>	Arial	
<b>Font size</b>	8 pts (colour = Black not automatic)	
<b>Height/width dimensions</b>		
Portrait tables	Width 13.6 cm (13 cm in a shaded cell) Height 21 cm	
Landscape	Width 21 cm Height 13.6 cm	
<b>Row height</b>		
Text and numbers in the body of table (8 pt font size)	Set row height to 11.25 pts (Table Row Height button on the Treasury ribbon)	
If you need to squeeze a table onto one page, you can reduce the font size in the table to 7.5 pts. Please note that <u>fonts cannot be reduced any smaller than 7.5 pts.</u>	Set row height to 10.5 pts	
<b>Table cell alignment</b>	<u>Horizontal</u>	<u>Vertical</u>
Text	Left align	Centre
Numbers (use ROUND function)	Right align	Centre
Braced column headings	Centre	Centre

<b>Borders</b>	Colour = Black, hairline weight (first option in list, not the default) (Apply Table Border button on the Treasury ribbon)
<b>Column width</b>	Be consistent particularly if there are similar tables on the one page
<b>Blank columns and rows</b>	Set column width to .5
<i>Columns</i> To separate columns where braced headings have been used	Remove the bottom border for blank columns (see example table 1)
<i>Rows</i>	Set row height to 3 pts (Table Row Height button on the Treasury ribbon)

Note: Please use minimal capitalisation. Wrap text if text goes over a column width.

#### *Formatting an existing table to budget standards*

To create an Excel table which fits into a Budget word document's set margins.

#### Portrait tables

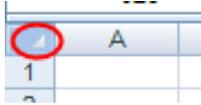
1. In Excel from "Page Layout" ribbon select Page Layout > Margins > Custom Margins.
2. Click on the "Page" tab, select "Portrait orientation".
3. Ensure the Scaling is set to 100% normal size.
4. Click on the "Margins tab" and set margins to:
  - Left and right      3.7
  - Top and bottom    4.3

#### Landscape tables

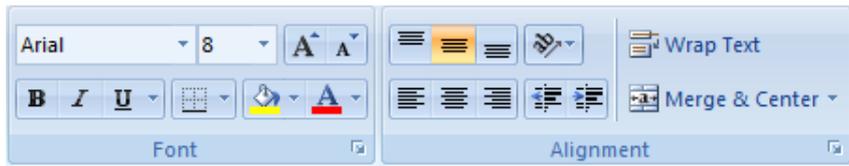
1. In Excel from the "Page Layout" ribbon, select Page Layout > Margins > Custom Margins.
2. Click on the "Page" tab, select "Landscape orientation".
3. Ensure the Scaling is set to 100% normal size.
4. Click on the "Margins" tab.
  - Left and right      4.3
  - Top and bottom    3.7

### Setting font and text alignment

1. Click the select all button in the upper left corner of the worksheet (where the row and column headings meet).

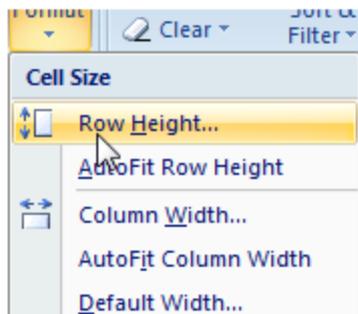


2. From the “Home” ribbon, on the “Font” tab set font to 8 pts Arial.
3. Select the “Alignment” tab set the Vertical text alignment to “Centre”.



### Row height

1. Select the rows to be adjusted
2. From the “Home” ribbon, in the “Cells” group select “Format” and then “Row height”.



3. Enter 11.25 and then click OK.

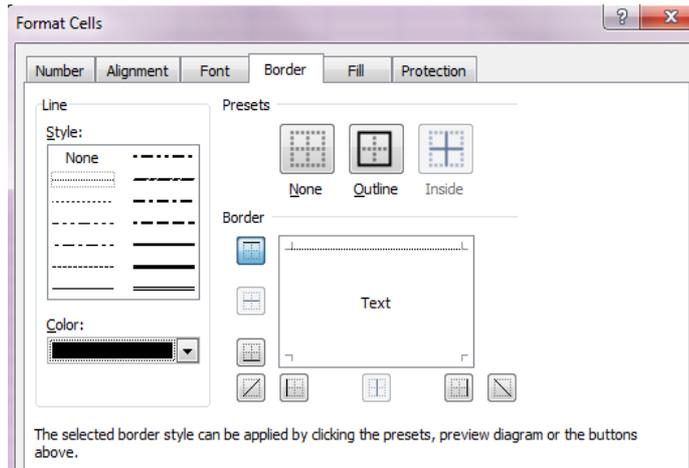
**Tip:** If a table is difficult to fit onto a Word page the row height can be reduced. In Word check the printed page to ensure that numbers and text are not cut off.

### Table borders

1. Select the row to contain the ruled line.
2. From the “Home” ribbon, select the “Font” tab.



3. Select the “Border” tab.



4. Select the first weight (first in list) and Colour = Black (note: though the line appears to be broken it will appear as solid when linked in Word.)
5. Click OK.

Tip: Only apply borders to the row with the description and values, not the row above or below.

### Shading

1. Select the cells to be shaded.
2. Select the “Fill” tab from the “Font” group.
3. Select “More colours”.
4. Select the “Custom” tab.
5. Set as: Red – 235, Green – 235 and Blue – 235.

### Indenting text

Use the “Right Indent” button to indent text in columns. Do not create a second column to indent text or use spaces to indent text.



### Inserting linked Excel tables into the Word template

The standard practice for preparing Budget documentation is to link tables and charts from Excel into Word. There are a number of reasons for this:

- When the Excel tables are updated, the Word template can be easily updated by pressing the F9 key in Word.
- Placing a linked object into a document helps to keep the file size smaller. An unlinked object increases the document size.
- When you double click on a linked object in Word you cannot open a copy of the Excel workbook (unless you have access to the Excel file).

To insert a linked Excel table into the Word template:

1. In Excel, format the table to budget standards (see page 52).
2. In Excel, select and copy the table.
3. In Word, enter the appropriate heading and apply the Table Heading format to the text.
4. In Word, select “Paste Special”, choose “Paste Link – Excel Object” and click “OK”.
5. In Word, type in the footnotes and other text.
6. In Word lock the links by right clicking the linked table and choosing Linked Worksheet Object > Links and then checking the “Locked” tick box, then click “OK”.

To update linked tables

1. In Excel, open the source workbook to update the table.
2. To update the table, in Word, right click the table and select Linked Worksheet Object > Links. Uncheck the “Locked” tick box, then select update now, then re-check the “Locked” tick box, then click “OK”.
3. If you have not locked the tables, press F9 to update the table in the Word document.

## 7.4 Preparing the Word template for printing

To prepare the Word template for printing, the links to the Excel template should be broken. To break the links:

1. In Word, click the Office button, then “Prepare” and then “Edit Links to Files”.
2. For each link listed, click “Break Link”.
3. Save the file and if required by your publisher, convert to Adobe PDF format for printing.

## 7.5 Preparing the Word template for online publication

In order to prepare the Word template for online publication and to ensure they are web accessible, entities will need to re-paste the Excel tables into the Word document in HTML format:

1. In Excel, select and copy the table.
2. In Word, select “Paste Special”, choose “Paste – HTML Format” and click “OK”.
3. Save the file. It is now ready for conversion into Adobe PDF or HTML format by your Web Publishing area.

## 7.6 Web accessibility requirements

Entities must ensure web content published on government websites meets the mandatory accessibility standard ‘Web Content Accessibility Guidelines Version 2.0’. Details of the standard and associated policy advice can be found online at <https://guides.service.gov.au/content-guide/accessibility-inclusivity/>.

The tables for the PB Statements and PAES have been reformatted to improve accessibility for users with a disability. Changes to improve the accessibility of the tables include:

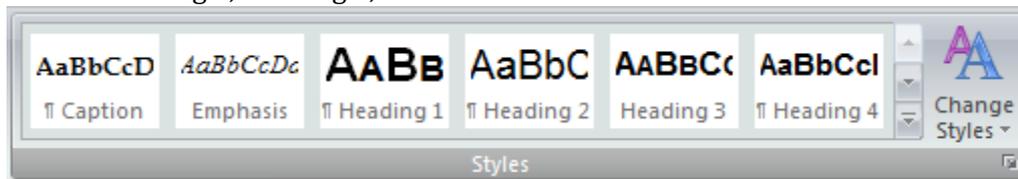
- Removal of blank cells and rows so text-to-speech reader software can read tables;
- Wrapping text so that entire phrases, titles or sentences appear in the one cell, rather than being split over several lines;
- Using “soft returns” in cells so headings in the electronic version can be read by text-to-speech reader software but headings are formatted correctly in the printed version; and
- More consistent capitalisation so sighted users can differentiate between new cells versus new lines within a cell/row.

### Guide to making accessible soft copy documents

Entities are responsible for making their documents accessible and it is recommended entities contact their publishing or web teams early to ensure requirements are met.

#### 1. Content structure — use styles:

- Using styles such as heading types, bullet point lists and numbered lists makes it easier for users with disabilities to navigate through a document.
- Use the styles that are available on the Office ribbon under the Home tab or through the Styles window (Alt+Ctrl+Shift+S), i.e. Heading 1, Heading 2, Heading 3, Heading 4, Normal etc.



- Use heading styles to apply a logical structure to your document. Headings will allow screen reader users to navigate through the page easily and will make the page more usable for everyone. Use the Outline view to see the hierarchy of styles;
  - Do not skip any heading level — this may affect the logical reading order of the document when used by a screen reader.
  - Make a page break to move text to the next page to ensure there is no blank space for screen reader audio.
- #### 2. Alternative text:
- Charts and images all need to have alternative text, this text will be read by a screen reader in a Word file and will remain intact when exported to HTML or PDF.
  - You must always provide an alternative text (ALT Text) description for all non-text objects and should communicate the essential content of the image as efficiently as possible.
  - To enter in ALT text right click on the image, select Format Picture/Shape and then select the ALT text tab to enter in the title and description.
- #### 3. Use the accessibility checker:
- If you wish to check the accessibility of your document or template (see Technique 1, above), Word 2016 offers an “Accessibility Checker” to review your document against a set of possible issues that users with disabilities may experience in your file:

- Select File > Info; and
  - Select 'Check for Issues' > 'Check Accessibility'.
4. Convert Word documents to tagged PDF files
- Microsoft Office 2016 allows you to create tagged PDF files. If you want to verify the accessibility of the PDF or edit the tags that are created, you will still need Acrobat Professional (your web team can help).
    - Select File > Save As; and
    - Under 'Save as' type: select PDF. Before you save the file, select 'Options' and ensure that the 'Document structure tags for accessibility' option is selected.
5. Making Excel tables accessible
- Because of the complex nature of the Budget tables, it's difficult to make them accessible using Microsoft Office 2016 features. There are two options to make this content available - entities can either make the data behind the tables available on their website or they can convert the Excel tables to Word.
    - Portfolios may also wish to include a link on their website to <http://www.data.gov.au>, where most PB Statement financial tables will be available in Excel format following tabling of the PB Statements in Parliament.

## 7.7 Additional guidance on Cash Management Reports and Appropriation Bills

Appropriation estimates are recorded in CBMS in the PBF (previously BEAM) module. The Annual Estimates module in PBF is used to create the Appropriation Bills.

When an Appropriation Bill is given Royal Assent and becomes an Appropriation Act, the values captured in PBF are then used as the Appropriation Limits in Cash Management. Appropriation limits are treated as "Hard" or "Soft" depending on their outcome requirements and/or other legal restrictions.

A "hard limit" is a limit that cannot be exceeded with a drawdown. This is because a hard limit is a legally appropriated amount, adjusted for changes authorised in law such as section 75 transfers as a result of Machinery of Government changes, section 74 Retained revenue receipts, quarantines by the Minister for Finance or the Advances to the Minister for Finance.

- For departmental operating appropriations, the hard limit equals the total amount appropriated for the entity.
- For administered operating appropriations, the hard limit is the amount provided for each outcome.

A soft limit is the limit against a portion of the hard limit after it is allocated to a program (e.g. administered operating) or outcome (e.g. departmental operating). These limits can be exceeded with a drawdown, providing they do not exceed the hard limit. Soft limits can be adjusted on request from entities (though they generally reflect splits identified in PB Statements/PAES).

## 8 Contacts

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### Department of Finance

In the first instance, entities should contact Finance staff in the relevant AAU with enquiries.

For guidance on the preparation of the PB Statements (including publication on [data.gov.au](http://data.gov.au) but excluding performance reporting), entities can contact the Budget Reporting and Framework Team:

Dario Forner	(02) 6215 3408
Alex Berry	(02) 6215 3209
Brendan Palazzi	(02) 6215 3289
Tom Hogan	(02) 6215 3761

[Budget\\_Framework@finance.gov.au](mailto:Budget_Framework@finance.gov.au) (emails rated up to Protected)

For guidance on performance information and annual performance statements (Section 2 of the PAES; excluding *Table 2.x.1* and *2.x.2*), corporate plans and annual reports entities should contact the Advisory and Performance Branch ([PMRA@finance.gov.au](mailto:PMRA@finance.gov.au)) or David Saywell on (02) 6215 3130. For guidance on the production of the Appropriation Bills, the CFO sign-off process and outcome changes, entities should contact Daniel Featherston (02) 6215 1758 or Paula Fearn on (02) 6215 3804 from the Annual Appropriation Team or email [G&TAnnualAppropriations@finance.gov.au](mailto:G&TAnnualAppropriations@finance.gov.au).

For queries regarding [ASL reporting](#), please email [ASL@finance.gov.au](mailto:ASL@finance.gov.au).

### Treasury

Treasury can assist with document formatting issues and links to PB Statements on [budget.gov.au](http://budget.gov.au). Treasury also coordinates the Budget lockup for media and parliamentarians at Parliament House.

Web and Publishing Communications team (for formatting and web content)

[BudgetPublishing@treasury.gov.au](mailto:BudgetPublishing@treasury.gov.au) (02) 6263 4000

Budget lockup team (for media and parliamentarians)

[Budget\\_lockup@treasury.gov.au](mailto:Budget_lockup@treasury.gov.au) (02) 6263 2853

### CanPrint

CanPrint is the preferred printer for budget papers and PB Statements. If printing is carried out 'in-house' or with another printer, entities must liaise with Finance to ensure that cover stock, colour and text is consistent with all other portfolio entities.

It is the responsibility of each portfolio departments to arrange the printing and secure freighting of their PB Statements.

Contact details for CanPrint Communications Pty Ltd are:

Andrew Brien                   (02) 6295 4417  
Debbie Shields               (02) 6295 4438 or [dshields@canprint.com.au](mailto:dshields@canprint.com.au)  
Address:                        Canprint Communications Pty Ltd  
                                      16 Nyrang Street  
                                      Fyshwick, ACT 2609

### Senate Table Office

The Senate Table Office receives deliveries from entities of PB Statements for the Senate, House of Representatives, Budget lockup and the Parliamentary Library. Their contact details are:

Documents officer       (02) 6277 3037  
Address:                    Room SG 25  
                                  Department of the Senate  
                                  Parliament House  
                                  Canberra, ACT 2600

# 9 Glossary of terms

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## *Activities*

The actions/functions performed by entities to deliver government policies.

## *Actual Available Appropriation*

The Actual Available Appropriation indicates the total appropriations available to the entity for 2017-18 as at the 2018-19 Budget. It includes all appropriations made available to the entity in the year (+/- section 75 transfers, Advances to the Minister for Finance, withholdings under section 51 of the *Public Governance, Performance and Accountability Act 2013* and other administrative quarantines made by Finance). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.

## *Administered Item*

Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the CRF at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.

## *Agency Advice Unit (AAU)*

Advisers within the Budget and Financial Reporting Group, Department of Finance that analyse expenditure trends of entities, agree costings of Policy Proposals, validate entities' program estimates and advise entities on financial and budget matters.

## *Appropriation*

An amount of public money the Parliament authorises for spending (i.e. funds to be withdrawn from the CRF). The Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.

## *Appropriations and Cash Management Module*

A module of the Central Budget Management System from which entities draw down funds from the CRF.

## *Budget Paper 1 (BP No.1)*

Budget Strategy and Outlook. Provides information on the economic and fiscal outlook for the Australian Government, including information on the Government's fiscal strategy.

### *Budget Paper 2 (BP No. 2)*

Budget Measures. Provides a description of each budget measure (revenue, expense and capital) by Portfolio.

### *Budget Paper 3 (BP No.3)*

Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States, Territories and local government.

### *Budget Paper 4 (BP No.4)*

Agency Resourcing. Contains information on resourcing for Australian Government entities (including special appropriations, special accounts and a summary of agency resourcing).

### *Redeveloped Central Budget Management System (CBMS)*

CBMS is the Australian Government's central budget and financial management information system administered by the Department of Finance. It contains the Commonwealth's program list and produces the annual Appropriation Bills.

In May 2010 the Government agreed to the redevelopment of CBMS ('CBMSR'). This new CBMS has now been implemented.

### *Clear Read Principle*

The outcomes framework provides an essential clear link between the Appropriation Bills, the PB Statements, the PAES, and annual reports of entities. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PB Statements should be avoided. This is called the "clear read" between the different documents.

Under this principle, the planned performance in PB Statements is to be provided on the same basis as actual performance in the annual reports covering the same period, to permit a clear read across planning and actual performance reporting documents. Entities should take this into account in designing their performance reporting arrangements.

### *Consolidated Revenue Fund (CRF)*

The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.

### *Contractor*

A person engaged by an entity, usually on a temporary basis. Treated as an employee of the entity for the purposes of program performance reporting.

### *Departmental Item*

Resources (assets, liabilities, revenues and expenses) that the entity's Accountable Authority controls directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running

costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.

### *Entities*

For the purposes of this guidance, this means Commonwealth entities and Commonwealth companies as defined under the *PGPA Act* that are within the General Government Sector; the High Court of Australia; and the Future Fund Board of Guardians.

### *Estimated Actual Expenses*

Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not end until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.

### *Expenses not requiring appropriation in the Budget year*

Expenses which do not involve a cash flow impact in the Budget year are generally excluded from the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: e.g. Australian National Audit Office (ANAO) audit services — the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.

### *Financial Management Information System (FMIS)*

A system that holds the financial information of an entity.

### *Forward Estimates Period*

The three years following the budget year. For example, if 2018-19 is the budget year, 2019-20 is forward year 1, 2020-21 is forward year 2 and 2021-22 is forward year 3. This period does not include the current financial (2017-18) or the budget year (2018-19).

### *General Government Sector (GGS)*

A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Australian Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.

### *Government Finance Statistics (GFS)*

A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of National Accounts.

### *Intended Result*

Intended result is a key part of an outcome statement and describes the goal or objective of an entity. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.

### *Materiality*

Reflects the importance of government financial or other information that if omitted, misstated or not disclosed has the potential to adversely affect decisions about the allocation of resources made by users of the financial report, or the discharge of accountability by the management or governing body of an entity.

### *Measure*

A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in BP No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).

### *Mid-Year Economic and Fiscal Outlook (MYEFO)*

The MYEFO provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.

### *Official Public Account (OPA)*

The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.

### *Operating Expenditure (of Heritage and Cultural Assets)*

The following is a list of expenditure items that Collection Institutions might include in the "Operating expenditure for heritage and cultural assets" section of *Table 3.6* and *Table 3.11*:

- 9.1.1.1.1 supply of goods and services, for example, outsourced repairs to artwork or insurance costs;
- 9.1.1.1.2 direct labour on-costs, for example, the salaries and associated costs of staff researching and restoring items, lease of storage facilities;
- 9.1.1.1.3 associated utility costs (electricity, water, gas);
- 9.1.1.1.4 cataloguing costs;
- 9.1.1.1.5 containers and packaging and transportation;
- 9.1.1.1.6 cleaning of collections and storage facilities; and
- 9.1.1.1.7 substitution costs (preparation of copies/surrogates of art work for public display).

The costs above do not include full absorption costing such as an allocation for corporate administration costs or costs that are eligible to be capitalised.

Depreciation is not operating expenditure for the purposes of this definition.

### *Outcome*

An outcome is the intended result, consequence or impact of Government actions on the Australian community.

### *Outcome Statement*

An outcome statement articulates the intended results, activities and target group of an Australian Government entity. An outcome statement serves three main purposes within the financial framework:

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

### *Portfolio Budget Statements (PB Statements)*

Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each entity within a Portfolio.

### *Program*

Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.

### *Program Support*

The entity's running costs allocated to a program. This is funded through an entity's departmental appropriations.

### *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*

The *PGPA Act* replaced the *Financial Management and Accountability Act 1997* (FMA Act) and the *Commonwealth Authorities and Companies Act 1997* (CAC Act) on 1 July 2014. As the primary piece of Commonwealth resource management legislation, the *PGPA Act* establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. The Act applies to all Commonwealth entities and Commonwealth companies.

The *PGPA Act* sets out main principles and requirements Commonwealth Resource Management Framework. Rules and other legislative instruments establish the requirements and procedures necessary to give effect to the governance, performance and accountability matters covered by the Act.

### *Purpose*

The purposes of a Commonwealth entity includes the objectives, functions or role of the entity. For further information see *RMG 132 – Corporate plans for Commonwealth entities* ([https://www.finance.gov.au/sites/default/files/rmg-132-corporate-plans-for-commonwealth-entities\\_0.pdf](https://www.finance.gov.au/sites/default/files/rmg-132-corporate-plans-for-commonwealth-entities_0.pdf)).

### *Senate Estimates Hearings*

Senate Standing Committees hold hearings to scrutinise the Appropriation Bills and any explanatory documentation tabled to accompany them. Public servants may be called to attend hearings as witnesses.

### *Specific Purpose Payments (SPP)*

Commonwealth payments to the States for specific purposes in order to pursue important national policy objectives in areas that may be administered by the States.

### *Sub-function*

Government Finance Statistics classification of government expenses.

### *System of National Accounts (SNA)*

The 2008 System of National Accounts (2008 SNA) is a comprehensive, consistent and flexible set of macroeconomic accounts to meet the needs of government and private-sector analysts, policy-makers, and decisions-takers. It was prepared jointly by the International Monetary Fund, the European Union, the Organization for Economic Co-operation and Development, the United Nations, and the World Bank.

### *Target Group*

A specific group being targeted for assistance by government policy.

### *Third Party Payments*

Payments made on behalf of another entity, or by other entities on behalf of the agency. For example, payments made in relation to Special Appropriations.

### *Transfer*

Cash paid to recipients of the applicable program. This includes welfare payments and tax rebates.