

**PORTFOLIO  
BUDGET STATEMENTS  
2006-07**

**DEPARTMENT OF THE SENATE**

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

**BUDGET RELATED PAPER NO. 1.17B**

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# CONTENTS

<b>User Guide to the Portfolio Budget Statements.....</b>	<b>v</b>
User Guide .....	vii
Purpose of the Portfolio Budget Statements.....	vii
How to read the PBS .....	viii
Abbreviations and conventions .....	xi
Inquiries.....	xi
<b>Departmental Overview .....</b>	<b>1</b>
Departmental Overview.....	3
<b>Budget Statements .....</b>	<b>7</b>
Contents .....	9
Section 1: Resources for 2006-07.....	11
Section 2: Outcome and outputs.....	15
Section 3: Budgeted financial statements .....	26
<b>Glossary.....</b>	<b>43</b>



**USER GUIDE  
TO THE  
PORTFOLIO BUDGET  
STATEMENTS**



# USER GUIDE

## Purpose of the Portfolio Budget Statements

The 2006-07 Portfolio Budget Statements (PBS) provide information to Parliament about the planned outcome and outputs of the Department of the Senate (the department), and the funding proposed in the appropriation bills.

A key role of the department's PBS is to facilitate understanding of Appropriation (Parliamentary Departments) Bill No. 1 2006-07. The PBS are Budget Related Papers and are declared by the appropriation bills to be 'relevant documents' to the interpretation of the bills according to section 15AB of the *Acts Interpretation Act 1901*.

## How to read the PBS

The PBS are presented in three sections, aligned in several ways to the Budget Papers, as outlined below.

Part	Description
<b>User Guide to the Portfolio Budget Statements</b>	
	An introduction, explaining the purpose of the PBS, the structure of the document, and styles and conventions used.
<b>Departmental Overview</b>	
	A brief overview of the department. Departmental outputs are depicted in a chart outlining the output structure.
<b>Departmental Budget Statements</b>	
<b>Section 1: Resources</b>	A reconciliation of department resourcing information from the <i>2005-06 Mid-Year Economic and Fiscal Outlook</i> to the 2006-07 Budget. Includes key changes to the department's estimates and a table of appropriations and other revenue sources for both administered and departmental appropriations.
<b>Section 2: Outcome and outputs</b>	A brief description of the department's outcome and, where applicable, Budget measures in summary form. Details the contribution of the department's outputs to the outcome, performance information for the outcome, outputs and administered activities, and planned evaluations. Notes upcoming competitive tendering and contracting that is of a material or sensitive nature. Links the resources appropriated and their application to the department's outputs and to administered items.
<b>Section 3: Budgeted financial statements</b>	The department's budgeted financial statements in accrual format, covering the Budget year, the preceding year and three out-years.
<b>Glossary</b>	Explains key terms.

## Departmental and administered items

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies decide (departmental transactions) are separately budgeted for and reported on from transactions agencies make on behalf of others (administered transactions). This ensures that the transactions decided by agencies are reported separately from other transactions in their accounts.

### Departmental items

Assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

### Administered items

Revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

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## Appropriations in the accrual budgeting framework

In the accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the government's funding for outputs from agencies;
- Departmental capital appropriations: for investments by the government for either additional equity or loans to agencies or payments from previous years' outputs;
- Administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states and territories; and
- Administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments). The appropriation framework is discussed further in the introduction to Budget Paper No. 4, *Agency Resourcing 2006-07*.

## Components of agency financial statements

Reporting requirements for budgeted financial statements differ between agencies (for example, according to whether the agency participates in administered transactions). Therefore, not all agencies are required to report against all schedules.

The budgeted financial statements contain the estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, including the principles of the Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration. They show the planned financial performance for the 2006-07 Budget year and each of the forward years from 2007-08 to 2009-10. The statements also include the estimated actual for 2005-06 for comparative purposes.

The schedules included in the budgeted financial statements for 2006-07 are as follows.

Schedule	Purpose
<b>Budgeted departmental income statement</b>	Shows the expected financial results for the agency. Identifies full accrual expenses and revenues, which highlights whether the agency is operating at a sustainable level.
<b>Budgeted departmental balance sheet</b>	The financial position of the agency. It helps decision makers to track the management of assets and liabilities.
<b>Budgeted departmental statement of cash flows</b>	Provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.
<b>Budgeted departmental statement of changes in equity — summary of movement</b>	This is a new statement for Portfolio Budget Statements that represents the movement of parent entity (the Commonwealth) interest in the agency. The statement has been prepared to reflect the net operating result, movements of capital return and additional capital injections from the Commonwealth.
<b>Departmental capital budget statement</b>	Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.
<b>Departmental property, plant, equipment and intangibles — summary of movement</b>	Shows budgeted acquisitions and disposals of non-financial assets during the budget year.
<b>Schedule of budgeted income and expenses administered on behalf of government</b>	Identifies the main revenues and expenses administered on behalf of government.

Schedule	Purpose
<b>Schedule of budgeted administered cash flows</b>	Shows cash flows administered on behalf of government.
<b>Schedule of administered capital budget</b>	Shows details of planned administered capital expenditure.
<b>Schedule of administered property, plant, equipment and intangibles — summary of movement</b>	Discloses details of movements in administered non financial assets.

## Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

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

## Inquiries

Should you have any inquiries regarding this publication please contact Mr Joe d'Angelo, Chief Financial Officer, in the Department of the Senate on 02 6277 3077.

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