

**USER GUIDE
TO THE
HEALTH AND AGEING
PORTFOLIO BUDGET
STATEMENTS**

USER GUIDE

Purpose of the Health and Ageing Portfolio Budget Statements

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

A key role of the Portfolio Budget Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2008-09 (or Appropriation Bill [Parliamentary Departments] No. 1 2008-09 for the parliamentary departments). In this sense, the Portfolio Budget Statements are Budget related papers, and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts, according to section 15AB of the *Acts Interpretation Act 1901*.

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

The Portfolio Budget Statements also contribute to and support organisational development and performance in portfolio agencies, by identifying the Government's key strategic priorities for the year ahead.

As a vehicle for public accountability, the Portfolio Budget Statements provide a clear strategic roadmap for the Department of Health and Ageing and portfolio agencies to develop and align their annual internal business planning and strategic performance reporting.

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

Structure of the Portfolio Budget Statements

The Portfolio Budget Statements have been revised for the 2008-09 Budget, with significant changes made to provide Parliament with more targeted and comprehensive information on government expenditure.

The Health and Ageing Portfolio Budget Statements are presented in three sections, aligned in several ways to the Budget Papers, as outlined below.

User Guide	
An introduction, explaining the purpose of the Health and Ageing Portfolio Budget Statements, the structure of the document, and styles and conventions used.	
Portfolio Overview	
A brief overview of the Health and Ageing Portfolio. Portfolio outcomes are depicted in a chart outlining the structure of the outcomes to which the Health and Ageing Portfolio contributes. The section includes tables for departmental and administered appropriations for the portfolio.	
Budget Statements	
For each portfolio agency (including the Department of Health and Ageing), a budget statement is presented in three sections:	
Part	Description
Section 1: Overview and Resources	A brief overview of the functions and responsibilities of the agency, the resources available by outcome and by administered and departmental appropriations, and where applicable, Budget measures in summary form.
Section 2: Outcomes and Planned Performance	A brief description of the agency's outcomes that details key strategic directions, major activities and resourcing for the Budget year and following years. Also discusses the contribution of administered items, departmental outputs and performance information for the outcome. Performance information is grouped under the relevant administered item or departmental output.
Section 3: Explanatory Tables and Budgeted Financial Statements	The agency's budgeted financial statements in accrual format, covering the Budget year, the previous year and three out-years. Also includes Australian Government Indigenous Expenditure for the agency.
Glossary	
Explains key terms.	

Departmental and Administered Distinction

Departmental Items
Revenues, expenses, assets and liabilities 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.

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 and Territory governments). The appropriation framework is discussed further in the introduction to *Budget Paper No. 4, Agency Resourcing 2008-09*.

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 Deregulation. They show the planned financial performance for the 2008-09 Budget year and each of the forward years from 2008-09 to 2011-12. The statements also include the estimated actual for 2007-08 for comparative purposes.

