



Parliamentary
Budget Office

Budget Insights

PBO SEMINAR

Navigating the Budget papers

The seminar begins at 2pm

www.pbo.gov.au



Presenters



Stein Helgeby

Parliamentary Budget Officer



John Clark

Assistant Parliamentary Budget Officer

Budget Overview

Traditionally presented in May each year, the Australian Government Budget is a snapshot of the Government's policy priorities and financial impact of decisions taken.

It provides an estimate of money coming in (revenue), money going out (expenses) and how much is owed (gross and net debt).

The Budget is predominantly forward-looking, with information generally presented for a five-year period.



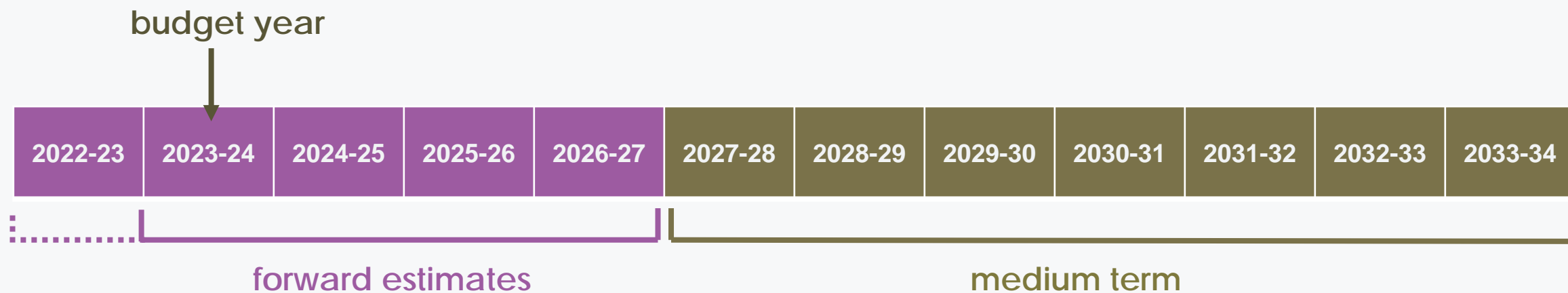
Time periods used in the Budget

The **budget year** is the financial year covered by the Budget.

The **forward estimates** cover the budget year and the three years following.

The **medium term** is the seven years following the forward estimates.

Illustration – 2023-24 Budget



Legislative Framework

Charter of Budget Honesty Act 1998

Sets out the **principles and requirements** around the Budget process. It requires publication of **three main** annual budget reporting documents:

The Budget

MYEFO

FBO

Public Governance, Performance and Accountability Act 2013

Requires the annual preparation of Consolidated Financial Statements, which provide a **full-audited picture** of the **Commonwealth's finances**.

Consolidated
Financial
Statements

Government Appropriations

Australian Constitution (Section 83):

“No money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law.”

Annual Appropriations:

Provide annual funding to entities and Commonwealth companies to undertake ongoing government activities and programs

e.g. departmental costs

Special (Standing) Appropriations:

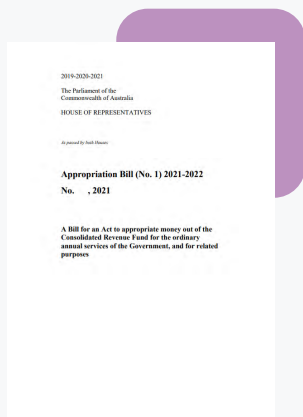
Provide funding for particular purposes

e.g. social security payments

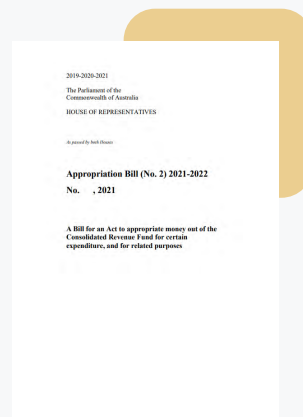
Around 80% of total spending

Annual Appropriation Bills

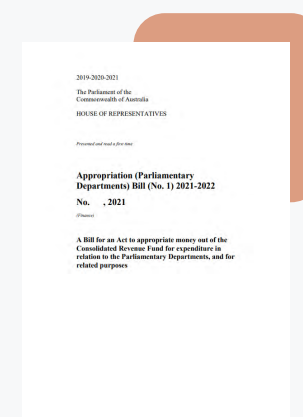
On Budget night in May each year, the Government generally presents **THREE** annual appropriation bills to the Parliament:



Appropriation Bill (No.1) for the ordinary annual services of the government



Appropriation Bill (No.2) for other purposes (e.g. payments to states, capital, new outcomes)



Appropriation (Parliamentary Departments) Bill (No.1) for expenditure in relation to parliamentary departments



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Budget Office

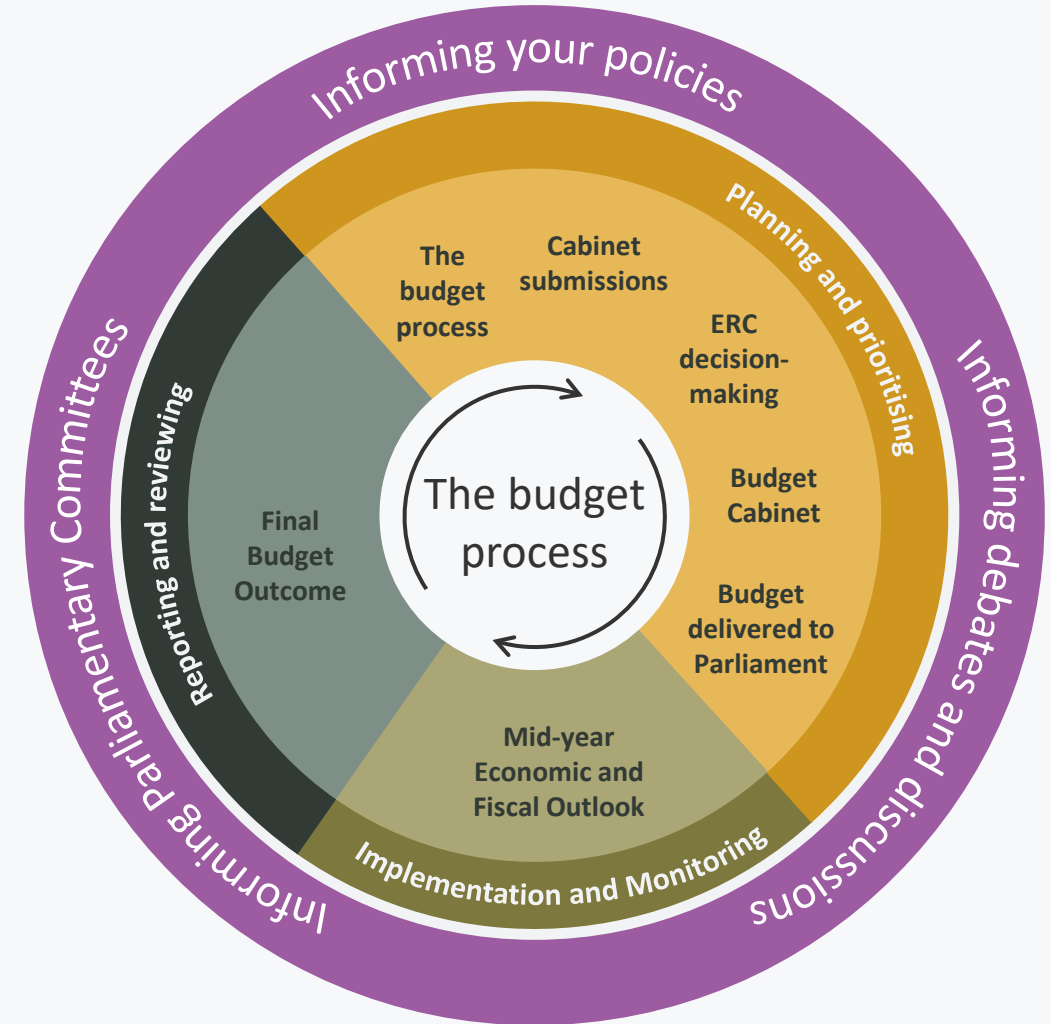
Budget Insights

The Budget Process



The Budget Cycle

The budget process is a **decision making process** for allocating public resources to the Government's policy priorities.



Key Dates

Summary of key dates

September to October

Budget planning commences

December to February

Development and costing of new policy proposals

February to April

Expenditure Review Committee (ERC) decision making

2nd Tuesday of May

Release of the Budget

Late June

Parliament passes Appropriation Bills

Other key dates

Actual fiscal outcomes provided through FBO

Within 3 months of End of Financial Year

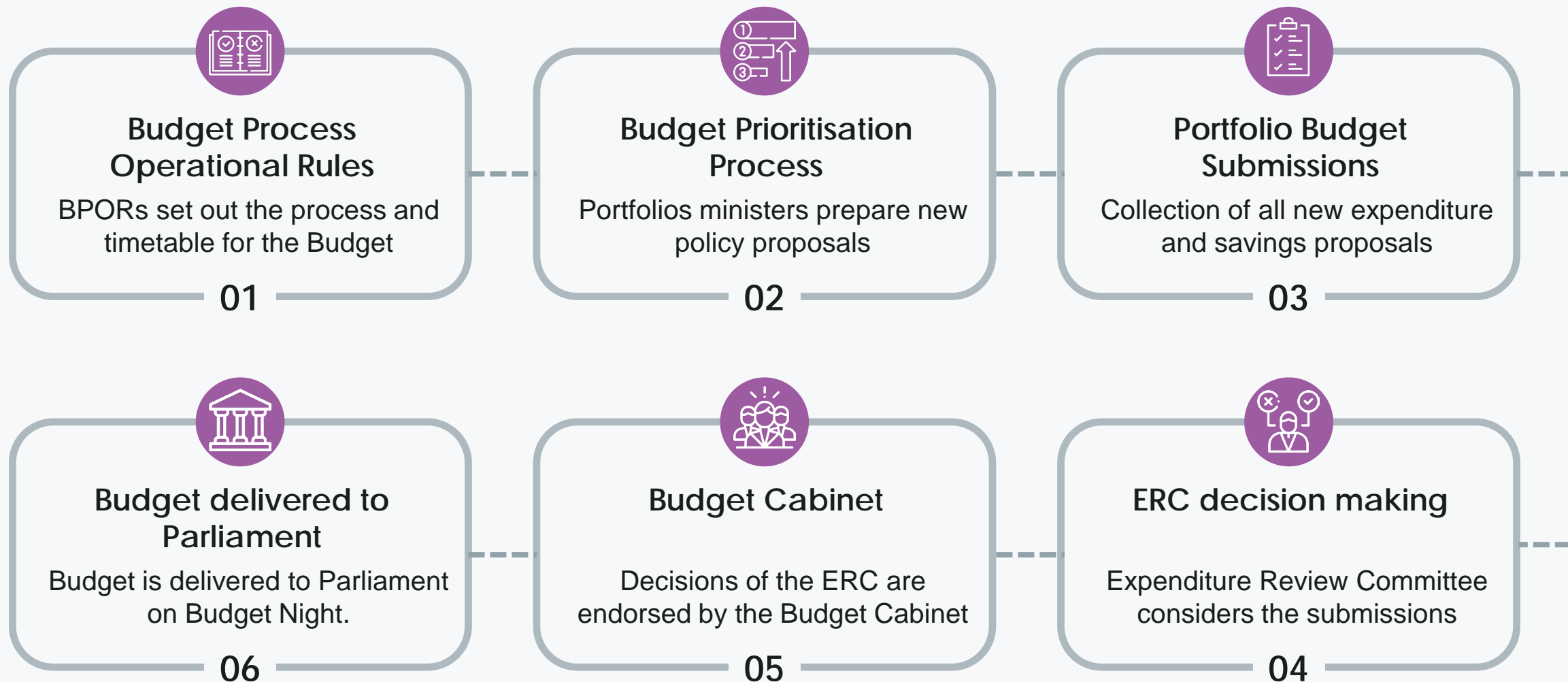
MYEFO provides updated information

By end of January or within 6 months of the release of budget

Annual CFS provided to the Auditor-General

As soon as practicable following the End of Financial Year

Planning and Prioritising



Examination of the Budget

Monitoring the Budget

01

Senate estimates
committees scrutinise
Appropriation Bills and
other budget documents

Before end of June

**Senate Estimates
Committees**

02

Provides updated financial
information on fiscal
position and compares
estimates to actuals.

By end of January

**Mid-Year Economic
and Fiscal Outlook**

Reporting and reviewing

03

Actual financial results
presented, analyses
reasons for budget
variances

By 30 September

**Final Budget
Outcome**

04

Audited by the ANAO, also
includes data for other
sectors of government

**As soon as practicable
after the EOFY**

**Consolidated
Financial Statements**



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What happens on Budget Night?



Budget Night

On Budget Night, Government's decisions about the Budget are announced.

Government provides documents including:



Annual appropriation bills to authorise spending of relevant money in upcoming financial year.



The **Budget papers**, which are presented to the Parliament and contain information on Government finances and related matters.





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Overview of the Budget Papers



Portfolio Add
Estimates Stateme

Agriculture, Water and t

Portfolio Add
Estimates Stateme

Infrastructure, Transport, Regional
Communications Port

Explanations of Additional Estimates 2021-22

Final Budget Outcome
2020–21

September 2021

Statement by
The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia
and
Senator the Hon Simon Birmingham
Minister for Finance of the Commonwealth of Australia
For the information of honourable members

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Explanations of Additional Estimates 2021-22



Budget
2021–22

Budget Strategy and Outlook
Budget Paper No. 1
2021–22

Circulated by
The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia
and
Senator the Hon Simon Birmingham
Minister for Finance of the Commonwealth of Australia

For the information of honourable members
on the occasion of the Budget 2021-22

11 May 2021

Year Economic and
Fiscal Outlook
2021–22

Statement by
The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia
and
Senator the Honourable Simon Birmingham
Minister for Finance of the Commonwealth of Australia
For the information of honourable members

Explanations of Additional Estimates 2021-22

ates

Additional Estimates
gements 2021–22

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of Additional Estimates 2021-22

Appropriation
and P

Budget Papers



01

Budget Paper No. 1

Budget Strategy and Outlook

02

Budget Paper No. 2

Budget Measures

03

Budget Paper No. 3

Federal Financial Relations

04

Budget Paper No. 4

Agency Resourcing

Budget Papers

Budget Paper No. 1 – Budget Strategy and Outlook

01

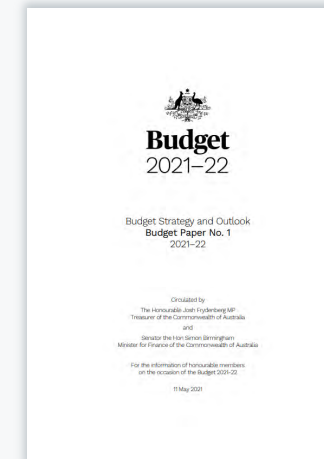
Provides an overview of the **economic and fiscal outlook**

02

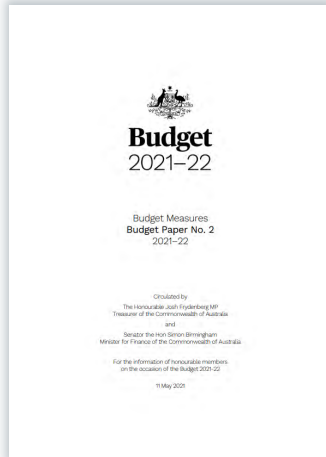
Summarises the Government's **fiscal strategy**

03

Outlines the Whole-of-Government key **Budget priorities**



Budget Papers



Part 1: Receipt Measures

Table 1: Receipt measures since the 2020-21 MYEFO*

	2020-21	2021-22	2022-23	2023-24	2024-25
AGRICULTURE, WATER AND THE ENVIRONMENT					
Department of Agriculture, Water and the Environment (DAWE)					
Agriculture (DAWE)	11.4	10.9	10.5	10.1	9.7
Environment (DAWE)	1.2	1.2	1.2	1.2	1.2
PROFITABLE TOTAL	12.6	12.1	11.7	11.3	10.9
FINANCIAL SERVICES					
Reserve Bank of Australia (RBA)	7.0	6.7	6.5	6.2	6.0
Prudential Supervision (RBA)	1.0	1.0	1.0	1.0	1.0
Financial Markets (RBA)	1.0	1.0	1.0	1.0	1.0
PROFITABLE TOTAL	9.0	8.7	8.5	8.2	8.0
PROFITABLE TOTAL	21.6	20.8	20.2	19.5	18.9

Part 2: Payment Measures

Table 2: Payment measures since the 2020-21 MYEFO*

	2020-21	2021-22	2022-23	2023-24	2024-25
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Part 3: Receipt Measures

Table 3: Receipt measures since the 2020-21 MYEFO*

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PROFITABLE TOTAL	12.6	12.1	11.7	11.3	10.9
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Budget Paper No. 2 – Budget Measures

01

Information on government decisions that involves **changes to revenue, expense and investing activities** since the MYEFO.

02

A **budget measure** is a particular policy decision or action the Government has decided to take, including amendment to existing policy.

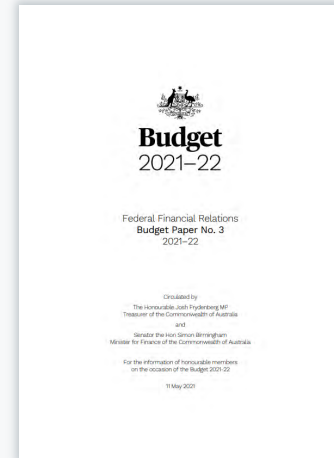
03

BP2 includes details of every measure undertaken since the MYEFO: **summary table, measure description and projected financials.**

Budget Papers

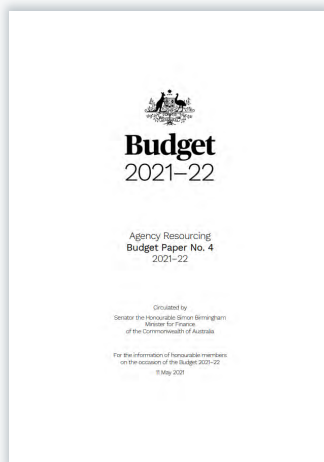
Budget Paper No. 3 – Federal Financial Relations

Contains information on revenue provision and payments (GST and specific purpose payments), overview of fiscal developments in the states and territories.



Budget Paper No. 4 – Agency resourcing

Shows for each entity, estimated expenses for each special appropriation Act, estimated balances and flows for all special accounts, estimated resourcing by type of appropriation, and estimated average staffing levels in the public sector.





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Portfolio Budget Statements (PBS)



The Portfolio Budget Statements (PBS) are prepared by each portfolio entity.

Purpose

To inform Senators, Members of Parliament and the public of the **proposed allocation of resources to government outcomes by agencies** within the relevant portfolio



Portfolio Budget Statements (PBS)

Portfolio Budget Statements

01

PBS is the portfolio's **primary budget document**

02

Each portfolio is required to publish a Portfolio Budget Statement

03

PBS identifies how **appropriated funds** are expected to be used

04

PBS assists in the **interpretation of Appropriation Bills** No. 1 and No. 2

PBS is tabled in Parliament on Budget Night

This image shows a table titled 'Table 2.3 Performance criteria for Outcome 1' from the Department of the Treasury. The table lists various performance criteria for Outcome 1, which is 'Supporting and strengthening government operations on a sustainable basis for the long term'. The criteria are organized into columns for 'Outcome 1', 'Performance criteria', '2021-22', '2022-23', '2023-24', '2024-25', and '2025-26'. The table includes details on the Treasury's commitment to supporting the Government's economic and financial strategy, and its commitment to achieving strong, sustainable economic growth and fiscal settings.This image shows a table titled 'Table 2.4 Budgeted departmental statement of cash flows for the period ended 30 June' from the Department of the Treasury. The table provides a detailed breakdown of the Treasury's cash flows for the period ended 30 June. It includes columns for '2021-22', '2022-23', '2023-24', '2024-25', and '2025-26'. The table includes details on the Treasury's cash flows, including operating activities, investing activities, and financing activities.

Content of the PBS

Strategic
Priorities

New policies

Function

Structure of the
department,
agencies,
programs

Outcomes
portfolio is
funded to
deliver

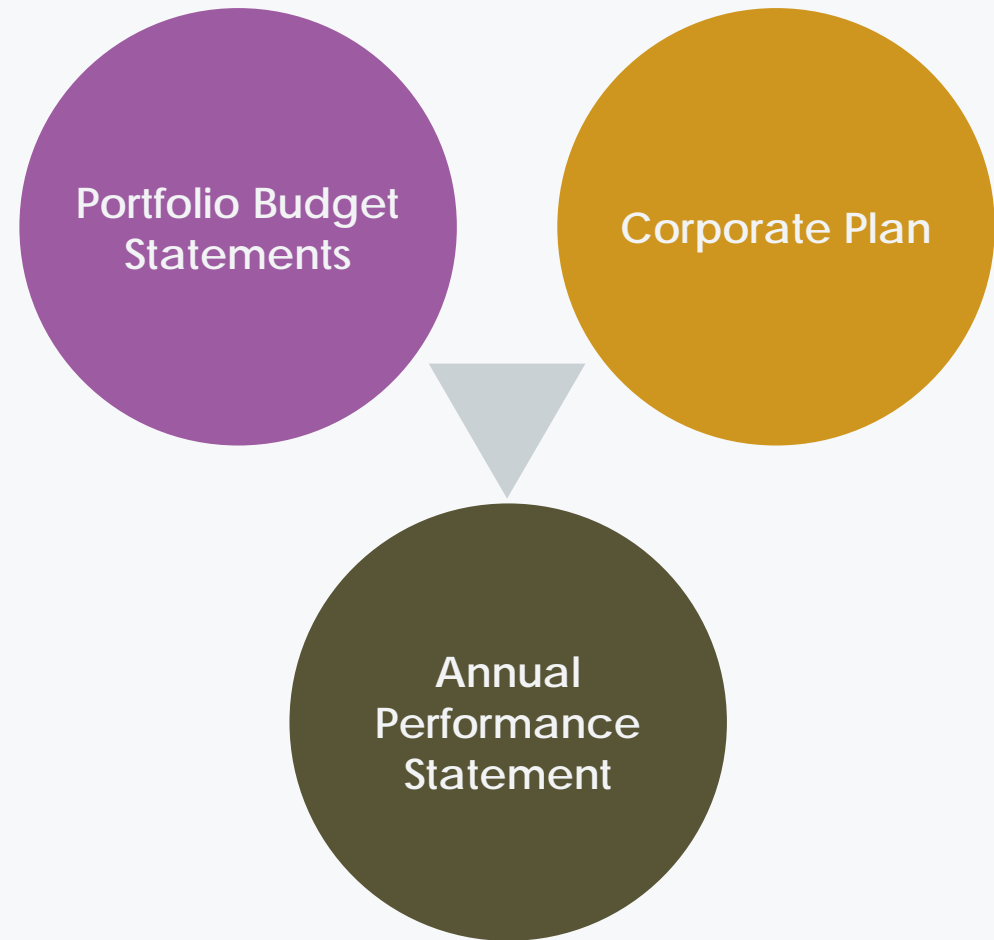
Deliverables
and key
performance
targets

Variations to
previously
announced
measures

Variations to
expense,
revenue and
staffing
expenses

Portfolio Budget Statements (PBS)

How does the PBS interact with the Commonwealth Performance Framework?





How to find out about a new policy?

Budget Paper No. 2 – Budget Measures



Budget October 2022–23



Budget documents

The Treasurer delivered the Federal Budget on Tuesday 25 October 2022

Budget papers

**Budget Paper No. 1:
Budget Strategy and
Outlook**

**Budget Paper No. 2:
Budget Measures**

**Budget Paper No. 3:
Federal Financial
Relations**

**Budget Paper No. 4:
Agency Resourcing**

**Women's Budget
Statement**

Budget Paper No. 2 – Budget Measures

01

Ctrl-f !

Support for the Aviation Sector

Payments (\$m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	23.1	63.9	40.0	-
Department of Home Affairs	-	7.1	3.2	-	-
Department of Agriculture, Fisheries and Forestry	-	1.3	1.2	-	-
Total – Payments	-	31.6	68.3	40.0	-

The Government will provide \$139.9 million over 3 years from 2022-23 to support the aviation sector. Funding includes:

- \$60.0 million over two years from 2023-24 to upgrade Hobart Airport runway and airfield facilities
- \$55.0 million over two years from 2022-23 to upgrade border services facilities at the Newcastle Airport international terminal
- \$17.9 million over two years from 2022-23 to undertake planning and design work for

Budget Paper No. 2 – Budget Measures

01

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02

Determine the portfolio(s)

Support for the Aviation Sector

Payments (\$m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	23.1	63.9	40.0	-
Department of Home Affairs	-	7.1	3.2	-	-
Department of Agriculture, Fisheries and Forestry	-	1.3	1.2	-	-
Total – Payments	-	31.6	68.3	40.0	-

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- \$17.9 million over two years from 2022-23 to undertake planning and design work for

Budget Paper No. 2 – Budget Measures

01

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02

Determine the portfolio(s)

03

Check the Portfolio Budget Statement

Table 2.2.2: Program components for Outcome 2 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Components for Program 2.3: Air Transport					
Administered expenses					
Airport Lessee Companies	178	1,000	1,000	1,000	1,000
Automatic Dependent Surveillance - Broadcast (ADS-B) Rebate Program	-	30,000	-	-	-
Aviation Services Accreditation Program	36,920	-	-	-	-
Domestic Aviation Network Support ^(c)	nfp	-	-	-	-
Domestic Airports Security Program	113,208	-	-	-	-
Emerging Aviation Technologies Programs	1,521	12,067	18,997	-	-
Enhanced Regional Security Screening	26,904	44,154	-	-	-
Gold Coast Airport Contribution	4,409	4,000	-	-	-
International Air Security Charges Rebate	26,209	-	-	-	-
International Aviation Support	239,374	-	-	-	-
International Civil Aviation Organization - contribution	2,313	2,999	3,239	3,418	3,418
Hobart Airport Runway	-	-	20,000	40,000	-
Newcastle Airport International Terminal Upgrade	-	15,000	40,000	-	-



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Questions?



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