

**PURPOSE AND STRUCTURE OF
PORTFOLIO BUDGET
STATEMENTS**

Purpose of the Portfolio Budget Statements

The purpose of the 2007-08 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes 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 PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2007-08 (or Appropriation Bill [Parliamentary Departments] No. 1 2007-08 for the parliamentary departments). In this sense the PB 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 PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

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 PB Statements.

Structure of the Portfolio Budget Statements

The Portfolio Budget Statements (PB Statements) are presented in three sections, aligned in several ways to the Budget Papers, as outlined below.

Part	Description
User Guide to the Portfolio Budget Statements	
	An introduction, explaining the purpose of the PB Statements, the structure of the document, and styles and conventions used.
Portfolio Overview	
	A brief overview of the portfolio. Portfolio outcomes are depicted in a chart outlining the structure of the outcomes to which the portfolio contributes. This includes a table for Australian Indigenous Expenditures for the portfolio.
Agency Budget Statements	
	For each agency within the portfolio, a budget statement is presented in five sections:
Section 1: Overview	A brief overview of the agency.
Section 2: Resources	A reconciliation of agency resourcing information from the <i>2006-07 Mid-Year Economic and Fiscal Outlook</i> to the 2007-08 Budget. Includes key changes to the agency's estimates and a table of appropriations and other revenue sources for both Administered and Departmental appropriations.
Section 3: Outcomes	A brief description of the agency's outcomes and, where applicable, Budget measures in summary form. Details the contribution of the agency's outputs to the outcome, performance information for the outcome(s), 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 agency's outputs and to Administered items.
Section 4: Other reporting requirements	Includes purchaser-provider and cost recovery components.
Section 5: Budgeted financial statements	The agency's budgeted financial statements in accrual format, covering the Budget year, the preceding year and three out-years.
Glossary	Explains key terms.

PORTFOLIO BUDGET STATEMENTS AND BUDGET PAPERS

Comprehensive information on all government decisions announced in the Budget is in Budget Paper No. 2, *Budget Measures 2007-08*. The PB Statements include Budget appropriations for this Budget in each agency's Table 2.2, 2007-08 Budget Measures.

The following chart shows the parts of PB Statements which relate to specific Budget papers.

Budget Paper	PB Statements
Budget Paper No. 1: Budget Strategy and Outlook	
Statement 1: Fiscal Strategy and Budget Priorities Overview of the fiscal and economic outlook	Portfolio structure (Agency) Overview (Agency) Resources for 2007-08
Statement 2: Fiscal Outlook Budget aggregates and variations to the fiscal balance estimates	(Agency) Resources for 2007-08
Statement 10: AAS Financial Statements Accrual financial statements for the general government sector	(Agency) Budgeted financial statements
Budget Paper No. 2: Budget Measures	
Budget revenue, expense and capital measures	(Agency) Resources for 2007-08
Budget Paper No. 3: Federal Financial Relations	
Information on the Australian Government's relations with States, Territories and local government, in particular, Specific Purpose Payments (SPPs)	(Agency) Resources for 2007-08 (Agency) Outcomes
Budget Paper No. 4: Agency Resourcing	
Resourcing for Australian Government agencies, including Appropriation Bills	(Agency) Resources for 2007-08

Departmental and Administered Distinction

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

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

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 governments). The appropriation framework is discussed further in the introduction to Budget Paper No. 4, *Agency Resourcing 2007-08*.

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 2007-08 Budget year and each of the forward years from 2008-09 to 2010-11. The statements also include the estimated actual for 2006-07 for comparative purposes.

The schedules included in the budgeted financial statements for 2007-08 are as follows.

Schedule	Purpose
Budgeted departmental income statement	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.
Budgeted departmental balance sheet	The financial position of the agency. It helps decision makers to track the management of assets and liabilities.
Budgeted departmental statement of cash flows	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.
Budgeted departmental statement of changes in equity — summary of movement	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.
Departmental capital budget statement	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.
Departmental property, plant, equipment and intangibles — summary of movement	Shows budgeted acquisitions and disposals of non financial assets during the Budget year.

Purpose and Structure of Portfolio Budget Statements

Schedule	Purpose
Schedule of budgeted income and expenses administered on behalf of government	Identifies the main revenues and expenses administered on behalf of government.
Schedule of budgeted assets and liabilities administered on behalf of government	Shows the assets and liabilities administered on behalf of government.
Schedule of budgeted administered cash flows	Shows cash flows administered on behalf of government.
Schedule of administered capital budget	Shows details of planned administered capital expenditure.
Schedule of administered property, plant, equipment and intangibles — summary of movement	Discloses details of movements in administered non financial assets.

PORTFOLIO OVERVIEW

INDUSTRY, TOURISM AND RESOURCES

PORTFOLIO OVERVIEW

PORTFOLIO RESPONSIBILITIES

The Industry, Tourism and Resources portfolio comprises:

- the Department of Industry, Tourism and Resources;
- IP Australia and Geoscience Australia (prescribed agencies under the *Financial Management and Accountability Act 1997* (FMA Act));
- the National Offshore Petroleum Safety Authority (a statutory agency established under the provisions of the *Petroleum (Submerged Lands) Act 1967* and, for the purposes of its governance arrangements, a prescribed agency under the FMA Act); and
- Tourism Australia (a statutory agency established under the *Tourism Australia Act 2004* and subject to the provisions of the *Commonwealth Authorities and Companies Act 1997* (CAC Act)).

The Department of Industry, Tourism and Resources (DITR) is the central policy and coordination agency of the portfolio. DITR develops and implements a range of industry policies and programs and delivers business services that are designed to increase the international competitiveness of Australian manufacturing, resources and services industries, develop Australia's innovation and technology capabilities, and facilitate an increased level of foreign investment in Australia.

IP Australia and Geoscience Australia fall within the Department's organisational structure as prescribed agencies under the FMA Act, but both operate independently of the Department on financial matters and with some degree of autonomy on other matters.

IP Australia is the Australian Government agency responsible for granting patent, trade mark, industrial design and plant breeder's rights. IP Australia also manages programs to educate and promote awareness of the benefit of effective protection and use of intellectual property (IP), provides policy advice to government, develops legislation to support Australia's IP system, and contributes to bilateral and multilateral negotiations to improve IP protection internationally. Australia's IP system is well regarded both nationally and internationally and is vital in promoting innovation, investment and international competitiveness.

Portfolio Overview

Geoscience Australia is Australia's national geoscience and geospatial agency. Geoscience Australia assists the Australian Government and the community to make informed decisions about the discovery and development of mineral and energy resources, management of the environment, community safety and protection of critical infrastructure. Geoscience Australia also encompasses the Office of Spatial Data Management which is responsible for coordinating the implementation of the Australian Government's policy on spatial data access and pricing.

The National Offshore Petroleum Safety Authority (NOPSA) is responsible for delivering health and safety regulation for the Australian offshore petroleum industry and promoting the occupational health and safety of persons engaged in offshore petroleum operations in Australian Government, state and territory coastal waters. NOPSA operates pursuant to the *Petroleum (Submerged Lands) Act 1967*. Key objectives for NOPSA include improving safety outcomes across the Australian offshore petroleum industry, ensuring that health and safety regulation of the industry is provided to standards that are equal to the best in the world, and reducing the regulatory burden on this industry, which operates across multiple jurisdictions, by delivering a nationally consistent and comprehensive health and safety regime.

Tourism Australia is the Australian Government agency responsible for international and domestic tourism marketing, as well as the delivery of research and forecasts for the tourism sector. The main objectives of Tourism Australia under the *Tourism Australia Act 2004* are to influence people to travel to Australia, including for events, influence people travelling to Australia to also travel throughout Australia, influence Australians to travel throughout Australia, including for events, help foster a sustainable tourism industry in Australia, and help increase the economic benefits to Australia from tourism.

More comprehensive information on activities undertaken within the Industry, Tourism and Resources portfolio is available on the web sites of the Department and portfolio agencies, as noted below.

- Dept of Industry, Tourism and Resources <http://www.industry.gov.au>
- IP Australia <http://www.ipaustralia.gov.au>
- Geoscience Australia <http://www.ga.gov.au>
- National Offshore Petroleum Safety Authority <http://www.nopsa.gov.au>
- Tourism Australia <http://www.tourism.australia.com>

APPROPRIATIONS AND VARIATIONS AT THE PORTFOLIO LEVEL

Portfolio Structure

There have been no changes to the structure and functions of the Industry, Tourism and Resources portfolio since the publication of the 2006-07 Portfolio Budget Statements (in May 2006).

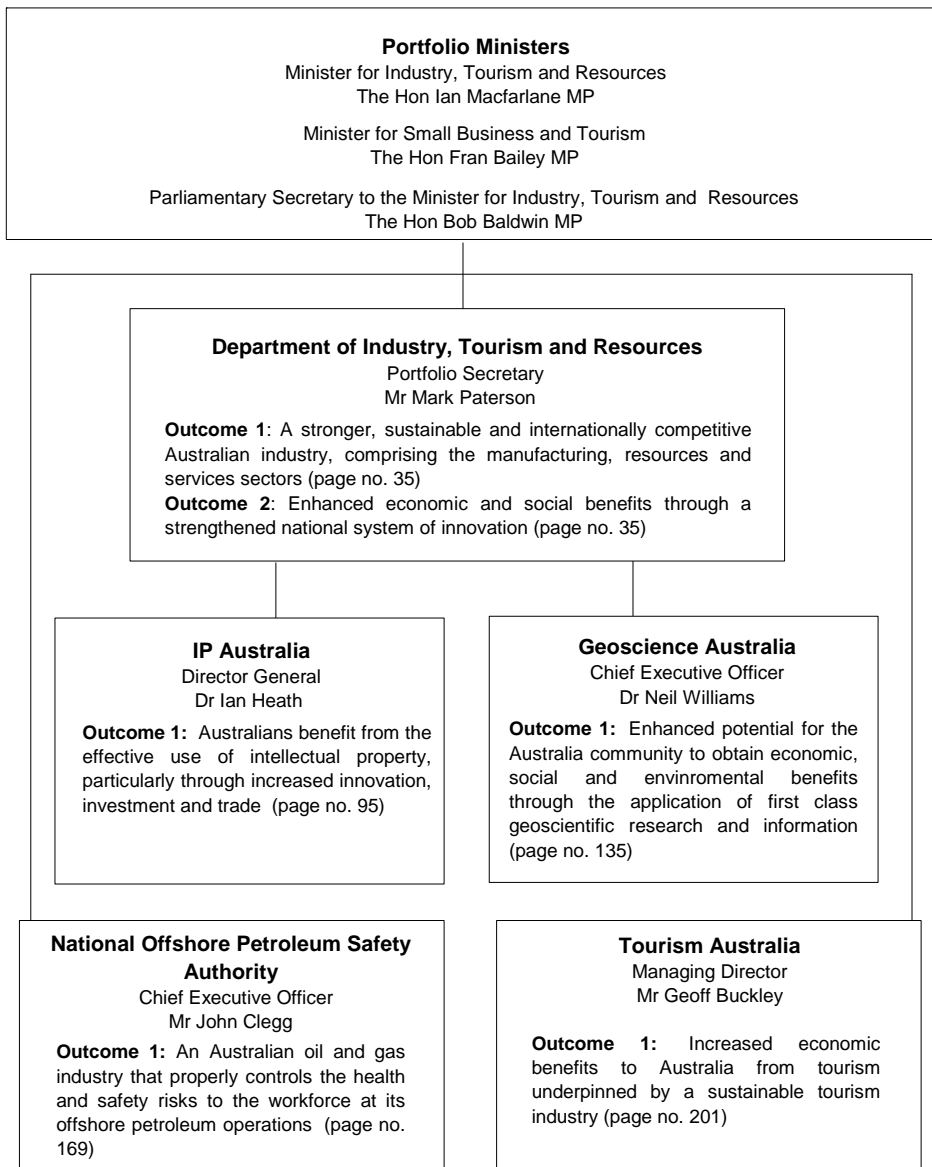
Portfolio Funding

Funds appropriated to agencies within the Industry, Tourism and Resources portfolio in 2007-08 total around \$2,169.2 million, comprising both departmental and administered appropriations.

PORTFOLIO STRUCTURE AND OUTCOMES

Figure 1 shows the Industry, Tourism and Resources portfolio structure and outcomes.

Figure 1: Portfolio structure and outcomes



AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE - INDUSTRY, TOURISM AND RESOURCES PORTFOLIO

Table 1 provides details of Australian Government Indigenous Expenditure (AGIE) for the Industry, Tourism and Resources portfolio in 2007-08.

Table 1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)	Cross Reference (G)
	Bill	Bill	Special	Total			
	No. 1	No. 2	Approp	Approp			
	\$'000	\$'000	\$'000	\$'000			
	(A)	(B)	(C)	(D)			
Department of Industry, Tourism and Resources							
Outcome 1							
<i>Business Ready Program for Indigenous Tourism</i>							
							Note (1)
Administered 2007-08	947	-	-	947	-	947	
Administered 2006-07	1,145	-	-	1,145	-	1,145	
Departmental 2007-08	191	-	-	191	-	191	
Departmental 2006-07	155	-	-	155	-	155	
<i>Indigenous Communities / Mining Industry Working in Partnership Program</i>							
							Note (2)
Administered 2007-08	-	-	-	-	-	-	
Administered 2006-07	-	-	-	-	-	-	
Departmental 2007-08	470	-	-	470	-	470	
Departmental 2006-07	500	-	-	500	-	500	
<i>Indigenous graduate recruitment, traineeships and cadetships</i>							
							Note (3)
Administered 2007-08	-	-	-	-	-	-	
Administered 2006-07	-	-	-	-	-	-	
Departmental 2007-08	52	-	-	52	-	52	
Departmental 2006-07	36	-	-	36	-	36	
Total Outcome 2007-08	1,660	-	-	1,660	-	1,660	
Total Outcome 2006-07	1,836	-	-	1,836	-	1,836	

Portfolio Overview

Table 1: Australian Government Indigenous Expenditure (continued)

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)	Cross Reference (G)
	Bill	Bill	Special	Total			
	No. 1	No. 2	Approp	Approp			
	\$'000	\$'000	\$'000	\$'000			
	(A)	(B)	(C)	(D)			
Tourism Australia							
Outcome 1							
Tourism Niche Market							
Development (Indigenous							
Program Delivery)							
							Note (4)
Administered 2007-08	-	-	-	-	-	-	
Administered 2006-07	-	-	-	-	-	-	
Departmental 2007-08	350	-	-	350	-	350	
Departmental 2006-07	350	-	-	350	-	350	
Total Outcome 2007-08	350	-	-	350	-	350	
Total Outcome 2006-07	350	-	-	350	-	350	
TOTAL - Industry, Tourism and							
Resources Portfolio							
Total Administered 2007-08	947	-	-	947	-	947	
Total Administered 2006-07	1,145	-	-	1,145	-	1,145	
Total Departmental 2007-08	1,063	-	-	1,063	-	1,063	
Total Departmental 2006-07	1,041	-	-	1,041	-	1,041	
Total AGIE 2007-08	2,010	-	-	2,010	-	2,010	
Total AGIE 2006-07	2,186	-	-	2,186	-	2,186	

Notes

1. The Business Ready Program for Indigenous Tourism is a \$3.83 million program announced as part of the Tourism White Paper. The program will run over four years to 30 June 2008 to assist individuals, start-up and existing Indigenous tourism businesses to increase their potential for commercialising tourism product or services. The program remunerates selected mentors to provide tailored intensive support to a portfolio of approximately 10 businesses each for up to two years, with emphasis on development of management and business skills necessary to run a financially viable business enterprise in the tourism industry. Successful firms that are 'business ready' are mentored into capital markets, joint ventures or strategic alliances with the mainstream tourism industry as appropriate.

2. The Indigenous Communities/Mining Industry Working in Partnership Program is designed to promote long term partnerships and foster mutually beneficial relationships between Indigenous communities and the mining industry. Features of the program include: regional workshops designed to bring stakeholders together to promote discussion of ways of developing better relationships and outcomes; a web site and information kit highlighting examples of effective partnerships between the mining industry and Indigenous communities; information on relevant government and industry programs; and support for targeted local initiatives such as regional committees that seek to progress Indigenous employment, training and business development opportunities.
3. The Department of Industry, Tourism and Resources participates in a number of programs which are designed to provide opportunities for Indigenous Australians, including:
 - the DEWR sponsored National Indigenous Cadetship Project (NICP). The NICP provides the opportunity for Indigenous Australians to be sponsored by an employer during completion of tertiary studies and provides valuable work experience in preparation for employment in the private or public sector;
 - the DEWR sponsored Indigenous Australian Contract Management Traineeship Program (IACMTP). The IACMTP provides participants both a formal qualification of a Diploma of Government (Contract Management) and onsite work development. The program duration for participants is twelve months and provides a sustainable career path in contract management for Indigenous recruits; and
 - the Australian Public Service Commission's (APSC) Indigenous Graduate Recruitment initiative. The Department utilises the APSC selection reports to make offers to Indigenous Australians to participate on its Graduate Program.
4. Indigenous expenditure for Tourism Australia in 2007-08 includes funding and secretariat support for Indigenous Tourism Australia, which was officially established (as part of Tourism Australia) on 1 August 2005. Indigenous Tourism Australia facilitates consultation with the emerging tourism sector on existing and potential policies and programs, and encourages Indigenous tourism ventures. It has broad responsibilities including influencing capacity building, skills training and business mentoring, improving ongoing profitability and sustainability of Indigenous tourism product and developing a more compelling market message for Indigenous tourism product. Other Indigenous expenditure for Tourism Australia includes sponsorship of the annual Australian Aboriginal Tourism Conference, and marketing and promotional activities such as the development of a national Indigenous tourism product manual and showcasing Indigenous tourism experiences at trade events.

