

Estimates, Supplementary Estimates and their Supporting Information

Technical Guide for Departments

December 2010



THE TREASURY
Kaitohutohu Kaupapa Rawa

New Zealand Government



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Persistent URL: <http://purl.oclc.org/nzt/g-etg>.

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What's new?

This document replaces the previous guidance *Estimates, Supplementary Estimates and their Supporting Information - Technical Guide for Departments* released in December 2009.

Specific changes for Budget 2011 include:

- Having the *Information Supporting the Supplementary Estimates* for each vote follow directly after the *Supplementary Estimates* in the book presented to Parliament. This change happens at the production stage once documents are signed off by Ministers (Overview).
- That the reason for change in Supplementary Estimates should be clear and state whether the change is technical in nature, owing to a change in timing, or policy related. (See section E.7.1).
- An explicit expectation that if there are no changes for an appropriation in the Supplementary Estimates, that there should not be any information included on that appropriation in the Information Supporting the Supplementary Estimates. (See section E.1).
- Table 1.4 on appropriations restructuring should be accompanied by explanatory text where the table alone is insufficient to explain the nature and impact of the changes (See section D.5).
- The standard reference sentence that appears at the bottom of the section referring the reader to Parts 2-6 to cover changes within individual appropriations has changed to: Explanations of the reasons for changing individual appropriations are noted in the details of each appropriation in Parts 2-6 (see section D.5).
- Refinement where agencies had queries about particular text including text on: basis for breakdown of appropriations (section E.5.1), when to include tables in the Information Supporting the Supplementary Estimates (section E.5.2), the date for assumptions (section H.5), use of Ministerial codes (sections E.2 and F.4) and reasons for change for MCOAs (section E.7.3).
- Changing the section naming in the guidance to alphanumeric so it is different from the section number in the Information Supporting the Estimates and Information Supporting the Supplementary Estimates.
- New text on the authorisation statement covering who authorises the financial statements and on what date (Section H.6.2).
- The checklist has been removed from this guidance. Two separate checklists for the Information Supporting the Estimates and Information Supporting the Supplementary Estimates are available on the Treasury website. The change is to clarify the reduced requirements for the Information Supporting the Supplementary Estimate, as a significant amount of unnecessary material was included in the Information Supporting the Supplementary Estimates in Budget 2010.
- Departments are no longer required to refer to Performance Improvement Actions in the Information Supporting the Estimates.

The significant changes made in Budget 2010 included:

- The expectation that non-departmental appropriations over \$50 million are to be broken down in the expense tables into the significant components.
- New headings in table 1.4 - Reconciliation of Changes in Appropriation Structure.
- The addition of standard sentences under the relevant intended impacts, outcomes or objectives tables referring to Statements of Intent for more information on appropriation to outcome linkages for departmental outputs and Crown entity appropriations (non-departmental output expenses and other expenses as required).
- Clarifying that aspects of output delivery (eg, quality standards) should be included as text or a freeform table under the performance measures and standards table, not in Conditions on Use of Appropriations section.
- Reinforcing that no expense / capital expenditure table should be included for appropriations in the Information Supporting the Supplementary Estimates unless it is a new appropriation during the year or a departmental output with more than one source of revenue.
- Reinforcing that no appropriation information is required in the Information Supporting the Estimates for appropriations without amounts in the Budget year.
- Making explicit the expectation on the inclusion of estimated actual information for new measures and restructured appropriations.

Significant changes made in Budget 2009 included:

- Votes are included in the Sector volumes in alphabetical order.
- Requirement to include a “reasons for change” section for all Supplementary Estimates changes.
- That graphs in the trends section should be included on an exceptions basis - when they add value.
- For departments that monitor a large number of Crown entities or State-Owned Enterprises, or collect significant Crown Revenue, Select Committees have indicated that they would like to see information on net worth of agencies or Crown Revenue.
- Current and Past Policy Initiatives needs to list current government initiatives before the previous government’s initiatives, even if this is inconsistent with the latest year being presented first.

Intended audience for this guidance

This guidance should be read by those involved in the preparation of the *Estimates*, *Information Supporting the Estimates*, *Supplementary Estimates* and *Information Supporting the Supplementary Estimates*. Chief Executives and the senior leadership teams should read the Overview section of the Guidance (pages 5-7). The person or persons responsible for preparing the *Estimates* and supporting material for discussion by the departments' senior leadership team and with the Minister should read the entire document to know the purpose and content requirements. Policy staff working on new policy that leads to new appropriations should read the relevant appropriation sections of this guidance and *A Guide to Appropriations*.

About this guidance

This guidance document sets out the purpose and content requirements for the following documents:

- Estimates of Appropriations (Estimates)
- Information Supporting the Estimates
- Supplementary Estimates of Appropriation (Supplementary Estimates), and
- Information Supporting the Supplementary Estimate.

There are accompanying checklists for the *Information Supporting the Estimates of Appropriations* and the *Information Supporting the Supplementary Estimates*.

The requirements and guidance outlined in this document apply until this document is updated or replaced. This document is scheduled for review in September 2013 unless there are significant changes to requirements before then.

This document has been written by the State Sector Management and Fiscal Management teams in the Treasury, in consultation with the Office of the Auditor-General. Thank you to all those in departments who have provided comments on areas needing clarification in the previous version.

Outline versions of each of the documents are available and will be updated annually.

Persistent URLs

This guidance document has frequent links to other guidance on the Treasury's website using persistent URLs (redirects maintained by the Online Computer Library Center (OCLC) for bibliographic purposes) to ensure that users of this guidance document will be redirected to the current location of guidance documents if the location changes on the Treasury website.

The Treasury website's Guidance section was restructured in December 2009 along the lines of the Accountability and Performance Management Cycle.

Questions and feedback

You should use this document as your first point of call for issues relating to the content of the *Estimates*, *Supplementary Estimates* and information supporting these documents.

Answers to frequently asked questions (FAQs) can be found on the Public Sector Intranet: <https://psi.govt.nz/iai>. General enquiries about the information contained in this guidance, not addressed in this guidance or the associated FAQs, can be directed to performanceinfo@treasury.govt.nz.

Any agency-specific questions should be addressed to your Treasury Vote team.

Any comments as to how we could improve this guidance can be directed to guidance@treasury.govt.nz.

Further information

This document is part of a suite of guidance. Other documents that should be considered when preparing your budget material are:

- *Budget 2011 Process and Technical Guide for Departments*:
<http://purl.oclc.org/nzt/g-bpt>
- Checklist for the Information Supporting the Estimates:
<http://purl.oclc.org/nzt/g-etg>
- Checklist for the Information Supporting the Supplementary Estimates:
<http://purl.oclc.org/nzt/g-etg>
- *Statement of Intent - Guide to the Content and Production*:
<http://purl.oclc.org/nzt/g-soi>, and
- The introductions in the previous year's *Information Supporting the Estimates* and *Information Supporting the Supplementary Estimates*, which outline the content and purpose of the document and parts of the documents. Refer, for example, to Volume 1 of the *Information Supporting the Estimates 2010/11*:
<http://purl.oclc.org/nzt/b-1279>.

Another document that should be considered when deciding the scope and type of appropriation is:

- *A Guide to Appropriations* - November 2008:
[http://purl/oclo.org/nzt/g-ga](http://purl.oclo.org/nzt/g-ga).

Other useful information can be found at:

- *Performance Measurement - Advice and Examples on How to Develop Effective Frameworks* <http://www.ssc.govt.nz/performance-measurement>, and
- *Statement of Intent: Examples of Reporting Practice*, which contains information on current better practice reporting <http://www.oag.govt.nz/2009/statements-of-intent>.

Overview

The *Estimates, Supplementary Estimates, Information Supporting the Estimates* and *Information Supporting the Supplementary Estimates* form the basis of the appropriation information provided to Parliament. They are a record of Ministers' intentions and how they plan to use the appropriations. The *Estimates, Supplementary Estimates, Information Supporting the Estimates* and *Information Supporting the Supplementary Estimates* documents fulfil the legislative requirements for reporting as set out in the Public Finance Act 1989 (PFA). The Minister is responsible for the quality of the material presented on their Votes and appropriations. Treasury will not be undertaking a detailed checking role of these documents.

Departments need to be working closely with Ministers and discussing early their Ministers' requirements on priorities, the allocation of the Vote, the nature of the outputs to be delivered and the outcomes to be achieved. These conversations do not have to be based on drafts of the documents themselves.

Collectively, the material presented in the *Estimates, Supplementary Estimates, Information Supporting the Estimates* and *Information Supporting the Supplementary Estimates* along with the Statement of Intent should tell the performance story of a department.

Purpose of Estimates

The *Estimates of Appropriations* (the *Estimates*) provide members of Parliament with details of the terms of all proposed appropriations and departmental net asset balances that enable Parliament to exercise an appropriate level of control over the government's operating and investing activities.

Purpose of Information Supporting the Estimates including forecast financial statements

The *Information Supporting the Estimates* provides Members of Parliament with information on what is to be achieved with each appropriation and what outcomes they will contribute to, to:

- support their examination of the appropriations and other authorities requested by the government in the first Appropriation Bill for the forthcoming financial year, and
- provide a base against which they can later assess the actual performance of each individual department and Office of Parliament over that financial year.

These documents fulfil the requirements set out in the PFA for 'Other supporting information for the first Appropriation Bill'.

Purpose of Supplementary Estimates and Supporting Information

The *Supplementary Estimates of Appropriations* (the *Supplementary Estimates*) provide members of Parliament with details of the terms of all proposed new appropriations and changes to appropriations and departmental net asset balances since the *Estimates* were approved by Parliament. This has the same purpose as the information provided in the *Estimates*.

The *Information Supporting the Supplementary Estimates* provides members of Parliament with additional performance information focusing on changes. This information has the same purpose in respect of the second Appropriation Bill as the *Information Supporting the Estimates* has for the second Appropriation Bill.

This one document is organised alphabetically by Vote; with the *Supplementary Estimates* material followed directly by the *Information Supporting the Estimates* within each Vote.

What is the role of the Minister?

The Minister's role is to decide the composition and allocation of the Vote. This will be within the requirements set out in legislation and with reference to their Cabinet colleagues if policy changes are required. As the documents should reflect Ministerial decisions on price, quantity and standards for outputs and expected results for other appropriations, there will need to be discussions with the relevant department on these matters. The Vote Minister signs off on the *Estimates*, and *Supplementary Estimates* and *Information Supporting the Estimates*, even though their signature does not appear in the documents. The Vote Minister is responsible for the content on the information in the documents for their appropriations. The Responsible Minister signs off on the Statement of Intent and *Information Supporting the Estimates* to confirm that the documents are consistent with the policies and expectations of the government. The Responsible Minister's signature does appear in the Statement of Intent and the *Information Supporting the Estimates*.

What is the role of the Chief Executive?

The Chief Executive signs the Chief Executive Statement of Responsibility in the *Information Supporting the Estimates* to reflect they are responsible for the information in the statement of forecast service performance, forecast financial statements and Statement of Intent. The Chief Executive's sign off is also to confirm that the information has been prepared in accordance with the PFA and is ready for publishing.

What is the role of the departmental Chief Financial Officer and planning area?

The departmental Chief Financial Officer's role is to counter-sign the Chief Executive's Statement of Responsibility. This is to ensure that there are at least two people in the department who are ensuring that the documents meet the requirements of the PFA. The Chief Financial Officer (or similar person) is also the one who would be responsible internally for any financial information prepared for the Minister.

The planning staff within an agency are responsible for ensuring the consistency between external and internal planning documents and performance requirements.

What is the role of Treasury?

Treasury Vote teams will be checking only the financial figures to ensure they are consistent with other Budget documentation. They are available to discuss other aspects of the documents on a case by case basis. The Treasury Vote teams are able to access others within Treasury who have expertise in performance measures and reporting. The priority for assistance will go to those departments of highest importance to the government and those with significant appropriations.

Process requirements

When the *Estimates, Supplementary Estimates, Information Supporting the Estimates* and *Information Supporting the Supplementary Estimates* documentation needs to be completed will vary from year to year. This information is contained in the Budget guidance and timetable. The timetable for this aspect of the Budget process is released after the Budget day is announced.

A Estimates and Supplementary Estimates

A.1 Overview of the contents of the documents - Estimates and Supplementary Estimates

The *Estimates* provide members of Parliament with details of the terms of all proposed appropriations and departmental net asset balances enabling Parliament to exercise an appropriate level of control over the government's operating and investing activities. The *Supplementary Estimates* provides information on new appropriations or changes to appropriations and departmental net asset balances since the *Estimates* were finalised by Parliament.

At the front of both the *Estimates* and the *Supplementary Estimates* there are Summary Tables. The Summary Tables provide a high-level perspective and comparative "ready reference" for all appropriations (annual, permanent and multi-year). They include:

- Summary of trends
- Tables for each appropriation type
- Department-to-department appropriations for each Vote (if applicable)
- Revenue-dependent appropriations for each Vote
- Multi-year appropriations (MYA) by Vote, appropriation type and period
- Types of Crown revenue and Crown capital receipts associated with each Vote, and
- Net assets of each department - showing the relevant closing balance(s).

For inclusion in the Summary Tables, MYAs are converted into actual or forecast amounts for each financial year. These tables are produced centrally using the information in CFISnet.

The *Estimates* for each Vote consists of:

- Overview
- Appropriations details
- Amounts, and
- Explanation for movements in Net Assets.

The *Supplementary Estimates* for each Vote contains the changes in appropriations since the *Estimates* were finalised and consist of:

- Appropriations details
- Amounts, and
- Explanation for movements in Net Assets.

The difference between the *Estimates* and the *Supplementary Estimates* is that there is no Overview for *Supplementary Estimates*, unless it is a new Vote within the year.

There are outline versions of the Vote sections of each of the *Estimates* and *Supplementary Estimates* documents. The outline documents will be revised annually to update the years in the tables. They are available at: <https://psi.govt.nz/iai>.

For an example of the overview see section D.2 below.

A.2 Data input

Most of the content of the *Estimates* and *Supplementary Estimates* documents is entered into different parts of CFISnet¹ by each Vote's administering department. The final *Estimates* and *Supplementary Estimates* document for each Vote is then generated from the information entered into CFISNet.

What to change	How
Vote Header page	Minister(s) Responsible for Appropriations: Coredata - Based on what the Administering Department(s) enter as the Minister responsible for each appropriation within that Vote. Administering Departments: Based on the CFISnet unit number and Vote association. Minister Responsible for <Administering Department>: Based on information supplied on the Department of Prime Minister and Cabinet's website.
Vote Overview (Estimates and new Votes only in Supplementary Estimates)	In CFISnet make changes via Baselines, Estimates Production, Part Entry - Performance information selecting Part 1.1 Overview of the Vote.
Appropriation details (Title, Scope, and Ministerial Portfolio)	Request a Coredata change in CFISnet Also see <i>A guide to Appropriations</i> .
Amounts in any Appropriation table or amounts in the Net Asset table	Submit updated numbers to CFISnet via a DataLoad.
Explanation for movements in Net Assets	Input text via the CFISnet Estimates Production menu: Part Entry - Core - Net Assets.

¹ CFISnet is the Crown Financial Information System.

A.3 Vote header page requirements

Estimates Statutory requirement - Section 14(1)(a)(i) to (iii) and (b) of the PFA:

For each appropriation sought in the first Appropriation Bill for a financial year, disclosure is required of the Vote to which the appropriation relates, the Minister responsible for the appropriation, the department administering the Vote containing the appropriation, and the Responsible Minister for the department.

Supplementary Estimates Statutory requirement - Section 17(1)(a) and (b) of the PFA:

The Supplementary Estimates must, -

- (a) if information about an appropriation or department was provided in the Estimates or previous Supplementary Estimates for the same financial year, state any changes to the information about that appropriations or department that -
 - (i) is required under section 14; and (ii) is contained in those Estimates; or
- (b) if information about an appropriation or department was not provided in the Estimates or previous Supplementary Estimates for the same financial year, state the information about that appropriation or department that is required under section 14.

Mandatory: Where two or more Ministers are responsible for different appropriations in a Vote, all of those Ministers must be referenced together with their portfolio code.

The instructions on how to do this are included in the table in section A.2 above.

Example: Header page box contents

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Arts, Culture and Heritage (M4), Minister of Broadcasting (M8)

ADMINISTERING DEPARTMENT: Ministry for Culture and Heritage

MINISTER RESPONSIBLE FOR MINISTRY OF CULTURE AND HERITAGE: Minister for Arts, Culture and Heritage

A.4 Title, Scope and Amount

The requirements for Title, Scope and Amount are detailed in *A Guide to Appropriations* released in November 2008 and available on Treasury's website at <http://purl.oclc.org/nzt/g-ga>.

The instructions on how to do this are included in the table in section A.2 above.

For a summary of the key points on title, scope and amount see sections E.3, E.4 and E.5, respectively, below.

A.5 Overview requirements

This section is required for all Votes in the *Estimates* and for any new Votes added within the year **only** in the *Supplementary Estimates*. This material is entered as part of the *Information Supporting the Estimates* or *Supplementary Estimates*. For guidance on this, see section D.2 below.

B Information Supporting the Estimates and Supplementary Estimates

B.1 Overview of the contents of the documents - Information Supporting the Estimates and Supplementary Estimates

The information in these documents covers the intentions of the government, what the appropriations will be used for and what results are expected. The content of the documents fulfil many of the requirements outlined in the PFA.

There are five components to each of the sector volumes of the *Information Supporting the Estimates*. These five components are:

- Sector Overview Information
- Performance Information Relating to Appropriations in Each Vote
- Statements of Forecast Service Performance
- Forecast Financial Statements of Departments, and
- Statements of Intent.

The performance information relating to appropriations in each Vote contains:

- Part 1 - Summary of the Vote providing the overall context on a Vote basis includes:
 - Overview of the Vote - A brief explanation of the Vote to provide overall context (Part 1.1)
 - High-Level Objectives of the Vote - The Objectives for the Vote. This provides the purpose for the appropriations and linkage to the Statement of Intent (Part 1.2)
 - Trends in the Vote - A presentation of the actual and estimated trends in the Vote comprising summary of financial activity, new policy initiatives and savings, and analysis of significant trends to assist in telling the performance story of the Vote (Part 1.3), and
 - if required, a Reconciliation of Changes in Appropriation Structure (Part 1.4).
- Parts 2- 6 Details and Expected Performance/Results for Expenses covering both departmental and non-departmental appropriations by type of appropriation - output, benefits and other unrequited, borrowing expenses, other expenses and capital expenditure. The material included covers the required details about that appropriation: why (impact, outcome and objective linkages); what will be provided/received; how much will it cost and what has changed over time.

The Introduction to each volume of the *Information Supporting the Estimates* contains a good overview of the content of each of these components for someone new to the documents. See the Treasury website for the most recent set of Budget documents.

The 'Performance Information Relating to Appropriations in Each Vote' of the *Information Supporting the Estimates* fulfils the requirement of Section 15 of the PFA - 'Other supporting information for the first Appropriation Bill' and Section 41(1)(e) of the PFA. The information requirements in section 15 also apply to new appropriations in the *Supplementary Estimates* (Section 17(2)).

B.2 Approach to rest of guidance for Supporting Information

The rest of this document is organised by following the structure of the *Information Supporting the Estimates* as follows:

- Section C - Sector Overview
- Section D - Summary of the Vote
- Section E - Parts 2-6 Generic elements
- Section F - Parts 2-6 Variations and specific requirements
- Section G - Statements of Service Performance
- Section H - Forecast Financial Statements, and
- Annex 1 - Glossary and Acronyms.

The guidance includes a reference to the purpose of each section so that the general intent is clearer. Ministers rely on their departments to ensure that the final documents meet the legislative requirements. Treasury Vote Analysts will be available to answer or obtain answers to questions and clarify points about the requirements.

The Parts 2-6 generic elements in Section E of this guidance will cover the following aspects, which are consistent across most appropriations:

- Intended impacts, outcomes or objectives
- Title
- Scope
- Amount including extended table
- Reasons for change
- Performance information
- Conditions on use of appropriations, and
- Current and past policy initiatives.

Parts 2-6 Variations and specific requirements in Section F of this guidance covers:

- Multi-class output expense appropriations
- Memorandum accounts
- Summary of service providers for non-departmental outputs, and
- Reporting mechanisms.

B.3 Associated documents

There are outline versions of each of the following documents for those who do not have CFISnet access:

- Estimates
- Supplementary Estimates
- Information Supporting the Estimates
- Information Supporting the Supplementary Estimates, and
- Forecast Financial Statements.

The outline documents will be revised annually to update the years in the tables and for the Forecast Financial Statements to take into account any impacts of changes to accounting standards on the tables. They will be available at: <https://psi.govt.nz/iai>.

B.4 CFISnet tables

To ensure the source of the data is clear, each table in the associated outlines is annotated with one of the following labels:

- **CFISnet-generated table** – means CFISnet will produce the entire table including all relevant rows (text and amounts). Departments will not be able to make any editing changes to these tables. In the Word output, these tables will have a watermark “Auto-populated Data” behind them. This watermark will not appear in the published documents. Refer to part 1.2 for more detail about how CFISnet compiles this information for the Estimates and Supplementary Estimates
- **CFISnet template table** – means CFISnet will provide a basic structure for departments to use (columns and column headings) and departments will enter data, add rows and apply styles. Departments are required to follow the presentation of these tables as provided in this Technical Guide, and
- **Free-form table** – means the table is constructed from scratch by the editing department within CFISnet. This Technical Guide provides the recommended structure for the respective table, which departments are encouraged to use in each case as part of the desire for greater consistency across Votes. Wherever possible, to maintain consistency between Votes and improve user friendliness for readers, departments are encouraged to use template tables rather than free-form tables.

The editing department is required to provide additional information for each free-form table in order to comply with e-Government standards for web publishing. This information is presented above each free-form table in the Word output so the text can be checked for its suitability to be published on the web. This information will not appear in the printed documents but forms part of the information shared with the public.

C Sector Overview Information

C.1 Summary

The first component of the *Information Supporting the Estimates* may include a statement, agreed by all Ministers responsible for appropriations in each Vote included in the sector, presenting an overview of the sector and a high-level summary of the government's expectations and priorities. The Overview also includes Ministerial and Chief Executive Statements of Responsibility for the information provided in the *Information Supporting the Estimates*.

The sector overview is the first component of the *Information Supporting the Estimates*.

C.2 Sector Overview - optional

Mandatory: If a Sector Overview Statement is presented, all Ministers responsible for, or otherwise using, appropriations within the sector must agree the statement and the lead agency must verify that all Ministers have agreed, prior to printing. For instance, the Minister of Broadcasting uses an appropriation within Vote Arts, Culture and Heritage although the Minister of Arts, Culture and Heritage is the Responsible Minister. Both Ministers are required to agree the Sector Overview Statement, along with other Ministers responsible for appropriations in the sector.

Ministers should be listed in two columns in the order in which they appear on the Ministerial list.

Ministers responsible for appropriations included in each sector may use this Sector Overview Statement as an opportunity to set out a summary of their expectations - strategies, desired outcomes, and priorities - for the sector as a whole. The Statement should be relatively brief, generally in the order of 1-2 pages.

C.2.1 Process for Sector Overviews

The lead sector department is responsible for the coordination of the sector overview. This covers the:

- sector overview content
- quality assurance and accuracy of the sector overview
- ministerial sign off of the sector overview
- electronic copy of the document and supporting spreadsheets to Treasury, and
- provision of lead departmental contact details for any follow up questions.

The sector overview will have the same format and style as the rest of the budget documentation.

The lead sector agency has responsibility for seeking or organising for all Ministers to sign off on the sector overview. Confirmation of Ministerial sign off on the sector overview needs to be emailed to the Treasury (performanceinfo@treasury.govt.nz and the relevant Vote Analysts). The deadline for this will be included in the Budget guidance timeline once the Budget date has been announced.

The sector overview statement needs to be emailed to performanceinfo@treasury.govt.nz via SEEMAIL, along with confirmation of Ministerial signoff and contact details for any follow up questions. If it cannot be emailed by SEEMAIL, it needs to be hand delivered on disk to the Treasury Publications Team, Level 5 Reception, No 1 The Terrace, Wellington. The lead sector agency remains responsible for the quality and accuracy of the sector statement. The deadline for the provision of the electronic copy will be included in the Budget guidance timeline.

In case there are follow up questions, the lead department for the sector should provide the contact person for someone who is able to respond to questions or organise responses.

C.3 Ministerial Statements of Responsibility

The printed Ministerial statements of responsibility are required for the *Information Supporting the Estimates* only and not the *Information Supporting the Supplementary Estimates*.

Statutory requirement - Section 39(2)(b)(i) of the PFA:
“a statement signed by the Responsible Minister stating that the information is consistent with the policies and performance expectations of the Government”

Statutory requirement - Section 45F(2) of the PFA:
section 39(2)(b) “does not apply to an Office of Parliament” (Auditor-General, Parliamentary Commissioner for the Environment and Office of Ombudsmen)

The Ministerial Statements of Responsibility for departments, not including Offices of Parliament, are inserted by the Treasury in the final document. Departments are responsible for the collection of Ministerial signatures and ensuring that Ministers sign off on the final product as part of the sign-off process. The sign-off process is covered in more detail in the Budget guidance. The Budget guidance also includes the deadline for when the sign off must be completed by.

Example: Ministerial Statements of Responsibility.

Each of us is satisfied that the information on future operating intentions provided by our respective departments and included in the *Information Supporting the Estimates* for the [sector name] Sector and attached Statements of Intent is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the government.

To see an example of the latest wording of the Ministerial Statement of Responsibility look in any volume of the *Information Supporting the Estimates* for the previous year. The Speaker

has a separate sign-off for the Parliamentary Service and the Office of the Clerk. The Minister of Health also has a separate sign-off as the Health sector volume includes material from one department only.

C.4 Chief Executive Statements of Responsibility

The written Chief Executive Statements of Responsibility are required for the *Information Supporting the Estimates* only and not the *Information Supporting the Supplementary Estimates*.

Statutory requirement - Section 42 of the PFA:
“the information required under section 38 must also include a statement of responsibility that is signed by the department’s chief executive; and countersigned by the department’s chief financial officer”

The Chief Executives’ Statements of Responsibility for departments including Offices of Parliament are inserted by the Treasury in the final document. Departments are responsible for the collection of signatures and ensuring that their internal sign-off on the final product as part of the sign-off process. The sign-off process is covered in more detail in the Budget guidance. The Budget guidance also includes the deadline for when the sign-off must be completed by.

The person countersigning the statement of responsibility is defined as the department’s chief financial officer and this position is not defined further in the PFA. This means that the person countersigning should be a senior person responsible for the financial aspects of the department and this person may not necessarily have the title of chief financial officer.

Example: Chief Executive’s Statement of Responsibility.

[Name of department]

In signing this statement, I acknowledge that I am responsible for the information contained in the *Information Supporting the Estimates* [B.5A Vol. X] relating to the [name of department] and Vote / Votes for which the [name of department] is the administering department.

The information provided is consistent with the policies and performance expectations of the government and has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriation (20xx/xx Estimates) Bill, and with existing appropriations and financial authorities.

<p>[Xxx] Chief Executive [Name of department] [Date]</p>	<p>[Xxx] Chief Financial Officer [Name of department] [Date] <i>Counter-signed</i></p>
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D Information Supporting the Estimates and Supplementary Estimates - Part 1 Summary of the Vote

D.1 Purpose of Part 1 Summary of the Vote

This part of the *Information Supporting the Estimates* is to give:

- a plain language overview
- the overview of the total funding flows going through the Vote to put individual appropriations in context
- how the appropriations link to the government outcomes and priorities at a high-level so there is a broad understanding of what the appropriations are contributing to
- how aggregate and significant appropriations are changing over time
- new policy initiatives so they can be tracked through to individual appropriations, and
- changes to the appropriations leading to split or combined appropriations and changes in type of appropriation.

The Summary of the Vote comprises the following subparts:

- 1.1 Overview of the Vote
- 1.2 High-level objectives of the Vote
- 1.3 Trends in the Vote (including new policy initiatives), and
- 1.4 Reconciliation of changes in appropriation structure.

This information appears directly after the Vote header page. For more detail on the Vote header pages, see Section A.3 above. The same Vote header page appears in all documents.

D.2 Overview of the Vote - Part 1.1

Mandatory: This section is required for the *Information Supporting the Estimates* and *Estimates* of all Votes. This section is only required for new Votes created within the year for *Supplementary Estimates* and *Information Supporting the Supplementary Estimates*.

The Overview must cover **all** appropriations.

Where two or more Ministers are responsible for specific appropriations in a Vote, the Overview must distinguish each Minister and their respective appropriations.

The text of the Overview of the Vote must be no more than one page, including the required standard text at the end.

The text of the Overview of the Vote must be no more than one page, including allowance for a standard final sentence. Note that the standard final sentence in the Estimates is similar though longer (two lines), referring the reader to the Information Supporting the Estimates for the Vote in which the appropriations are located. Even if there are two or more Ministers for the Vote, the one page limit still applies.

The Overview should provide a summary of what the appropriations will be used for. The focus of the Overview should be on appropriations, aggregated and rounded as appropriate for presenting the clearest plain language story of the Vote. The level of information included about appropriations that purchase services provided by Crown entities, and whether to name the Crown entities, will require judgement based on materiality and significance.

By all appropriations we mean annual, multi-year and permanent appropriations. Rounded amounts in the list will nonetheless account for total appropriations for the Vote. A final point in the list (or narrative) may be required to cover any residual smaller or less significant appropriations not otherwise addressed.

The overview should also include information on any significant Crown revenue sources (eg, tax revenue).

The format of the figures should be in millions \$x million with no decimal places or three decimal places (except those figures under \$1 million which are written as \$xxx,000). The data must agree to the Summary of Financial Activity table for each Vote. Restrict the use of 'nearly' or 'just over' to when using rounded figures or millions.

The text should be written in plain language for a non-technical reader.

Example: Final Sentence for the Overview of the Vote for all Votes.

The final sentence in the *Information Supporting the Estimates* is:

Details of these appropriations are set out in Parts 2-6 below.

The final sentence in the *Estimates* is:

Details of these appropriations are set out in Parts 2-6 for Vote [Vote Name] in the *Information Supporting the Estimates of Appropriations*.

Example: Final Sentence for the Overview of the Vote in the *Supplementary Estimates and Information Supporting the Supplementary Estimates*.

If required for a **new** Vote in the *Supplementary Estimates*, the final sentence would read:

Details of these appropriations are set out in Parts 2-6 for Vote [Vote Name] in the *Information Supporting the Supplementary Estimates of Appropriations*.

If required for a **new** Vote in the *Information Supporting the Supplementary Estimates*, the final sentence would read:

Details of these appropriations are set out in Parts 2-6 below.

Example: Overview of the Vote

The Minister of Revenue is responsible for appropriations in the Vote for the 20xx/xx financial year covering the following:

- a total of nearly \$627 million on departmental output expenses including management of debt and outstanding returns, policy advice, services to inform the public about entitlements and meeting obligations, services to process obligations and entitlements, and taxpayer audit
- a total of just over \$4,045 million for benefits and other unrequited expenses
- a total of just under \$1,040 million for other expenses, and
- a total of just over \$76 million for departmental capital expenditure.

The Minister of Revenue is also responsible for Crown revenue and receipts in the Vote for the 20xx/xx financial year covering the following:

- a total forecast of \$45,926 million in tax revenue
- a total forecast of just under \$1,021 million in non-tax revenue, and
- a total forecast of just under \$811 million in capital receipts.

Details of these appropriations are set out in Parts 2-6 below.

This is a good example as it uses nearly and just over with rounded totals, it covers the substantial amounts of Crown Revenue, and is short and concise.

Example: Overview of the Vote – Culture and Heritage

The Minister for Arts, Culture and Heritage is responsible for appropriations in the Vote for the 20xx/yy financial year covering the following:

- A total of over \$16 million (5% of the Vote) for purchasing services (international cultural diplomacy, history and heritage, policy advice, monitoring of funded agencies and ministerial servicing) from the Ministry for Culture and Heritage.
- A total of nearly \$99 million (34% of the Vote) for purchasing (mainly from arts and heritage Crown entities) ballet, Māori performing arts, archiving, museum, and orchestral services, protection for historic places, and promoting and supporting New Zealand films and the arts.
- A total of over \$3 million (1% of the Vote) for a contribution to an international organisation (Commonwealth War Graves Commission).
- A total of over \$9 million (3% of the Vote) for capital investment in Te Papa, and departmental capital expenditure.
- A total of nearly \$9 million (3% of the Vote) for other expenses including development and maintenance of war graves, historic graves and monuments (\$516,000), Treaty of Waitangi commemorations (\$288,000) and contributions to capital projects at Regional Museums (\$8 million).

The Minister of Broadcasting is responsible for appropriations in the Vote for the 2009/10 financial year covering the following:

- A total of nearly \$158 million (54% of the Vote) for purchasing public broadcasting services mainly from broadcasting Crown entities.

Details of these appropriations are set out in Parts 2-6 below.

This is a good example because it correctly presents figures less than \$1 million, clearly shows the responsibilities of the two Ministers and refers to rounded figures appropriately.

D.3 High-level objectives of the Vote - Part 1.2

This is required for the *Estimates* only not the *Supplementary Estimates* unless it is a new vote.

The purpose of Part 1.2 is to present clear and accessible information on the objectives of the Vote with a particular focus on demonstrating the links and relationships between the appropriations in each Vote and the high-level outcomes and/or government priorities to which they contribute. Refer to the Budget process guidance for the latest information on where to find information on the government's priorities and outcomes. The linkages for departmental outputs to outcomes and priorities should be consistent with those presented in the departmental Statement of Intent.

Where possible, the outcomes should be linked to published material for example as in Budget 2009 Vote Environment on page 59 of B.5A Vol. 3 or Vote Finance on page 29 of B.5A Vol.5.

The optimal way in which to present these relationships will vary. Departments are encouraged to include narrative descriptions to support the tabular presentation summarising the linkages between appropriations and government priorities and government outcomes.

There are two standard tables that can be used by departments. The first option uses the appropriations as the base from which links to government priorities and outcomes are made; the second option uses the government's priorities as the base and works towards the appropriations. In both options, appropriations should be grouped and ordered in ways that best present the story/stories of the Vote.

Where all of the Vote's appropriations contribute to the same outcome/priority then the table may be replaced with text.

Offices of Parliament, the Office of the Clerk and the Parliamentary Service are required to provide information in this section on the high-level objectives and outcomes to which their appropriations will contribute, even though they are not required to contribute to government priorities. These agencies may use text instead of a table if it is more appropriate. Other departments should not be using just text if they are required to contribute to multiple government priorities or outcomes.

All material or significant appropriations should be included in this high-level discussion of the Vote.

Where possible, use one of the standard CFISnet-template tables. If choosing to include a free-form table remember that this needs to be accompanied by additional information on the table structure and content to enable the HTML version to meet the e-Government standards for web publishing. As mentioned earlier, this information is presented above each free-form table in the Word output so the text can be checked for its suitability to be published on the web. This information will not appear in the printed documents.

D.4 Trends in the Vote - Part 1.3

Part 1.3 of the *Information Supporting the Estimates* contains:

- a Summary of Financial Activity table generated from CFISnet
- New Policy Initiatives table, and
- Analysis of significant trends.
- The Information Supporting the Supplementary Estimates contains only:
 - a Summary of Financial Activity table generated from CFISnet.

The purpose of Part 1.3 is to provide the overall Vote context for the appropriations that follow in Parts 2-6.

D.4.1 Summary of Financial Activity table

Statutory requirement - Section 15(2) of the PFA:

The Summary of Financial Activity table complies with the requirements of the legislation to provide current and comparative financial information accompanying the first Appropriation Bill.

The purpose of the Summary of Financial Activity table in the *Information Supporting the Estimates* is to present a nine-year overview of the Vote at an aggregate level. The table provides indicative outyear details for information only and this is not required under legislation. This table is generated out of CFISnet.

The Summary of Financial Activity table in the *Information Supporting the Supplementary Estimates* only contains information about the current year.

MYAs are annualised and included in both the Summary of Financial Activity table for each Vote and all summary tables in the *Estimates* and *Information Supporting the Estimates*. All appropriation types should be reconciled to the current year's structure (including those that have been changed during the period covered by the table, such as departmental capital expenditure).

Policy initiatives may be indicated (in the outyears in the Summary of Financial Activity table) if there are plans for details to be announced soon after the Budget. In such instances, initiatives must also be included in the new policy initiatives table if they are sufficiently substantive and/or entail a material change.

D.4.2 New Policy Initiatives table

The new policy initiatives table is not required by legislation. This table in the *Information Supporting the Estimates* will include new policy initiatives agreed since the previous year's Budget, including resources obtained outside of the Budget process. This table assists the department in explaining which appropriations have changed to link with government policy announcements to be made in the Budget, media statements associated with the Budget and during the previous year. This table should be consistent with any media communication planned by the Minister's Office. Any specific requirements for this table will be included in advice closer to the time, if required.

New policy initiatives will be included in this table even if the year of the first appropriation impact is one of the outyears. This table should not cover items that are included in a contingency for which there will be no announcements.

This table should not include technical fiscally neutral adjustments, as technical fiscally neutral adjustments by definition (CO (09) 6)² do not include policy changes. This table should reflect reprioritisation decisions taken that have policy implications.

Where initiatives involving a capital injection to a department (shown as a change to the Net Asset Schedule) are included in the New Policy Initiatives table, the phrase Departmental capital injection must be used in the appropriation column. (Although a Departmental capital

² Cabinet Office circular *Guidelines for Changes to Baselines*, CO (09) 06, 24 September 2009: <http://www.dpmc.govt.nz/cabinet/circulars/co09/6.html>.

injection is not an appropriation, this set of words nonetheless provides the clearest description for the purposes of this table.)

Please ensure all numbers in this table are accurate. This is critical as this table will be used as the base information for Ministerial press releases and the Budget Speech.

Use the name and brief description of each new policy initiative from the Budget initiatives papers or previous Estimates. Where different language has been used for a subsequent increase in appropriation for the same initiative, use the most informative name for the initiative. If Ministers have made two decisions within the year on the same policy initiative, bring together the amounts for the decisions into one line.

The Appropriation line should be written with the Appropriation title first. The appropriation type should sit on a new line.

This table can be deleted if there are no new policy initiatives.

This table is not required for the Information Supporting the Supplementary Estimates.

D.4.3 Analysis of Significant Trends

The Analysis of Significant Trends highlights major changes in the make-up of the Vote across appropriation types. More specific information on significant changes for each appropriation type can be provided, **by exception** and in summary form.

The purpose of this section is to add new information to explain underlying trends in appropriations and material impacts on the Crown's financial performance and position. It should assist in telling the overall performance story for the Vote. It should not repeat material that is included in the overview, summary of financial activity table and new policy initiatives table. The focus should be on short value adding information that is internally consistent with the other information provided.

Any narrative included by itself or to support the graph included should selectively provide reasons for significant movements over the last five years, in the current year and in the three forecast outyears. For instance, the narrative might outline the drivers for major step changes (increases or decreases) in appropriations, including shifts within a Vote that reflect changes in relative priorities. There should however, be no duplication of information in the narrative and any graphs included.

This analysis may consider departmental and non-departmental output expenses separately, and include MYAs as well as annual and permanent appropriations. The context of each Vote will determine whether there is value in distinguishing transaction type (departmental and non-departmental) for any appropriation type.

The *Information Supporting the Estimates* focuses on appropriations and not revenue and receipts. This section is an appropriate place to explain significant movements in revenue and receipts over the period material to the story of the Vote. In each instance, the narrative must be a brief explanation of the nature of, and drivers for, the significant trends that cannot be accessed or explained by reference to the New Policy Initiatives table above.

D.4.3.1 Graphs

Graphs should be included on an exceptions basis when they provide additional insight into or understanding of the Vote. For your ease, we have created one Master graph that can be used. Again, this should be included on an exceptions basis, and only when it adds value. If there is a decision to include a graph, then the following applies.

Graphs must be based on the nominal value of the data in the Summary of Financial Activity table, with all appropriation totals reconciled to the current year's appropriation structure. Any appropriations established or disestablished during the last five years must be included to, or from the year, in which they ceased or commenced, respectively.

The data for each year must be referred to as in the Budget style guide for consistency reasons (Actual, Est. Actual, Budget, and Estimated). For multiple series graphs, please refer to the Budget style guide for labelling and format requirements.

A separate graph may be used when you are showing one appropriation and not the total of the appropriation type, for example the Unemployment Benefit appropriation in Vote Social Development

User-created graphs: The editing department is required to provide additional trend information for each user-created graph in order to comply with e-Government standards for web publishing. This information is presented below each user-created graph in the Word output so the text can be checked for its suitability to be published on the web for readers with impairments. This information will not appear in the printed documents.

D.5 Reconciliation of changes in appropriation structure - Part 1.4

This is to help Members of Parliament and any other users reading the document to understand changes in the current appropriation structure and what that means historically. This is about creating a base comparison year for the new structure of data so there is a longer trend series than just the forecast period.

Mandatory: If there are changes in the appropriations structure in the current *Estimates*, they must be explained in this section. Changes included will reflect new and disestablished appropriations, shifts to Multi-Class Output Expense Appropriations (MCOAs) and changes in appropriation title or classification.

- The table should be accompanied by explanatory text to explain the changes as a whole and why any appropriations are ceasing or new appropriations are being created. How particular appropriations are changing will be covered in the reasons for change to that appropriation. There is a standard reference sentence that will appear at the bottom of the section referring the reader to Parts 2-6 to cover changes within individual appropriations. The standard sentence is: Explanations of the reasons for changing individual appropriations are noted in the details of each appropriation in Parts 2-6.

Each current appropriation could be changed in a number of different ways:

- **Change in title only** - it is important to include changes in title so that users can follow the history of an appropriation. All information relating to a change in title only will be located in the same row of the table
- **Transfer to more than one appropriation** - two (or more) appropriations will be included in the column showing the transfer details. The appropriations to which the expenses are being transferred will not necessarily show in the affected column in the same order
- **Transfer from more than one appropriation to a single appropriation** - two (or more) appropriations will be included in the column showing the current year structure and each of these will show the same appropriation in the transfer details. The appropriation in the affected column will show the aggregate effect of these changes, and
- **Change in classification** - in this instance, the appropriation to which the expenses are being transferred will show in another part of the table.

Other combinations beyond these may also be possible. The table may be adapted further to accommodate such situations.

It is important to separately identify the “moved to” and “moved from” for each appropriation and to include the appropriation type if the change in structure involves a change in type of appropriation as well. The sums involved will generally be on different rows since the one situation in which a transfer is direct, is when there is a change in the appropriation title only.

The total amount of the current appropriations included in the reconciliation table should equal the total of the appropriations affected by the change, since every change will decrease a current appropriation and increase one (or more) new or changed appropriations by the same total value. The centre column of the table needs to add to zero, as that shows that all the appropriations in the new structure have been allocated to the old structure.

Totals for each appropriation type are not required since some expenses may be transferred across appropriation types, including through reclassification of a particular appropriation and through a major re-allocation of expenses to reflect a shift in priorities.

Changes that relate to the amount of each appropriation will not be included in this reconciliation. Technical changes, discussed in Cabinet office Circular CO (09), 06<http://www.dpmc.govt.nz/cabinet/circulars/co09/6.html>, are also not shown separately in this table unless they affect the structure of appropriations.

Changes that involve the relocation of an appropriation (or part) to another Vote will be noted beneath the standard text under the table.

The following example has been created using the changes in Vote: Corrections in Budget 2009. It has been shortened to highlight the different types of changes. This example also picks up the new table headings.

Example: Created example

2009/10 Appropriations in the 2009/10 Structure	2009/10 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been moved from or to	Amount Moved \$000	2009/10 Appropriations in the 2010/11 Structure	2009/10 (Restated) \$000	2010/11 \$000
Departmental Output Expense						
Community –Based sentences and Orders	150,000	Transferred to Sentences and Orders Served in the Community	(150,000)		-	-
		Transferred from Community-Based Sentences and Orders	150,000	Sentences and Orders Served in the Community	150,500	160,000
		Transferred from Service Purchase and Monitoring	500			
Service Purchase and Monitoring	500	Transferred to Sentences and Orders Served in the Community	(500)			
Escort and Custodial Supervision	10,000	This appropriation has been renamed	-	Prisoner Transportation and Courtroom Supervision	10,000	11,000
Total Changes in Appropriations	160,500		-		160,500	171,000

- Explanations of the reasons for changing individual appropriations are noted in the details of each appropriation in Parts 2-6.

- This is a good example as it covers renamed appropriations as well as restructured appropriations.

E Information Supporting the Estimates

Parts 2-6: Generic elements

E.1 Purpose and content of Parts 2-6

Parts 2-6 of the *Information Supporting the Estimates* and *Information Supporting the Supplementary Estimates* are intended to provide supporting information on appropriations and to cover the requirements of the PFA.

For the *Information Supporting the Estimates* Parts 2-6 should cover **only** appropriations with amounts in the Budget year. If there is no appropriation in the Budget year, there is no requirement to include the appropriation in the *Information Supporting the Estimates* and it should not be included.

Parts 2-6 of the *Information Supporting the Estimates* and *Information Supporting the Supplementary Estimates* have a similar structure. These parts each cover one of the following appropriation types: output expenses, benefits and other unrequited expenses, borrowing expenses, other expenses and capital expenditure.

The structure for Parts 2 - 6 starts with the departmental version of the appropriation type followed by the non-departmental appropriation. Coverage of both the departmental and non-departmental is as follows:

- Intended impacts, outcomes, objective
- Title of appropriation
- Scope of appropriation
- Expenses/capital expenditure table (this is combined with scope for MYAs)
- Reasons for change in appropriation
- Performance measures and standards / expected results (except for benefits and other unrequited expenses and borrowing expenses)
- Conditions on use of appropriation
- Memorandum account (departmental outputs only)
- Current and past policy initiatives
- Summary of service providers for non-departmental outputs (non-departmental output expenses only), and
- Reporting mechanisms (other expenses and capital expenditure only).

All information is required for all appropriations in the *Information Supporting the Estimates* and for new appropriations in the *Information Supporting the Supplementary Estimates*.

In the *Information Supporting the Supplementary Estimates*, all appropriations with changes require:

- Title
- Scope, and
- Reasons for change.

If there are no changes to an appropriation, then no information needs to be included for that appropriation.

In the *Information Supporting the Supplementary Estimates*, the following may also be included:

- **Significant changes** to performance measures and standards / expected results (except for benefits and other unrequited expenses and borrowing expenses) agreed by the Minister **and if** they are to be used as **the basis for reporting in the annual report**, and
- Memorandum account - departmental outputs only **if significant changes**.

The expenses/capital expenditure table should be included for departmental outputs with more than one source of revenue when there is a change in appropriation in the *Information Supporting the Supplementary Estimates*. For other appropriation types in the *Information Supporting the Supplementary Estimates*, it will duplicate information in the mandatory reasons for change section.

The appropriations in each sub-part of the *Information Supporting the Estimates and Supplementary Estimates* must be listed in alphabetical order, with MYAs included among the annual and permanent appropriations.

This section of the guidance will cover the following aspects, which are consistent across most appropriations:

- Intended impacts, outcomes or objectives
- Title
- Scope
- Amount
- Appropriations with significant changes indicated for the outyear baselines
- Reasons for change
- Performance information, and
- Conditions on use of appropriation.

E.2 Intended impacts, outcomes or objectives

Statutory requirement - Section 15(1)(a) of the PFA:
 a concise explanation of each appropriation (including the intended impacts, outcomes or objectives of the appropriation).

This table is the same for every appropriation type. There are two template tables to choose from or departments can choose to use a freeform table. If using a freeform table, there are additional information requirements as outlined in [section B.4](#) above.

The table should be clear if it is an impact, outcome or objective that is being referred to.

Example: Appropriation to impact, outcomes and objectives linkages table

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome - Improved safety and suitability of food.</p> <p>Impacts - Effective domestic food regulatory regime at minimal cost, streamlined import regime, effective emergency response</p>	<p>Policy Advice on Food Safety and Suitability, Standards Setting, Response to Food Related Emergencies and Events, Systems Audit and Enforcement, Food Safety Information and Participation, Monitoring and Assurance.</p>

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations please see the see the Statement of Intent for New Zealand Food Safety Authority.

This example above is good because it identifies the intended impacts of the services and, in turn, the higher level outcome to which the impact is intended to contribute. Separately identifying the impacts and outcomes in this way will assist readers to reconcile this information with that in the Statement of Intent. The additional sentence added below the table (see section E.2.1 below) increases the linkages between the information on appropriation to impact and outcome linkages in the *Information Supporting the Estimates* with that included in the Statement of Intent.

Note that for Votes with more than one Minister, departments can choose to include the portfolio number after each appropriation if it adds clarity.

Impacts and Outcomes are defined in the PFA; refer Annex 1.

E.2.1 Departmental outputs

Mandatory: Departments need to add under the Intended Impacts, Outcomes or Objectives table for departmental outputs the following sentence:

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Statement of Intent for **[department name]**.

This additional sentence reinforces the requirements within the PFA and generally accepted accounting practice for service performance reports to demonstrate the links between outputs and their intended impacts, outcomes or objectives.

E.2.2 Non-departmental outputs and other expenses

Mandatory: Departments need to add a new sentence under the Intended Impacts, Outcomes and Objectives table for non-departmental output expenses and other expenses, if there are appropriations listed in the table covered by a Crown entity Statement of Intent. The Department also need to identify (eg, by an asterisk or Note 1) the relevant appropriations that the sentence applies to.

The additional sentence is as follows for non-departmental outputs:

* For further information on the intended impacts, outcomes and objectives of the non-departmental output expense appropriation(s), please see the Statement of Intent(s) **[Name of Crown entity/entities]**.

The additional sentence is as follows for non-departmental other expenses:

Note 1: For further information on the intended impacts, outcomes and objectives of the non-departmental other expenses appropriation(s), please see the Statement of Intent for **[Name of Crown entity/entities]**

This additional sentence reinforces the requirements within the PFA and generally accepted accounting practice for service performance reports to demonstrate the links between outputs and their intended impacts, outcomes or objectives.

E.3 Title

Unlike amount, scope and period, the title does not form part of the legal boundary of the appropriation and is not considered a formal dimension of an appropriation. The title is instead for information purposes only.

Good titles should be short, descriptive and jargon free. Acronyms should not be used unless well known by the public (eg, DHBs).

For output expenses, titles should focus on the nature of the service provided. For other expenses, titles should focus on the purpose or use of the appropriation.

Titles need to be informative - generic titles like sector leadership and support, and contestable services should be avoided. Appropriations that have a distinguishing feature (MCOA, PLA, DDA, RDA, and MYA) must include the appropriate abbreviation at the end of the title to inform users that the appropriation has that characteristic.

No two appropriations within a Vote should have the same title. If the same project is funded by two appropriations (for example a departmental output class and a non-departmental output class) titles may be similar, but there must be some distinguishing features between

the two. This is also the case with permanent and revenue dependent appropriations - they must not have a title that is the same as any other appropriation within the Vote (in addition to also having the abbreviation at the end of the title).

All appropriation titles must include the code for the Minister responsible for the appropriation (eg, M1) in brackets at the end of the title after any distinguishing feature abbreviation (eg, RDA or PLA).

Titles should be free of spelling mistakes.

This information is taken from *A Guide to Appropriations* released in November 2008 and is available on Treasury's website at: <http://purl.oclc.org/nzt/g-ga>.

Titles can be edited through the CFISnet Coredata module. Titles are not changed during a financial year to ensure transparency and consistency. Any change in title should be included in structural appropriation changes table in Part 1.4 - see section D.5 above.

E.4 Scope

Scope is a short statement that establishes the limits of what an appropriation can be used for. The purpose of a scope statement is to provide an effective constraint against non-authorized activity, while not inappropriately constraining activity intended to be authorized.

A scope statement is not a performance measure and should not express the results desired from the appropriation. However, a scope statement should always be consistent with the performance information that relates to the same appropriation in the *Information Supporting the Estimates* and other accountability documents.

A scope statement is limited to the words used in the scope paragraph and does not include the appropriation title or any other explanation included in the wider Budget documentation.

This information is taken from *A Guide to Appropriations* released in November 2008 and is available on Treasury's website. More information on what makes a good scope statement and reviewing and maintaining scope statements can be found in this Guide.

The scope statement is taken directly from the *Estimates* or *Supplementary Estimates* and if required is updated through the Coredata module of CFISnet. This ensures that the scope statements are the same in the Estimates and the Appropriation (Estimates) Bill presented to Parliament and the Supplementary Estimates and Appropriation (Supplementary Estimates) Bill.

Below is some additional guidance on scope statements for particular appropriation types. Also see the variations to scope requirements below and for Multi-Class Output expenses see section F.1.

Statutory requirement - Section 9 of the PFA:

Limits expenditure to that within scope of appropriation.

Statutory requirement - Section 14(1)(a)(vi) of the PFA:

Requires the scope of the appropriation.

The scope statements for a PLA should refer to the permanently legislated authority.

Example: PLA scope statement with reference to legislative authority
- Vote Courts: Judges' Salaries and Allowances PLA (M19):

Costs related to the terms and conditions of remuneration for Judges and acting warranted Judges in the Supreme Court, Court of Appeal, High Court, Employment Court and Māori Land Court incurred pursuant to s.9A Judicature Act 1908, s.6 District Courts Act 1948 and s.13 Te Ture Whenua Māori Land Act 1993.

Scope statements cannot be changed within the year as such changes would widen or narrow the appropriation, in effect creating a new appropriation.

Mandatory: The stem "This appropriation is limited to..." must be used **only** when the appropriation scope has been substantially reviewed. Until there has been a substantial review, the scope statement should not include the new stem.

For more details on scope statements see *A Guide to Appropriations* released in November 2008 available on Treasury's website at: <http://purl.oclc.org/nzt/g-ga>.

E.4.1 Other expense scopes

Other expenses in the past have included output-like expenses. For these, the scope requirements are the same as outputs. If the other expense is for inputs, then the scope statement should detail the type of expense and make reference to any entitlement criteria.

E.4.2 Departmental capital expenditure scope

Mandatory: There is a standard scope statement that must be used for departmental capital expenditure:

The appropriation is limited to the purchase or development of assets by and for the use of the [name of the department] as authorised by Section 24(1) of the Public Finance Act 1989.

This scope statement must be used by all departments.

E.5 Expenses and Revenue or Expenses tables

E.5.1 Estimates

This section covers the expenses and revenue and expenses tables for Parts 2-5 of the *Information Supporting the Estimates*.

These expenses and revenue or expenses tables give the maximum authority for annual and multi-year appropriations and an estimate for permanently legislated appropriations. This

table is also about putting the next year’s appropriation in context for the *Estimates* and *Information Supporting the Estimates*. This gives a sense of the scale of the appropriation and change over time.

Statutory requirement for Estimates only - Section 15(1)(d) and 41(1)(e)(iii) and (iv) of the PFA

comparative budgeted (voted) and estimated actual expenses or capital expenditure must be provided for each appropriation for the previous financial year, in addition to the budgeted appropriation for the current year.

Statutory requirement - Section 15(3) of the PFA:

specifies information requirements for other appropriations (including permanent appropriations).

The departmental appropriation tables are auto-populated. However, the non-departmental appropriations do not have auto-populated tables. The reason these tables are not auto-populated is to make it clear that for these appropriation types, we expect the amount to be broken down where there is further information. In particular, for those appropriations over \$50 million, we expect a breakdown in the tables of the major component parts. This breakdown should be linked back to the scope of the appropriation and not be input based.

For example: Vote: Housing - Acquisition and Improvement of Housing New Zealand Corporation state houses in Budget 2009:

Example: Vote: Housing - Acquisition and Improvement of Housing New Zealand Corporation state houses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	87,241	79,700	115,800
State Housing Acquisitions	35,905	32,300	9,000
Fiscal Stimulus - Acquisitions	20,000	20,000	-
Fiscal Stimulus - Upgrades	-	-	65,000
Auckland pensioner housing reconfiguration and development	10,636	6,700	8,000
Healthy Housing	7,000	7,000	15,000
Fiscal Stimulus - Healthy Housing	3,000	3,000	6,500
Energy Efficient Retrofits	4,900	4,900	6,500
Community Housing Standard Acquisitions	5,800	5,800	5,800

This non-departmental appropriation table is good as it breaks down the non-departmental appropriation into the component parts so there is more information on what the appropriation is being used for.

E.5.2 Supplementary Estimates

This section covers the expenses and revenue and expenses tables for Parts 2-5 of the *Information Supporting the Supplementary Estimates*.

The expenses tables for non-departmental appropriations are not required in the *Information Supporting the Supplementary Estimates* unless it is a new appropriation during the year. Expenses and revenue tables should be included for new outputs and for outputs with changes **only** if there is more than one source of revenue, otherwise they duplicate the information contained in the reasons for change section below. This is to minimise the duplication and overall size of the documents presented to Parliament. The Supplementary Estimates tables are presented just in front of the supporting information so the tabular format is easily referenced.

E.5.3 Capital Expenditure table

Mandatory: The list of asset categories in the template table is consistent with those already used in the Statement of Forecast Financial Position, and has been standardised for use by all departments to cover all asset types that fall within the definition of *capital expenditure* in PFA **section 2:**

capital expenditure means costs of assets acquired or developed (including tangible, intangible, or financial assets and any ownership interest in entities, but excluding inventories)

This is an accrual rather than a cash view of capital.

Financial assets that might be purchased or developed by some departments include investments, shares, loans (to employees) and pre-payments. Financial asset purchases should be included in the Other category, along with any physical assets that do not fit the standard categories.

Outyear information on capital expenditure should be disclosed, either in a capital section, or if not sufficiently material enough in the organisational health and capability section of the Statement of Intent.

Information on total actual and estimated departmental capital expenditure is included in the *Summary of Financial Activity* table in Part 1.3.

The appropriation:

- amount is by its nature a forecast for the Budget year rather than an approved amount (since it is a PLA)
- must not exceed the combined total of a department's expected working capital and the proceeds of the sale or disposal of its assets during the year (section 24(1), PFA)
- is gross, ie, covers the full cost of assets purchased or developed without any offsets to take into account the reductions in the value of other assets held or to be disposed of during the year, and

- does not include capital contributions, however the figure will include capital expenditure that any capital contribution was intended to support.

E.6 Appropriations with significant changes indicated for the outyear baselines

The purpose of the extended table in the *Information Supporting the Estimates* is to highlight any expected changes over the forecast period. This allows for more of an explanation about the future direction of government policy in particular areas. This table would normally be accompanied by an extended performance measures table unless the change in baseline reflects a change in price and not a change in other aspects of performance. This table is not required in the *Information Supporting the Supplementary Estimates*.

What constitutes a substantial change should be considered in the context of each individual appropriation and the Vote as a whole. In large Votes, changes over \$50 million should be included even when they are not significant for the Vote as a whole.

As above, the tables are auto-populated by CFISnet with the exception of:

- Non-departmental outputs
- Non-departmental benefits and other unrequited expenses
- Non-departmental borrowing expenses
- Non-departmental other expenses, and
- Non-departmental capital expenditure.

Example: Vote: Social Development Budget 2009 Non-departmental benefits and other unrequited expenses - Disability Assistance

	2008/09		2009/10	2010/11	2011/12	2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	391,060	390,168	417,439	439,215	460,568	478,704
Child Disability Allowance	98,236	98,236	107,942	116,037	124,088	130,499
Disability Allowance	291,932	291,932	309,497	323,178	336,480	348,205

This is good for two reasons - it shows the significant projected change expected over the next three years and it breaks down the non-departmental appropriation into the main components.

E.7 Reasons for change

The section is to explain the significant changes in appropriations over time and for Supplementary Estimates all changes within the current year.

Mandatory: Supplementary Estimates **all** changes must include a 'reasons for change' explanation.

Estimates - Where there are **material** changes in the appropriation for the Budget year, relative to the previous year, the reasons for those changes must be noted briefly.

The explanation might cover:

- the introduction of a new appropriation (through a new or extended function) or a change to the boundary (scope) of an existing appropriation
- reallocation of activities from one appropriation to another, or from one appropriation type to another
- significant changes in performance expectations or results relating to a particular appropriation, such as increased volume or quantity of activity, or strengthening of the quality of goods and services, or
- a change in price / inputs only.

E.7.1 Supplementary Estimates

Mandatory: All changes must be explained in the Supplementary Estimates.

The explanation should detail the change and the base to provide the context without the need for the inclusion of the expenses table. One of the following forms may be used:

- This appropriation increased/decreased by \$xx from/to \$xx for 20xx/yy owing to/ as a result of....
- A decrease of \$xx from/to \$xx owing to/ resulting from....., or
- This is new appropriation in 20xx/yy of \$xx to...

The explanation should clearly state whether the change is technical in nature, owing to a change in timing or policy related.

Example: *Supplementary Estimates* reasons for change

Example A - The appropriation will decrease by \$110,000 to \$550,000 for 20xx/xx as the uptake of the xx awards has been less than expected.

Example B - The increase of \$5,000 to \$260,000 is a result of a determination by the Remuneration Authority.

Example C - This appropriation will increase by \$725,000 to \$8.345 million in 20xx/xx. This increase relates to:

- An increase in demand (\$700,000)
- An increase in input costs (\$20,000)
- An expense transfer (\$5,000) from 20xx/xx as a result of the delay of xx project.

All the examples are good as they have specific reasons, the direction of change, the amount of the change and the final amount for context (as most will not be accompanied by an expenses table). Examples A and B are good because they have a short concise presentation.

E.7.2 Estimates

If the change is **not material**, this section is not required in the Estimates. Use of words such as “there have been no/minimal changes to this appropriation” in a draft indicate that the section should be removed.

What constitutes a *material* change should be considered in the context of each individual appropriation and the Vote as a whole. Changes listed in the *Initiatives* table in Part 1.3 are likely to be included, as will some technical changes, such as significant re-allocations between appropriations. Technical adjustments (as discussed in Cabinet Office Circular CO (09) 06)) would not generally be included here.

E.7.3 Multi-class Output Expense Appropriation

For MCOAs the reason for change needs to explain the change at the appropriations level. This is likely to require explaining movements in each of the component output classes.

E.7.4 Multi-year appropriations reasons for change

Mandatory: Explanations must be provided for each year in which an adjustment has been made to the MYA, which will provide a reconciliation from the original appropriation to the adjusted appropriation.

Where a MYA is revoked, a comment should be included as to whether the revoked appropriation has been replaced by another MYA (in which case, the link between the old and new appropriations should be made clear).

For departmental MYA, the revenue amounts are cumulative from the commencement of the MYA.

E.8 Performance Measures and Standards or Expected Results

Performance information or expected results outlines for Parliament what is expected to be received from the appropriation in more detailed terms than the scope statement. This is where price, quantity and standards information for appropriations should be included.

Performance information is not required for Benefits and Other Unrequited expenses and Borrowing expenses appropriations.

Performance information or expected results are to be included for output expenses, other expenses and capital expenditure including new appropriations in the Supplementary Estimates.

The SSC and Treasury have produced a separate guide with more information on performance measurement which is available on SSC's website at:
<http://www.ssc.govt.nz/performance-measurement>.

Mandatory: For new performance measures or results for the output expenses and other expenses in Budget year for existing services, there should be estimated actual information to provide context for the level of performance expected. This also applies to restructured appropriations but not to capital expenditure.

It is important for new measures for existing appropriations and restructured output expenses and other expense appropriations that some contextual information is provided for the level of performance or results expected. The easiest way to do this is to include estimated actual information. If appropriations have been restructured with no policy changes, then it is expected that performance information for the current year will be readily available and will be included.

Updating estimated actual information provides context for the Budgeted year's performance standard and indicates whether the standard is a challenge relative to the current year. The estimated actual column can also be used to indicate when performance is likely to be less than expected for the current year.

Example: Use of Estimated Actual column			
Performance Measures	20xx/yy		20yy/zz
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Asset Management			
Number of huts meeting required service standard with a target of 90% to standard.	852 of 944 (90% to standard)	845	880
Kilometres of tracks meeting required service standard in each Visitor Group with a target of 40% to standard.	6,498 of 12,850 (50% to standard)	6,843	7,407
Recreation Opportunities Management			
Number of visitor recreation and interpretation publications meeting publication standard with a target of 90%.	348 (>90% of 375)	289	295
Recreation Concessions			
Number of longer term recreation concession permits, licences, leases and easements managed.	1,039	1,074	1,126
Number of recreation longer-term concession permits, licenses, leases, easements monitored annually with a target of 15% of the number managed.	393	366	357
Number of longer-term other resource use concession permits, licences, leases and easements managed.	2,670	2,760	2,916
Number of other longer-term resource use concessions monitored annually with a target of 15% of the number managed.	481	496	499

The example above is good, as the department has included expected performance for the current year to set the context for the standard for the Budget year. The standards for the measures are good as they are short and primarily numeric.

Measures should stand alone and be stable, being used from year to year without change, unless the measures are not useful in the first place or the scope of the appropriation changes. The value of stability is that a time series is created, but this assumes that the measure is relevant and useful. The statements describing the performance measure should be brief and should indicate the unit(s) in which the standard is expressed. For example %, hectare, days, weeks, months, families, firms, reviews etc.

Where measures indicate that performance will be in accordance with legislation, policies or other authority that provides more detail on the expectations or performance required, provide a summary of those expectations in the *Conditions on Use of Appropriation* table, or the key elements of performance required by legislation.

Standards may be presented as numbers or percentages (absolute or a range), dates or timing, and dollars (for instance, average unit costs). This is preferred, as it is easier to see changes in performance over time. In some situations, standards may also be presented as brief narrative statements. Standards of achieved/not achieved should be avoided if possible, as this structure limits the ability to see changes, especially improvements in performance.

Example: Measures and standards for timeliness			
Performance Measures	20xx/yy		20yy/zz
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Timeliness			
Days to process 80% of applications.	10	9	9
Days to process 100% of applications.	20	19	18
% of applications processed within 10 days.	80%	83%	85%
Minimum % of arriving compliant international air passengers that exit Customs primary processing points within 45 minutes of arrival.	90%	95%	90%
Minimum % of arriving compliant international air passengers that exit Customs primary processing points within 60 minutes of arrival.	98%	98.5%	98%
Landonline system is available to customers between 7am and 9pm Mon-Thurs, 7am to 7pm Fridays, 9am to 5pm Saturdays.	99.5	99.5	99.5

The first two measures show that when timeliness is important you need coverage of all applications, not just the majority. The first two are also for when the agency is aiming to decrease the time taken to process applications.

The third measure is appropriate when the agency is trying to increase the percentage of applications within a set timeframe, followed by a couple of examples. These examples are also good as they detail two levels of timeliness.

The last is an example of when a service is available. If this was a service purchased solely by the Minister, it would also be an aspect of the quantity of the service provided.

Example: Measures and standards for quantity			
Performance Measures	20xx/yy		20yy/zz
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quantity			
% of air travellers (estimated at between 9.6 -10 million) who are risk assessed.	100	100	100
Number of clients or families receiving interventions will be (see Note 1).	50,000-60,000	50,000-55,000	50,000-60,000
Note 1 - An intervention is defined as			

The first is an example of a coverage quantity measure, and the next is a traditional count type quantity measure.

Example: Measures and standards for quality

Performance Measures	20xx/yy		20yy/zz
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality			
Percentage of respondents to a customer survey who rate their satisfaction with the quality of the translation service at 3 or above on a scale of 1 to 5 is no less than:	99%	99%	99%
Minimum % of all remand prisoners held in accommodation relative to their identified risk assessment as verified by annual independent audit.	97%	99%	98%

This rating of service is based on a numerical scale but could also have been based on a quantitative scale, eg, poor, satisfactory, good, excellent.

The standards (level of service) integral to each measure may vary from year to year. It is expected that, in most cases, there will be a degree of variation between the budgeted and estimated actual standards. This can be seen in the example above.

The extended version of the performance table should be used when there are significant changes in the performance expected over the outyears or to accompany the use of the extended expenses table.

Departments or other providers are expected to be held accountable for meeting the standards for the measures included in this section. Standards are expected to be achievable even if a challenge. Aspiration goals that will not be achieved within the next year, should be included in the Statement of Intent or for other providers a separate table in the document to make this explicit.

E.8.1 Output Performance Measures and Standards

Statutory requirement - Sections 15(1)(b) and 41(1)(e)(ii) of the PFA:

Measures and forecast standards must be provided that forecast the department’s performance in using the appropriation relating to each class of outputs.

Ministers expect to see price, quantity and standards (eg, quality, timeliness, location etc as appropriate) for each significant component part of an appropriation. If information of the breakdown into significant components/parts of the non-departmental appropriations over \$50 million is not included in the expenses table, then quantity and standards information is expected for all components of the appropriation.

Measures should focus on significant aspects of the performance expected in the delivery of each output expense appropriation (and each class of outputs for a MCOA), and should therefore be selective and appropriate for the Parliamentary audience. It is expected that departments will maintain fuller sets of output (and outcome) performance measures for reporting to their Minister through the *Output Plan*, or for internal management purposes.

Unless crucial to output performance, the performance information should not address internal processes or the characteristics of inputs/resources used in the delivery of the output class.

Where the same performance measures **and** standards apply to multiple appropriations, present them to minimise duplication without impeding access to the information. An option is to include the measures and standards in full once and refer to that appropriation in the Output Performance Measures and Standards table for other appropriations (or classes of outputs for a MCOA) to which they apply.

Departments are encouraged to use the tabular format. If unable to provide significant performance information in this table, or as appropriate in other standard tables for this appropriation, departments may present succinct additional information in narrative beneath the table. For example quality standards for policy advice may be included as text under the table, in a freeform table or in the departmental Statement of Intent.

If there are any cost-effectiveness measures, these can be included here or in the Statement of Intent.

Mandatory: For departments that monitor large numbers of Crown Entities or State-Owned Enterprises, or collect significant Crown Revenue, Select Committees have indicated that they would like to see information on net worth of agencies or Crown Revenue.

This will need to be included as a free-form table. Examples include Vote State-Owned Enterprises, Vote Crown Research Institutes and Vote Fisheries. If you are unsure whether this applies to you, please contact your Vote Analyst.

E.8.2 Expected Results for Other Expenses

The nature of expected results will vary for different types of other expenses. In the past a number of output appropriations have been classified as other expenses. These appropriations should meet the standards outlined above for outputs.

Information on expected results should be provided for all other expense appropriations and be presented using the above tabular format. Additional narrative information may be included when it is critical. In all instances, narrative information should be brief.

E.8.3 Expected results for Capital Expenditure

Expected results may be presented in dollar terms as either a breakdown of major assets to be purchased or developed during the year, or an analysis of major elements of planned capital expenditure by purpose or project, irrespective of the specific asset categories involved. In some cases, the expected result may be better expressed in other units (percentage, area, volume).

E.8.4 Supplementary Estimates

Mandatory: If the department plans to report on revised measures in their annual report they need to be included in the Information Supporting the Supplementary Estimates. Otherwise departments will be expected to report against the measures included in the *Information Supporting the Estimates* at the start of the financial year.

This requirement reflects that if measures are to be changed during the year, then they need to be agreed by Ministers and notified to Parliament.

E.9 Conditions on use of appropriation

This section is to outline the constraints or other rules around the use of the appropriation as set out in legislation, regulation, Cabinet decisions or other agreements. Information on conditions on use will not be applicable for all appropriations. This section is not intended to be used to set out entitlements.

Additional information on any conditions on the use of the appropriation should be noted where, for instance, there is a particular process that must be followed. Inclusion of this information is especially useful where reference is made to such processes or criteria in the scope of the appropriation or in performance measures (or expected results - for other appropriation types).

Where conditions are set out in an Act or Regulations, include the relevant sections or clauses. Where the reference is to a Gazette Notice, include the date of the Gazette and the notice number and title. Where the conditions are set out in a Cabinet decision, use the words *Cabinet decision* in the Reference column. Do not include the Cabinet Minute reference.

The conditions included here may be specific criteria or other conditions, or a summary of a more detailed set. A summary should provide sufficient information to convey the nature of the factors that must be considered in fulfilling the purpose of the appropriation (as set by the scope) or meeting the performance expectations.

Example: Rates Rebate Scheme Conditions on Use in Vote Local Government

Reference	Conditions
Rates Rebates Act 1973, section 3.	Rebates are granted on the basis of a formula taking into account income, the number of dependents and the amount of rates owing.

This example is good because it outlines the criteria to get entitlement not the entitlement itself.

The quality or other criteria for outputs should be included as text or in a freeform table under the performance measures and standards table.

E.10 Current and past policy initiatives

This section of the information explains the policy reasons for why the amount of the appropriation has changed over the five years covered in the table. Also see the guidance in section D.4.2 above as this guidance on what to include also applies to this table.

Mandatory: The table must list decisions by the year affected, with the most recent year first, **except** where this means that decisions of the previous government would appear before decisions of the current government.

Departments should use the headings “Current Government” and “Previous Government” to distinguish which government agreed the policy change.

The table should cover decisions made in this Budget and the previous four years so long as the decision affects one of the five years in the table: the preceding year, Budget year or the three outyears. “This Budget” refers to the Budget the *Information Supporting the Estimates* being prepared will accompany.

Policy initiatives affecting more than one appropriation need to be included in the table for all appropriations affected.

This should **include only** policy changes and **not** include fiscally neutral adjustments with no policy implications or other technical changes.

Do not include the Cabinet minute references in the titles of policy initiatives.

Decisions made more than four Budgets ago that included on-going funding do not need to be included.

The ‘Year of First Impact’ refers to the first fiscal year in which there is an appropriation impact, irrespective of when the policy decision was taken or announced. For example, a decision to increase an appropriation in outyears can be announced in the current Budget.

If there are significant number of policy decisions affecting one appropriation in a particular year, judgement needs to be used so that the table remains informative and complete. The department should have available a breakdown of all minor initiatives combined.

When appropriations are restructured, the initiatives affecting the old structure need to be transferred to the new structure and reported in this table. The purpose of initiatives should have been sufficiently clear to enable them to be attributed to one or more appropriations (consistent with their scope), rather than making an arbitrary allocation. However, if the wording of initiatives in past Budgets wasn’t transparent, then papers supporting the original decision by Ministers may need to be referred to when completing the table.

A brief narrative can also be added below the table to explain the effect of the restructuring (which would have been reconciled in Part 1.4), including a reference to the initiative’s origin

if it is no longer associated with, say, a restructured or defunct appropriation. If an allocation cannot be made, this could also be noted for the sake of transparency.

Example: Created example

Policy Initiative	Year of First Impact	2010/11 Budgeted \$000	2011/12 Budget \$000	2012/13 Estimated \$000	2013/14 Estimated \$000	2014/15 Estimated \$000
Current Government						
Savings -	2011/12	-	(250)	(300)	(350)	(350)
Previous Government						
Savings -	2012/13	-	-	(350)	(350)	(350)
Policy A	2009/10	1,250	-	-	-	-
Policy B	2008/09	850	850	850	850	825
Policy C	2007/08	150	150	150	150	140

This is good, as it has the current government policy changes before the previous government's with heading to identify which government made the decision and then the years in order of first impact.

F Information Supporting the Estimates

Parts 2-6: Variations and specific requirements

This section of the guidance details the specific requirements associated with particular appropriation types that are not generic across more than two appropriation types.

It covers:

- Multi-class output expense appropriations
- Memorandum accounts
- Summary of service providers for non-departmental outputs, and
- Reporting mechanisms.

F.1 Multi-class Output Expense Appropriations - Part 2

This appropriation type allows for additional Ministerial flexibility in the allocation of the appropriation across a group of output classes within the year. This information is required for all appropriations of this type including new appropriations in the *Supplementary Estimates*.

F.1.1 Multi-Class Output Expense scopes

Statutory requirement - Section 9(2)(a) of the PFA:

The scope of an MCOA is the scope of each of the individual classes of outputs included in that appropriation.

The scope statement for each output class within the multi-class appropriations in the Estimates is repeated here. This can be updated through the Coredata module in CFISnet.

F.1.2 Explanation of use of Multiclass Output Expense Appropriation

Statutory requirement - Section 7(4)(b) of the PFA:

Multi-class output expense appropriations must include an explanation of the basis for linking the output classes in a single appropriation.

This statement is entered through the Coredata module and CFISnet and should be written in complete sentences and be suitable for publishing. The explanation should also be enduring or updated, as this will be included every year that the multi-class output class appropriation remains.

F.1.3 Expenses and Revenue table

Statutory requirement - Section 7(4)(a) of the PFA:

Information required by sections 14 or 15 must, in the case of an MCOA, relate to each class of outputs in that appropriation.

Mandatory: Amounts for expenses must be shown on the *Total Appropriations* row as well as for each class of outputs. Similarly, total revenue amounts must be shown on the Revenue lines.

This explanation is required because the appropriation limit is based on the total. Unless Ministers agreed at the time of establishing the multi-class output appropriation, the maximum that can be moved between output classes is 10% of the receiving output class without joint Ministerial approval. This approval can also be gained during a baseline update if it meets the criteria for technical changes to baselines in Section C of CO (09) 06.

F.1.4 Output Performance Measures and Standards

Statutory requirement – Sections 7(4)(a) and 15(1)(b) of the PFA:

Performance measures and standards are required for each output class in a MCOA.

Where the same performance measures apply to all or a group of output classes, then these do not need to be repeated but can be grouped together as long as it is clear which output classes the measures apply to.

F.2 Memorandum accounts - Part 2

A Memorandum account provides a mechanism to allow for cost-recovered output costs to be balanced out over time and not in an individual year.

Mandatory: Treasury Instruction 6.3.6 - Where a memorandum account is required, the accumulated balances of surpluses and deficits for an output or group of outputs within the appropriation must be reported in a memorandum account in the supporting information, as shown here, and in the administering department's annual report.

Departments are encouraged to briefly set out the actions taken or proposed to address any increasing surpluses or deficits in their memorandum accounts, in narrative immediately under the table. If there is more than one memorandum account within a single appropriation, include the title and details in the same table by repeating the standard rows.

F.3 Summary of service providers for non-departmental outputs Part 2

The purpose of this information is to let Members of Parliament know how the actual performance for these appropriations will be reported back to Parliament. This information is required for all appropriations including new appropriations in the *Supplementary Estimates*.

Mandatory: This table provides a summary of the main third-parties, Crown entities and non-government organisations providing services under non-departmental output expense appropriations in this Vote, and indicates the mechanisms by which actual performance will be reported to Parliament.

The reporting mechanism must be selected from the following specified options:

- **Provider’s annual report** - where the provider is a Crown entity required to provide a statement of service performance covering the use of the relevant appropriation
- **Section 32A report** - where the appropriation (or part) is listed for this purpose in an Appropriation Act, and
- **Other statutory report** - where there is a specific legislative requirement for reporting to Parliament.

If there are any non-departmental output expenses, this table should be included.

This table is intended to focus on providers for which reporting to Parliament will be required and is not intended as a full reconciliation of all non-departmental output expense appropriations in the Vote. Budget-year amounts should be disclosed for individual providers where known; state “**Not yet known**” in the Budget-year column when this situation applies.

The title of an appropriation that funds several providers will appear more than once in this table and should be annotated “(part)” as shown in the example below.

Enter a date (month and year) in the last column when the commitment extends beyond the Budget-year.

For an example of this table done well in Budget 2009 see: Vote Education B.5A Vol. 2 pages 92-93. Part of this table is included in the box below. This is a good example because it details whether an agency receives only some of an appropriation by the use of “(part)” after the appropriation title. This assists with tracking through to Crown entity Statements of Intent. While not listing the month and year of expiry in the part of the table shown, it covers the existence of multiple contracts and their expiry dates succinctly and in a uniform way.

Example: Summary of Service Providers Table in Vote Education

Provider	2010/11 Budgeted \$000	2010/11 Estimated Actual \$000	2011/12 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Crown Entities					
New Zealand Qualifications Authority:				Provider's annual report	Ongoing
Secondary School Examinations	23,760	23,760	23,760		
Qualifications Support Structures	6,978	6,978	6,049		
Quality Assurance	10,624	10,624	7,700		
Provision of Information and Advisory Services (part)	2,614	2,614	2,614		
Tertiary Education Commission - distributing these funds to tertiary education institutions and other providers:				Provider's annual report	
Centres of Research Excellence.	35,295	35,295	35,295		One contract ends 2011/12 Seven contracts end 2013/14
Tertiary Education: Student Achievement Component.	1,512,330	1,508,630	1,604,141		Investment plans up to three years
Training for Designated Groups.	302,795	301,195	308,310		Industry Training Fund - most providers on three year plans otherwise annual contracts Modern Apprenticeships, Youth Training and Gateway - annual contracts
Non-Government Organisations					
Tertiary and International Advisory Services (part).	4,319	4,319	5,789	Section 32A report	Ongoing

F.4 Reporting mechanisms for non-departmental other expenses and capital expenditure Parts 5 and 6

The purpose of this information is to let Members of Parliament know how the actual performance for these appropriations will be reported back to Parliament. This information is required for all appropriations including new appropriations in the *Supplementary Estimates*.

Statutory requirement - Section 32A(3) of the PFA:

Reports for other expenses and capital expenditure appropriations must be in the form of a Statement of Results, the format for which will vary. The mechanism for providing that Statement of Results may also vary as outlined below.

Mandatory: Information on the reporting mechanisms that apply to each of the other expense appropriations must be provided in this summary table. The reporting mechanism must be selected from the specified options:

- **Provider's annual report** - where the provider is a Crown entity required to provide a statement of service performance covering the use of the relevant appropriation
- **Section 32A report** - where the appropriation (or part) is listed for this purpose in the annual Appropriation Act
- **Other statutory report** - where there is a specific legislative requirement for reporting to Parliament, and
- **Not reported** - where there is an explicit exemption and ex post reporting to parliament is not required.

Where there are different reporting mechanisms for component parts of an appropriation, a brief reference to each part must be included.

There should not be any reference to department's annual reports for reporting on the performance achieved or result from non-departmental other expenses.

If there is no other reporting mechanism, for any non-departmental capital expenditure that results in a Crown Asset, these may be reported in the relevant departmental annual report.

Note: departments need to include the portfolio number after each appropriation when there is more than one Minister responsible for appropriations within a Vote.

G Statements of Forecast Service Performance of Departments

This is the third component of the *Information Supporting the Estimates*. The Statements of Forecast Service Performance of Departments are required for all Votes. Treasury produces these statements by reference to the material provided in Part 2.1 of the *Information Supporting the Estimates*. Departments should ensure that the material provided in Part 2.1 meets the requirements detailed here.

Statutory requirement - Section 41(1)(e) of the PFA:

Which requires a statement of forecast service performance to describe each class of outputs the department proposes to supply during the financial year, including measures and forecast standards of output delivery for each class of outputs, and to identify the expected revenue to be earned, and the proposed output expenses to be incurred for each class of outputs.

The relevant table for this component of the *Information Supporting the Estimates* for each volume refers to all departmental output expense appropriations that each department uses, which collectively constitutes that department's Statement of Forecast Service Performance. Treasury will populate the table on behalf of departments.

The information included in Part 2.1 for each Vote is broader than service performance information required, and therefore broader than that required to be included in a department's Statement of Service Performance in its annual report. In its annual report, each department will prepare a Statement of Service Performance by reporting against a minimum of the scope, expenses and revenue, and output performance measures and standards of each output class. Departments may report against other undertakings, expectations and information included in the *Information Supporting the Estimates* for that Vote, either in the Statement of Service Performance or elsewhere in the narrative of the annual report.

Departmental output expense appropriations are normally used by the department that administers a given Vote. A department may, however, be authorised to use such an appropriation in a Vote administered by another department. Although no instances of this arrangement currently exist, provision is made in the Statement of Forecast Service Performance table to accommodate the situation. If this is the case for your department, please email performanceinfo@treasury.govt.nz by the Estimates sign off date to ensure we include this information in the relevant table.

Note that if a class of outputs has both an annual and revenue-dependent appropriation component, the class can still be reported as a single class of outputs in the department's Statement of Service Performance in its annual report.

Separate guidance will be available to assist departments in preparing their annual reports. This guidance will address the above matters in more depth along with other issues, such as the effect of *Supplementary Estimates* on a department's Statement of Service Performance.

H Information Supporting the Estimates Forecast Financial Statements

H.1 Overview and introduction

Forecast Financial Statements of Departments are the fourth component of the *Information Supporting the Estimates* and starts with a Statement of Common Accounting Policies applicable to all departments. The individual departmental information then follows in the relevant volume. The forecast financial statements appear once for each department in the sector volume that contains the Vote of the Responsible Minister for that department.

The forecast financial statements for the forthcoming financial year for each department covered by a sector includes a:

- Statement of Forecast Comprehensive Income
- Statement of Forecast Changes in Taxpayers' Funds
- Statement of Forecast Financial Position
- Statement of Forecast Cash Flows
- Statement of Significant Assumptions, and
- Statement of Entity-Specific Accounting Policies.

These are accompanied by notes that provide additional details to assist interpretation of the accounts and to meet disclosure requirements outlined in legislation and accounting standards.

This section of the guidance provides departments with advice on the content and production of their forecast financial statements that are included in the *Information Supporting the Estimates*.

Statutory requirement - Section 41(1) of the PFA:

- (a) Forecast financial statements for the department that have been prepared with generally accepted accounting practice; and
- (b) a statement of all significant assumptions underlying the forecast financial statements; and
- (c) any other information or explanations needed to fairly reflect the department's forecast financial operations and financial position; and
- (d) comparative budgeted and estimated actual figures for the previous financial year for the forecast financial statements.

Mandatory: Departments must produce a set of forecast financial statements in accordance with generally accepted accounting practice (NZ IFRS). The relevant accounting standard is FRS 42 Prospective Financial Statements.

H.2 Common accounting policies

Each sector volume contains a statement of common accounting policies that applies to all sets of forecast financial statements included in that volume. This set of policies will be published once at the start of the forecast financial statement section of each sector volume and will not be included with each individual department's forecast financial statements. Each department, however, has a statement of entity-specific accounting policies that will contain any additional or different accounting policies that they may have. The statement of common accounting policies is available on Treasury's website³.

H.3 Production through CFISnet

Treasury produces the forecast financial statements through CFISnet. Departments enter information into CFISnet and it will produce statements to be included in the *Information Supporting the Estimates* volumes. Although these statements will be printed and produced by Treasury, responsibility for the information contained within the statements remains with departments. Treasury will only perform checks to ensure that the final statements are consistent with the data entered into CFISnet and will not review content.

All the required forecast financial statements (statement of comprehensive income, statement of financial position, statement of changes in taxpayers' funds and statement of cash flows) are CFISnet-generated. This means that there is a standardised presentation across all departments using common categories that are unable to be changed. Every effort has been made to ensure that the categories are generic enough to cover all items required. Forecast financial statements, illustrating the standardised categories, are shown in the associated outline documents available at: <https://psi.govt.nz/iai>.

The notes to the forecast financial statements allow a department to specify additional detail necessary to assist users in interpreting the accounts and also meet the disclosure requirements outlined in legislation and accounting standards. Templates have been provided by CFISnet to allow the construction of a range of potential notes. While many of these notes are optional, some are mandatory where applicable. Departments have flexibility over what they include in the notes section, but are asked to try to follow the suggested presentation to assist users that wish to make comparisons between departments.

H.3.1 CFISnet guidance

CFISnet automatically generates the following four financial statements:

- Statement of Forecast Comprehensive Income

³ See <http://www.treasury.govt.nz/publications/guidance/reporting/accounting> for the common accounting policies. They are in the Treasury instructions or see <http://www.treasury.govt.nz/publications/guidance/reporting/accounting/pdfs/nzifrs-accountpolicies-30jun10-v2.pdf>

- Statement of Forecast Changes in Taxpayers' Funds
- Statement of Forecast Financial Position, and
- Statement of Forecast Cash Flows.

These four tables are based on data contained in the detailed schedules in CFISNet. The mappings from the Source CFISNet schedule lines to the face statements can be found in CFISNet Help (Info, Document Sharing, Upload or Download a Document, Process = Global Document. Date = March 2010 or later).

The four financial statements will be generated with 5 columns. The first column (left to right) is to reference any notes that relate to the particular line entry. The second column is the actual audited numbers from the last completed financial year. For Budget 2011, this will be the 30 June 2010 actuals. The third column is the budgeted figures for the current year. These figures match the budgeted figures presented in the previous year's forecast financial statements and are not updated for baseline updates or the *Supplementary Estimates*. The fourth column is the estimated actuals for the current year, which represents the agencies current forecast of what their year end figures will be. The final column is the budgeted figure for the financial year that the forecast financial statements relate to (ie, for the end of the financial year that the current Budget is being presented for).

When using CFISNet to edit the template tables and free-form tables for the notes to the financial statements, enter lines of data into separate rows of the table - inserting new rows as required. This will ensure the table conforms to e-Government standards and the data will be correctly aligned. Row borders can be toggled-off so the Note appears as in the associated template.

A dash needs to be entered where a data row has a zero amount in any column - do NOT leave these blank. See CFISnet Help for further guidance.

H.4 Additional considerations for departments

A key requirement of forecast financial statements is that they **provide an effective comparison** for the financial statements provided in the annual report. Departments should keep this in mind when producing their forecast financial statements.

Nonetheless, departments should also be aware that users interviewed in 2007 noted that they did not see a lot of value in some of the disclosure that was made in forecast financial statements. We therefore encourage departments to produce a set of statements and notes that, while providing a meaningful comparison, do not repeat all of the disclosure that is required in actual financial statements.

Non-departmental financial information is not required in the forecast financial statements.

H.5 Statement of Significant Assumptions

Statutory requirement - Section 41(1)(b) of the PFA:

a statement of all significant assumptions underlying the forecast financial statements.

The statement in the outline is an example only. Each department will need to consider the disclosures required by FRS-42 and customise these disclosures.

Offices of Parliament will also need to amend the description of the Budget approval process.

FRS-42 establishes the principle that prospective financial statements shall contain the information necessary for a user to appreciate the degree of uncertainty attaching to the information in those statements and the impact of that uncertainty (paragraph 49). It requires a number of disclosures to help users make judgements about such uncertainty (paragraphs 51-59).

The required disclosures include:

- all significant assumptions (quantified if possible). A significant assumption is one that materially affects one or more financial estimates. The significance of assumptions (ie their relative importance) should be identified
- where prospective financial statements are not based on the entity's existing business, this fact and a description of the changes proposed
- the basis on which the significant assumptions have been prepared, including the principal sources of information from which they have been derived
- the extent to which actual events and transactions have been reflected in the prospective financial statements
- the factors that may lead to a material difference between information in the prospective financial statements and the actual financial results prepared in future reporting periods, and
- the assumptions made in relation to those sources of uncertainty and the potential financial effect of the uncertainty on the prospective financial statements.

Departments should therefore consider which assumptions may have a material effect on the forecast financial statements. For example, such assumptions may be in relation to activities where the level of demand is likely to fluctuate, the timing of major projects or foreign exchange rates.

The date the assumptions are adopted is the same date the department finalises its assumptions. This will always be before the documents are signed off.

H.6 Statement of Entity - Specific Accounting Policies

H.6.1 Reporting entity

Departments need to insert any additional statements required regarding the entity's activities or the composition of the entity.

H.6.2 Authorisation statement

The date in the authorisation statement is:

- on or after the date of the assumptions
- before the date of the statement of responsibility, and
- before the Chief Executive signs off of the documents for Budget production.

The person authorising the issue of the forecast financial statements is normally the Chief Executive of the organisation.

H.6.3 Going concern

In the unlikely event that the entity is not a going concern, or there is significant doubt about the entity's ability to continue as a going concern, NZ IAS 1 (paragraph 25) requires certain disclosures.

Treasury Instruction 2.3.3.2 states "Unless the Chief Executive of a department of the Crown receives clear evidence to the contrary, he or she must assume, for the purposes of preparing the financial statements in each year, that the Crown does not intend, nor is there a need for, a department to cease operations or to curtail them materially."

H.6.4 Revenue

Generic revenue policies are set out in the generic accounting policies. If these generic policies are not sufficient to describe the revenue recognition policies applied by the entity, insert additional information here. FRS-42 requires disclosure of significant accounting policies.

H.6.5 Property, plant and equipment

If a department revalues any property, plant or equipment, other than land and buildings as noted in the general accounting policies, then disclosure of the policy is required. The policy should refer to the basis of valuation (eg, fair value), the involvement of a registered valuer, how fair value is determined (eg, using market-based evidence) and that the assets are revalued with sufficient regularity to ensure that carrying value is not materially different from fair value at the end of the reporting period.

Details in the following sections should be presented as bulleted lists as shown in the template. Tabular presentation should not be used.

H.7 Notes to the Financial Statements

Paragraph 39 of FRS-42 details that additional disclosures are required of any item that is of such incidence and size, or such nature, that its disclosure is necessary to explain the prospective performance, position or cash flows of the entity. Any items disclosed should also be clear or explained.

H.7.1 Note x - Other Revenue (optional)

This Other Revenue note is required only if an entity has other categories of revenue and considers that separate disclosure of these categories is material in the context of the forecast financial statements.

H.7.2 Note x - Operating Expenses

Mandatory: An expense breakdown needs to identify separately at least consultants' fees, overseas travel and domestic travel as requested by the Finance and Expenditure Committee.

Departments should add any other expenses that they are required to disclose by accounting standards or that are of material interest to users.

H.7.3 Note x - Other Expenses (optional)

Few entities are likely to provide the other expenses note. It is required if an entity considers that separate disclosure of certain expense items (for example, rental and leasing costs) is material in the context of the forecast financial statements.

H.7.4 Note x - Debtors and Other Receivables (optional)

The debtors and other receivables note is required if an entity considers that separate disclosure of specific debtors and other receivables is material in the context of the forecast financial statements.

H.7.5 Note x - Other Current Assets (optional)

The other current assets note is required if an entity considers that such disclosure is material in the context of the forecast financial statements. Possible items include “Derivative financial instruments” and “Non-current assets held for sale”.

H.7.6 Note x - Property, Plant and Equipment (optional)

The property, plant and equipment note has been included to increase transparency of asset movements within a department’s baseline. Departments with significant property plant and equipment assets are required to complete this.

The categories are examples only and this note does not need to appear exactly as it does in the guidance (though it is encouraged as this is the standard we would like to see capital intensive departments meet in their annual report). Departments may construct their own table, or use the CFISnet template table as a base for a free-form table by copying, changing columns and pasting.

H.7.7 Note x - Intangible Assets (optional)

As with the property, plant and equipment note (above), the intangible note has been included to increase transparency of asset movements within a department’s baseline. Departments with significant intangible assets are required to fill in this.

The categories in the template are examples only and this note does not need to appear exactly as it does in the template. Departments may construct their own table, or use the CFISNet template table as a base for a free-form table by copying, changing columns and pasting.

H.7.8 Note x - Other Non-current Assets (optional)

The other non-current assets note is required if an entity has other non-current assets which it considers warrant separate disclosure in the forecast financial statements. Examples include “Non-current debtors and other receivables” and “Non-current Inventories”.

H.7.9 Note x - Other Current Liabilities (optional)

The other current liabilities note is required if an entity has other current liabilities which it considers warrant separate disclosure in the forecast financial statements. Examples include “Finance leases” and “Derivative financial instruments”.

H.7.10 Note x - Provisions (optional)

The provisions note is required if an entity has provisions that it considers warrant separate disclosure in the forecast financial statements. Examples include “Onerous contracts” and “Insurance liabilities”.

H.7.11 Note x - Other Non-current Liabilities (optional)

The Other non-current liabilities note is required if an entity has other non-current liabilities that it considers warrant separate disclosure in the forecast financial statements.

H.7.12 Note x - Other Reserves (optional)

The other reserves note is required if an entity has other reserves that it considers warrant separate disclosure in the forecast financial statements.

H.7.13 Note x - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

Mandatory: This note reconciles the surplus to the cash flow from operating activities figure. It is mandatory that departments complete this note.

Only relevant rows need to be completed in CFISnet. Please ensure bolding and Italics of the row labels match the format in the template.

H.7.14 Note x - Reconciliation of Departmental Expenses and Appropriations (recommended)

This note is recommended but not mandatory. It reconciles the forecast financial statements to the appropriation information contained elsewhere in the *Information supporting the Estimates*. The total departmental expenses at the bottom must equal the total expenses line in the Statement of Forecast Comprehensive Income.

Differences arise between appropriations and forecasts because appropriations are a maximum amount of expenditure approved while forecasts should be based on best estimates. Therefore, the expectation is that that when estimating actual outturns in forecasts, Appropriations will always be too high. Note that departments have been asked to improve the quality of their financial forecasts by ensuring forecasts are based on best estimates rather than upper limits (refer Treasury Circular TC2008/2, which is available through CFISnet).

This reconciliation identifies the main reasons for the differences between appropriations and forecasts:

- Appropriation amounts unused
- Remeasurements, and
- Other.

The “Appropriation amounts unused” row should capture most of the actual or anticipated differences between appropriation amounts and actual or forecast expenses. Appropriation amounts in the “Actual” column should be the final authorised limit for previous year, which would include any *Supplementary Estimates* adjustments and any further expense transfers by Order in Council under section 26A of the PFA. It should not show the amounts actually incurred against those appropriations, or the “Appropriation amounts unused” figure would be zero by definition. The only exceptions should be permanent appropriations with no limit on amounts or MYAs with terms beyond the current year, which should be reported at amounts actually incurred. A similar argument will apply to appropriation amounts in the Estimated Actual column.

The “Remeasurements” row should only include revisions that satisfy the definition of remeasurements in section 2 of the PFA. The “Other” row might include matters like unappropriated expenses.

Annex 1: Glossary and acronyms

Appropriation scope	One of the defining dimensions of an appropriation that establishes limits on the activities for which the Crown or an Office of Parliament is authorised to incur expenses or capital expenditure under that appropriation.
Aspirational goals	Expected performance that will not be achieved in the next year. These should be included in the Departmental or Crown entity Statement of Intent rather than the <i>Information Supporting the Estimates</i> and <i>Information Supporting the Supplementary Estimates</i> .
Benefit	An amount of public money provided for the benefit of some person.
Borrowing expenses	Means any interest or other financing expenses in respect of any loan or under any public security.
Capital expenditure	The cost of assets acquired or developed including any ownership interest in entities, but excluding inventory.
DDA	Department-to- department appropriations.
GST	Goods and services tax. Appropriations are stated GST exclusive.
Impacts	The contribution made to an outcome by a specified set of outputs, or actions, or both.
MCOA	Multi-class output expense appropriations.
MYA	Multi- year appropriation.
Other expenses	Other expenses are a residual as they are expenses other than output expenses, benefit and other unrequited expenses or borrowing expenses.
Outcome	Means a state or condition of society, the economy or the environment and includes a change in that state or condition.
Output	Outputs are goods or services, or goods or services that the department, Crown Entity or Office of Parliament or other person or body has contracted to supply.
PFA	Public Finance Act 1989.
PLA	Permanent Legislative Authority - a traditional term for permanent appropriations, ie, one that is authorised for an indefinite period by legislation other than an Appropriation Act.
RDA	Revenue-dependent appropriations, as authorised by section 21(1) of the Public Finance Act 1989.
SSC	State Services Commission.

<p>Standards PQ &S or Price, Quantity and Standards</p>	<p>The quality, timeliness, location and other aspects of performance that are appropriate to specify for that good, service or capital purchase.</p>
<p>Standards Performance Measures and Standards or Results Tables in Parts 2-6</p>	<p>The level of performance expected (standard) for each measure/result included in the table.</p>