



**FEDERAL FINANCES  
CIRCULAR NO. 2009/04**

14 April 2009

**To agencies subject to the *Financial Management and Accountability Act 1997***

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## **BUDGET ESTIMATES ARRANGEMENTS**

### **SUMMARY**

This circular advises agencies of the information sought by Treasury to update estimates for the 2009-10 Budget in the Budget Estimates and Actuals Management (BEAM) module relating to payments to the States which were transferred to Treasury.

#### ***Key Dates***

By no later than **Friday 17 April 2009**, agencies are requested to provide information to Treasury, in the custom MS-Excel template provided by Treasury, on adjustments to estimates to reflect economic parameters and program specific parameter changes, government decisions and other variations.

On 30 March 2009, economic parameters were released to agencies. BEAM now needs to be updated to reflect economic parameters, Government decisions and other variations.

2. Estimates of National SPPs, including growth factors, are the responsibility of Treasury. Revisions to estimates may be in consultation with relevant portfolio agencies. Treasury is responsible for entering estimates of National SPPs into CBMS.
3. Treasury is seeking agency advice on updates to estimates of National Partnership payments and general revenue assistance for the 2009-10 Budget. On receipt of the advice, Treasury will enter the updates to the estimates in BEAM.
4. The following information is requested in respect of payments to the States which will be paid by Treasury:
  - new government decisions since the Updated Economic and Fiscal Outlook (UEFO) which affect National Partnership payments or create new National Partnership payments;
  - variations due to economic parameter and policy parameter changes; and
  - all other variations.
5. Agencies are asked to fill in the custom MS-Excel template provided by Treasury for each payment.
  - The template was provided for the estimates transfer process and can be used for the estimates update process as well.

- Where payments have been consolidated into one payment by Treasury a new template will be provided for each consolidated payment.
  - Agencies only need to provide information for those payments for specific purposes for which estimates have been transferred to Treasury.
  - Please complete a separate template for each payment where the estimate has changed from the amounts transferred to Treasury.
6. Agencies are asked to clearly explain the reason for the variations in the 'notes' area of the template.
7. Agencies are asked to ensure that the State splits are estimated accurately, including for all forward years. The basis for estimating State splits needs to be agreed with Treasury. If no better method is available, State splits will be determined on an equal per capita basis.
- Equal per capita State distributions will be estimated by Treasury on a consistent basis across all such payments.

### **Budget measures**

8. Agencies are asked to inform Treasury of adjustments for measures agreed by 17 April 2009, or within three calendar days from when decisions are made by ERC (where decisions are made beyond 17 April 2009).
9. As soon as agencies are aware of the need to amend BEAM entries in respect of payments for specific purposes resulting from late government decisions, they are to immediately inform Treasury to arrange for the measure to be entered into BEAM.
10. Treasury will be responsible for entering measures for the November COAG package into BEAM.
11. The Department of Finance is responsible for entering all measures into the Budget Measures System.

### **Commonwealth-own purpose expenses and other exceptions**

12. Former specific purpose payments that will become COPEs under the new arrangements will remain the responsibility of agencies.
13. The appropriations for some other payments (e.g. Interstate Road Transport, non-government schools) will remain the responsibility of agencies.
14. In these cases, the agency also retains the estimates responsibilities. Treasury does not require estimates variations from agencies in respect of any of these payments.
15. Some exceptions also exist where agencies retain responsibility for payments until 30 June 2009 (e.g. Australian Healthcare Grants, AusLink, Caring for Our Country), and the payment then transfers to Treasury. For these payments, Treasury requires estimates variations for 2009-10 and the forward years.

## **Reason code**

16. Treasury requests that agencies provide the reason code for each estimates adjustment. A reason code is required for each annual estimates adjustment that is entered into BEAM, as this information is used to categorise the nature of variations and is reported in the budget papers. Reason codes are also used in the analysis and briefing of budget variations.

17. A list of reason codes is provided in the templates.

## **Adjustment titles/ description**

18. Treasury requests that agencies provide a description of the adjustment in the notes section of the template so that Treasury can accurately enter the adjustment and description fields in BEAM.

## **CFO sign off**

19. Treasury requests that CFOs or their authorised delegate certify the estimates for Treasury to update. CFOs are asked to sign off:

- advice of updates to estimates;
- advice on adjustments to estimates to reflect economic parameters and program specific parameter changes; and
- Budget measures;

by Friday 17 April 2009.

20. The completed templates will be used by Treasury to update the estimates in BEAM. A copy of the template must be printed and signed by the CFO or their authorised delegate.

21. Completed templates should be returned to the respective Treasury Team listed at the bottom of this email.

22. Treasury will provide a summary of all payments estimates to each CFO at the end of the Budget estimates update.

## **CONTACT INFORMATION**

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