

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2005-06**

**DEPARTMENT OF HUMAN SERVICES
FINANCE AND ADMINISTRATION PORTFOLIO**

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THE HON. JOE HOCKEY MP
MINISTER FOR HUMAN SERVICES
PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2005-06 Additional Estimates for the Department of Human Services and its agencies, a part of the Finance and Administration Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Department and its agencies.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J. Hockey', written over a light blue circular stamp.

JOE HOCKEY MP

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**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new Measures, summarise the changes by Appropriation Bill and, where relevant, by Special Appropriation and Special Account.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2005-06. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the Mid-Year Economic and Fiscal Outlook 2005-06 is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User Guide

Provides an introduction explaining the purpose of the PAES as well as information in relation to the styles and conventions used.

Portfolio Overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by Additional Estimates.

Section 1: Agency overview, variations and measures

This section details the link between the resources appropriated, savings, the impact of any post-Budget measures, and their application to the outputs and administered items (usually programmes) that contribute to the achievement of outcomes. This section also reports changes to revenue from independent sources; changes to estimates of expenses from Special Appropriations; and changes to estimated Special Account flows.

Section 2: Revisions to outcomes, administered items and outputs

This section details changes to planned Government outcomes, or to the contributing administered items and agency outputs.

Section 3: Budgeted financial statements

This section contains revisions to the budgeted financial statements in accrual format covering Budget year, previous year and the three out-years for each agency.

Glossary

Explains key terms.

Index (Optional)

Alphabetical guide to the Statements

STYLES AND CONVENTIONS USED

- (a) The following notations may be used:

NEC/nec	not elsewhere classified
AEST	Australian Eastern Standard Time
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

- (b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Finance Officer, in the Department of Human Services on (02) 6223 4467.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

OVERVIEW

The Department of Human Services was created on 26 October 2004 to improve the development and delivery of Government social and health related services to the Australian people. The department is responsible for ensuring the Government is able to get best value for money in service delivery while emphasising continuous service improvement and a whole of government approach.

AGENCIES WITHIN HUMAN SERVICES

Human Services comprises the following General Government Sector entities:

- The Department of Human Services, incorporating the core department, the Child Support Agency and CRS Australia;
- Centrelink; and
- Medicare Australia (formerly the Health Insurance Commission).

Human Services also contains the following non-general government sector entities:

Public Non-Financial Corporation

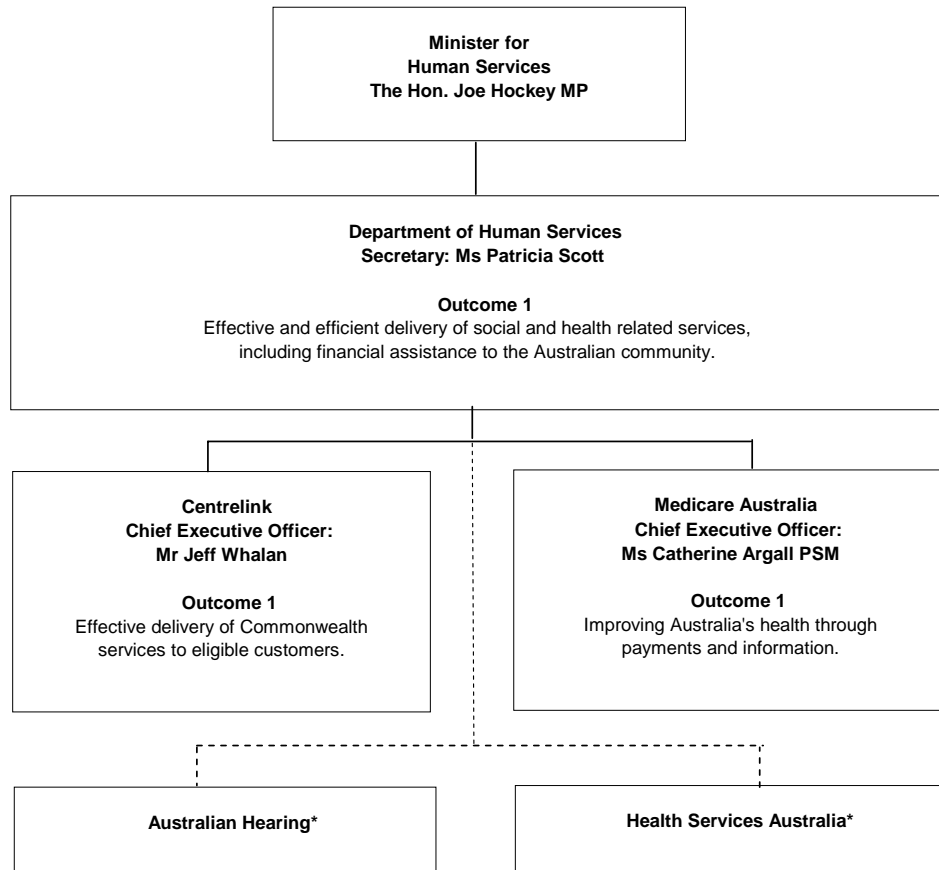
- Australian Hearing

Public Financial Corporation

- Health Services Australia

As required under Section 12 of the Charter of Budget Honesty Act 1998, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates. These entities are not reported in the Portfolio Additional Estimates Statements.

Figure 1: Portfolio structure and outcomes



* These agencies are non-general government sector entities which are not consolidated into the Commonwealth general government sector fiscal estimates. They are not therefore reported in the Portfolio Additional Estimates Statements.

ADDITIONAL ESTIMATES AND VARIATIONS - PORTFOLIO LEVEL

Additional appropriations are being sought for the Department of Human Services, Centrelink and Medicare Australia.

The Department of Human Services is seeking additional departmental appropriations of \$10.8m for new measures since the 2005-06 Budget (details are provided at Section 1, Department of Human Services, Table 1.4: Summary of measures since the 2005-06 Budget). Furthermore, there is a reduction in administered appropriations of \$1.2m and administered special appropriations of \$3.1m. This has resulted in an overall increase of \$6.5m in the Department of Human Services' appropriation.

Centrelink is seeking an additional departmental equity injection of \$2.1m. The increase in funding is attributable to revised estimates and measures (details are provided at Section 1, Centrelink, Table 1.4: Summary of measures since the 2005-06 Budget).

Medicare Australia is seeking additional appropriation of \$9.0m, comprising of \$8.2m of departmental appropriation and \$0.8m of equity injections. The increase in funding is attributable to revised estimates and measures (details are provided at Section 1, Medicare Australia, Table 1.4: Summary of measures since the 2005-06 Budget). This increase is offset by reductions in appropriations of \$15.7m, which is mainly attributable to return of payroll tax funding as a result of Medicare Australia becoming an FMA agency. Overall, there is a reduction of \$6.7m in Medicare Australia's appropriation.

The appropriation from Government to each Portfolio agency in 2005-06, to enable the delivery of outputs and administered programmes (where applicable), is outlined in Section 1 in the portfolio additional estimates statements for each agency. Details of revenue and expenses are provided at Section 3.

**AGENCY ADDITIONAL
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DEPARTMENT OF HUMAN SERVICES

Section 1: Agency overview and resources; variations and measures

OVERVIEW

The total resourcing to be received by the Department in 2005-06 is \$1,510.0m, comprising:

- \$309.0m from departmental expense appropriations;
- \$172.0m from revenue from departmental independent sources;
- \$5.2m from administered appropriations;
- \$959.8m from revenue from administered independent sources; and
- \$63.9m for administered special appropriations.

Total resourcing has increased by \$93.4m on the resources of \$1,416.6m provided at 2005-06 Budget. The Department does not receive any appropriation for administered capital or departmental capital. Details of appropriations are provided at Tables 1.5 and 1.10.

Overall, the Department's administered and departmental appropriations (including administered special appropriations) in 2005-06 have increased by \$6.5m since Budget. This is as a result of measures announced since the 2005-06 Budget (\$10.8m), offset by \$4.3m in administered savings. Details of these measures are provided at Table 1.4.

The activities of the Department of Human Services remain unchanged from that specified in the 2005-06 Portfolio Budget Statements.

Core Department

The Department of Human Services was established to improve the development and delivery of the Government's social and health related services to the Australian people. The department is working with other departments and agencies to ensure the effective and efficient implementation of Government policy. The core function of the department is to ensure early consideration of service delivery issues in the policy development process and improve the quality and cost effectiveness of services within and across the Human Services agencies.

Child Support Agency

The Child Support Agency (CSA) provides assessment, registration, collection and disbursement services that facilitate the transfer of child support payments between separated parents for the support of their children. The Child Support Scheme is designed to ensure that both parents contribute to the cost of their children, according to their capacity. The scheme is expected to transfer over \$2.4b between parents for the benefit of 1.1 million children in 2005-06.

Prior to the creation of the Department of Human Services, budget estimates relating to the Child Support Agency were reported under outcome 1, output 1.3 of the then Department of Family and Community Services.

CRS Australia

CRS Australia operates within the Department of Human Services and is the largest provider of expert assessment and vocational rehabilitation services in Australia.

It is the sole provider of Government funded rehabilitation services provided under the Disability Services Act 1986. These services are purchased from CRS Australia by the Department of Employment and Workplace Relations (DEWR).

In 2005-2006 CRS Australia anticipates providing 23,225 new services.

CRS Australia also provides career planning services for the Department of Education, Science and Training (DEST), vocational rehabilitation services for the Department of Veterans' Affairs (DVA), Wage Assessments and Case Management in Business Services for the Department of Families, Community Services and Indigenous Affairs and rehabilitation and injury prevention services to a range of workers' compensation insurers.

It provides these services from over 175 sites located in urban, regional, rural and remote areas across Australia, as well as providing visiting and outreach services.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Effective and efficient delivery of social and health related services, including financial assistance to the Australian community	The Department of Human Services ensures a whole-of-Government approach to health and social related service delivery	Output 1 Core Department Facilitation and promotion of effective and efficient delivery of social and health related services.
	The CSA ensures that children of separated parents receive the financial support that both their parents are responsible for providing	Output 2 Child Support Agency Delivery of child support assessment, registration, collection and disbursement services.
	CRS Australia assists people who have a disability or injury to return to work	Output 3 CRS Australia Delivery of vocational rehabilitation services to eligible people who have an injury, disability or health condition.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Variations — Measures

Table 1.2: Additional estimates and variations to outcomes – measures

	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Outcome 1				
Increase in departmental appropriations				
Smart Technologies and Services - funding for a business case	4,000	-	-	-
Social Welfare and Health Services - information and education	4,000	-	-	-
Medicare: developing improved claiming arrangements	471	-	-	-
Welfare to Work - Comprehensive Work Capacity Assessments: additional funding	2,300	900	1,500	900
Total	10,771	900	1,500	900

Other variations to appropriations

Table 1.3: Additional estimates and variations to outcomes – other variations

	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Outcome 1				
Variations in administered appropriations - Bill 3				
Child Support Agency Annual Appropriation Bill 1	(1,204)	(585)	(414)	(336)
Variations in special appropriations				
Child Support s77 - short falls in CSA Trust	(3,058)	(2,078)	(788)	824
Total	(4,262)	(2,662)	(1,202)	488
Variations in departmental appropriations - Bill 3				
Adjustment for revised WCI			(23)	(34)
Total	-	-	(23)	(34)

MEASURES — AGENCY SUMMARY

The table below displays the impact of PAES Measures since the 2005-06 Budget on the Department of Human Services.

The measures are summarised in Table 1.4 and identify the relevant outcomes, administered items and outputs associated with each measure.

Table 1.4: Summary of measures since the 2005-06 Budget

Measure	Outcome	Output groups affected	2005-06 (\$'000)			2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Smart Technologies and Services - funding for a business case	1	1.1	-	4,000	4,000	-	-	-	-	-	-	-	-	-
Social Welfare and Health Services - information and education	1	1.1	-	4,000	4,000	-	-	-	-	-	-	-	-	-
Medicare: developing improved claiming arrangements	1	1.1	-	471	471	-	-	-	-	-	-	-	-	-
Welfare to Work - Comprehensive Work Capacity Assessments: additional funding	1	1.1	-	2,300	2,300	-	900	900	-	1,500	1,500	-	900	900
Total			-	10,771	10,771	-	900	900	-	1,500	1,500	-	900	900

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

	2004-05 available \$'000	2005-06 budget \$'000	2005-06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
Effective and efficient delivery of social and health related services, including financial assistance to the Australian community	5,810	6,414	5,210	-	1,204
Total	5,810	6,414	5,210	-	-1,204
DEPARTMENTAL OUTPUTS					
Outcome 1					
Effective and efficient delivery of social and health related services, including financial assistance to the Australian community	157,919	298,277	309,048	10,771	-
Total	157,919	298,277	309,048	10,771	-
Total administered and departmental	163,729	304,691	314,258	10,771	-1,204

Table 1.6: Appropriation Bill (No. 4) 2005-06

The Department of Human Services will not receive any appropriations from Appropriation Bill (No. 4) 2005-06.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
Outcome 1			
Output 1			
DHS Core Department	62	90	28
Output 2			
Child Support Agency	2,967	3,125	158
Output 3			
CRS Australia	1,591	1,634	43
Total	4,620	4,849	229

SUMMARY OF AGENCY SAVINGS

Table 1.8: Summary of Agency Savings *

(Administered Bill 3 - refer "Administered Items" in Table 1.5)		2005-06 \$'000
S	Savings from annual appropriations	1,204
T	Transfer appropriation monies across outcomes	-
M	Movements of funding between years	-
Total agency savings (as per 'Reduced Estimates' Bill 3 in Table 1.5)		1,204

* There are no net savings in Departmental Outputs

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include FMA s.31 receipts, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.9: Other receipts available to be used

	Budget estimate 2005-06 \$'000	Revised estimate 2005-06 \$'000
Outcome 1		
Departmental other receipts		
CRS Australia	167,727	171,967
Total departmental other receipts available to be used	167,727	171,967
Administered other receipts		
Australian Hearing Services - Dividend and Competitive neutrality revenue	3,900	6,968
Health Services Australia - Dividend and Competitive neutrality revenue	4,400	7,862
Medicare Australia	-	656
Child Support Agency	868,922	944,345
Total administered other receipts available to be used	877,222	959,831

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.10: Estimates of expenses from special appropriations

	Budget estimate 2005-06 \$'000	Revised estimate 2005-06 \$'000
Estimated expenses		
Child Support (Registration and Collection) Act 1988		
Child Support s77 - Shortfalls in CSA Trust (A)	66,937	63,877
Child Support s78 - Unexplained Remittances (A)	50	50
Total estimated expenses	66,987	63,927

A = Administered

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Opening Balance 2005-06 2004-05 \$'000	Receipts 2005-06 2004-05 \$'000	Payments 2005-06 2004-05 \$'000	Adjustments 2005-06 2004-05 \$'000	Closing Balance 2005-06 2004-05 \$'000
Child Support Trust - Child Support Act 1988 (A)	34,731	858,925	858,042	-	35,614
	-	419,714	384,983	-	34,731
Total special accounts	34,731	858,925	858,042	-	35,614

A= Administered

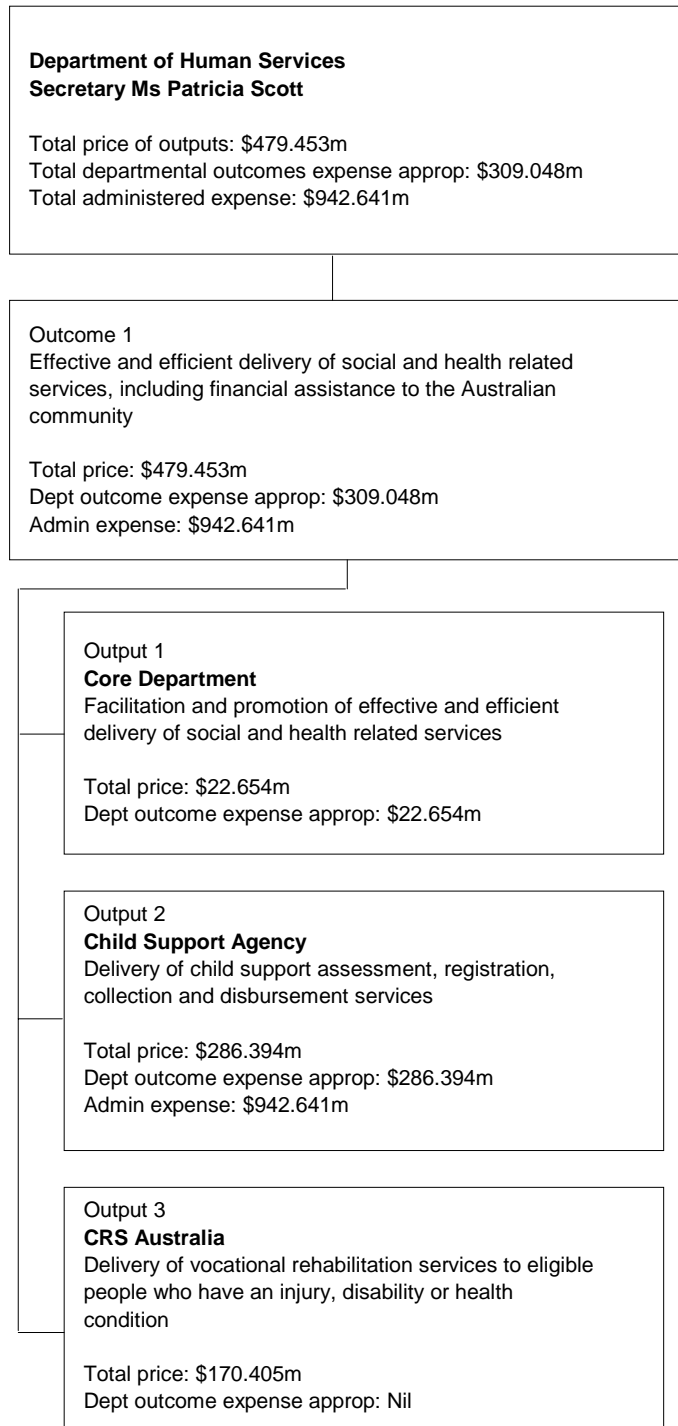
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the Department of Human Services.

The outcomes and outputs framework for the Department of Human Services remains unchanged to that reported in the 2005-06 Portfolio Budget Statements. However, increased funding for a number of new Measures since the 2005-06 Budget has changed the price of outputs.

Figure 2: Outcome and output structure



Outcome 1

Explanation of variations

The additional estimates appropriation changes will be implemented as follows:

- Output 1 – resources for the development of a business case for smart technologies and services, communication activities for social welfare and health services, implementation and management of the Comprehensive Work Capacity Assessments and development of a business case to improve the Medicare claiming arrangements.

Output cost attribution

The attribution of costs for each output is derived from the operating cost of each of the core department, CSA and CRS Australia.

Revised performance information – 2005-06

Other than price for each output, the performance indicators and information for the Department of Human Services remains unchanged to that reported in the 2005-06 Portfolio Additional Estimates.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1

Output	Performance information 2005-06 budget	Performance information 2005-06 revised
Output 1		
Core Department	<p>Quality The degree of satisfaction of the Minister and his office with the quality and timeliness of advice and the achievement of key tasks as expressed through formal and informal feedback.</p> <p>Quantity On the basis of experience since the establishment of the department in October 2004, the department expects annually to: * process approximately 7000 pieces of Ministerial correspondence; * provide approximately 1200 briefings to the Minister and his office; and * prepare draft answers to approximately 100 Parliamentary Questions on Notice.</p> <p>Price The price of the core department's outputs in 2005-06 is \$11.9m.</p>	<p>Quality The degree of satisfaction of the Minister and his office with the quality and timeliness of advice and the achievement of key tasks as expressed through formal and informal feedback.</p> <p>Quantity On the basis of experience since the establishment of the department in October 2004, the department expects annually to: * process approximately 7000 pieces of Ministerial correspondence; * provide approximately 1200 briefings to the Minister and his office; and * prepare draft answers to approximately 100 Parliamentary Questions on Notice.</p> <p>Price The price of the core department's outputs in 2005-06 is \$22.7m.</p>

Agency Additional Estimates Statements – DHS

Output	Performance information 2005-06 budget	Performance information 2005-06 revised
Output 2		
Child Support Agency	<p>Cost Cost per case (estimate: \$346) Cost per dollar transferred (estimate: 12 cents)</p> <p>Effectiveness (Adequacy) Total amount of child support transferred between parents (estimate \$2.4b)</p> <p>Effectiveness (Independence) Child support transfer rate (CSA collect and Private collect) (estimate: 95 per cent) Percentage of Private collect cases to total cases (CSA collect and Private collect cases) (estimate: 52.5 per cent)</p> <p>Price The price of CSA's outputs in 2005-06 is \$286.4m.</p>	<p>Cost Cost per case (estimate: \$352) Cost per dollar transferred (estimate: 12 cents)</p> <p>Effectiveness (Adequacy) Total amount of child support transferred between parents (estimate \$2.4bn)</p> <p>Effectiveness (Independence) Child support transfer rate (CSA collect and Private collect) (estimate: 95 per cent) Percentage of Private collect cases to total cases (CSA collect and Private collect cases) (estimate: 52.5 per cent)</p> <p>Price The price of CSA's outputs in 2005-06 is \$286.4m.</p>
Output 3		
CRS Australia	<p>Quality Certification against Disability Services Standards.</p> <p>Quantity * Number of new clients assisted on a rehabilitation program. * Number of rehabilitation clients achieving durable employment outcomes.</p> <p>Effectiveness and Efficiency * Effectiveness of employment outcomes: CRS Australia undertakes an annual audit of outcomes achieved by CRS Australia clients to ascertain how many are still in employment at 26 weeks. * Efficiency - CRS Australia must maximise the number of jobseekers assisted with a rehabilitation program and operate as a viable business unit. * CRS Australia undertakes a range of other services for government and private agencies with each agreement requiring certain performance indicators to be met.</p> <p>Price The price of CRS's outputs in 2005-06 is \$167.7m.</p>	<p>Quality Certification against Disability Services Standards.</p> <p>Quantity * Number of new clients assisted on a rehabilitation program. * Number of rehabilitation clients achieving durable employment outcomes.</p> <p>Effectiveness and Efficiency * Effectiveness of employment outcomes: CRS Australia undertakes an annual audit of outcomes achieved by CRS Australia clients to ascertain how many are still in employment at 26 weeks. * Efficiency - CRS Australia must maximise the number of jobseekers assisted with a rehabilitation program and operate as a viable business unit. * CRS Australia undertakes a range of other services for government and private agencies with each agreement requiring certain performance indicators to be met.</p> <p>Price The price of CRS's outputs in 2005-06 is \$170.4m.</p>

Section 3: Budgeted financial statements

An analysis of the Department of Human Services budgeted departmental financial statements is provided below. There were minimal budgetary changes to the financial statements resulting from the adoption of the Australian Equivalents to International Financial Reporting Standards (AEIFRS).

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS - DEPARTMENTAL

Budgeted departmental income statement

The statement shows the estimated revenues and expenses for the Department. This provides information on whether the Department is operating at a sustainable level.

The Department is budgeting for an overall operating surplus of \$1.6m in 2005-06, compared to a budgeted break even position at Budget. The operating surplus is due to CRS Australia's revised budgeted operating surplus of \$1.6m, whilst the Core Department and CSA are budgeting for a break even operating position.

Total departmental revenue budgeted for 2005-06 is \$481.0m, which represents a \$15.0m increase from \$466.0m at Budget. The revenue increase was due to an additional \$10.8m of appropriations provided for new measures in the Core Department and a revision in revenue for the provision of services by CRS Australia of \$4.3m.

Total departmental expenses budgeted for 2005-06 is \$479.5m (including income tax), this represents a \$13.4m increase from \$466.0m at Budget. The increase is in response to expenses required for new measures and increased work associated with the provision of services by CRS Australia.

Budgeted departmental balance sheet

This statement shows the estimated end of year position for the Department.

The Department's estimated net asset position as at 30 June 2006 has decreased from \$53.3m at Budget to \$52.0m. Overall, many variations across the balance sheet categories are due to the flow on effect of actual results for 2004-05 impacting the budgeted balance sheet. However, major variations outside of the 2004-05 actuals include:

- **Assets** – there has been a shift between cash and receivables, with more cash being held at bank, in addition budgeted purchases of property, plant and

equipment will increase by \$4.5m in comparison to Budget. Total assets have increased from \$143.0m at Budget to \$144.5m.

- **Liabilities** – this has remained fairly constant, with a small increase in Payables (suppliers). Total liabilities have increased from \$89.7m at Budget to \$92.4m.
- **Equity** – this has decreased from \$53.3m at Budget to \$52.0m.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS - ADMINISTERED

Schedule of budgeted income and expenses administered on behalf of government

Revenues administered on behalf of the government have increased by a total of \$79.0m since Budget. The increase is mostly due to the revision in child support revenue.

Expenses have increased by a total of \$5.3m since the Budget. This increase is mostly due to Child Support activity.

Schedule of budgeted assets and liabilities administered on behalf of government

Total budgeted assets administered on behalf of government is estimated at \$404.8m as at 30 June 2006, which represents a \$298.5m increase on \$106.3m at Budget.

Total budgeted liabilities administered on behalf of government is estimated at \$407.0m as at 30 June 2006, which represents a \$288.2m increase on \$118.8m at Budget.

The significant movements on the assets and liabilities administered on behalf of government are mostly due to the revision of CSA's budget estimates.

As part of the 2004-05 financial statements audit, it was considered that the provision for doubtful child support debts required review. It was concluded that the historical methodology used to estimate doubtful debts resulted in a provision that was materially overstated and an adjustment of approximately \$266m was made to correct this overstatement. This resulted in a flow on effect of actual results to the outyears.

DEPARTMENTAL FINANCIAL STATEMENTS - CONSOLIDATED

Budgeted departmental income statement (see Table 3.1)

The statement represents the expected financial results for the Department of Human Services by identifying total revenue and expenses.

Budgeted departmental balance sheet (see Table 3.2)

The statement represents the financial position of the Department of Human Services.

Budgeted departmental statement of cash flows (see Table 3.3)

The statement represents the nature and extent of expected cash flows for the Department of Human Services resulting from operating, investing and financing activities.

Departmental statement of changes in equity – summary of movement (see Table 3.4)

The statement represents movements in accumulated results, capital contributions and reserves during the budget year for the Department of Human Services.

Departmental capital budget statement (see Table 3.5)

The statement represents planned capital expenditure (expenditure on non-current assets) for the Department of Human Services, whether funded through capital appropriations or from internal sources.

Departmental property, plant, equipment and intangibles — summary of movement (see Table 3.6)

The summary shows budgeted acquisitions and disposals of non-financial assets during the budget year for the Department of Human Services.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government (see Table 3.7)

The statement represents the expected financial results for the Department of Human Services by identifying total administered revenue and expenses.

Schedule of budgeted assets and liabilities administered on behalf of government (see Table 3.8)

The statement represents the financial position of assets and liabilities administered by the Department of Human Services on behalf of the Government.

Schedule of budgeted administered cash flows (see Table 3.9)

The statement represents the nature and extent of expected cash flows for the Department of Human Services resulting from administered operating, investing and financing activities.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from government	157,919	309,048	310,442	315,037	322,288
Goods and services	112,864	171,546	232,681	254,815	231,596
Other	532	421	500	500	500
Total revenue	271,315	481,015	543,623	570,352	554,384
Gains					
Reversals of previous asset write-downs	172	-	-	-	-
Net gains from sale of assets	2	-	-	-	-
Total gains	174	-	-	-	-
Total income	271,489	481,015	543,623	570,352	554,384
EXPENSE					
Employees	172,137	310,710	342,949	363,568	365,123
Suppliers	87,883	153,688	179,392	183,207	169,116
Depreciation and amortisation	8,195	13,801	17,461	19,347	17,818
Write-down and impairment of assets	196	54	55	57	58
Net losses from sale of assets	11	-	-	-	-
Total expenses	268,422	478,253	539,857	566,179	552,115
Operating result from continuing operations	3,067	2,762	3,766	4,173	2,269
Income Tax Expense	1,186	1,200	1,260	1,323	1,389
Operating result	1,881	1,562	2,506	2,850	880
Net surplus or (deficit) attributable to the Australian Government	1,881	1,562	2,506	2,850	880
Net credit (debit) to asset revaluation reserve	785	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	785	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	2,666	1,562	2,506	2,850	880

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	15,237	13,377	13,164	14,796	13,084
Receivables	73,638	73,908	80,189	96,706	103,853
Accrued revenues	-	639	1,300	1,300	1,300
Other	-	781	393	393	393
Total financial assets	88,875	88,705	95,046	113,195	118,630
Non-financial assets					
Land and buildings	26,259	31,988	38,779	35,645	29,800
Infrastructure, plant and equipment	6,458	5,271	4,419	2,981	8,628
Intangibles	21,026	17,323	18,422	13,474	8,088
Other	3,101	1,170	1,012	1,010	1,011
Total non-financial assets	56,844	55,752	62,632	53,110	47,527
Total assets	145,719	144,457	157,678	166,305	166,157
LIABILITIES					
Interest bearing liabilities					
Loans	7,506	-	-	-	-
Other - external	684	-	-	-	-
Total interest bearing liabilities	8,190	-	-	-	-
Provisions					
Employees	64,331	65,939	73,826	80,385	82,407
Other	2,692	1,228	1,128	984	984
Total provisions	67,023	67,167	74,954	81,369	83,391
Payables					
Suppliers	19,121	18,440	22,117	22,360	20,281
Other	616	6,547	5,656	4,765	3,874
Total payables	19,737	24,987	27,773	27,125	24,155
Tax liabilities					
Tax liabilities equivalent	283	255	397	407	326
Total tax liabilities	283	255	397	407	326
Total liabilities	95,233	92,409	103,124	108,901	107,873
EQUITY					
Parent entity interest					
Contributed equity	47,819	47,819	47,819	47,819	47,819
Reserves	785	785	785	785	785
Retained surpluses or accumulated deficits	1,882	3,444	5,950	8,800	9,680
Total parent entity interest	50,486	52,048	54,554	57,404	58,284
Total equity	50,486	52,048	54,554	57,404	58,284
Current assets	91,762	89,875	96,058	114,205	119,641
Non-current assets	53,957	54,582	61,620	52,100	46,516
Current liabilities	50,383	50,194	57,513	60,616	59,040
Non-current liabilities	44,850	42,215	45,611	48,285	48,833

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	152,972	301,557	308,170	307,866	312,685
GST Input Credit Receipts	6,174	572	1,345	1,302	539
GST Receipts from Customers	-	4,632	6,265	6,880	6,253
Cash from the OPA	47,727	-	778	-	2,937
Lease incentive	5,743	-	-	-	-
Goods and services	109,446	171,546	232,020	254,815	231,596
Other	322	505	584	584	584
Total cash received	322,384	478,812	549,162	571,447	554,594
Cash used					
Employees	170,077	294,812	326,470	348,921	354,172
Suppliers	95,827	164,486	190,708	193,482	185,570
Competitive neutrality payments	1,209	-	-	-	-
Cash to the OPA	43,300	1,400	-	9,351	-
Net GST paid to ATO	4,537	5,204	7,610	8,182	6,792
Other	-	133	84	84	84
Total cash used	314,950	466,035	524,872	560,020	546,618
Net cash from/ (used by)					
Operating activities	7,434	12,777	24,290	11,427	7,976
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	2	-	-	-	-
Total cash received	2	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,866	14,637	24,503	9,795	9,688
Purchase of intangibles	4,157	-	-	-	-
Total cash used	8,023	14,637	24,503	9,795	9,688
Net cash from/ (used by)					
investing activities	(8,021)	(14,637)	(24,503)	(9,795)	(9,688)
FINANCING ACTIVITIES					
Cash received					
Restructuring cash balance	15,824	-	-	-	-
Total cash received	15,824	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from/ (used by)					
financing activities	15,824	-	-	-	-
Net increase or (decrease)					
in cash held	15,237	(1,860)	(213)	1,632	(1,712)
Cash at the beginning of the reporting period	-	15,237	13,377	13,164	14,796
Cash at the end of the reporting period	15,237	13,377	13,164	14,796	13,084

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	1,882	785	-	47,819	50,486
Adjusted opening balance	1,882	785	-	47,819	50,486
Income and expense					
Sub-total income and expense	-	-	-	-	-
Net operating result	1,562	-	-	-	1,562
Total income and expenses recognised directly in equity	1,562	-	-	-	1,562
Transactions with owners					
Sub-total transactions with owners	-	-	-	-	-
Closing balance as at 30 June 2006	3,444	785	-	47,819	52,048

Table 3.5: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2004-05	Budget	estimate	estimate	estimate
	\$'000	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
<i>Total capital appropriations</i>	-	-	-	-	-
Represented by					
<i>Total represented by</i>	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded internally by					
Departmental resources	8,023	14,637	24,503	9,795	9,688
Total	8,023	14,637	24,503	9,795	9,688

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005								
Gross book value	558	37,188	-	12,231	-	-	45,619	95,596
Accumulated depreciation	-	11,487	-	5,772	-	-	24,592	41,851
Opening net book value	558	25,701	-	6,459	-	-	21,027	53,745
Additions:								
by purchase	-	10,636	-	1,494	-	-	2,507	14,637
Depreciation/amortisation expense	-	4,907	-	2,680	-	-	6,210	13,797
As at 30 June 2006								
Gross book value	558	47,824	-	13,723	-	-	48,125	110,230
Accumulated depreciation	-	16,394	-	8,452	-	-	30,802	55,648
Closing net book value	558	31,430	-	5,271	-	-	17,323	54,582

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
Income administered on behalf of Government for the period ended 30 June					
Revenue					
Taxation					
Other taxes, fees and fines	25,943	53,449	55,701	57,750	59,664
Total taxation	25,943	53,449	55,701	57,750	59,664
Non-taxation					
Other sources of non-taxation revenues	499,228	897,426	934,959	969,113	1,001,027
Interest (from related entities)	1,464	656	-	-	-
Dividends (from related entities)	6,680	8,300	8,800	8,300	8,300
Total non-taxation	507,372	906,382	943,759	977,413	1,009,327
Total revenues administered on behalf of Government	533,315	959,831	999,460	1,035,163	1,068,991
Total Income administered on behalf of Government	533,315	959,831	999,460	1,035,163	1,068,991
Expenses administered on behalf of Government for the period ended 30 June					
Suppliers (external)	-	-	131,382	134,676	127,154
Personal benefits	623	2,798	2,818	1,767	1,767
Write-down and impairment of assets	44,618	50,671	72,855	75,535	78,039
Child support payments	474,585	-	-	-	-
Other expenses	69	889,172	907,056	940,425	971,603
Total Expenses administered on behalf of Government	519,895	942,641	1,114,111	1,152,403	1,178,563

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT <i>as at 30 June</i>					
Financial assets					
Cash	7	17	10	-	-
Receivables	355,566	391,271	408,232	426,220	444,495
Investments accounted for under the equity method	110,919	13,540	13,540	13,540	13,540
Total financial assets	466,492	404,828	421,782	439,760	458,035
Non-financial assets					
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	466,492	404,828	421,782	439,760	458,035
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT <i>as at 30 June</i>					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	-	-	-	-	-
Payables					
Suppliers	13,292	-	-	-	-
Grants and subsidies	110	-	-	-	-
Personal benefits payable	12,975	-	-	-	-
Taxation refunds due	345,834	379,763	395,544	411,907	428,812
Other payables	-	27,242	28,133	29,056	30,015
Total payables	372,211	407,005	423,677	440,963	458,827
Total liabilities administered on behalf of Government	372,211	407,005	423,677	440,963	458,827

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	2,236	3,741	3,899	4,042	4,177
GST Input Credit Receipts	0	0	13,138	13,468	12,715
Child support receipts	419,558	0	0	0	0
Cash from the OPA	0	858,042	1,025,475	1,060,506	1,083,619
Interest	1,464	656	0	0	0
Dividends	6,680	8,200	8,900	8,000	8,300
Other	4,353	860,868	896,838	929,587	960,201
Total cash received	434,291	1,731,507	1,948,250	2,015,603	2,069,012
Cash used					
Suppliers	0	0	131,382	134,676	127,154
GST Payments to Suppliers	0	0	13,138	13,468	12,715
Personal benefits	624	2,798	2,818	1,767	1,767
Child support payments	413,041	0	0	0	0
Cash to the OPA	12,497	874,311	910,542	942,572	973,636
Other	0	854,388	890,377	923,130	953,740
Total cash used	426,162	1,731,497	1,948,257	2,015,613	2,069,012
Net cash from operating activities	8,129	10	(7)	(10)	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	8,129	10	(7)	(10)	-
Cash at the beginning of the reporting period	0	7	17	10	0
Cash from the OPA	420,851	0	0	0	0
Cash to the OPA	-428,973	0	0	0	0
Cash at the end of the reporting period	7	17	10	-	-

NOTES TO THE FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management System (AIMS) as at January 2006 and the Department of Human Services' 2004-05 unaudited Australian Equivalents to International Financial Reporting Standards (AEIFRS) compliant statements.

Basis of accounting

The statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which are at valuation.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits can be reliably measured.

The continued existence of the Department of Human Services in its present form and functions is dependent on government policy and ongoing business.

Additional disclosure

To provide additional disclosure, separate agency budget information for the Core Department, CSA and CRS Australia is provided as follows:

- Core Department Table 3.10 – Table 3.18
- CSA Table 3.19 – Table 3.27
- CRS Australia Table 3.28 – Table 3.33

BUDGETED FINANCIAL STATEMENTS – CORE DEPARTMENT

Table 3.10: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from government	7,577	22,654	12,580	13,517	12,916
Goods and services	5	-	-	-	-
Other	61	-	-	-	-
Total revenue	7,643	22,654	12,580	13,517	12,916
Gains					
Total gains	-	-	-	-	-
Total income	7,643	22,654	12,580	13,517	12,916
EXPENSE					
Employees	3,729	8,590	6,814	7,504	7,200
Suppliers	2,096	13,666	5,551	5,798	5,501
Depreciation and amortisation	83	398	215	215	215
Total expenses	5,908	22,654	12,580	13,517	12,916
Share of operating results of associates and joint ventures accounted for using the equity method					
Operating result from continuing operations	1,735	-	-	-	-
Operating result	1,735	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	1,735	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	1,735	-	-	-	-

Table 3.11: Budgeted departmental balance sheet (as at 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	99	50	50	50	50
Receivables	2,654	3,195	3,455	3,545	3,838
Total financial assets	2,753	3,245	3,505	3,595	3,888
Non-financial assets					
Land and buildings	522	579	437	295	153
Infrastructure, plant and equipment	403	146	73	177	88
Intangibles	36	36	36	36	36
Other	129	27	28	26	27
Total non-financial assets	1,090	788	574	534	304
Total assets	3,843	4,033	4,079	4,129	4,192
LIABILITIES					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,608	1,832	1,887	1,945	2,004
Other	112				
Total provisions	1,720	1,832	1,887	1,945	2,004
Payables					
Suppliers	387	466	457	449	453
Total payables	387	466	457	449	453
Total liabilities	2,107	2,298	2,344	2,394	2,457
EQUITY					
Parent entity interest					
Retained surpluses or accumulated deficits	1,735	1,735	1,735	1,735	1,735
Total parent entity interest	1,735	1,735	1,735	1,735	1,735
Total equity	1,735	1,735	1,735	1,735	1,735
Current assets	2,882	3,272	3,533	3,621	3,915
Non-current assets	961	761	546	508	277
Current liabilities	965	636	632	630	640
Non-current liabilities	1,142	1,662	1,712	1,764	1,817

Table 3.12: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,972	18,337	10,642	11,201	10,884
Net GST Received from ATO	102				
Goods and services	5				
Other		84	84	84	84
Total cash received	6,079	18,421	10,726	11,285	10,968
Cash used					
Employees	3,351	6,734	6,259	6,447	6,641
Suppliers	1,713	11,404	4,383	4,611	4,243
Other		133	84	84	84
Total cash used	5,064	18,271	10,726	11,142	10,968
Net cash from/ (used by)					
Operating activities	1,015	150	-	143	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	877	199		143	
Purchase of intangibles	39				
Total cash used	916	199	-	143	-
Net cash from/ (used by)					
investing activities	(916)	(199)	-	(143)	-
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from/ (used by)					
financing activities	-	-	-	-	-
Net increase or (decrease)					
in cash held	99	(49)	-	-	-
Cash at the beginning of the reporting period	-	99	50	50	50
Cash at the end of the reporting period	99	50	50	50	50

Table 3.13: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	1,735	-	-	-	1,735
Adjusted opening balance	1,735	-	-	-	1,735
Income and expense					
Sub-total income and expense	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Sub-total transactions with owners	-	-	-	-	-
Closing balance as at 30 June 2006	1,735	-	-	-	1,735

Table 3.14: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2004-05	Budget	estimate	estimate	estimate
	\$'000	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
<i>Total capital appropriations</i>	-	-	-	-	-
Represented by					
<i>Total represented by</i>	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded internally by					
Departmental resources	916	199	-	143	-
Total	916	199	-	143	-

Table 3.15: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005								
Gross book value	-	542	-	456	-	-	39	1,037
Accumulated depreciation	-	20	-	54	-	-	3	77
Opening net book value	-	522	-	402	-	-	36	960
Additions								
by purchase	-	199	-	-	-	-	-	199
Depreciation/amortisation expense	-	142	-	256	-	-	-	398
As at 30 June 2006								
Gross book value	-	741	-	456	-	-	39	1,236
Accumulated depreciation	-	162	-	310	-	-	3	475
Closing net book value	-	579	-	146	-	-	36	761

Table 3.16: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
Income administered on behalf of Government for the period ended 30 June					
Revenue					
Taxation					
Total taxation	-	-	-	-	-
Non-taxation					
Other sources of non-taxation revenues	4,353	6,530	6,530	6,530	6,530
Interest (from related entities)	1,464	656	-	-	-
Dividends (from related entities)	6,680	8,300	8,800	8,300	8,300
Total non-taxation	12,497	15,486	15,330	14,830	14,830
Total revenues administered on behalf of Government	12,497	15,486	15,330	14,830	14,830
Total Income administered on behalf of Government	12,497	15,486	15,330	14,830	14,830
Expenses administered on behalf of Government for the period ended 30 June					
Suppliers (external)	-	-	131,382	134,676	127,154
Total Expenses administered on behalf of Government	-	-	131,382	134,676	127,154

Table 3.17: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT as at 30 June					
Financial assets					
Receivables		100	-	300	300
Investments accounted for under the equity method	110,919	13,540	13,540	13,540	13,540
Total financial assets	110,919	13,640	13,540	13,840	13,840
Non-financial assets					
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	110,919	13,640	13,540	13,840	13,840
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT as at 30 June					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	-	-	-	-	-
Payables					
Total payables	-	-	-	-	-
Total liabilities administered on behalf of Government	-	-	-	-	-

Table 3.18: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
GST Input Credit Receipts			13,138	13,468	12,715
Cash from the OPA		-	131,382	134,676	127,154
Interest	1,464	656	-	-	-
Dividends	6,680	8,200	8,900	8,000	8,300
Other	4,353	6,530	6,530	6,530	6,530
Total cash received	12,497	15,386	159,950	162,674	154,699
Cash used					
Suppliers	-	-	131,382	134,676	127,154
GST Payments to Suppliers			13,138	13,468	12,715
Cash to the OPA	12,497	15,386	15,430	14,530	14,830
Total cash used	12,497	15,386	159,950	162,674	154,699
Net cash from operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	-	-	-	-	-
Cash at the end of the reporting period	-	-	-	-	-

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Table 3.19: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from government	150,342	286,394	297,862	301,520	309,372
Goods and services	72	-	-	-	-
Other	160	-	-	-	-
Total revenue	150,574	286,394	297,862	301,520	309,372
Gains					
Total gains	-	-	-	-	-
Total income	150,574	286,394	297,862	301,520	309,372
EXPENSE					
Employees	96,766	188,900	194,810	196,618	202,886
Suppliers	48,096	89,925	93,909	95,528	97,916
Depreciation and amortisation	5,325	7,569	9,143	9,374	8,570
Write-down and impairment of assets	77				
Net losses from sale of assets	11				
Total expenses	150,275	286,394	297,862	301,520	309,372
Operating result from continuing operations	299	-	-	-	-
Operating result	299	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	299	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	299	-	-	-	-

Table 3.20: Budgeted departmental balance sheet (as at 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	2,909	909	909	909	909
Receivables	22,827	21,797	23,596	30,672	40,461
Other		781	393	393	393
Total financial assets	25,736	23,487	24,898	31,974	41,763
Non-financial assets					
Land and buildings	18,944	24,246	28,545	27,386	23,038
Infrastructure, plant and equipment	467	621	678	707	723
Intangibles	19,372	13,997	9,347	5,252	1,764
Other	1,653				
Total non-financial assets	40,436	38,864	38,570	33,345	25,525
Total assets	66,172	62,351	63,468	65,319	67,288
LIABILITIES					
Interest bearing liabilities					
Loans	7,506				
Total interest bearing liabilities	7,506	-	-	-	-
Provisions					
Employees	40,763	40,478	42,486	45,228	48,088
Other	1,935				
Total provisions	42,698	40,478	42,486	45,228	48,088
Payables					
Suppliers	11,398	11,371	11,371	11,371	11,371
Other		5,931	5,040	4,149	3,258
Total payables	11,398	17,302	16,411	15,520	14,629
Total liabilities	61,602	57,780	58,897	60,748	62,717
EQUITY					
Parent entity interest					
Contributed equity	4,272	4,272	4,272	4,272	4,272
Retained surpluses or accumulated deficits	299	299	299	299	299
Total parent entity interest	4,571	4,571	4,571	4,571	4,571
Total equity	4,571	4,571	4,571	4,571	4,571
Current assets	27,389	23,487	24,898	31,974	41,763
Non-current assets	38,783	38,864	38,570	33,345	25,525
Current liabilities	30,288	30,029	30,611	31,576	32,602
Non-current liabilities	31,314	27,751	28,286	29,172	30,115

Table 3.21: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	147,000	283,220	297,528	296,665	301,801
Net GST received from ATO	5,414				
Lease incentive	5,743				
Other	72				
Total cash received	158,229	283,220	297,528	296,665	301,801
Cash used					
Employees	96,385	175,327	183,450	185,464	190,206
Suppliers	50,920	102,243	105,229	107,052	110,845
Net GST paid to ATO	4,537				
Total cash used	151,842	277,570	288,679	292,516	301,051
Net cash from/ (used by)					
Operating activities	6,387	5,650	8,849	4,149	750
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	673	7,650	8,849	4,149	750
Purchase of intangibles	3,046				
Total cash used	3,719	7,650	8,849	4,149	750
Net cash from/ (used by) investing activities	(3,719)	(7,650)	(8,849)	(4,149)	(750)
FINANCING ACTIVITIES					
Cash received					
Restructuring cash balance	241				
Total cash received	241	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from/ (used by) financing activities	241	-	-	-	-
Net increase or (decrease) in cash held	2,909	(2,000)	-	-	-
Cash at the beginning of the reporting period	-	2,909	909	909	909
Cash at the end of the reporting period	2,909	909	909	909	909

Table 3.22: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	299	-	-	4,272	4,571
Adjusted opening balance	299	-	-	4,272	4,571
Income and expense					
Sub-total income and expense	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Sub-total transactions with owners	-	-	-	-	-
Closing balance as at 30 June 2006	299	-	-	4,272	4,571

Table 3.23: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2004-05	Budget	estimate	estimate	estimate
	\$'000	2005-06	2006-07	2007-08	2008-09
		\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
<i>Total capital appropriations</i>	-	-	-	-	-
Represented by					
<i>Total represented by</i>	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded internally by					
Departmental resources	3,719	7,650	8,849	4,149	750
Total	3,719	7,650	8,849	4,149	750

Table 3.24: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005								
Gross book value	-	24,288	-	581	-	-	40,174	65,043
Accumulated depreciation	-	5,344	-	114	-	-	20,802	26,260
Opening net book value	-	18,944	-	467	-	-	19,372	38,783
Additions:								
by purchase	-	6,832	-	522	-	-	296	7,650
Depreciation/amortisation expense	-	1,530	-	368	-	-	5,671	7,569
As at 30 June 2006								
Gross book value	-	31,120	-	1,103	-	-	40,470	72,693
Accumulated depreciation	-	6,874	-	482	-	-	26,473	33,829
Closing net book value	-	24,246	-	621	-	-	13,997	38,864

Table 3.25: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
Income administered on behalf of Government for the period ended 30 June					
Revenue					
Taxation					
Other taxes, fees and fines	25,943	53,449	55,701	57,750	59,664
Total taxation	25,943	53,449	55,701	57,750	59,664
Non-taxation					
Other sources of non-taxation revenues	494,875	890,896	928,429	962,583	994,497
Total non-taxation	494,875	890,896	928,429	962,583	994,497
Total revenues administered on behalf of Government	520,818	944,345	984,130	1,020,333	1,054,161
Total Income administered on behalf of Government	520,818	944,345	984,130	1,020,333	1,054,161
Expenses administered on behalf of Government for the period ended 30 June					
Personal benefits	623	2,798	2,818	1,767	1,767
Write-down and impairment of assets	44,618	50,671	72,855	75,535	78,039
Child support payments	474,585	-	-	-	-
Other expenses	69	889,172	907,056	940,425	971,603
Total Expenses administered on behalf of Government	519,895	942,641	982,729	1,017,727	1,051,409

Table 3.26: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT as at 30 June					
Financial assets					
Cash	7	17	10		
Receivables	355,566	391,171	408,232	425,920	444,195
Total financial assets	355,573	391,188	408,242	425,920	444,195
Non-financial assets					
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	355,573	391,188	408,242	425,920	444,195
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT as at 30 June					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	-	-	-	-	-
Payables					
Suppliers	13,292				
Personal benefits	110				
Payments in advance	12,975				
Accrued child support (expenses)	345,834	379,763	395,544	411,907	428,812
Other payables		27,242	28,133	29,056	30,015
Total payables	372,211	407,005	423,677	440,963	458,827
Total liabilities administered on behalf of Government	372,211	407,005	423,677	440,963	458,827

Table 3.27: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	2,236	3,741	3,899	4,042	4,177
Child support receipts	419,558				
Cash from the OPA		858,042	894,093	925,830	956,465
Other		854,338	890,308	923,057	953,671
Total cash received	421,794	1,716,121	1,788,300	1,852,929	1,914,313
Cash used					
Personal benefits	624	2,798	2,818	1,767	1,767
Child support payments	413,041				
Cash to the OPA		858,925	895,112	928,042	958,806
Other		854,388	890,377	923,130	953,740
Total cash used	413,665	1,716,111	1,788,307	1,852,939	1,914,313
Net cash from operating activities	8,129	10	7	10	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	8,129	10	7	10	-
Cash at the beginning of the reporting period	-	7	17	10	-
Cash from the OPA	420,851				
Cash to the OPA	- 428,973				
Cash at the end of the reporting period	7	17	10	-	-

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Table 3.28: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenue					
Goods and services	112,787	171,546	232,681	254,815	231,596
Other	311	421	500	500	500
Total revenue	113,098	171,967	233,181	255,315	232,096
Gains					
Reversals of previous asset write-downs	172				
Net gains from sale of assets	2				
Total gains	174	-	-	-	-
Total income	113,272	171,967	233,181	255,315	232,096
EXPENSE					
Employees	71,642	113,220	141,325	159,446	155,037
Suppliers	37,691	50,097	79,932	81,881	65,699
Depreciation and amortisation	2,787	5,834	8,103	9,758	9,033
Write-down and impairment of assets	119	54	55	57	58
Total expenses	112,239	169,205	229,415	251,142	229,827
Operating result from continuing operations	1,033	2,762	3,766	4,173	2,269
Income Tax Expense	1,186	1,200	1,260	1,323	1,389
Operating result	- 153	1,562	2,506	2,850	880
Net surplus or (deficit) attributable to the Australian Government	- 153	1,562	2,506	2,850	880
Net credit (debit) to asset revaluation reserve	785				
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	785	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	632	1,562	2,506	2,850	880

Table 3.29: Budgeted departmental balance sheet (as at 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	12,229	12,418	12,205	13,837	12,125
Receivables	48,157	48,916	53,138	62,489	59,554
Accrued revenues		639	1,300	1,300	1,300
Total financial assets	60,386	61,973	66,643	77,626	72,979
Non-financial assets					
Land and buildings	6,793	7,163	9,797	7,964	6,609
Infrastructure, plant and equipment	5,588	4,504	3,668	2,097	7,817
Intangibles	1,618	3,290	9,039	8,186	6,288
Other	1,319	1,143	984	984	984
Total non-financial assets	15,318	16,100	23,488	19,231	21,698
Total assets	75,704	78,073	90,131	96,857	94,677
LIABILITIES					
Interest bearing liabilities					
Other	684	-	-	-	-
Total interest bearing liabilities	684	-	-	-	-
Provisions					
Employees	21,960	23,629	29,453	33,212	32,315
Other	645	1,228	1,128	984	984
Total provisions	22,605	24,857	30,581	34,196	33,299
Payables					
Suppliers	7,336	6,603	10,289	10,540	8,457
Other	616	616	616	616	616
Total payables	7,952	7,219	10,905	11,156	9,073
Tax liabilities					
Tax liabilities equivalent	283	255	397	407	326
Total tax liabilities	283	255	397	407	326
Total liabilities	31,524	32,331	41,883	45,759	42,699
EQUITY					
Parent entity interest					
Contributed equity	43,547	43,547	43,547	43,547	43,547
Reserves	785	785	785	785	785
Retained surpluses or accumulated deficits	(152)	1,410	3,916	6,766	7,646
Total parent entity interest	44,180	45,742	48,248	51,098	51,978
Total equity	44,180	45,742	48,248	51,098	51,978
Current assets	61,491	63,116	67,627	78,610	73,963
Non-current assets	14,213	14,957	22,504	18,247	20,714
Current liabilities	29,038	19,529	26,270	28,410	25,798
Non-current liabilities	2,486	12,802	15,613	17,349	16,901

Table 3.30: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
GST Input Credits Receipts	658	572	1,345	1,302	539
GST Receipts from Customers		4,632	6,265	6,880	6,253
Cash from the OPA	47,727		778		2,937
Goods and services	109,441	171,546	232,020	254,815	231,596
Other	250	421	500	500	500
Total cash received	158,076	177,171	240,908	263,497	241,825
Cash used					
Employees	70,341	112,751	136,761	157,010	157,325
Suppliers	43,194	50,839	81,096	81,819	70,482
Competitive neutrality payments	1,209				
Cash to the OPA	43,300	1,400		9,351	
GST Payments to Suppliers		5,204	7,610	8,182	6,792
Total cash used	158,044	170,194	225,467	256,362	234,599
Net cash from/ (used by)					
Operating activities	32	6,977	15,441	7,135	7,226
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	2				
Total cash received	2	-	-	-	-
Cash used					
Purchase of property, plant and equipment	2,316	6,788	15,654	5,503	8,938
Purchase of intangibles	1,072				
Total cash used	3,388	6,788	15,654	5,503	8,938
Net cash from/ (used by)					
investing activities	(3,386)	(6,788)	(15,654)	(5,503)	(8,938)
FINANCING ACTIVITIES					
Cash received					
Restructuring cash balance	15,583				
Total cash received	15,583	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from/ (used by)					
financing activities	15,583	-	-	-	-
Net increase or (decrease)					
in cash held	12,229	189	(213)	1,632	(1,712)
Cash at the beginning of the reporting period	-	12,229	12,418	12,205	13,837
Cash at the end of the reporting period	12,229	12,418	12,205	13,837	12,125

Table 3.31: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	(152)	785	-	43,547	44,180
Adjusted opening balance	(152)	785	-	43,547	44,180
Income and expense					
Sub-total income and expense	-	-	-	-	-
Net operating result	1,562	-	-	-	1,562
Total income and expenses recognised directly in equity	1,562	-	-	-	1,562
Transactions with owners					
Sub-total transactions with owners	-	-	-	-	-
Closing balance as at 30 June 2006	1,410	785	-	43,547	45,742

Table 3.32: Departmental capital budget statement

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
<i>Total capital appropriations</i>	-	-	-	-	-
Represented by					
<i>Total represented by</i>	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded internally by Departmental resources	3,388	6,788	15,654	5,503	8,938
Total	3,388	6,788	15,654	5,503	8,938

Table 3.33: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005								
Gross book value	558	12,358	-	11,192	-		5,405	29,513
Accumulated depreciation	-	6,123	-	5,604	-		3,787	15,514
Opening net book value	558	6,235	-	5,588	-	-	1,618	13,999
Additions:								
by purchase	-	3,605	-	972	-	-	2,211	6,788
Depreciation/amortisation expense	-	3,235	-	2,056	-	-	539	5,830
As at 30 June 2006								
Gross book value	558	15,963	-	12,164	-	-	7,616	36,301
Accumulated depreciation	-	9,358	-	7,660	-	-	4,326	21,344
Closing net book value	558	6,605	-	4,504	-	-	3,290	14,957

CENTRELINK

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CENTRELINK

Section 1: Agency overview and resources; variations and measures

OVERVIEW

Centrelink's Purpose is:

Serving Australia by assisting people to become self-sufficient and supporting those in need.

Centrelink delivers information, payments and services detailed in business partnership agreements on behalf of the following Purchasing Departments:

- Australian Government Department of Families, Community Services and Indigenous Affairs;
- Australian Government Department of Employment and Workplace Relations (DEWR);
- Australian Government Department of Education, Science and Training (DEST);
- Australian Government Department of Agriculture, Fisheries and Forestry (DAFF);
- Australian Government Department of Communications, Information Technology and the Arts (DoCITA);
- Australian Government Department of Finance and Administration (Finance);
- Australian Government Department of Foreign Affairs and Trade (DFAT);
- Australian Government Department of Health and Ageing (DoHA), including the Office of Hearing Services;
- Australian Government Department of Immigration and Multicultural and Indigenous Affairs (DIMIA);
- Australian Government Department of Transport and Regional Services (DoTARS);
- Australian Government Department of Veterans' Affairs (DVA);
- Australian Government Attorney General's Department (AGD);
- Australian Taxation Office (ATO);
- Child Support Agency (CSA);
- Dairy Australia;
- Dairy Adjustment Authority;
- Australian Electoral Commission;
- New South Wales State Government; and

- all state and territory housing authorities.

Centrelink acts in partnership with other levels of government and the broader Australian community and distributes payments to Australian families, communities and individuals. These payments include income support and family assistance payments and payments under a range of rural assistance measures. The outcomes relate to government welfare priorities.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		Output Group 1.1
Effective delivery of Australian Government services to eligible customers	The outcome and output reflect Centrelink's role of delivering specified outputs on behalf of client agencies	Efficient delivery of Australian Government services to eligible customers

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Variations — Measures

Table 1.2: Additional estimates and variations to outcomes – measures

	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Outcome 1				
Variations in departmental appropriations				
Department of Employment and Workplace Relations				
Welfare to Work - revised costings	1,384	420	-12,732	-12,254

Other variations to appropriations

Table 1.3: Additional estimates and variations to outcomes – other variations

Centrelink does not have other variations to outcomes.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2005-06 Budget

Measure Title	Output groups affected	2005-06 (\$'000)			2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Family and Community Services													
Expense Measures													
<u>Outcome 1</u>													
Family Assistance - changes to arrangements for separated couples	1		1,654	1,654		188	188		190	190		193	193
Family Tax Benefit - preventing duplicate Rent Assistance payments	1		3,724	3,724		2,808	2,808		756	756		716	716
Superannuation - modification of market linked and other life expectancy income streams	1		1,678	1,678		145	145		146	146		147	147
Superannuation - modification of allocated pension drawdown factors	1		839	839		72	72		73	73		74	74
Welfare to Work - expanded eligibility for Carer Payment	1		371	371		-159	-159		-422	-422		-470	-470

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

Measure Title	Output groups affected	2005-06 (\$'000)			2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
<u>Outcome 1</u>													
Child Care Tax Rebate - improved service delivery	1		3,734	3,734		1,382	1,382		1,089	1,089		1,102	1,102
Assurance of Support - additional funding	1		8,470	8,470		-	-		-	-		-	-
Disability Support - trusts and gifting exemption from assets test	1		-	-		5,431	5,431		2,359	2,359		2,560	2,560
London Bombings - ex gratia assistance	1		292	292		-	-		-	-		-	-
Reconnecting People - assistance package for those adversely affected by inappropriate immigration detention	1		650	650		130	130		-	-		-	-
Floods - ex-gratia assistance to affected households	1		85	85		-	-		-	-		-	-

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

Measure Title	Output groups affected	2005-06 (\$'000)			2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Employment and Workplace Relations													
Expense Measures													
<u>Outcome 1</u>													
Welfare to Work - expanded eligibility for Employment Entry Payment	1		1,892	1,892		715	715		548	548		521	521
<u>Outcome 1</u>													
Welfare to Work - Work for the Dole supplement-extension to Disability Support Pensioners	1		104	104		-	-		-	-		-	-
Welfare to Work - Modification to compliance regime	1		-	-		-4,858	-4,858		-7,450	-7,450		-7,017	-7,017
Welfare to Work - higher rate of Newstart and Youth Allowance (Other) for certain sole parents	1		448	448		836	836		-641	-641		-31	-31
Parenting Payment (Partnered) - extended eligibility for certain step-parents	1		162	162		63	63		32	32		36	36
South Australian automotive workers - labour adjustment fund	1		15	15		10	10		-	-		-	-

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

Measure Title	Output groups affected	2005-06 (\$'000)			2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Agriculture, Fisheries and Forestry													
Expense Measures													
<u>Outcome 1</u>													
Drought Assistance - Exceptional Circumstances Assistance	1		9,375	9,375		726	726		-	-		-	-
Drought Assistance - Interim Income Support	1		51	51		-	-		-	-		-	-
Citrus Canker	1		52	52		26	26		7	7		7	7
Total Expense Measures			33,596	33,596		7,515	7,515		-3,313	-3,313		-2,162	-2,162

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

Measure Title	Output groups affected	2005-06 (\$'000)			2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Family and Community Services													
Capital Measures													
<u>Outcome 1</u>													
Family Tax Benefit - preventing duplicate Rent Assistance payments	1		1,518	1,518		-	-		-	-		-	-
Department of Employment and Workplace Relations													
<u>Outcome 1</u>													
Welfare to Work - Higher rate of Newstart and Youth Allowance (other) for certain sole parents	1		553	553		-	-		-	-		-	-
Total Capital Measures			2,071	2,071		-	-		-	-		-	-
Total of All Measures			35,667	35,667		7,515	7,515		-3,313	-3,313		-2,162	-2,162

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

There is no variation from the information supplied in the 2005-06 Portfolio Budget Statements.

Table 1.6: Appropriation Bill (No. 4) 2005-06

	2004-05 available \$'000	2005-06 budget \$'000	2005-06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	37,785	54,453	56,524	2,071	-
Total capital	37,785	54,453	56,524	2,071	-
Total	37,785	54,453	56,524	2,071	-

Note 1: Centrelink receives direct appropriations for funding relating to equity injections. In 2005-06, Centrelink has \$56.5m appropriated as an equity injection as reported in Table 1.6. The implementation of previous budget measures will cost \$54.5m. The additional equity injection of \$2.0m is attributed to the following:

- Duplicate Payment of Rent Assistance with FTB initiative: \$1.5m
- Increase Workforce Participation for Parents - Adjustment: \$0.5m

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
Outcome 1			
Effective delivery of Australian Government services to eligible customers	22,950	23,100	150
Total	22,950	23,100	150

SUMMARY OF AGENCY SAVINGS

Centrelink does not have any agency savings.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.9: Other receipts available to be used

	Budget estimate 2005-06 \$'000	Revised estimate 2005-06 \$'000
Outcome		
Departmental other receipts		
Revenue from Ordinary activities excluding Approp Bill (No. 3)	2,306,331	2,350,079
Total departmental other receipts available to be used	2,306,331	2,350,079

Note: Section 20 of the Financial Management and Accountability Act 1997 authorises the collection of the above revenue.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Centrelink does not receive special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Opening Balance 2005-06 2004-05 ⁽¹⁾ \$'000	Receipts 2005-06 2004-05 \$'000	Payments 2005-06 2004-05 \$'000	Closing Balance 2005-06 2004-05 \$'000
Centrelink Special Account - s20 FMA Act 1997 (D)	304,832	2,426,576	-2,456,332	275,076
	194,897	2,359,984	-2,250,049	304,832
Other Trust Monies - CSDA - s20 FMA Act 1997 (A)	429	2,218	-1,950	697
	508	1,927	-2,006	429
Total special accounts	305,261	2,428,794	-2,458,282	275,773

D = Departmental; A = Administered

FMA Act = *Financial Management and Accountability Act, 1997*

Note 1: The actuals for 2004-05 have been updated to reflect the final budget outcome for that year.

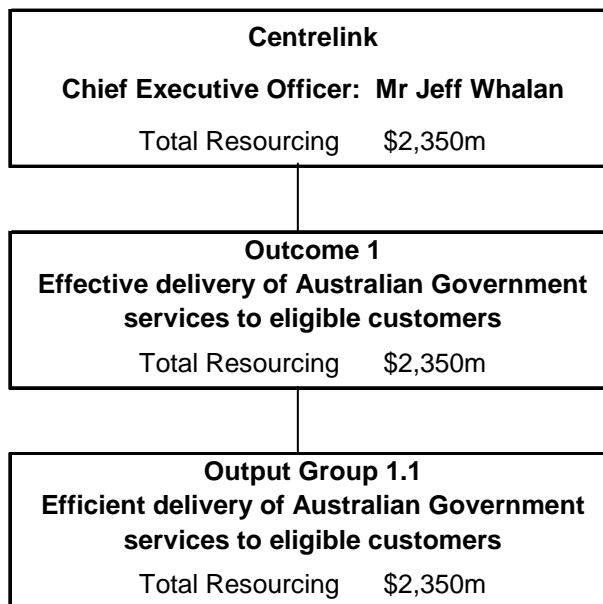
Note 2: The opening and closing balances in Table 1.11 for the Centrelink Special Account reflect cash at bank and cash receivable from the Official Public Account. Details of the estimated cash transactions of this account can be found at Table 1.11 - Estimates of special account flows and balances.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

The relationship between activities of Centrelink and the outcome is summarised in Figure 2.

Figure 2: Outcome and output structure for Centrelink



Outcome 1

Revised performance information — 2005-06

Table 2.1 below lists the performance information that Centrelink will use to assess the achievement of its Outcome during 2005-06. Achievement against planned performance will be reported in the Centrelink Annual Report.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1

Strategic Themes	Top Level Key Performance Indicators
1. Building capability for Government	Respond to Government direction
2. Building confidence in Centrelink	Protect the integrity of outlays Be valued by the Australian People
3. Strengthen our customer focus in line with Government direction.	Deliver the Welfare to Work agenda Respond to customers' needs and expectations consistent with Government policy
4. Developing a networked organisation	Connect with service partners and human services agencies so customers get the right help Make it easy for business and the community sector to do business with Centrelink
5. Demonstrating value for money	Ensure the best service offer at the best price Manage resources effectively and efficiently

Table 2.2: Centrelink Summary of Future Revenue

The following table is a Summary of Centrelink's future revenue by Purchasing Departments

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
FaCS	1,245,417	1,172,885	1,160,567	1,162,760
DEWR	911,001	1,000,160	1,089,185	1,130,398
DEST	125,263	124,104	127,459	129,132
DoHA	12,589	10,882	10,981	11,102
DAFF	19,240	6,359	4,136	272
Subtotal Service Delivery	2,313,510	2,314,390	2,392,328	2,433,664
Revenue from other sources ¹	36,819	20,002	20,470	21,272
Total	2,350,329	2,334,392	2,412,798	2,454,936

1. Revenue from other sources includes amounts directly appropriated to Centrelink and anticipated revenue from new business outside existing business partnership agreements or service level agreements with Purchasing Departments.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management System (AIMS) as at January 2006 and Centrelink's 2004-05 unaudited Australian Equivalents to International Financial Reporting Standards (AEIFRS) compliant statements.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

The statement provides a picture of the expected financial results for Centrelink by identifying full accrual expenses and revenues, which highlights whether Centrelink is operating at a sustainable level.

Centrelink estimates a nil operating surplus for 2005-06 and forward years.

Total revenue for 2005-06 has increased primarily due to 2005-06 Additional Estimates initiatives.

Budgeted departmental balance sheet

The statement shows the financial position of Centrelink. It helps decision-makers to track the management of Centrelink's assets and liabilities.

Centrelink's receivables for 2005-06 have increased by \$20m due to a shift in the draw down of capital in relation to IT Refresh from 2005-06 to 2006-07.

Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Positive cash positions have been forecast for 2005-06 and each of the forward years. It is anticipated that Centrelink will have a cash holding of approximately \$25.0m as at 30 June 2006, with \$250.1m cash receivable from the Official Public Account.

Departmental statement of changes in equity — summary of movement

This statement shows the expected closing balance and movement in equity for Centrelink. Movements have been due to changes based on Centrelink's audited 2004-05 AEIFRS compliant statements and as a result of equity injections relating to Internally Developed Software.

Departmental capital budget statement

The statement shows all planned Centrelink capital expenditure (expenditure on non-financial assets), whether funded through capital appropriations as additional equity or borrowings, or from internal sources.

A summary of movements for Departmental property, plant, equipment and intangibles is provided in table 3.6. The summary also shows budgeted acquisitions and disposals of non-financial assets during the budget year.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from Government	250	250	250	250	250
Goods and services	2,222,256	2,330,999	2,329,862	2,408,268	2,450,406
Other	24,922	14,800	-	-	-
Total revenue	2,247,428	2,346,049	2,330,112	2,408,518	2,450,656
Gains					
Net foreign exchange gains	25	-	-	-	-
Net gains from sale of assets	591	-	-	-	-
Other	4,281	4,280	4,280	4,280	4,280
Total gains	4,897	4,280	4,280	4,280	4,280
Total income	2,252,325	2,350,329	2,334,392	2,412,798	2,454,936
EXPENSE					
Employees	1,486,730	1,577,296	1,566,152	1,642,102	1,690,875
Suppliers	644,921	675,725	666,372	657,472	671,687
Depreciation and amortisation	88,555	95,208	101,268	112,624	91,774
Write-down of assets and impairment of assets	4,610	2,100	600	600	600
Net losses from sale of assets	1,332	-	-	-	-
Total expenses	2,226,148	2,350,329	2,334,392	2,412,798	2,454,936
Operating result	26,177	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	74,832	25,021	22,240	17,214	21,883
Receivables	277,323	285,805	283,805	327,805	342,805
Total financial assets	352,155	310,826	306,045	345,019	364,688
Non-financial assets					
Land and buildings	86,818	89,178	88,057	88,071	92,031
Infrastructure, plant and equipment	53,578	76,557	100,863	75,273	48,281
Intangibles	180,333	191,627	212,091	230,892	241,663
Other	35,531	26,223	26,226	26,225	26,227
Total non-financial assets	356,260	383,585	427,237	420,461	408,202
Total assets	708,415	694,411	733,282	765,480	772,890
LIABILITIES					
Interest bearing liabilities					
Leases	1,271	2,371	1,491	1,263	1,073
Total interest bearing liabilities	1,271	2,371	1,491	1,263	1,073
Provisions					
Employees	413,098	414,843	428,414	445,838	453,438
Other	5,000	7,998	7,998	7,998	7,998
Total provisions	418,098	422,841	436,412	453,836	461,436
Payables					
Suppliers	54,772	55,316	55,406	55,406	55,406
Other	77,735	-	-	-	-
Total payables	132,507	55,316	55,406	55,406	55,406
Total liabilities	551,876	480,528	493,309	510,505	517,915
EQUITY*					
Parent entity interest					
Contributed equity	162,748	219,272	245,362	260,364	260,364
Reserves	13,876	13,876	13,876	13,876	13,876
Accumulated deficits	-20,085	-19,265	-19,265	-19,265	-19,265
Total parent entity interest	156,539	213,883	239,973	254,975	254,975
Total equity	156,539	213,883	239,973	254,975	254,975
Current assets	387,686	337,050	332,272	371,245	390,916
Non-current assets	320,729	357,361	401,010	394,235	381,974
Current liabilities	294,600	210,199	214,754	224,214	220,204
Non-current liabilities	257,276	270,329	278,555	286,291	297,711

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	2,272,505	2,290,089	2,329,143	2,409,433	2,384,504
Appropriations	250	250	250	250	250
GST - Receipts	59,875	70,034	70,473	64,561	64,000
Other	3,034	1,569	1,695	1,911	1,900
Total cash received	2,335,664	2,361,942	2,401,561	2,476,155	2,450,654
Cash used					
Employees	1,477,274	1,581,646	1,589,835	1,657,796	1,681,541
Suppliers	633,697	637,115	625,683	621,713	604,433
Cash Transferred to the Official Public Account	61,900	6,000	18,000	44,000	15,000
Other	65,943	122,385	71,396	66,225	64,900
Total cash used	2,238,814	2,347,146	2,304,914	2,389,734	2,365,874
Net cash from or (used by) operating activities	96,850	14,796	96,647	86,421	84,780
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	590	-	-	-	-
Total cash received	590	-	-	-	-
Cash used					
Purchase of property, plant and equipment	36,915	85,867	93,734	49,780	45,361
Other	36,220	29,319	51,784	56,669	34,750
Total cash used	73,135	115,186	145,518	106,449	80,111
Net cash from or (used by) investing activities	-72,545	-115,186	-145,518	-106,449	-80,111
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	23,730	50,579	46,090	15,002	-
Total cash received	23,730	50,579	46,090	15,002	-
Cash used					
Repayments of debt	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	23,730	50,579	46,090	15,002	-
Net increase or (decrease) in cash held	48,035	-49,811	-2,781	-5,026	4,669
Cash at the beginning of the reporting period	26,797	74,832	25,021	22,240	17,214
Cash at the end of the reporting period	74,832	25,021	22,240	17,214	21,883

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2005				
Balance carried forward from previous period	-20,085	13,876	162,748	156,539
Adjustment for changes in accounting policies	820	-	-	820
Adjusted opening balance	-19,265	13,876	162,748	157,359
Net operating result	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-
Transactions with owners				
Contribution by owners				
Appropriation (equity injection)	-	-	56,524	56,524
Sub-total transactions with owners	-	-	56,524	56,524
Closing balance as at 30 June 2006	-19,265	13,876	219,272	213,883

Table 3.5: Departmental capital budget statement

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	37,785	56,524	26,090	15,002	-
Total capital appropriations	37,785	56,524	26,090	15,002	-
Represented by:					
Purchase of non-financial assets	37,785	56,524	26,090	15,002	-
Total represented by	37,785	56,524	26,090	15,002	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	37,785	56,524	26,090	15,002	-
Funded internally by					
Departmental resources	35,350	58,662	119,428	91,447	80,111
Total	73,135	115,186	145,518	106,449	80,111

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005					
Gross book value	1,956	113,633	122,840	331,637	570,066
Accumulated depreciation	-	-28,771	-69,262	-151,304	-249,337
Opening net book value	1,956	84,862	53,578	180,333	320,729
Additions:					
by purchase	-	23,375	66,447	27,233	117,055
internally developed	-	-	-	16,886	16,886
Depreciation/amortisation expense	-	-20,815	-43,168	-31,225	-95,208
Impairments recognised in operating result	-	-	-	-1,600	-1,600
Disposals:					
other disposals	-	-200	-300	-	-500
As at 30 June 2006					
Gross book value	1,956	136,808	188,987	374,156	701,907
Accumulated depreciation	-	-49,586	-112,430	-182,529	-344,545
Closing net book value	1,956	87,222	76,557	191,627	357,362

NOTES TO THE FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management system (AIMS) as at January 2006 and Centrelink's 2004-05 unaudited Australian Equivalents to International Financial Reporting Standards (AEIFRS) compliant statements.

Basis of accounting

The statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which are at valuation.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to Centrelink and the amounts of the assets or liabilities can be reliably measured.

Revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits to Centrelink can be reliably measured.

The continued existence of Centrelink in its present form and functions is dependent on government policy and ongoing business.

MEDICARE AUSTRALIA

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MEDICARE AUSTRALIA

Section 1: Agency overview and resources; variations and measures

OVERVIEW

On 1 October 2005 the Health Insurance Commission became Medicare Australia and an FMA agency. Medicare Australia administers a range of health-related programs on behalf of the Australian Government. The key programs are:

- Medicare
- Pharmaceutical Benefits Scheme (and Repatriation Pharmaceutical Benefits Scheme)
- Australian Organ Donor Register
- Australian Childhood Immunisation Register.

Medicare Australia also administers a range of programs relating to general practice, including the General Practice Immunisation Incentives Scheme, the Practice Incentives Program, the Rural Retention Program, and the General Practice Registrars' Rural Incentive Payments Scheme.

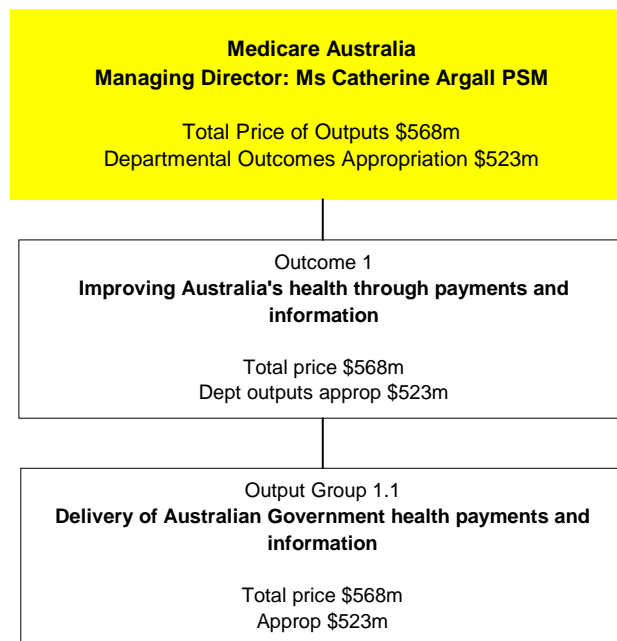
On 20 October 2005, Medicare Australia assumed responsibility for the aged care payments function from the Department of Health and Ageing and all payment staff became Medicare Australia employees.

Medicare Australia administers community rebate and reimbursement schemes, such as the Higher Education Contribution Scheme Reimbursement Scheme and the Private Health Insurance Rebate. We facilitate payments through the Family Assistance Office in partnership with Centrelink, the Australian Taxation Office and the Department of Families, Community Services and Indigenous Affairs.

Medicare Australia also administers the Medical Indemnity Scheme, the Vietnam Veterans' Childrens' Program, as well as the Special Assistance Programs for victims of the Bali bombings, Tsunami and London bombings.

Medicare Australia undertakes claims processing and payments on behalf of the Department of Veterans' Affairs (veterans' treatment accounts), the Office of Hearing Services, and the Health Department of Western Australia.

Medicare Australia reports to the Minister for Human Services through the Secretary of the Department of Human Services within the Finance and Administration Portfolio. Medicare Australia's outcome and output structure is represented below:



Medicare Australia's Departmental appropriations fund the management and infrastructure supporting the delivery of services. Payments to the community are funded within appropriation for which the Department of Health & Ageing maintains responsibility.

Medicare Australia derives the majority of its revenue through Departmental appropriations, for services provided on behalf of the Department of Health & Ageing.

Revenue for services provided are also received from the Department of Veterans' Affairs, the Department of Families, Community Services and Indigenous Affairs, and small amounts of revenue from other sources, including the Health Department of Western Australia, and for rent of facilities and sale of statistics. A few programs remain directly funded by Department of Health & Ageing (mainly one-off smaller projects outside ongoing appropriation arrangements).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		Output Group 1.1
Improving Australia's health through payments and information	Medicare Australia administers Medicare and delivers a comprehensive range of health information and payment services, increasing consumers' access to quality health care. Medicare Australia uses the National Medicare Office network, its State offices and, increasingly, electronic services to empower consumers to increase access to health and entitlement information.	Delivery of Australian government health payments and information

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Variations — Measures

Table 1.2: Additional estimates and variations to outcomes-measures

	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Outcome 1				
Increase in departmental appropriations				
Medical Indemnity - UMP - Support Payments				
Expense	71	0	-2,823	-4,772
PBS - Fourth Community Pharmacy Agreement				
Expense	2,737	2,020	1,904	1,964
Capital	826	0	0	0
PBS - Anastrozole - Arimidex				
Expense	4	13	21	28
PBS - Calcium Tablets in Renal failure				
Expense	6	11	12	13
PBS - Oxaliplatin				
Expense	11	11	12	12
PBS - Vytarin - Ezetimibe with Simvastatin				
Expense	5	51	95	149
PBS - Inspra Eplerenone				
Expense	3	18	29	39
Additional Funds: Extended hours for late night trading in Medicare Offices, FMA Transition and Ongoing and Fountain Gate and Rosebud Medicare Offices				
Expense	5,350	3,219	3,435	3,343
Total Expense	8,187	5,343	2,685	776
Total Capital	826	0	0	0
Total	9,013	5,343	2,685	776

Other variations to appropriations

**Table 1.3: Additional estimates and variations to outcomes
other variations to appropriations**

	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Outcome 1				
Variations in departmental appropriations				
Volume and WCI Adjustment	- 3,102 -	1,896 -	3,027 -	3,141
Return of payroll tax funding	- 12,592 -	17,457 -	18,124 -	18,887
Total	- 15,694 -	19,353 -	21,151 -	22,028

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2005-06 Budget

Measure	Outcome	Output groups affected	2005-06 (\$'000)			2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Measure														
Medical Indemnity - UMP - Support Payments	1	1												
Expense			0	71	71	0	0	0	0	-2,823	-2,823	0	-4,772	-4,772
PBS - Fourth Community Pharmacy Agreement	1	1												
Expense			0	2,737	2,737	0	2,020	2,020	0	1,904	1,904	0	1,964	1,964
Capital			0	826	826	0	0	0	0	0	0	0	0	0
PBS - Anastrozole - Arimidex	1	1												
Expense			0	4	4	0	13	13	0	21	21	0	28	28
PBS - Calcium Tablets in Renal failure	1	1												
Expense			0	6	6	0	11	11	0	12	12	0	13	13
PBS - Oxaliplatin	1	1												
Expense			0	11	11	0	11	11	0	12	12	0	12	12
PBS - Vytorin - Ezetimibe with Simvastatin	1	1												
Expense			0	5	5	0	51	51	0	95	95	0	149	149
PBS - Inspira Eplerenone	1	1												
Expense			0	3	3	0	18	18	0	29	29	0	39	39
Additional Funding: Extended hours for late night trading in Medicare Offices, FMA ongoing and transition costs and Fountain Gate and Rosebud Medicare Offices	1	1												
Expense			0	5,350	5,350	0	3,219	3,219	0	3,435	3,435	0	3,343	3,343
Total Expense			0	8,187	8,187	0	5,343	5,343	0	2,685	2,685	0	776	776
Total Capital			0	826	826	0	0	0	0	0	0	0	0	0
Total			0	9,013	9,013	0	5,343	5,343	0	2,685	2,685	0	776	776

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

	2004-05 available \$'000	2005-06 budget \$'000	2005-06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Improving Australia's health through payments and information	527,595	530,755	523,253	8,192	15,694
Total	527,595	530,755	523,253	8,192	15,694
Total administered and departmental	527,595	530,755	523,253	8,192	15,694

The amount shown in reduced estimates relates to revised volume and WCI adjustment (-\$3.1m) and the return of payroll tax funding to the Government (-\$12.6m) as the agency is no longer subject to payroll tax from 1 October 2005 as a result of the transition to an FMA agency.

Table 1.6: Appropriation Bill (No. 4) 2005-06

	2004-05 available \$'000	2005-06 budget \$'000	2005-06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	19,978	3,952	4,778	826	-
Loans	-	-	-	-	-
Previous years' outputs	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-
Total capital	19,978	3,952	4,778	826	-
Medicare Australia	19,978	3,952	4,778	826	-
Total	19,978	3,952	4,778	826	-

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
Outcome 1			
Improving Australia's health through payments and information	5050	4830	-220
Total	5050	4830	-220

Medicare Australia's Financial position required the agency to undertake structural reform leading to a reduction in staffing levels.

SUMMARY OF AGENCY SAVINGS

Table 1.8: Summary of Agency Savings

	2005-06 Revised
S Savings from annual appropriations	\$15.69m
T Transfer appropriation monies across outcomes	-
M Movements of funding between years	-
(Any other categories if applicable)	
Total agency savings	\$15.69m

The savings for Medicare Australia reflected in the table above comprise the following elements:

- the return to government of \$12.6m for payroll tax as from 1 October 2005, Medicare Australia is no longer subject to the tax as a result of becoming an FMA agency; and
- The return to government of \$3.1m are as a result of changes to volume estimates and WC I parameters.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include FMA s.31 receipts and resources received free of charge.

The transfer of the Aged Care payments function from the Department of Health and Ageing has resulted in an increase of \$10.3m from budget in other receipts available to be used. There are also other variations in receipts from Department of Veterans Affairs, Department of Families, Community Services and Indigenous Affairs and Western Australia Health to reflect revised revenue estimates from these agencies. Interest revenue has been reduced from 1 October 2005 as a result of Medicare Australia becoming an FMA agency.

Table 1.9: Other receipts available to be used

	Budget estimate 2005-06 \$'000	Revised estimate 2005-06 \$'000
Outcome 1		
Departmental other receipts		
Goods and Services		
Department of Veteran Affairs	18,408	16,198
Department of Families, Community Services and Indigenous Affairs	7,900	8,605
Health Department of Western Australia	2,000	1,183
Department of Health and Ageing	3,219	12,453
Other	3,000	4,927
Total Goods and Services	34,527	43,366
Interest	1,250	123
Other Revenue	800	909
Total departmental other receipts available to be used	36,577	44,398

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for Medicare Australia.

Medicare Australia has a single outcome and output.

Outcome: Improving Australia's health through payments and information

Output: Delivery of Australian Government health payments and information.

Revised performance information — 2005-06

The performance information for the Agency remains unchanged from that specified in the 2005-06 Portfolio Budget Statements

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of Medicare Australia's budgeted departmental financial statements is provided below. There were minimal budgetary changes to the financial statements resulting from the adoption of the Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Statement of Financial Performance

Medicare Australia is estimating an operating loss of \$19.7m in the budget year (2005-06) and a breakeven position in the forward years. The operating loss is attributable to various cost pressures within the agency primarily associated with the slower than planned take up of on-line processing and payment options and one-off transitional costs. The transition costs relate to the transfer of the Aged Care payments function from the Department of Health and Ageing, FAO payment functions and the move to an FMA Agency.

The revenue estimate for the current budget year is \$567.7m which represents a reduction of \$25.8m from 2004-05 actuals. This is mainly attributable to the 2003-04 unearned income that was recognised in 2004-05 and the return of payroll tax funding to Government as the agency is no longer subject to payroll tax from 1 October 2005 once it transitioned to an FMA agency. The reduction is partially offset by an increase of approximately \$8.8m from budget in goods and services revenue which is mainly attributable to the transfer of the Aged Care payments function from the Department of Health and Ageing to Medicare Australia.

Although expenditure estimates have also decreased from 2004-05 actuals as a result of these changes, the reduction is partially offset by increased supplier costs relating to computer services and property which are expected to increase significantly from 2004-05 actuals and also transition and other costs identified as primary drivers of the operating loss. This has been mitigated by managerial action to minimise the operating loss. There is a decrease in depreciation expense of \$17.5m from 2004-05 actuals which is due to accelerated depreciation in 2004-05 following a review of useful lives.

There is a general increase in revenue across the forward years resulting from an expected increase in the provision of services to client agencies.

Statement of Financial Position

Medicare Australia's budgeted net asset position of \$102.8m represents a reduction of \$14.9m from the 2004-05 actual. The reduction is primarily due to the budgeted operating loss of \$19.7m in the budget year which is reflected in receivables and accumulated results.

Another significant change to Medicare Australia's assets is in intangibles which have decreased by \$15.8m from budget. This is primarily as a result of an adjustment to restate the opening balance to reflect 2004-05 actuals in which there was a large increase in depreciation expenses following a review of useful lives.

Medicare Australia's primary liability continues to be accrued employee leave entitlements of \$76.5m. This represents an increase from budget of \$9.8m and is due to an adjustment to restate the opening balance to reflect 2004-05 actuals (\$7.8m) and revised estimates for this liability (\$2.0m).

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement (see table 3.1)

The statement represents the expected financial results for Medicare Australia by identifying total accrued revenue and expenses.

Budgeted departmental balance sheet (see table 3.2)

The statement represents the financial position of Medicare Australia and assists decision-makers in tracking the management of assets and liabilities.

Budgeted departmental statement of cash flows (see table 3.3)

The statement represents the nature and extent of expected cash flows for Medicare Australia resulting from operating, investing and financing activities.

Departmental statement of changes in equity – summary of movement (see table 3.4)

The statement represents movements in accumulated results, capital contributions and reserves during the budget year for Medicare Australia.

Departmental capital budget statement (see table 3.5)

The statement represents planned capital expenditure (expenditure on non-current assets) for Medicare Australia, whether funded through capital appropriations or from internal sources.

Departmental property, plant, equipment and intangibles — summary of movement (see table 3.6)

The summary shows budgeted acquisitions and disposals of non-financial assets during the budget year for Medicare Australia.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from Government	527,595	523,253	525,889	530,007	540,595
Goods and services	63,896	43,366	44,895	45,207	42,292
Interest	746	123	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	1,210	909	800	800	800
Total revenue	593,447	567,651	571,584	576,014	583,687
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	2,718	-	-	-	-
Other	-	-	-	-	-
Total gains	2,718	-	-	-	-
Total income	596,165	567,651	571,584	576,014	583,687
EXPENSE					
Employees	321,820	315,805	295,476	303,203	313,823
Suppliers	213,840	235,433	241,424	237,730	234,780
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	53,587	36,093	34,684	35,081	35,084
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	3,118	-	-	-	-
Net foreign exchange losses	20	-	-	-	-
Other	-	-	-	-	-
Total expenses	592,385	587,331	571,584	576,014	583,687
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-

Table 3.1: Budgeted departmental income statement (cont)
(for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
Operating result from continuing operations	3780	(19,680)	0	0	0
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result	3,780	(19,680)	-	-	-
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	3,780	(19,680)	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	6,878	6,814	6,750	6,750	6,750
Receivables	88,816	72,489	66,182	67,409	69,650
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	1,915	1,915	1,915	1,915	1,915
Other	-	-	-	-	-
Total financial assets	97,609	81,218	74,847	76,074	78,315
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	30,495	30,508	28,818	26,350	25,388
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	94,607	96,149	101,426	105,261	106,092
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	6,767	6,767	6,767	6,767	6,767
Total non-financial assets	131,869	133,424	137,011	138,378	138,247
Total assets	229,478	214,642	211,858	214,452	216,562
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	77,985	76,524	71,082	72,933	75,499
Other	-	-	-	-	-
Total provisions	77,985	76,524	71,082	72,933	75,499
Payables					
Suppliers	30,332	33,394	34,240	33,712	33,290
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	3,443	1,908	1,621	1,397	1,363
Total payables	33,775	35,302	35,861	35,109	34,653
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	111,760	111,826	106,943	108,042	110,152

Table 3.2: Budgeted departmental balance sheet (cont)
(as at 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	154,150	158,928	161,027	162,522	162,522
Reserves	11,948	11,948	11,948	11,948	11,948
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(48,380)	(68,060)	(68,060)	(68,060)	(68,060)
Total parent entity interest	117,718	102,816	104,915	106,410	106,410
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	117,718	102,816	104,915	106,410	106,410
Current assets	104,376	87,985	81,614	82,841	85,082
Non-current assets	125,102	126,657	130,244	131,611	131,480
Current liabilities	67,410	67,450	64,505	65,167	66,440
Non-current liabilities	44,350	44,376	42,438	42,875	43,712

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	37,372	46,561	44,657	45,158	42,746
Appropriations	451,365	536,385	532,434	528,829	537,900
Interest	746	123	-	-	-
Dividends	-	-	-	-	-
Other	28,715	16,235	16,126	16,126	16,126
Total cash received	518,198	599,304	593,217	590,113	596,772
Cash used					
Employees	314,582	317,266	300,918	301,352	311,257
Suppliers	228,050	233,906	240,865	238,482	235,236
Grants	-	-	-	-	-
Financing costs	-	-	-	-	-
Other	28,537	15,326	15,326	15,326	15,326
Total cash used	571,169	566,498	557,109	555,160	561,819
Net cash from or (used by) operating activities	(52,971)	32,806	36,108	34,953	34,953
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,930	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	1,930	-	-	-	-
Cash used					
Purchase of property, plant and equipment	51,612	37,648	38,271	36,448	34,953
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	51,612	37,648	38,271	36,448	34,953
Net cash from or (used by) investing activities	(49,682)	(37,648)	(38,271)	(36,448)	(34,953)

Table 3.3: Budgeted departmental statement of cash flows (cont)
(for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	17,335	4,778	2,099	1,495	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	17,335	4,778	2,099	1,495	-
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	17,335	4,778	2,099	1,495	-
Net increase or (decrease) in cash held	(85,318)	(64)	(64)	-	-
Cash at the beginning of the reporting period	92,196	6,878	6,814	6,750	6,750
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	6,878	6,814	6,750	6,750	6,750

Agency Additional Estimates Statements – Medicare Australia

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	(48,380)	11,948	-	154,150	117,718
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(48,380)	11,948	-	154,150	117,718
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Net operating result	(19,680)	-	-	-	(19,680)
Total income and expenses recognised directly in equity	(19,680)	-	-	-	(19,680)
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	4,778	4,778
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	4,778	4,778
Transfers between equity components	-	-	-	-	-
Closing balance as at 30 June 2006	(68,060)	11,948	-	158,928	102,816

Table 3.5: Departmental capital budget statement

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	17,335	4,778	2,099	1,495	-
Total loans	-	-	-	-	-
Total capital appropriations	17,335	4,778	2,099	1,495	-
Represented by:					
Purchase of non-financial assets	17,335	4,778	2,099	1,495	-
Other	-	-	-	-	-
Total represented by	17,335	4,778	2,099	1,495	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	17,335	4,778	2,099	1,495	-
Funded internally by					
Departmental resources	34,277	32,870	36,172	34,953	34,953
Total	51,612	37,648	38,271	36,448	34,953

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005									
Gross book value	-	-	-	-	32,949	-	189,994	-	222,943
Accumulated depreciation	-	-	-	-	2,454	-	95,387	-	97,841
Opening net book value					30,495	-	94,607	-	125,102
Additions:									
by purchase	-	-	-	-	11,266	-	1,249	-	12,515
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	25,133	-	25,133
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	11,253	-	24,840	-	36,093
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2006									
Gross book value	-	-	-	-	44,215	-	216,376	-	260,591
Accumulated depreciation	-	-	-	-	13,707	-	120,227	-	133,934
Closing net book value	-	-	-	-	30,508	-	96,149	-	126,657

Notes to the financial statements

The financial statements reflect the entries to the Accrual Information Management System (AIMS) as at January 2006.

Basis of accounting

The agency budget statements have been prepared in accordance with AEIFRS and other Finance guidelines.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits can be reliably measured.

The continued existence of Medicare Australia in its present form and functions is dependent on government policy and ongoing business.

GLOSSARY

Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
AEIFRS	Australian Equivalents to International Financial Reporting Standards which were issued by the Australian Accounting Standards Board in July 2004.
Annual Appropriation	Acts of Parliament, which provide appropriation for the government's activities during a specific financial year. Three appropriation Bills are introduced into Parliament in May and comprise the Budget. Further supplementary Bills are introduced later in the financial year as part of the Additional Estimates process. The Parliamentary Departments have their own appropriation Bills.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.

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Appropriation Bill (No. 1)	This Bill proposes spending from the Consolidated Revenue Fund for the ordinary annual services of government. Once the Bill is passed by Parliament and given royal assent, it becomes the Appropriation Act (No. 1).
Appropriation Bill (No. 2)	This Bill proposes spending from the Consolidated Revenue Fund for purposes other than the ordinary annual services of government. Under existing arrangements between the two Houses of Parliament (the 'Compact'), this Bill includes appropriation funding of administered expenses for new outcomes, payments to the States and Territories, and for departmental or administered capital. Funding for extensions to existing programs can be included in Appropriation Bill (No.1). Once the Bill is passed by Parliament and given royal assent, it becomes the Appropriation Act (No. 2).
Appropriation Bill (Nos 3 and 4)	If an amount provided in Appropriation Acts (No.1 or 2) is not enough to meet approved expenditure to be paid in a financial year, supplementary appropriation may be sought in Appropriation Bills (No. 3 or 4). Once these Bills are passed by Parliament and given royal assent, they become the Appropriation Acts (Nos 3 and 4). However, they are also commonly referred to as the Additional Estimates Bills.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Average Staffing Level (ASL)	ASL is the average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.

Budget Measure	A decision by the Cabinet or Ministers that have been finalised since the previous years additional estimates and has resulted in a change in expenditure.
Budget Papers	Comprises Budget Paper (No. 1) 'Budget Strategy and Outlook', Budget Paper (No. 2) 'Budget Measures', Budget Paper (No. 3) 'Federal Financial Relations', Budget Paper (No. 4) 'Agency Resourcing'.
Budget Related Paper	Budget related papers provide more detailed explanations on specific aspects of the budget than the budget papers. Examples include the detailed Portfolio Budget Statements prepared by each portfolio.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Competitive Tendering	The process by which agencies call for offers to perform a service from internal and external bodies, including the private sector and other departments and agencies, in an open and transparent competitive environment.
Consolidated Revenue Fund (CRF)	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one CRF. The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Cross Portfolio Budget Measure	This is a budget measure, which affects programs administered in a number of portfolios.
Departmental Expenses	Funds over which the department has significant control (for example, salaries money), which the department uses to produce outputs.

Glossary

Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency to produce outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Indicators to assess the degree of success in achieving outcomes. As outcomes are generally long-term in nature, effectiveness indicators often relate to intermediate outcomes (shorter-term impacts) below the planned outcomes specified.
Efficiency Dividend	An annual deduction of a percentage of an agency's departmental Outputs appropriation or annual administered Outcome appropriations. Efficiency dividends act as an incentive to improve operational efficiency.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.

Expenditure Review Committee (ERC)	ERC is the major ministerial committee responsible for examining all outlay proposals in the light of the Government's overall fiscal strategy, advising Cabinet on budget spending priorities and initiating reviews of outlays under individual ongoing programs. It usually includes the Prime Minister, Treasurer and Minister for Finance and Administration as well as relevant portfolio Ministers.
Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items such as salary payments as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Australian Government entities will move to this method incrementally by 30 June 2006 for valuing most infrastructure, plant and equipment.
Financial Management and Accountability (FMA) Act 1997	The principal legislation governing the proper use and management of public money and public property, and other Commonwealth resources. FMA Regulations and FMA Orders are made pursuant to the Act.
Forward Estimates	The financial statement estimate for the three out-years after the budget year.
Indexation	Price adjustment of estimates to reflect price levels applicable in that specific year (current or out-turned prices). All financial statement estimates are in out-turned prices.

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Intermediate outcomes	More specific medium-term impacts (eg. trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. (See outcomes)
Liabilities	Liabilities are future sacrifices of future economic benefits that the entity is presently obliged to make to other entities as a result of past transactions or other past events.
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.

Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (Financial Management and Accountability (FMA) Act 1997, ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>