

PORTFOLIO BUDGET STATEMENTS 2005-06

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

Department of Human Services, Centrelink and
the Health Insurance Commission

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES AND OUTPUTS BY AGENCY

BUDGET RELATED PAPER NO. 1.9B

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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 Madam President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2005-06 Budget 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 outcomes for the Department and its agencies. They also cover the purpose of budget measures.

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

Yours sincerely

JOE HOCKEY MP

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**USER GUIDE
TO THE
PORTFOLIO BUDGET
STATEMENTS**

USER GUIDE

Purpose of the Portfolio Budget Statements

The purpose of the 2005-06 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriation bills, special appropriations, standing appropriations (including special accounts) and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2005-06 (or Appropriation Bill [Parliamentary Departments] No. 1 2005-06 for the parliamentary departments). In this sense the PB Statements are officially Budget Related Papers and are declared by the Appropriation Bills to be 'relevant documents' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide sufficient information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under Section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates, accordingly, these entities are not reported in the PB Statements. Therefore Health Services Australia and Australian Hearing are not included in the Portfolio Budget Statements.

This document includes only the PB Statements for the Department of Human Services (DHS) and its agencies. The remaining elements of the Finance and Administration Portfolio are detailed in a separate PB Statements.

How to read the PB Statements

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

User Guide to the Portfolio Budget Statements

An introduction that explains the purpose of the PB Statements, the structure of the document, and styles and conventions used.

Overview

The overview section includes a chart outlining the structure of the outcomes to which Human Services contributes. This includes a table of Australian Indigenous Expenditures by the Department and its agencies.

Agency Budget Statements

For each agency within Human Services, a budget statement is presented in five sections:

Section 1: Agency overview	A brief overview of the agency.
Section 2: Agency resources	A reconciliation of agency resourcing information from the 2004-05 Mid-Year Economic and Fiscal Outlook to the 2005-06 Budget. Includes key changes to the agency's estimates and a table of appropriations and other revenue sources for both administered and Departmental appropriations.
Section 3: Agency outcomes	A brief description of the agency's outcomes and, where applicable, Budget measures in summary form. Details the contribution of the agency's outputs to the outcome, performance information for the outcome, outputs and administered items, and planned evaluations. Notes upcoming competitive tendering and contracting that is of a material or sensitive nature. Links the resources appropriated to their application to the agency's outputs and to administered items.
Section 4: Other reporting requirements	Includes purchaser-provider and cost recovery components.
Section 5: Budgeted financial statements	The agency's budgeted financial statements in accrual format, covering the budget year, the previous year and three out-years.
Glossary	Explains key terms.

PB STATEMENTS ROAD MAP

Comprehensive information on all government decisions announced in the Budget are in *Budget Paper No. 2, Budget Measures 2005-06*. The PB Statements include Budget appropriations for this Budget in each agency's Table 2.2, 2005-06 Budget Measures.

The following chart shows the links between the Budget papers and the PB Statements.

Budget Paper	PB Statements equivalent
Budget Paper No. 1 Budget Strategy and Outlook	
Statement 1: Fiscal Strategy and Budget Priorities Overview of the fiscal and economic outlook	User Guide Overview Human Services structure Agency Budget Statements Section 1: Agency overview Section 2: Agency resources for 2005-06
Statement 2: Fiscal Outlook Budget aggregates and variations to the fiscal balance	Agency Budget Statements Section 2: Agency resources for 2005-06
Statement 10: AAS Financial Statements Accrual financial statements for the general government sector	Agency Budget Statements Section 5: Budgeted financial statements
Budget Paper No. 2: Budget Measures	
Budget revenue, expense and capital measures	Agency Budget Statements Section 2: Agency resources for 2005-06
Budget Paper No. 3: Federal Financial Relations	
Information on the Australian Government's relations with states, territories and local government, in particular, Specific Purpose Payments (SPPs)	Agency Budget Statements Section 2: Agency resources for 2005-06 Section 3: Agency outcomes
Budget Paper No. 4: Agency Resourcing	
Resourcing for Australian Government agencies, including Appropriation Bills	Agency Budget Statements Section 2: Agency resources for 2005-06

Departmental and administered items

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items

Assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items

Revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

Appropriations in the accrual budgeting framework

In the accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the government's funding for outputs from agencies,
- Departmental capital appropriations: for investments by the government for either additional equity or loans to agencies or payments from previous years' outputs,
- Administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in administered equity through funding non-expense Administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments). The appropriation framework is discussed further in the introduction to *Budget Paper No. 4: Agency Resourcing 2005-06*.

Components of agency financial statements

Reporting requirements for budgeted financial statements differ between agencies (for example, according to whether the agency participates in administered transactions). Therefore, not all agencies are required to report against all schedules.

The budgeted financial statements contain the estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, including the principles of the Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration. They show the planned financial performance for the 2005-06 Budget year and each of the forward years from 2006-07 to 2008-09. The statements also include the estimated actual for 2004-05 for comparative purposes.

User Guide

The schedules included in the budgeted financial statements for 2005-06 are as follows.

Statement/Schedule	Purpose
Budgeted departmental statement of financial performance	Shows the expected financial results for the agency. Identifies full accrual expenses and revenues, which highlights whether the agency is operating at a sustainable level.
Budgeted departmental statement of financial position	The financial position of the agency. It helps decision makers to track the management of assets and liabilities.
Budgeted departmental statement of cash flows	Provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.
Departmental capital budget statement	Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.
Departmental property, plant, equipment and intangibles — summary of movement	Shows budgeted acquisitions and disposals of non-financial assets during the budget year.
Schedule of budgeted revenues and expenses administered on behalf of government	Identifies the main revenues and expenses administered on behalf of government.
Schedule of budgeted assets and liabilities administered on behalf of government	Shows the assets and liabilities administered on behalf of government.
Schedule of budgeted administered cash flows	Shows cash flows administered on behalf of government.
Schedule of administered capital budget	Shows details of planned administered capital expenditure.
Schedule of property, plant, equipment and intangibles — summary of movement	Discloses details of movements in administered non-financial assets.

Abbreviations and conventions

The following notation may be used:

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

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Assistant Secretary Corporate, in the Department of Human Services on (02) 6233 0482.

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

PORTFOLIO OVERVIEW

OVERVIEW OF HUMAN SERVICES

HUMAN SERVICES RESPONSIBILITIES

The Department of Human Services (Finance and Administration Portfolio) was established on 26 October 2004 to improve the development, delivery and coordination of Government services. 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.

A diagrammatic representation of the structure of the Department of Human Services (Finance and Administration Portfolio) outcomes is at Figure 1.

AGENCIES WITHIN THE HUMAN SERVICES PORTFOLIO

Human Services comprises the following General Government Sector entities:

- The **Department of Human Services** consists of the core department, the Child Support Agency and CRS Australia. The core department is small and strategic. The role of the department is to direct, coordinate and broker improvements to service delivery. CRS Australia assists people with an injury or a disability to get a job or return to work by providing individualised vocational rehabilitation, and helping employers to keep their workplaces safe. The Child Support Agency ensures that children of separated parents receive financial support from both parents.
- **Centrelink** delivers a range of government payments and services for retirees, families, carers, parents, people with disabilities, Indigenous people, and people from diverse cultural and linguistic backgrounds and provides services at times of major change.
- The **Health Insurance Commission** looks after the health of Australians, through efficient services and payments, such as Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register and the Australian Organ Donor Register.

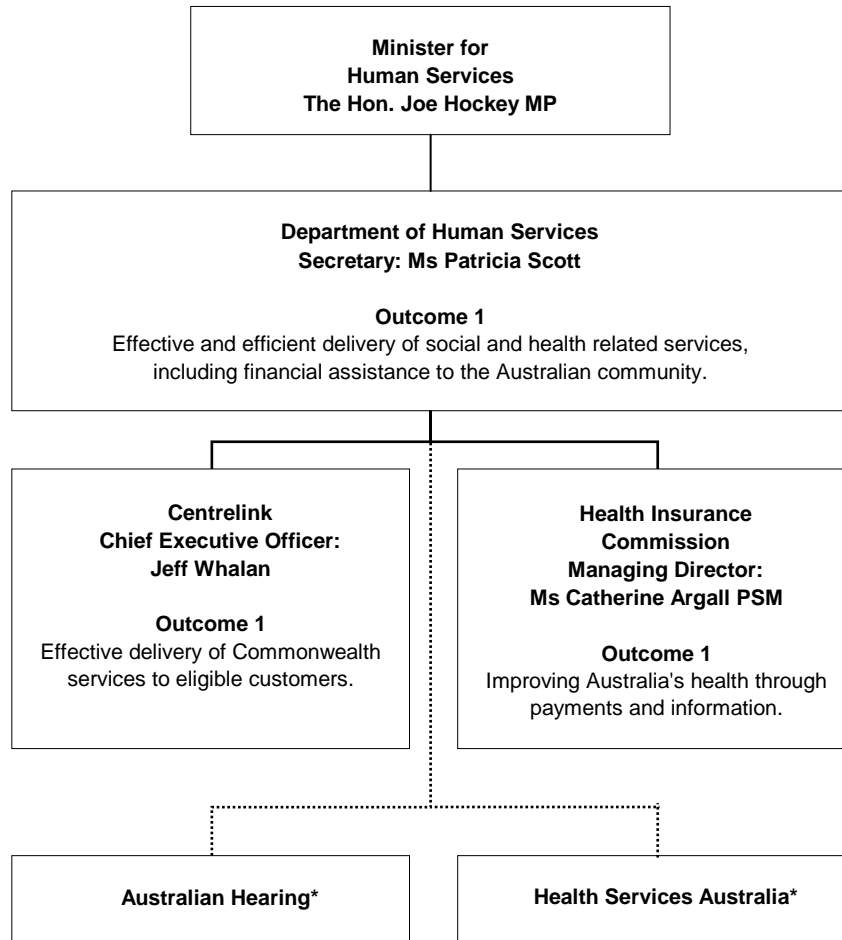
The portfolio also contains the following non-general government sector entities:

Public Non-Financial Corporation

- Australian Hearing
- Health Services Australia

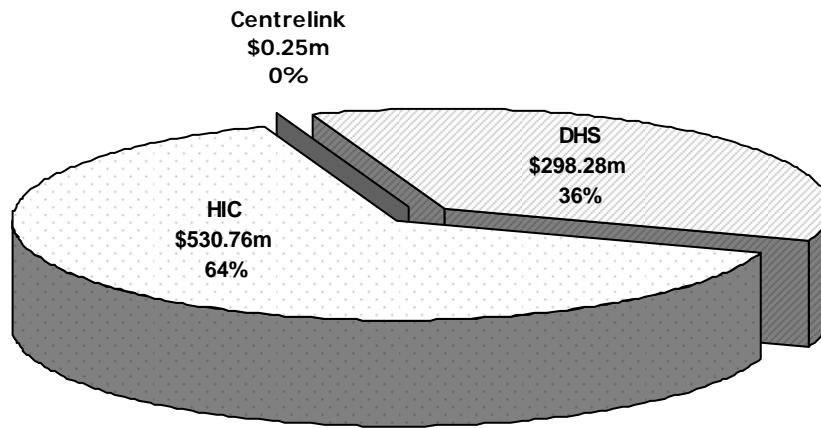
As required under Section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates. These entities are not reported in the Portfolio Budget Statements.

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 Budget Statements.

Figure 2: Departmental appropriations for agencies in the portfolio



The Department of Human Services consists of the core department, the Child Support Agency and CRS Australia. CRS Australia is a business operation and does not receive directly appropriated revenue.

Administered appropriations for agencies in the portfolio

In 2005-06 the Child Support Agency, within the Department of Human Services, will receive administered appropriations of \$73.4 million. No other Human Service agencies receive administered appropriations.

AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Table 1.1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000 (A)	Bill No. 2 \$'000 (B)	Special Approp \$'000 (C)	Total Approp \$'000 (D)	\$'000 (E)	\$'000 (F)=(D)+(E)
Outcome 1						
Centrelink						
Administered 2005-06	-	-	-	-	-	-
Administered 2004-05	-	-	-	-	-	-
Departmental 2005-06	55,000	-	-	-	-	55,000
Departmental 2004-05	54,500	-	-	-	-	54,500
Total Outcome 2005-06	55,000	-	-	-	-	55,000
Total Outcome 2004-05	54,500	-	-	-	-	54,500
Outcome 1						
Health Insurance Commission						
Administered 2005-06	-	-	-	-	-	-
Administered 2004-05	-	-	-	-	-	-
Departmental 2005-06	3,372	-	-	-	-	3,372
Departmental 2004-05	3,534	-	-	-	-	3,534
Total Outcome 2005-06	3,372	-	-	-	-	3,372
Total Outcome 2004-05	3,534	-	-	-	-	3,534
Total Administered 2005-06	-	-	-	-	-	-
Total Administered 2004-05	-	-	-	-	-	-
Total Departmental 2005-06	58,372	-	-	-	-	58,372
Total Departmental 2004-05	58,034	-	-	-	-	58,034
Total AGIE 2005-06	58,372	-	-	-	-	58,372
Total AGIE 2004-05	58,034	-	-	-	-	58,034

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DEPARTMENT OF HUMAN SERVICES

(including Child Support Agency and CRS Australia)

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DEPARTMENT OF HUMAN SERVICES

Section 1: DHS overview

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 \$2.4 billion 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 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 Family and Community Services (FaCS) 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.

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the department in the 2005-06 Budget is \$371.7 million. While appropriations are provided directly to the core department and CSA, CRS Australia does not receive directly appropriated revenue.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

Outcome	Appropriations					Revenue from other sources ⁵		Total resources ⁷
	\$'000	\$'000	\$'000	\$'000	% ⁶	\$'000	% ⁶	\$'000
	Bill No. 1	Bill No. 2 ²	Special approp ³	Total approp ⁴				
Outcome 1: Effective and efficient delivery of social and health related services, including financial assistance to the Australian community								
Administered	6,414	-	66,987	73,401	8	877,222	92	950,623
Departmental	298,277	-	-	298,277	64	167,727	36	466,004
Total outcome 1	304,691	-	66,987	371,678	26	1,044,949	74	1,416,627
Total agency								
Administered	6,414	-	66,987	73,401	8	877,222	92	950,623
Total agency								
Departmental	298,277	-	-	298,277	64	167,727	36	466,004
Total agency	304,691	-	66,987	371,678	26	1,044,949	74	1,416,627
Departmental capital (equity injections)	-	-	-	-	-	-	-	-
Previous year's outputs	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-
Total resources	304,691	-	66,987	371,678	26	1,044,949	74	1,416,627

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.

7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

Supplementary Table 2.1.1: Appropriation and other revenue 2005-06 by Output

Outcome	Appropriations					Revenue from other sources ⁵		Total resources ⁷
	\$'000 Bill No. 1	\$'000 Bill No. 2 ²	\$'000 Special approp ³	\$'000 Total approp ⁴	% ⁶	\$'000	% ⁶	\$'000
Output 1 Core Department								
Administered	-	-	-	-	-	8,300	100	8,300
Departmental	11,883	-	-	11,883	100	-	-	11,883
Total output 1	11,883	-	-	11,883	100	8,300	100	20,183
Output 2 Child Support Agency								
Administered	6,414	-	66,987	73,401	8	868,922	92	942,323
Departmental	286,394	-	-	286,394	100	-	-	286,394
Total output 2	292,808	-	66,987	359,795	29	868,922	71	1,228,717
Output 3 CRS Australia								
Administered	-	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	167,727	100	167,727
Total output 3	-	-	-	-	-	167,727	100	167,727
Total DHS								
Administered	6,414	-	66,987	73,401	8	877,222	92	950,623
Total DHS								
Departmental	298,277	-	-	298,277	64	167,727	36	466,004
Total DHS	304,691	-	66,987	371,678	26	1,044,949	74	1,416,627
Departmental capital (equity injections)	-	-	-	-	-	-	-	-
Previous year's outputs	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-
Total resources	304,691	-	66,987	371,678	26	1,044,949	74	1,416,627

Details of footnotes provided on previous page.

2.2: 2005-06 BUDGET MEASURES

Budget measures relating to the Department of Human Services including measures impacting on CSA and CRS Australia are explained in Budget Paper No. 2. The measures are summarised in Table 2.2 and identify the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: Department of Human Services measures

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)			Appropriations forward estimate 2008-09 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1 2	-	-743	-743	-	-1,515	-1,515	-	-2,296	-2,296	-	-2,296	-2,296
Welfare to Work - Comprehensive Work Capacity Assessments	1	1	-	802	802	104,713	566	105,279	106,507	775	107,282	102,162	507	102,669
Welfare to Work - Pre-vocational Assistance Participation Account	1	1	-	213	213	26,669	151	26,820	28,169	206	28,375	24,993	135	25,128
Total			-	272	272	131,382	-798	130,584	134,676	-1,315	133,361	127,155	-1,654	125,501

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used by the department. The department collects a substantial amount of its departmental revenue from other sources. CRS Australia is fully funded via purchaser provider arrangements with both government and non-government entities. In 2005-06, CRS Australia will collect an estimated \$167.7 million in revenue.

Administered operations also provide other receipts. The core department receives administered dividend revenues from the services of Australian Hearing and Health Services Australia. The Child Support Agency collects administered receipts from Penalty Recovery, Costs and Child Support Revenues.

Table 2.3: Other receipts available to be used

	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
Outcome 1		
Departmental other receipts		
CRS Australia	112,292	167,727
Total departmental other receipts available to be used	112,292	167,727
Administered other receipts		
Australian Hearing Services - Dividend	3,900	3,900
Health Services Australia - Dividend	3,900	4,400
Child Support Agency	451,052	868,922
Total administered other receipts available to be used	458,852	877,222

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

Table 2.4: Movement of administered funds from 2004-05 to 2005-06

Movements of funding between years	\$'000
Child Support Agency Trust - <i>Child Support (Registration and Collection) Act 1988 (A)</i>	5,257

This table represents the budgeted net movement in revenues and expenses in the Child Support Agency Trust from 2004-05 to 2005-06.

2.5: SPECIAL APPROPRIATIONS

Special appropriations related to the department are administered by the Child Support Agency. Both special appropriations are provided through the *Child Support (Registration and Collection) Act 1988*. Estimated expenses associated with these special appropriations are provided in the table below.

Table 2.5: Estimates of expenses from special appropriations

	Outcome	Note	Estimated expenses 2004-05 \$'000	Budget estimate 2005-06 \$'000
Estimated expenses				
Child Support (Registration and Collection) Act 1988				
Child Support s77 - Short falls in CSA Trust (A)	1		79,442	66,937
Child Support s78 - Unexplained Remittances (A)	1		50	50
Total estimate expenses			79,492	66,987

A= Administered

2.6: SPECIAL ACCOUNTS

The department administers a special account for the Child Support Agency Trust. Estimated balances, receipts and payments for 2005-06 are provided in the table below. Actual balances, receipts and payments for this special account will be disclosed in the department's annual report.

Table 2.6: Estimates of special account flows and balances

	Opening balance	Receipts	Payments	Adjustments	Closing balance
	2005-06	2005-06	2005-06	2005-06	2005-06
	2004-05	2004-05	2004-05	2004-05	2004-05
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Agency Trust (A)	28,138	749,529	-746,933	-	30,734
	22,272	320,705	-314,839	-	28,138
Total special accounts					
2005-06 Budget estimate	28,138	749,529	-746,933	-	30,734
Total Special Accounts					
2004-05 estimate actual	28,426	320,705	-314,839	-	28,138

Special Account Flows are higher than the previous year as 2004-05 flows are from the date the department was created (26 October 2004).

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The department does not have an appropriation for equity injections, loans or administered capital.

Section 3: Agency outcomes

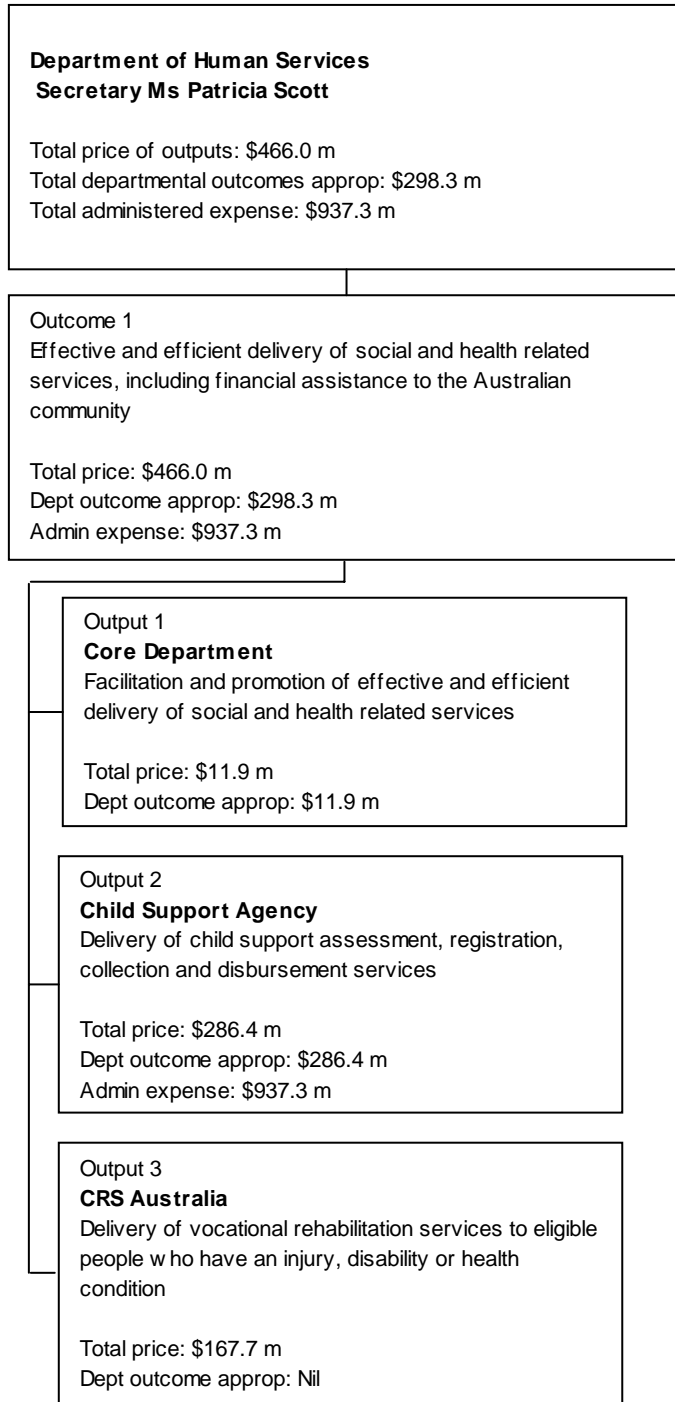
This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for the Department of Human Services, CSA and CRS Australia

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

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

The relationship between activities of each of the agencies and the outcome is summarised in Figure 4.

Figure 4: Outcomes and output groups and administered items



3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

The department has one outcome and three outputs as shown in Figure 4 on the previous page. Figure 5 shows departmental appropriations by output for 2005-06. The total departmental appropriation for DHS Outcome 1 is \$298.3 million.

Figure 5: Departmental appropriations by output, 2005-06

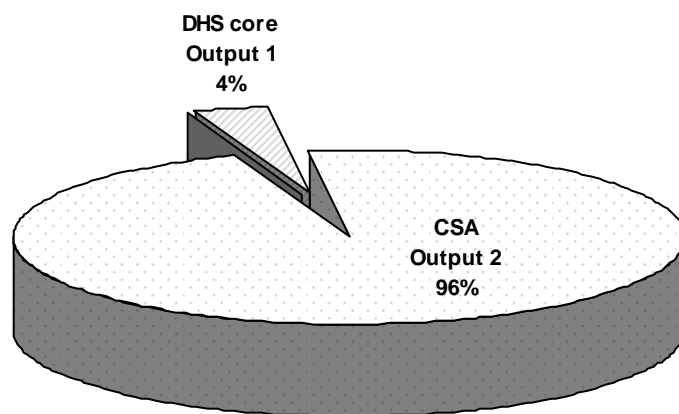


Figure 5 illustrates the relationship between appropriation funding and output. The core department receives approximately 4% of the departmental appropriations provided to the department, while CSA receives approximately 96% of available departmental appropriations. Both the core department and CSA are fully appropriation funded. CRS Australia is not represented in this Figure as CRS Australia does not receive a direct appropriation.

Administered appropriations by outcome

The total administered appropriation for DHS Outcome 1 is \$73.4 million. Output 2 Child Support Agency is the only recipient of administered appropriation funding within the department in 2005-06. CSA administered appropriations include both special appropriations from the *Child Support (Registration and Collection) Act 1988* and annual appropriations relating to Support for Unemployed Payers and Recovery Revenue.

3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs. Appropriations for 2005-06 are higher than the previous year as 2004-05 appropriations cover the part year since the creation of the department.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
Administered appropriations		
Child Support Agency Annual Appropriation Bill 1	5,810	6,414
Child Support (Registration and Collection) Act 1988		
Child Support s77 - shortfalls in CSA Trust	50,885	66,937
Child Support s78 - Unexplained Remittances	50	50
Total administered appropriations	56,745	73,401
from Special Accounts (estimated payments from Special Account balances)²		
Child Support Agency Trust	-314,839	-746,933
Total Special Account outflows	-314,839	-746,933
Departmental appropriations		
Output 1 - Core Department	7,577	11,883
Subtotal Output 1	7,577	11,883
Departmental appropriations		
Output 2 - Child Support Agency	135,124	286,394
Subtotal Output 2	135,124	286,394
Departmental appropriations		
Output 3 - CRS Australia	-	-
Subtotal Output 3	-	-
Total revenue from government (appropriations) Contributing to price of departmental outputs	142,701	298,277
Revenue from other sources		
CRS Australia	113,109	167,727
Total revenue from other sources	113,109	167,727
Total price from departmental outputs (Total revenue from government and from other sources)	255,810	466,004
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	312,555	539,405
Average staffing level (number)	2004-05	2005-06
Core Department	45	62
Child Support Agency	2,872	2,967
CRS Australia	1,591	1,591
Total Average staffing level (number)	4,508	4,620

1 Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.

2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6

Measures affecting Outcome 1¹

Efficiency dividend – increase in the rate from 1 per cent to 1.25 percent

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-743	-1,515	-2,296	-2,296
	Total	-743	-1,515	-2,296	-2,296
Fiscal Impact	Total	-743	-1,515	-2,296	-2,296

Budget measures relating to DHS as explained in Budget Paper No. 2

Welfare to Work – Comprehensive Work Capacity Assessments

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	802	566	775	507
	Administered	-	104,713	106,507	102,162
	Total	802	105,279	107,282	102,669
Fiscal Impact	Total	802	105,279	107,282	102,669

Budget measures relating to DHS as explained in Budget Paper No. 2

Welfare to Work – Pre-vocational Assistance Participation Account

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	213	151	206	135
	Administered	-	26,669	28,169	24,993
	Total	213	26,820	28,375	25,128
Fiscal Impact	Total	213	26,820	28,375	25,128

Budget measures relating to DHS as explained in Budget Paper No. 2

¹ This relates to measures disclosed in the 2005-06 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* 2004-05 (MYEFO)).

Performance information for Outcome 1

Table 3.2: Performance information for Outcome 1

Performance indicators for individual outputs	
Outcome 1	Performance indicator
Output 1: Core Department	Quality
	<ul style="list-style-type: none"> 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.
	Quantity
	<p>On the basis of experience since the establishment of the department in October 2004, the department expects annually to:</p> <ul style="list-style-type: none"> process approximately 7 000 pieces of Ministerial correspondence; provide approximately 1 200 briefings to the Minister and his office; and prepare draft answers to approximately 100 Parliamentary Questions on Notice.
Output 2: Child Support Agency	Price
	<ul style="list-style-type: none"> The price of the core department's outputs in 2005-06 is \$11.9 million.
	Cost
	<ul style="list-style-type: none"> Cost per case (estimate: \$346) Cost per dollar transferred (estimate: 12.0 cents)
	Effectiveness (Adequacy)
	Total amount of child support transferred between parents (estimate \$2.4 billion)
	Effectiveness (Independence)
	<p>Child support transfer rate (CSA collect and Private collect) (estimate: 95 per cent)</p> <p>Percentage of Private collect cases to total cases (CSA collect and Private collect cases) (estimate: 52.5 per cent)</p>
	Price
	<ul style="list-style-type: none"> The price of CSA's outputs in 2005-06 is \$286.4 million

Output 3:	Quality
CRS Australia	<ul style="list-style-type: none">• Certification against Disability Services Standards
	Quantity
	<ul style="list-style-type: none">• Number of new clients assisted on a rehabilitation programme.• Number of rehabilitation clients achieving durable employment outcomes.
	Effectiveness and Efficiency
	<ul style="list-style-type: none">• 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 programme 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.
	Price
	The price of CRS's outputs in 2005-06 is \$167.7 million

Evaluations for Outcome 1

CRS Australia is independently audited each year for compliance with the Disability Standards made pursuant to the Disability Services Act (1986).

Independent surveys of customer and client satisfaction are conducted on behalf of CRS Australia on an annual basis and these along with client feedback are used in business planning and continuous improvement initiatives.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

Contractual arrangements are specified in a Service Level Agreement between CRS Australia and Department of Employment and Workplace Relations (DEWR) on a fortnightly pro-rata basis. CRS Australia reports every two months on programme performance to DEWR. Ongoing performance is managed through a coordination committee required by the Service Level Agreement.

Purchaser arrangements with other customers follow a similar model of clearly defined outputs/outcomes with regular reporting on progress. Performance requirements are clearly defined in tender and contract processes with some purchasers also requiring specific accreditation in addition to the *Disability Services Act (1986)* accreditation process against Disability Standards.

There are currently no purchase provider arrangements for the Child Support Agency.

Cross agency overview

CRS Australia has a Service Level Agreement (SLA) with DEWR for the provision of program delivery services and rehabilitation programs for people with disabilities under Part III of the *Disability Services Act 1986*.

CRS Australia has a Memorandum of Understanding (MOU) with DEST to deliver approximately 12,500 career planning places during 2004-2005 in at least 143 sites across Australia. CRS Australia is currently negotiating the MOU for 2005-06.

A further MOU with FACS requires CRS Australia to deliver Wage Assessment and Case management in Business services. Case Management performance standards cover volume, timeliness and the range of services recommended. Wage Assessment performance standards cover volume, timeliness and quality.

CRS Australia has a MOU with Department of Veterans' Affairs for delivery of vocational rehabilitation services for the Veterans Vocational Rehabilitation Scheme.

4.2: COST RECOVERY ARRANGEMENTS

The Department of Human Services does not provide goods and services which are subject to cost recovery policy.

Section 5: Budgeted financial statements – Consolidated Department of Human Services

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The financial statements report the consolidated financial results for the core department, CSA and CRS Australia. A brief analysis of the Department of Human Services's budgeted financial statements is provided below.

To provide additional disclosure, separate agency budget information for the core department, CSA and CRS is provided from Section 5.4.

Departmental

The Department of Human Services is budgeting for a breakeven operating result for 2005-06. The total revenue for the department is estimated to be \$466.0 million. The core department will receive appropriation revenue of \$11.9 million and the CSA will receive appropriation revenue of \$286.4 million. CRS Australia will receive revenue from the sale of goods and services of approximately \$167.2 million and other revenue of \$0.5 million.

Total expenses for 2005-06 are expected to be \$466.0 million and mirror the revenue to be received.

The department's mix of assets and liabilities is expected to remain relatively unchanged with assets of \$143.0 million and liabilities of \$89.7 million.

Administered

The department will receive appropriation revenue of \$73.4 million for payments it will administer on behalf of the Government. Administered appropriation revenue relates to the Child Support Agency and \$6.4 million is from Appropriation Bill No. 1 and \$67.0 million is from Special Appropriations.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.2.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	142,701	298,277	309,542	313,560	321,422
Goods and services	112,788	167,227	172,506	177,275	181,334
Other	321	500	500	500	500
Revenues from ordinary activities	255,809	466,004	482,548	491,335	503,256
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	162,542	290,084	300,730	306,598	314,668
Suppliers	81,975	161,204	166,499	169,046	174,398
Depreciation and amortisation	7,387	14,662	14,714	14,827	13,621
Write-down of assets and impairment of assets	68	54	55	57	58
Expenses from ordinary activities (excluding borrowing costs expense)	251,972	466,004	481,998	490,528	502,745
Operating surplus or (deficit) from ordinary activities	3,837	-	549	807	511
Net surplus or (deficit)	3,837	-	549	807	511
Net surplus or deficit attributable to the Australian Government	3,837	-	549	807	511
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	3,837	-	549	807	511

**Table 5.2.2: Budgeted departmental statement of financial position
as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	628	628	628	628	628
Receivables	90,137	96,063	97,857	105,461	119,531
Other financial assets	1,741	781	393	393	393
Total financial assets	92,506	97,472	98,878	106,482	120,552
Non-financial assets					
Land and buildings	24,107	26,924	30,899	29,417	24,431
Infrastructure, plant and equipment	4,584	2,878	1,653	4,549	3,661
Intangibles	20,071	14,447	13,334	8,184	3,695
Other non-financial assets	1,378	1,273	1,308	1,345	1,384
Total non-financial assets	50,140	45,521	47,194	43,495	33,171
Total assets	142,646	142,993	146,072	149,977	153,724
LIABILITIES					
Interest bearing liabilities					
Loans	6,822	5,931	5,040	4,149	3,258
Total interest bearing liabilities	6,822	5,931	5,040	4,149	3,258
Provisions					
Employees	60,593	65,176	68,413	72,211	76,131
Total provisions	60,593	65,176	68,413	72,211	76,131
Payables					
Suppliers	19,305	16,476	16,602	16,733	16,880
Other payables	2,586	2,070	2,127	2,186	2,247
Total payables	21,891	18,546	18,729	18,919	19,128
Total liabilities	89,306	89,653	92,182	95,280	98,517
EQUITY*					
Parent entity interest					
Contributed equity	42,968	42,968	42,968	42,968	42,968
Reserves	9,722	9,722	9,722	9,722	9,722
Retained surpluses or accumulated deficits	650	650	1,200	2,006	2,517
Total parent entity interest	53,340	53,340	53,890	54,697	55,206
Outside equity interest					
Total outside equity interest	-	-	-	-	-
Total equity	53,340	53,340	53,890	54,697	55,206
Current assets	92,524	97,499	98,907	106,509	119,578
Non-current assets	50,122	45,495	47,167	43,468	34,145
Current liabilities	44,260	42,091	43,098	44,457	45,897
Non-current liabilities	45,045	47,562	49,085	50,823	52,619

Table 5.2.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 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	112,788	167,227	172,506	177,275	181,334
Appropriations	143,078	293,085	308,170	307,866	312,685
Other	64,244	4,585	6,933	6,665	6,846
Total cash received	320,110	464,897	487,609	491,806	500,865
Cash used					
Employees	160,736	286,707	298,668	303,800	311,748
Suppliers	85,853	161,906	166,696	170,446	175,618
Other	67,954	6,134	5,893	6,505	10,223
Total cash used	314,543	454,747	471,257	480,751	497,589
Net cash from or (used by) operating activities	5,567	10,150	16,352	11,055	3,276
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	4,939	10,150	16,352	11,055	3,276
Total cash used	4,939	10,150	16,352	11,055	3,276
Net cash from or (used by) investing activities	(4,939)	(10,150)	(16,352)	(11,055)	(3,276)
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	628	-	-	-	-
Cash at the beginning of the reporting period	-	628	628	628	628
Cash at the end of the reporting period	628	628	628	628	628

Table 5.2.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally by					
Departmental resources	4,939	10,150	16,351	11,056	3,276
Total	4,939	10,150	16,351	11,056	3,276

Table 5.2.5: 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	423	-	35,387	-	10,683	-	4,909	39,184	90,586
Accumulated depreciation	-	-	11,705	-	6,098	-	4,000	20,022	41,825
Opening net book value	423	-	23,682	-	4,585	-	909	19,162	48,761
Additions:									
by purchase	-	-	7,983	-	1,236	-	-	930	10,149
Depreciation/amortisation expense	-	-	5,165	-	2,943	-	495	6,059	14,662
As at 30 June 2006									
Gross book value	423	-	43,370	-	11,919	-	4,909	40,114	100,735
Accumulated depreciation	-	-	16,870	-	9,041	-	4,495	26,081	56,487
Closing net book value	423	-	26,500	-	2,878	-	414	14,033	44,248

Table 5.2.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimates 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
Taxation					
Other taxes, fees and fines	31,242	56,832	58,241	59,226	59,800
Total taxation	31,242	56,832	58,241	59,226	59,800
Non-taxation (revenues from Government)					
Other sources of non-taxation revenues	430,068	823,968	844,130	857,038	865,266
Total non-taxation	430,068	823,968	844,130	857,038	865,266
Total revenues administered on behalf of Government	461,310	880,800	902,371	916,264	925,066
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	-	-	131,382	134,676	127,154
Personal benefits	2,277	3,578	3,600	2,444	2,444
Write down and impairment of assets	64,304	111,468	114,277	116,208	117,335
Other	439,134	822,257	842,649	856,889	865,215
Total expenses administered on behalf of Government	505,715	937,303	1,091,907	1,110,217	1,112,148

Table 5.2.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	-	-	-	-	-
Receivables	98,499	106,303	114,256	122,344	130,510
Total financial assets	98,499	106,303	114,256	122,344	130,510
Non-financial assets					
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	98,499	106,303	114,256	122,344	130,510
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	-	-	-	-	-
Payables					
Other payables	113,616	118,756	124,025	129,382	134,787
Total payables	113,616	118,756	124,025	129,382	134,787
Total liabilities administered on behalf of Government	113,616	118,756	124,025	129,382	134,787

**Table 5.2.8: Schedule of budgeted administered cash flows
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 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	31,242	56,832	58,241	59,226	59,800
Cash from the OPA	54,754	73,401	206,580	209,927	203,113
Dividends	7,800	8,300	8,300	8,300	8,300
Other	260,032	673,325	690,047	702,926	709,748
Total cash received	353,828	811,858	963,168	980,379	980,961
Cash used					
Suppliers	-	-	131,382	134,676	127,154
Cash to the OPA	38,536	59,166	60,839	62,008	62,689
Personal benefits	2,277	3,578	3,600	2,444	2,444
Other	313,015	749,114	767,347	781,251	788,674
Total cash used	353,828	811,858	963,168	980,379	980,961
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) investing activities	-	-	-	-	-
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	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

Table 5.2.9: Schedule of administered capital budget

This table is not included as the department will not receive any administered capital appropriations in 2005-06.

**Table 5.2.10: Schedule of property, plant, equipment and intangibles —
summary of movement (Budget Year 2005-06)**

This table is not included as the department does not manage any administered non-financial assets.

5.3: NOTES TO THE FINANCIAL STATEMENTS

Accounting policy

The budgeted financial statements have been prepared on an accruals basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders
- Australian Accounting Standards
- other authoritative pronouncements of the Australian Accounting Standards Boards
- the Consensus Views of the Urgent Issues Group.

Departmental and Administered items

The department's assets, liabilities, revenues and expenses are those items controlled by the department that are used in producing outputs, and include:

- computers, plant and equipment used in providing goods and services
- liabilities for employee entitlements
- revenue from appropriations or independent sources in payment for outputs
- employee, supplier and depreciation expenses incurred in providing departmental outputs.

Administered items are those items controlled by the government and managed, or oversighted, by the department on behalf of the government. The department receives dividends from Health Services Australia and Australian Hearing.

Revenue

Appropriations from government are revenues relating to the core operating activities of the department. CRS Australia receives revenue from the provision of services. A small amount of revenue will be from resources received free of charge.

Employee expenses

Employee expenses consist of salaries, leave entitlements, fringe benefits tax, redundancy expenses, superannuation and workers compensation insurance.

Suppliers

Suppliers expenses consist of property operating costs, information technology and systems development costs, professional development and administrative costs.

Cash

Cash includes notes and coins held and any deposits held with a bank or financial institution.

Assets

Infrastructure, plant and equipment comprises office fit-out and office equipment. Other assets are prepayments.

Asset valuation

Australian Government agencies are required to use the fair value basis to measure property, plant and equipment. Fair value essentially reflects the current market value of an asset.

Liabilities

Employee liabilities are provisions for recreation leave, long service leave and accrued salaries.

Suppliers are creditors (usually invoices on hand, but not yet due for payment).

5.4: BUDGETED FINANCIAL STATEMENTS – CORE DEPARTMENT

Table 5.4.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	7,577	11,883	11,680	12,040	12,050
Revenues from ordinary activities	7,577	11,883	11,680	12,040	12,050
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	3,285	6,130	6,314	6,504	6,700
Suppliers	2,434	5,538	5,151	5,321	5,135
Depreciation and amortisation	143	215	215	215	215
Expenses from ordinary activities (excluding borrowing costs expense)	5,862	11,883	11,680	12,040	12,050
Operating surplus or (deficit) from ordinary activities	1,715	-	-	-	-
Net surplus or (deficit)	1,715	-	-	-	-
Net surplus or deficit attributable to the Australian Government	1,715	-	-	-	-
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	1,715	-	-	-	-

Table 5.4.2: Budgeted departmental statement of financial position as at 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	30	30	30	30	30
Receivables	2,127	3,352	3,613	3,701	3,994
Total financial assets	2,157	3,382	3,643	3,731	4,024
Non-financial assets					
Land and buildings	615	473	331	189	47
Infrastructure, plant and equipment	219	146	73	177	88
Other non-financial assets	18	27	28	26	27
Total non-financial assets	852	646	432	392	162
Total assets	3,009	4,028	4,075	4,123	4,186
LIABILITIES					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	990	1,847	1,902	1,960	2,019
Total provisions	990	1,847	1,902	1,960	2,019
Payables					
Suppliers	304	466	457	449	453
Total payables	304	466	457	449	453
Total liabilities	1,294	2,313	2,360	2,408	2,471
EQUITY*					
Parent entity interest					
Retained surpluses or accumulated deficits	1,715	1,715	1,715	1,715	1,715
Total parent entity interest	1,715	1,715	1,715	1,715	1,715
Outside equity interest					
Total outside equity interest	-	-	-	-	-
Total equity	1,715	1,715	1,715	1,715	1,715
Current assets	2,175	3,409	3,671	3,757	4,051
Non-current assets	834	619	404	366	135
Current liabilities	403	651	647	645	654
Non-current liabilities	891	1,662	1,712	1,764	1,817

**Table 5.4.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,426	9,865	10,642	11,201	10,884
Other	49	84	84	84	84
Total cash received	6,475	9,949	10,726	11,285	10,968
Cash used					
Employees	3,285	5,273	6,259	6,447	6,641
Suppliers	2,128	4,592	4,383	4,611	4,243
Other	56	84	84	84	84
Total cash used	5,469	9,949	10,726	11,141	10,968
Net cash from or (used by) operating activities	1,006	-	-	144	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	976			144	
Total cash used	976	-	-	144	-
Net cash from or (used by) investing activities	(976)	-	-	(144)	-
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	30	-	-	-	-
Cash at the beginning of the reporting period	-	30	30	30	30
Cash at the end of the reporting period	30	30	30	30	30

Budgeted financial statements – Core department

Table 5.4.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 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:					
Purchase of non-financial assets	-	-	-	-	-
<i>Total represented by</i>	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally by					
Departmental resources	976	-	-	144	-
<i>Total</i>	976	-	-	144	-

Table 5.4.5: 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	-	-	709	-	267	-	-	-	976
Accumulated depreciation	-	-	95	-	48	-	-	-	143
Opening net book value	-	-	614	-	219	-	-	-	833
Depreciation/amortisation expense	-	-	142	-	73	-	-	-	215
As at 30 June 2006									
Gross book value	-	-	709	-	267	-	-	-	976
Accumulated depreciation	-	-	237	-	121	-	-	-	358
Closing net book value	-	-	472	-	146	-	-	-	618

Table 5.4.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimates 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
Taxation					
Total taxation	-	-	-	-	-
Non-taxation (revenues from Government)					
Other sources of non-taxation revenues	7,800	8,300	8,300	8,300	8,300
Total non-taxation	7,800	8,300	8,300	8,300	8,300
Total revenues administered on behalf of Government	7,800	8,300	8,300	8,300	8,300
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	-	-	131,382	134,676	127,154
Total expenses administered on behalf of Government	-	-	131,382	134,676	127,154

Table 5.4.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June

This table is not included as the core department does not have any budgeted assets and liabilities administered on behalf of Government.

**Table 5.4.8: Schedule of budgeted administered cash flows
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Cash from the OPA	-	-	131,382	134,676	127,154
Dividends	7,800	8,300	8,300	8,300	8,300
Total cash received	7,800	8,300	139,682	142,976	135,454
Cash used					
Suppliers	-	-	-	-	-
Other	7,800	8,300	8,300	8,300	8,300
Total cash used	7,800	8,300	139,682	142,976	135,454
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) investing activities	-	-	-	-	-
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	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

Budgeted financial statements – Core department

Table 5.4.9: Schedule of administered capital budget

This table is not included as the core department will not receive any administered capital appropriations in 2005-06

Table 5.4.10: Schedule of property, plant, equipment and intangibles — summary of movement (Budget Year 2005-06)

This table is not included as the core department does not manage any administered non-financial assets.

5.5: BUDGETED FINANCIAL STATEMENTS – CHILD SUPPORT AGENCY

Table 5.5.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	135,124	286,394	297,862	301,520	309,372
Revenues from ordinary activities	135,124	286,394	297,862	301,520	309,372
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	85,352	177,848	185,457	188,204	193,067
Suppliers	45,533	99,594	103,262	103,942	107,734
Depreciation and amortisation	4,239	8,952	9,143	9,374	8,571
Expenses from ordinary activities (excluding borrowing costs expense)	135,124	286,394	297,862	301,520	309,372
Operating surplus or (deficit) from ordinary activities	-	-	-	-	-
Net surplus or (deficit)	-	-	-	-	-
Net surplus or deficit attributable to the Australian Government	-	-	-	-	-
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	-	-	-	-	-

Table 5.5.2: Budgeted departmental statement of financial position as at 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	248	248	248	248	248
Receivables	23,512	27,404	29,201	36,275	46,066
Other financial assets	1,741	781	393	393	393
Total financial assets	25,501	28,433	29,843	36,917	46,708
Non-financial assets					
Land and buildings	19,324	23,060	27,359	26,200	21,852
Infrastructure, plant and equipment	531	621	678	707	723
Intangibles	19,162	14,033	9,386	5,291	1,802
Total non-financial assets	39,017	37,715	37,422	32,198	24,377
Total assets	64,518	66,148	67,265	69,115	71,085
LIABILITIES					
Interest bearing liabilities					
Loans	6,822	5,931	5,040	4,149	3,258
Total interest bearing liabilities	6,822	5,931	5,040	4,149	3,258
Provisions					
Employees	38,123	40,643	42,651	45,393	48,253
Total provisions	38,123	40,643	42,651	45,393	48,253
Payables					
Suppliers	11,371	11,371	11,371	11,371	11,371
Total payables	11,371	11,371	11,371	11,371	11,371
Total liabilities	56,316	57,945	59,062	60,913	62,882
EQUITY*					
Parent entity interest					
Contributed equity	8,188	8,188	8,188	8,188	8,188
Reserves	3,202	3,202	3,202	3,202	3,202
Retained surpluses or accumulated deficits	(3,188)	(3,188)	(3,188)	(3,188)	(3,188)
Total parent entity interest	8,202	8,202	8,202	8,202	8,202
Outside equity interest					
Total outside equity interest	-	-	-	-	-
Total equity	8,202	8,202	8,202	8,202	8,202
Current assets	25,501	28,433	29,843	36,917	46,708
Non-current assets	39,017	37,715	37,422	32,198	24,377
Current liabilities	29,345	30,194	30,776	31,741	32,767
Non-current liabilities	26,971	27,751	28,286	29,172	30,115

**Table 5.5.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	136,652	283,220	297,528	296,665	301,801
Other	242	-	-	-	-
Total cash received	136,894	283,220	297,528	296,665	301,801
Cash used					
Employees	83,546	175,327	183,450	185,463	190,206
Suppliers	49,717	100,243	105,229	107,052	110,845
Total cash used	133,263	275,570	288,678	292,515	301,051
Net cash from or (used by) operating activities	3,631	7,650	8,850	4,150	750
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,383	7,650	8,850	4,150	750
Total cash used	3,383	7,650	8,850	4,150	750
Net cash from or (used by) investing activities	(3,383)	(7,650)	(8,850)	(4,150)	(750)
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	248	-	-	-	-
Cash at the beginning of the reporting period	-	248	248	248	248
Cash at the end of the reporting period	248	248	248	248	248

Table 5.5.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally by					
Departmental resources	3,383	7,650	8,850	4,150	750
Total	3,383	7,650	8,850	4,150	750

Table 5.5.5: 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	-	-	24,748	-	847	-	-	39,184	64,779
Accumulated depreciation	-	-	5,425	-	315	-	-	20,022	25,762
Opening net book value	-	-	19,323	-	532	-		19,162	39,017
Additions:									
by purchase	-	-	6,482	-	237	-	-	930	7,649
Depreciation/amortisation expense	-	-	2,745	-	148	-	-	6,059	8,952
As at 30 June 2006									
Gross book value	-	-	31,230	-	1,084	-	-	40,114	72,428
Accumulated depreciation	-	-	8,170	-	463	-	-	26,081	34,714
Closing net book value	-	-	23,060	-	621	-	-	14,033	37,714

Table 5.5.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimates 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
Taxation					
Other taxes, fees and fines	31,242	56,832	58,241	59,226	59,800
Total taxation	31,242	56,832	58,241	59,226	59,800
Non-taxation (revenues from Government)					
Other sources of non-taxation revenues	422,268	815,668	835,830	848,738	856,966
Total non-taxation	422,268	815,668	835,830	848,738	856,966
Total revenues administered on behalf of Government	453,510	872,500	894,071	907,964	916,766
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	2,277	3,578	3,600	2,444	2,444
Write down and impairment of assets	64,304	111,468	114,277	116,208	117,335
Other	439,134	822,257	842,649	856,889	865,215
Total expenses administered on behalf of Government	505,715	937,303	960,525	975,541	984,994

Table 5.5.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	-	-	-	-	-
Receivables	98,499	106,303	114,256	122,344	130,510
Total financial assets	98,499	106,303	114,256	122,344	130,510
Non-financial assets					
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	98,499	106,303	114,256	122,344	130,510
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	-	-	-	-	-
Payables					
Other payables	113,616	118,756	124,025	129,382	134,787
Total payables	113,616	118,756	124,025	129,382	134,787
Total liabilities administered on behalf of Government	113,616	118,756	124,025	129,382	134,787

Table 5.5.8: Schedule of budgeted administered cash flows for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 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	31,242	56,832	58,241	59,226	59,800
Cash from the OPA	54,754	73,401	75,198	75,251	75,959
Dividends	-	-	-	-	-
Other	260,032	673,325	690,047	702,926	709,748
Total cash received	346,028	803,558	823,486	837,403	845,507
Cash used					
Cash to the OPA	30,736	50,866	52,539	53,708	54,389
Personal benefits	2,277	3,578	3,600	2,444	2,444
Other	313,015	749,114	767,347	781,251	788,674
Total cash used	346,028	803,558	823,486	837,403	845,507
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) investing activities	-	-	-	-	-
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	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

Table 5.5.9: Schedule of administered capital budget

This table is not included as CSA will not receive any administered capital appropriations in 2005-06

Table 5.5.10: Schedule of property, plant, equipment and intangibles — summary of movement (Budget Year 2005-06)

This table is not included as CSA does not manage any administered non-financial assets.

5.6: BUDGETED FINANCIAL STATEMENTS – CRS AUSTRALIA

Table 5.6.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	-	-	-	-	-
Goods and services	112,788	167,227	172,506	177,275	181,334
Other	321	500	500	500	500
Revenues from ordinary activities	113,109	167,727	173,006	177,775	181,834
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	73,905	106,107	108,959	111,890	114,901
Suppliers	34,008	56,071	58,086	59,783	61,530
Depreciation and amortisation	3,005	5,495	5,356	5,238	4,835
Write-down of assets and impairment of assets	68	54	55	57	58
Expenses from ordinary activities (excluding borrowing costs expense)	110,986	167,727	172,456	176,968	181,324
Operating surplus or (deficit) from ordinary activities	2,123	-	550	807	510
Net surplus or (deficit)	2,123	-	-	-	-
Net surplus or deficit attributable to the Australian Government	2,123	-	550	807	510
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	2,123	-	550	807	510

**Table 5.6.2: Budgeted departmental statement of financial position
as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	350	350	350	350	350
Receivables	64,498	65,307	65,042	65,484	69,470
Total financial assets	64,848	65,657	65,392	65,834	69,820
Non-financial assets					
Land and buildings	4,168	3,391	3,210	3,027	2,533
Infrastructure, plant and equipment	3,834	2,111	903	3,665	2,850
Intangibles	909	414	3,948	2,893	1,893
Other non-financial assets	1,360	1,245	1,281	1,319	1,357
Total non-financial assets	10,271	7,161	9,342	10,904	8,633
Total assets	75,119	72,818	74,734	76,738	78,453
LIABILITIES					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	21,480	22,686	23,859	24,859	25,859
Total provisions	21,480	22,686	23,859	24,859	25,859
Payables					
Suppliers	7,630	4,639	4,774	4,914	5,057
Other payables	2,586	2,070	2,127	2,186	2,247
Total payables	10,216	6,709	6,901	7,100	7,304
Total liabilities	31,696	29,395	30,760	31,959	33,163
EQUITY*					
Parent entity interest					
Contributed equity	34,780	34,780	34,780	34,780	34,780
Reserves	6,520	6,520	6,520	6,520	6,520
Retained surpluses or accumulated deficits	2,123	2,123	2,673	3,479	3,990
Total parent entity interest	43,423	43,423	43,973	44,779	45,290
Outside equity interest					
Total outside equity interest	-	-	-	-	-
Total equity	43,423	43,423	43,973	44,779	45,290
Current assets	64,848	65,657	65,393	65,835	68,820
Non-current assets	10,271	7,161	9,341	10,904	9,633
Current liabilities	14,512	11,246	11,674	12,072	12,476
Non-current liabilities	17,184	18,149	19,087	19,887	20,687

Table 5.6.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 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	112,788	167,227	172,506	177,275	181,334
Appropriations	-	-	-	-	-
Other	63,953	4,501	6,849	6,581	6,762
Total cash received	176,741	171,728	179,355	183,856	188,096
Cash used					
Employees	73,905	106,107	108,959	111,890	114,901
Suppliers	37,408	62,678	62,895	64,761	66,683
Other	64,498	443	-	443	3,986
Total cash used	175,811	169,228	171,854	177,094	185,570
Net cash from or (used by) operating activities	930	2,500	7,501	6,762	2,526
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	580	2,500	7,501	6,762	2,526
Total cash used	580	2,500	7,501	6,762	2,526
Net cash from or (used by) investing activities	(580)	(2,500)	(7,501)	(6,762)	(2,526)
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	350	-	-	-	-
Cash at the beginning of the reporting period	-	350	350	350	350
Cash at the end of the reporting period	350	350	350	350	350

Table 5.6.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 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-FINANCIAL ASSETS					
Funded internally by					
Departmental resources	580	2,500	7,501	6,761	2,526
Total	580	2,500	7,501	6,761	2,526

Table 5.6.5: 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	423	-	9,930	-	9,569	-	4,909	-	24,831
Accumulated depreciation	-	-	6,185	-	5,735	-	4,000	-	15,920
Opening net book value	423	-	3,745	-	3,834	-	909	-	8,911
Additions:									
by purchase	-	-	1,501	-	999	-	-	-	2,500
Depreciation/amortisation expense	-	-	2,278	-	2,722	-	495	-	5,495
As at 30 June 2006									
Gross book value	423	-	11,431	-	10,568	-	4,909	-	27,331
Accumulated depreciation	-	-	8,463	-	8,457	-	4,495	-	21,415
Closing net book value	423	-	2,968	-	2,111	-	414	-	5,916

CENTRELINK

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CENTRELINK

Section 1: Agency overview

There has been a variation to the expression of Centrelink's role as a recent review resulted in the creation of a new purpose statement. Centrelink's new Purpose is:

Serving Australia by assisting people to become self sufficient and serving 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 Family and Community Services (FaCS);
- 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);
- Australian Dairy Corporation;
- 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 Commonwealth services to eligible customers	The outcome and output reflect Centrelink's role of delivering specified outputs on behalf of client agencies	Effective delivery of Commonwealth services to eligible customers

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005-06. The table summarises how revenue will be applied by outcome and departmental classification (Centrelink does not receive administered revenue).

The total revenue for Centrelink in the 2005-06 Budget is \$2.3 billion.

2.2: 2005-06 BUDGET MEASURES

Budget measures relating to Centrelink as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes and outputs associated with each measure.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

Outcome	Appropriations					Revenue from other sources		Total resources
	\$'000 Bill No. 1	\$'000 Bill No. 2	\$'000 Special approp	\$'000 Total approp	%	\$'000	%	\$'000
Outcome 1 Effective Delivery of Commonwealth services to eligible customers								
Departmental	250	-	-	250	0.01	2,306,331	99.99	2,306,581
Total outcome 1	250	-	-	250	0.01	2,306,331	99.99	2,306,581
Total agency								
Departmental	250	-	-	250	0.01	2,306,331	99.99	2,306,581
Total agency	250	-	-	250	0.01	2,306,331	99.99	2,306,581
Departmental capital (equity injections)	-	54,453	-	54,453	100.00	-	-	54,453
Previous year's outputs	-	-	-	-	-	-	-	-
Total resources	250	54,453	-	54,703	2.32	2,306,331	97.68	2,361,034

Table 2.2: Centrelink measures

Measure	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)		Appropriations forward estimates 2006-07 (\$'000)		Appropriations forward estimates 2007-08 (\$'000)		Appropriations forward estimates 2008-09 (\$'000)	
			Dept outputs	Total	Dept outputs	Total	Dept outputs	Total	Dept outputs	Total
Department of Family and Community Services										
Australia-United States Free Trade Agreement	1	1	1,372	1,372	1,269	1,269	1,289	1,289	1,308	1,308
Carer Allowance (child) -changes to the Lists of Recognised Disabilities	1	1	90	90	55	55	57	57	58	58
Accommodation bonds – exemption from assets tests	1	1	1,063	1,063	216	216	219	219	221	221
Carer Allowance - backdating provisions	1	1	593	593	603	603	15	15	15	15
Age Pension and Service Pension Registers - improved integrity	1	1	2,835	2,835	121	121	122	122	124	124
Debt Prevention Research and Development	1	1	7,803	7,803	6,677	6,677	-	-	-	-
Age Pension - detection and prevention of incorrect payments arising from overseas income	1	1	3,901	3,901	4,129	4,129	3,825	3,825	1,509	1,509
Family Assistance - maintenance income credit	1	1	7,406	7,406	2,656	2,656	1,445	1,445	1,465	1,465

Measure	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)		Appropriations forward estimates 2006-07 (\$'000)		Appropriations forward estimates 2007-08 (\$'000)		Appropriations forward estimates 2008-09 (\$'000)	
			Dept outputs	Total	Dept outputs	Total	Dept outputs	Total	Dept outputs	Total
Family Assistance - assistance to families at risk of overpayment	1	1	5,003	5,003	3,058	3,058	-	-	-	-
Family Assistance - a negotiated payment option to reduce overpayments	1	1	1,397	1,397	1,443	1,443	1,367	1,367	1,384	1,384
Family Assistance - automatically updating income estimates	1	1	3,758	3,758	10,126	10,126	2,814	2,814	1,701	1,701
Family Assistance - improving debt recovery	1	1	2,672	2,672	4,879	4,879	1,622	1,622	1,641	1,641
Family Assistance - using reconciliation top-up payments and tax refunds to offset outstanding family assistance debts	1	1	2,706	2,706	1,074	1,074	368	368	373	373
Maternity Payment - extending the age limit on adopted children	1	1	508	508	79	79	81	81	82	82
Carers - payment of one-off carer bonus	1	1	1,218	1,218	-	-	-	-	-	-
Other Resource Variations										
Efficiency dividend - Increase in the rate from 1 per cent to 1.25 per cent	1	1	-2,867	-2,867	-5,762	-5,762	-8,638	-8,638	-8,638	-8,638

Measure	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)		Appropriations forward estimates 2006-07 (\$'000)		Appropriations forward estimates 2007-08 (\$'000)		Appropriations forward estimates 2008-09 (\$'000)	
			Dept outputs	Total	Dept outputs	Total	Dept outputs	Total	Dept outputs	Total
Other Portfolio Measures										
Migration Programme - increase of up to 20,000 skilled places	1	1	185	185	561	561	1,450	1,450	2,594	2,594
Working Age Payment - extension of waiting periods	1	1	9	9	31	31	8	8	8	8
Welfare to Work - enhanced child care arrangements to support work participation			11,631	11,631	7,227	7,227	4,158	4,158	3,805	3,805
Increase in maximum rate Family Tax Benefit Part A income threshold	1	1	791	791	1,041	1,041	356	356	360	360
Department of Employment and Workplace Relations										
Centrelink Personal Adviser services - rationalisation	1	1	-2,576	-2,576	-5,336	-5,336	-5,336	-5,336	-5,336	-5,336
Migration Programme - increase of up to 20,000 skilled places	1	1	-	-	-	-	123	123	415	415
Working Age Payment - extension of waiting periods	1	1	931	931	3,310	3,310	840	840	849	849

Measure	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)		Appropriations forward estimates 2006-07 (\$'000)		Appropriations forward estimates 2007-08 (\$'000)		Appropriations forward estimates 2008-09 (\$'000)	
			Dept outputs	Total	Dept outputs	Total	Dept outputs	Total	Dept outputs	Total
Welfare to Work - increasing participation of people with a disability	1	1	13,843	13,843	1,730	1,730	-29,291	-29,291	-22,280	-22,280
Welfare to Work - increasing participation of parents	1	1	30,165	30,165	50,664	50,664	134,368	134,368	145,724	145,724
Welfare to Work - increasing participation of the mature age	1	1	6,366	6,366	-15,417	-15,417	-17,683	-17,683	-18,724	-18,724
Welfare to Work - increasing participation of the very long term unemployed	1	1	2,879	2,879	1,077	1,077	658	658	679	679
Welfare to Work - improved compliance regime	1	1	20,868	20,868	47,744	47,744	66,079	66,079	63,539	63,539
Welfare to Work - more generous Newstart Allowance Income test	1	1	2,272	2,272	22,602	22,602	38,214	38,214	39,777	39,777
Other Resource Variations										
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-2,171	-2,171	-4,674	-4,674	-7,463	-7,463	-7,463	-7,463
Department of Education, Science and Training										
Student Financial Supplement Scheme - simplification of administrative arrangements	1	1	2,328	2,328	276	276	164	164	80	80
Additional Places in Language, Literacy and Numeracy Programme	1	1	80	80	76	76	77	77	77	77
Working Age Payments - extension of waiting periods	1	1	155	155	552	552	140	140	142	142
Welfare to work - Language, Literacy and Numeracy Programme	1	1	-	-	95	95	86	86	30	30

Measure	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)		Appropriations forward estimates 2006-07 (\$'000)		Appropriations forward estimates 2007-08 (\$'000)		Appropriations forward estimates 2008-09 (\$'000)	
			Dept outputs	Total	Dept outputs	Total	Dept outputs	Total	Dept outputs	Total
Other Resource Variations										
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-299	-299	-610	-610	-930	-930	-930	-930
Department of Agriculture, Forestry and Fisheries										
Drought assistance - Exceptional Circumstances assistance	1	1	386	386	100	100	-	-	-	-
Drought assistance - interim income support	1	1	205	205	-	-	-	-	-	-
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-20	-20	-34	-34	-44	-44
Department of Health and Aging										
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-30	-30	-57	-57	-85	-85	-85	-85
Attorney Generals Department										
Identity Security - pilot programme	1	1	1,317	1,317	30	30	-	-	-	-
Total			127,730	127,730	141,409	141,409	190,266	190,266	204,239	204,239

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 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 2.3: Other receipts available to be used

	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
Outcome		
Departmental other receipts		
Revenue from Ordinary activities excluding Approp Bill (No. 1) ¹	2,280,864	2,306,331
Total departmental other receipts available to be used	2,280,864	2,306,331
1. Percentage due to cost recovery arrangements (Please refer to Section 4.2 for more details)	0.2%	0.2%

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

Centrelink is a Service Delivery agency and does not receive administered funds.

2.5: SPECIAL APPROPRIATIONS

Centrelink does not receive special appropriations.

2.6: SPECIAL ACCOUNTS

Table 2.6: Estimates of special account flows and balances

		Opening balance 2005-06 2004-05	Receipts 2005-06 2004-05	Payments 2005-06 2004-05	Adjustments 2005-06 2004-05	Closing balance 2005-06 2004-05
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Centrelink Special Account - s20 FMA Act 1997 (D)	1	252,667 194,897	2,426,426 2,423,065	-2,425,601 -2,365,295	- -	253,492 252,667
Other Trust Monies - CSDA - s20 FMA Act 1997 (A)		776 508	1,200 2,218	-1,100 -1,950	- -	876 776
Total special accounts						
2005-06 Budget estimate		253,443	2,427,626	-2,426,701	-	254,368
Total Special Accounts						
2004-05 estimate actual		195,405	2,425,283	-2,367,245	-	253,443

Acts Glossary:

FMA Act = Financial Management and Accountability Act, 1997.

The Centrelink Special Account has been established as the appropriation mechanism for Centrelink. All cash receipts and payments (including direct Act 1 and 3 appropriations) related to the Commonwealth Service Delivery Agency (CSDA) are recorded through the Centrelink Special Account, established under Section 20 of the *Financial Management and Accountability Act 1997*. The special Account was established in 1999 as the appropriation mechanism for all other receipts not directly appropriated by Parliament to the CSDA.

The opening and closing balances in Table 2.6 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 2.6 – Estimates of special account flows and balances*.

The purpose of the Other Trust Monies Special Account is for the receipt of unidentified or other public monies temporarily held on trust by the CSDA. Details of the estimated flows and balances of this account can be found at *Table 2.6*.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

In 2005–06, Centrelink has \$54.5 million appropriated as an equity injection as reported in Table 5.4. The implementation of previous budget measures will cost \$36.7 million. The additional equity injection of \$17.7 million is attributed to the following measures;

- *Anticipated Overpayment Adjustment – Maintenance Income Credit,*
- *Welfare to Work – increasing participation of people with a disability,*
- *Welfare to Work – increasing participation of parents.*

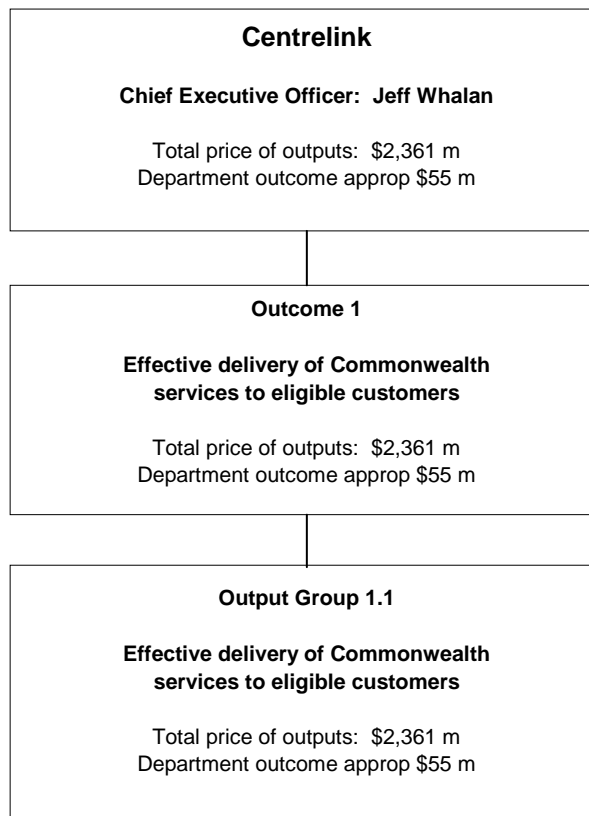
Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcomes for Centrelink.

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of Centrelink and the outcome is summarised in Figure 4.

Figure 4: Outcomes and output groups and administered items



There has been no change to the number, wording or structure of outcomes or outputs from the 2004-05 PB Statements.

3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

Centrelink receives direct appropriations for funding relating to Compensation for Detriment caused by Defective Administration (CDDA) and equity injections. The CDDA accounts for \$0.25 million.

Administered appropriations by outcome

Centrelink does not receive administered appropriations.

3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Final Estimates 2004-05 \$'000	Budget estimate 2005-06 \$'000
Departmental appropriations		
Output Group 1 - Efficient Delivery of Commonwealth Services to Eligible Customers	250	250
Output Group 1	250	250
Total revenue from government (appropriations)	250	250
Contributing to price of departmental outputs	100%	100%
Revenue from other sources ¹		
Family and Community Services	1,522,143	1,200,137
Employment and Workplace Relations	645,198	937,481
Education, Science and Training	40,995	122,059
Health and Ageing	8,615	11,928
Agriculture, Fisheries and Forestry	19,305	8,562
Other	44,608	26,164
Total revenue from other sources	2,280,864	2,306,331
Total price from departmental outputs	2,281,114	2,306,581
(Total revenue from government and from other sources)		
from Special Accounts (estimated payments from Special Account balances) ²		
Centrelink Special Account - s20 FMA Act 1997	2,365,295	2,425,601
Other Trust Monies - CSDA - s20 FMA Act 1997	1,950	1,100
Total departmental Special Account outflows	2,367,245	2,426,701
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)	2,281,114	2,426,701
	2004-05	2005-06
Average staffing level (number)	23,400	22,950

1. Revenue from other sources amounts are reflective of Centrelink's revenue split between departments incorporating transfers of revenue between Purchasing Departments due to Administrative Arrangement Orders.

2. Special Account outflows are shown in the payments column of Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.

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

Table 3.1 Supplementary Table : Centrelink Summary of Future Revenue (\$'000)

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
FaCS	1,200,137	1,167,627	1,158,963	1,175,895
DEWR	937,481	1,004,293	1,113,799	1,154,704
DEST	122,059	124,104	127,709	129,512
DoHA	11,928	10,882	11,003	11,135
DAFF	8,562	5,607	4,137	265
Subtotal Service Delivery	2,280,167	2,312,513	2,415,611	2,471,511
Revenue from other sources ¹	26,414	20,374	20,404	21,205
Total	2,306,581	2,332,887	2,436,015	2,492,716

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.

Measures affecting Outcome 1

Department of Family and Community Services

Australia-United States Free Trade Agreement

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	1,372	1,269	1,289	1,308
	Total	1,372	1,269	1,289	1,308
Fiscal Impact	Total	1,372	1,269	1,289	1,308

Carer Allowance (child) – changes to the List of Recognised Disabilities

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	90	55	57	58
	Total	90	55	57	58
Fiscal Impact	Total	90	55	57	58

Accommodation bonds – exemption from the assets test

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	1,063	216	219	221
	Total	1,063	216	219	221
Fiscal Impact	Total	1,063	216	219	221

Carer Allowance –backdating provisions

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	593	603	15	15
	Total	593	603	15	15
Fiscal Impact	Total	593	603	15	15

Age Pension and Service Pension Registers – improved integrity

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	2,835	121	122	124
	Total	2,835	121	122	124
Fiscal Impact	Total	2,835	121	122	124

Debt Prevention Research and Development

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	7,803	6,677	-	-
	Total	7,803	6,677	-	-
Fiscal Impact	Total	7,803	6,677	-	-

Age Pension - detection and prevention of incorrect payments arising from overseas income

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	3,901	4,129	3,825	1,509
	Total	3,901	4,129	3,825	1,509
Fiscal Impact	Total	3,901	4,129	3,825	1,509

Family Assistance - maintenance income credit

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	4,678	2,928	1,717	1,738
	Total	4,678	2,928	1,717	1,738
Fiscal Impact	Total	7,406	2,656	1,445	1,465

Family Assistance – assistance to families at risk of overpayment

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	5,003	3,058	-	-
	Total	5,003	3,058	-	-
Fiscal Impact	Total	5,003	3,058	-	-

Family Assistance – a negotiated payment option to reduce overpayments

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	1,397	1,443	1,367	1,384
	Total	1,397	1,443	1,367	1,384
Fiscal Impact	Total	1,397	1,443	1,367	1,384

Family Assistance – automatically updating income estimates

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	3,758	10,126	2,814	1,701
	Total	3,758	10,126	2,814	1,701
Fiscal Impact	Total	3,758	10,126	2,814	1,701

Family Assistance – improving debt recovery

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	2,672	4,879	1,622	1,641
	Total	2,672	4,879	1,622	1,641
Fiscal Impact	Total	2,672	4,879	1,622	1,641

Family Assistance – using reconciliation top-up payments and tax refunds to offset outstanding family assistance debts

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	2,706	1,074	368	373
	Total	2,706	1,074	368	373
Fiscal Impact	Total	2,706	1,074	368	373

Maternity Payment – extending the age limit on adopted children

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	508	79	81	82
	Total	508	79	81	82
Fiscal Impact	Total	508	79	81	82

Carers - payment of on-off carer bonus

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	1,218	-	-	-
	Total	1,218	-	-	-
Fiscal Impact	Total	1,218	-	-	-

Other Resource Variations

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-2,867	-5,762	-8,638	-8,638
	Total	-2,867	-5,762	-8,638	-8,638
Fiscal Impact	Total	-2,867	-5,762	-8,638	-8,638

Other Portfolio Measures

Working Age Payments – extension of waiting periods

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	9	31	8	8
	Total	9	31	8	8
Fiscal Impact	Total	9	31	8	8

Migration Programme – increase of up to 20,000 skilled places

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	185	561	1,450	2,594
	Total	185	561	1,450	2,594
Fiscal Impact	Total	185	561	1,450	2,594

Welfare to Work – Enhanced child care arrangements to support work participation

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	11,631	7,227	4,158	3,805
	Total	11,631	7,227	4,158	3,805
Fiscal Impact	Total	11,631	7,227	4,158	3,805

Increase in maximum rate Family Tax Benefit Part A income threshold

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	791	1,041	356	360
	Total	791	1,041	356	360
Fiscal Impact	Total	791	1,041	356	360

Department of Employment and Workplace Relations

Migration Programme – increase of up to 20,000 skilled places

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-	-	123	415
	Total	-	-	123	415
Fiscal Impact	Total	-	-	123	415

Centrelink Personal Adviser services – rationalisation

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-2,576	-5,336	-5,336	-5,336
	Total	-2,576	-5,336	-5,336	-5,336
Fiscal Impact	Total	-2,576	-5,336	-5,336	-5,336

Working Age Payments – Extension of waiting periods

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	931	3,310	840	849
	Total	931	3,310	840	849
Fiscal Impact	Total	931	3,310	840	849

Welfare to Work – increasing participation of people with a disability

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	6,518	2,462	-28,558	-21,548
	Total	6,518	2,462	-28,558	-21,548
Fiscal Impact	Total	13,843	1,730	-29,291	-22,280

Welfare to Work – increasing participation of parents

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	22,503	51,430	135,134	146,490
	Total	22,503	51,430	135,134	146,490
Fiscal Impact	Total	30,165	50,664	134,368	145,724

Welfare to Work – increasing participation of the mature age

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	6,366	-15,417	-17,683	-18,724
	Total	6,366	-15,417	-17,683	-18,724
Fiscal Impact	Total	6,366	-15,417	-17,683	-18,724

Welfare to Work – increasing participation of the very long term unemployed

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	2,879	1,077	658	679
	Total	2,879	1,077	658	679
Fiscal Impact	Total	2,879	1,077	658	679

Welfare to Work – improved compliance regime

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	20,868	47,744	66,079	63,539
	Total	20,868	47,744	66,079	63,539
Fiscal Impact	Total	20,868	47,744	66,079	63,539

Welfare to Work – more generous Newstart Allowance Income test

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	2,272	22,602	38,214	39,777
	Total	2,272	22,602	38,214	39,777
Fiscal Impact	Total	2,272	22,602	38,214	39,777

Other Resource Variations

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-2,171	-4,674	-7,463	-7,463
	Total	-2,171	-4,674	-7,463	-7,463
Fiscal Impact	Total	-2,171	-4,674	-7,463	-7,463

Department of Education, Science and Training

Student Financial Supplement Scheme - simplification of administrative arrangements

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	2,328	276	164	80
	Total	2,328	276	164	80
Fiscal Impact	Total	2,328	276	164	80

Additional places in Language, Literacy and Numeracy Programme

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	80	76	77	77
	Total	80	76	77	77
Fiscal Impact	Total	80	76	77	77

Working Age Payments – extension of waiting periods

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	155	552	140	142
	Total	155	552	140	142
Fiscal Impact	Total	155	552	140	142

Welfare to Work – Language, Literacy and Numeracy Programme

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-	95	86	30
	Total	-	95	86	30
Fiscal Impact	Total	-	95	86	30

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-299	-610	-930	-930
	Total	-299	-610	-930	-930
Fiscal Impact	Total	-299	-610	-930	-930

Department of Agriculture, Fisheries and Forestry

Drought assistance – Exceptional Circumstances assistance

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	386	100	-	-
	Total	386	100	-	-
Fiscal Impact	Total	386	100	-	-

Drought assistance – interim income support

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	205	-	-	-
	Total	205	-	-	-
Fiscal Impact	Total	205	-	-	-

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-20	-34	-44	-
	Total	-20	-34	-44	-
Fiscal Impact	Total	-20	-34	-44	-

Department of Health and Ageing

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	-30	-57	-85	-85
	Total	-30	-57	-85	-85
Fiscal Impact	Total	-30	-57	-85	-85

Attorney General's Department

Identity Security – pilot programme

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1.1	Departmental	1,317	30	-	-
	Total	1,317	30	-	-
Fiscal Impact	Total	1,317	30	-	-

3.5: PERFORMANCE INFORMATION AND INDICATORS

Performance information for Outcome 1

Table 3.2: Performance information for Outcome 1

Performance indicators for administered items including third party outputs	
N/A	N/A
Performance indicators for individual outputs	
N/A	N/A
Output group 1: Efficient Delivery of Commonwealth services to eligible customers	
Output group 1.1 Efficient Delivery of Commonwealth services to eligible customers	
Strategic Theme	Top Level Key Performance Indicator
Building Confidence in Centrelink	The extent to which we achieve client departments Key Performance Indicators
Strengthening our customer focus in line with Government direction	Community sector satisfaction with Centrelink
Developing a networked organisation	Overall customer satisfaction with Centrelink
Building capability for Government	Staff satisfaction with their work
Demonstrating value for money	Increase process points per operational staff member

3.6: EVALUATIONS

Proposed evaluations within Centrelink form part of an annual evaluation strategy, which is approved by the Centrelink Executive. Evaluation, as a fundamental component of Centrelink's quality improvement processes, identifies strengths, weaknesses and opportunities for improvement based on organisational risk assessment.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

Cross agency overview

Centrelink operates under purchaser-provider arrangements with services delivered on behalf of Purchasing Departments. These services make up Centrelink's Output Group and are referred to in the Portfolio Budget Statements of these Purchasing Departments.

Responsibility

The services Centrelink delivers on behalf of its Purchasing Departments are the responsibility of the Minister for Human Services. Centrelink operates as an agency under the Department of Human Services.

As part of the Department of Human Services Centrelink reports on its outcomes and provides a full set of financial statements in Section 5 of these Portfolio Budget Statements.

Control arrangements

Centrelink was established as a statutory authority on 1 July 1997, under the *Commonwealth Services Delivery Agency Act 1997*. Centrelink is responsible, through its Board of Management, to the Minister for Human Services. The Government has announced its intention to dissolve the existing Board and establish a single Human Services Advisory Board.

Centrelink operates within the boundaries of the *Commonwealth Services Delivery Agency Act 1997*. Legislation applying to agencies within the Australian Government Budget sector, such as the *Financial Management and Accountability Act 1996* and the *Privacy Act 1998*, also apply to Centrelink.

Centrelink's revenue is provided through business partnership agreements with Purchasing Departments. Funds are appropriated to the policy department and paid to Centrelink in return for specific services.

Regular reporting arrangements include:

- Statements on Centrelink's delivery performance in terms of agreed measures and standards for each program and service delivered; and
- An explanation of performance variances and future performance outlooks.

In addition Centrelink provides reports on specific programs and activities where appropriate.

Resourcing

Refer to Section 2 for a summary of Centrelink revenue.

Performance against outcomes of purchased outputs

Centrelink's performance is measured by 'Key Performance Indicators' as outlined in Section 3.5 Performance Information and Indicators.

4.2: COST RECOVERY ARRANGEMENTS

Centrelink's cost recovery activities account for 0.2% of total revenue (refer to Table 2.3). Ongoing cost recovery activities include revenue from independent sources, such as revenue from commissions and charges to non-government entities for the use of Centrelink facilities.

Summary of cost recovery impact statement

Centrelink's cost recovery activities are not considered significant under the policy, and as such, Centrelink is not currently required to prepare Cost Recovery Impact statements for incorporation in its Portfolio Budget Statements.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Please refer to Section 4.3 in the relevant department's Portfolio Budget Statement 2005-06.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management System (AIMS) as at May 2005.

DEPARTMENTAL

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

Budgeted statement of financial performance (see table 5.1)

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 an operating surplus of \$22.4m for 2004-05 and a small operating surplus for the forward years.

Budgeted statement of financial position (see table 5.2)

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

Centrelink's capital acquisitions for 2005-06 and forward years are expected to be higher than 2004-05. This is mainly due to acquisition of IT computer equipment.

Budgeted statement of cash flows (see table 5.3)

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 \$22.4 million as at 30 June 2006, with \$231.1 million cash receivable from the Official Public Account.

Capital budget statement (see table 5.4)

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 from Departmental property, plant, equipment and intangibles is provided in table 5.5. The summary also shows budgeted acquisitions and disposals of non-financial assets during the budget year.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	250	250	250	250	250
Goods and services	2,275,814	2,301,218	2,327,460	2,430,523	2,487,224
Other	5,050	5,113	5,177	5,242	5,242
Revenues from ordinary activities	2,281,114	2,306,581	2,332,887	2,436,015	2,492,716
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	1,501,413	1,559,970	1,563,403	1,664,005	1,727,351
Suppliers	665,530	650,565	663,267	658,434	672,648
Depreciation and amortisation	88,031	95,208	105,062	112,417	91,567
Write-down of assets and impairment of assets	3,715	600	600	600	600
Expenses from ordinary activities (excluding borrowing costs expense)	2,258,689	2,306,343	2,332,332	2,435,456	2,492,166
Operating surplus or (deficit) from ordinary activities	22,425	238	555	559	550
Net surplus or (deficit)	22,425	238	555	559	550
Net credit or (debit) to asset revaluation reserve	11,110	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	33,535	238	555	559	550

Table 5.2: Budgeted departmental statement of financial position as at 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	20,567	22,393	23,959	19,285	26,299
Receivables	249,320	248,428	266,428	310,428	323,428
Total financial assets	269,887	270,821	290,387	329,713	349,727
Non-financial assets					
Land and buildings	87,859	86,401	85,280	85,294	89,252
Infrastructure, plant and equipment	89,144	112,123	136,429	110,839	83,847
Intangibles	222,009	237,932	234,604	253,612	264,590
Other non-financial assets	36,106	26,798	26,801	26,800	26,801
Total non-financial assets	435,118	463,254	483,114	476,545	464,490
Total assets	705,005	734,075	773,501	806,258	814,217
LIABILITIES					
Interest bearing liabilities					
Other interest bearing liabilities	1,251	2,351	1,471	1,243	1,053
Total interest bearing liabilities	1,251	2,351	1,471	1,243	1,053
Provisions					
Employees	396,462	415,598	429,169	446,593	454,193
Total provisions	396,462	415,598	429,169	446,593	454,193
Payables					
Suppliers	68,126	68,670	68,760	68,760	68,760
Other payables	46,400	-	-	-	-
Total payables	114,526	68,670	68,760	68,760	68,760
Total liabilities	512,239	486,619	499,400	516,596	524,006
EQUITY*					
Parent entity interest					
Contributed equity	162,748	217,201	243,291	258,293	258,293
Reserves	14,264	14,264	14,264	14,264	14,264
Retained surpluses or accumulated deficits	15,754	15,991	16,546	17,105	17,654
Total parent entity interest	192,766	247,456	274,101	289,662	290,211
Total equity	192,766	247,456	274,101	289,662	290,211
Current assets	304,993	296,619	316,188	355,513	375,528
Non-current assets	400,012	437,456	457,313	450,745	438,689
Current liabilities	239,777	272,865	272,075	271,847	271,657
Non-current liabilities	272,462	213,754	227,325	244,749	252,349

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

**Table 5.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 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	2,315,553	2,301,689	2,328,436	2,433,599	2,423,224
Appropriations	250	250	250	250	250
GST - Receipts	69,477	70,034	70,474	64,561	64,000
Other	-	1,000	-	-	-
Total cash received	2,385,280	2,372,973	2,399,160	2,498,410	2,487,474
Cash used					
Employees	1,503,625	1,564,321	1,583,086	1,679,699	1,718,016
Suppliers	726,064	680,059	695,387	686,027	667,434
Cash transferred to the Official Public Account	64,000	-	18,000	44,000	13,000
Other	32,354	47,968	1,693	1,911	1,899
Total cash used	2,326,043	2,292,348	2,298,166	2,411,637	2,400,349
Net cash from or (used by) operating activities	59,237	80,625	100,994	86,773	87,125
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	71,028	86,004	93,734	49,780	45,361
Other - Intangibles	32,224	47,248	31,784	56,669	34,750
Total cash used	103,252	133,252	125,518	106,449	80,111
Net cash from or (used by) investing activities	(103,252)	(133,252)	(125,518)	(106,449)	(80,111)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	37,785	54,453	26,090	15,002	-
Total cash received	37,785	54,453	26,090	15,002	-
Cash used					
Repayments of debt	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	37,785	54,453	26,090	15,002	-
Net increase or (decrease) in cash held	(6,230)	1,826	1,566	(4,674)	7,014
Cash at the beginning of the reporting period	26,797	20,567	22,393	23,959	19,285
Cash at the end of the reporting period	20,567	22,393	23,959	19,285	26,299

Table 5.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 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	54,453	26,090	15,002	-
Total loans	-	-	-	-	-
Total capital appropriations	37,785	54,453	26,090	15,002	-
Represented by:					
Purchase of non-financial assets	37,785	54,453	26,090	15,002	-
Other	-	-	-	-	-
Total represented by	37,785	54,453	26,090	15,002	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation ¹	37,785	54,453	26,090	15,002	-
Funded internally by Departmental resources	65,467	78,799	99,428	91,447	80,111
Total	103,252	133,252	125,518	106,449	80,111

1. Refer to Table 2.1

Table 5.5: 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	1,929	-	182,913	-	251,591	-	372,806	-	809,239
Accumulated depreciation	-	-	96,983	-	162,447	-	150,797	-	410,227
Opening net book value	1,929	-	85,930	-	89,144	-	222,009	-	399,012
Additions:									
by purchase	-	-	19,557	-	66,447	-	47,248	-	133,252
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	(20,815)	-	(43,168)	-	(31,225)	-	(95,208)
Recoverable amount write-downs	-	-	(200)	-	(300)	-	(100)	-	(600)
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2006									
Gross book value	1,929	-	202,270	-	317,738	-	419,954	-	941,891
Accumulated depreciation	-	-	117,798	-	205,615	-	182,022	-	505,435
Closing net book value	1,929	-	84,472	-	112,123	-	237,932	-	436,456

5.3: NOTES TO THE FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management system (AIMS) as at May 2005.

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 Statement of Financial Position 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 Statement of Financial Performance 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.

HEALTH INSURANCE COMMISSION

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HEALTH INSURANCE COMMISSION

Section 1: Agency overview

The Health Insurance Commission (HIC) was established as a Commonwealth statutory authority in 1974 to administer Australia's universal health insurance scheme, Medicare. HIC has grown over the years to administer a wide range of other health-related programs on behalf of the Australian Government.

Key programs are:

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

HIC 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, the General Practice Registrars' Rural Incentive Payments Scheme, and the Higher Education Contribution Scheme (HECS) Reimbursement Scheme.

HIC administers the Private Health Insurance Rebates and facilitates payments through the Family Assistance Office in partnership with Centrelink, the Australian Taxation Office and the Department of Family and Community Services.

HIC also administers the Medical Indemnity Scheme, the Compensation Recovery Program for Medicare and nursing home benefits, the Vietnam Veterans' Children's Program, the Balimed scheme for victims of the Bali bombings in October 2002 and provides assistance to Australian victims and relatives of victims who were affected by the 2004 Tsunami disaster.

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

In October 2004, HIC ceased to be covered by the outcomes and outputs of the Health and Ageing Portfolio. HIC reports to the Minister for Human Services within the Finance and Administration Portfolio. HIC outcomes and output groups are outlined below.

Agency Budget Statements – Agency overview – HIC

HIC derives the majority of its revenue through appropriations, in return for services provided on behalf of the Department of Health and Ageing, namely the Medicare Benefits Scheme and the Pharmaceutical Benefits Scheme. Revenue for services provided is also received from the Department of Veterans' Affairs and the Department of Family and Community Services. Small amounts of revenue are recovered from other sources including the Health Department of Western Australia and for rent of facilities and sale of statistics.

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	HIC administers Medicare and delivers a comprehensive range of health information and payment services, increasing consumers' access to quality health care. HIC uses the National Medicare Office network, its State offices and, increasingly, electronic services to empower consumers through increased access to health and entitlement information.	Delivery of Australian Government health payments and information

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all sources for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total Departmental resources for HIC in the 2005-06 Budget is \$571m.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

Outcome	Appropriations					Revenue from other sources ⁵		Total resources ⁷
	\$'000	\$'000	\$'000	\$'000	% ⁶	\$'000	% ⁶	\$'000
	Bill No. 1	Bill No. 2 ²	Special approp ³	Total approp ⁴				
Outcome 1 Improving Australia's health through payments and information.								
Administered								
Departmental	530,755		-	530,755	94%	36,577	6%	567,332
Total outcome 1	530,755	-	-	530,755	94%	36,577	6%	567,332
Total agency								
Administered								
Total agency								
Departmental	530,755	-	-	530,755	94%	36,577	6%	567,332
Total agency	530,755	-	-	530,755	94%	36,577	6%	567,332
Departmental capital (equity injections)		3,952		3,952	100%			3,952
Previous year's outputs								
Administered assets and liabilities								
Total resources	530,755	3,952	-	534,707	94%	36,577	6%	571,284

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.

7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

2.2: 2005-06 BUDGET MEASURES

Budget measures relating to HIC as explained in Budget Paper No. 2 are summarised in Table 2.2

Table 2.2: Health Insurance Commission measures

Budget Measures	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)			Appropriations forward estimate 2008-09 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Department of Health & Ageing														
Pharmaceutical Benefits Scheme - deletion of calcium tablet preparations	1	1	-	-120	-120	-	-132	-132	-	-143	-143	-	-155	-155
Medicare - increase in thresholds for Medicare Safety Net	1	1	-	-134	-134	-	-800	-800	-	-842	-842	-	-897	-897
Pharmaceutical Benefits Scheme - reinforcing safety net arrangements	1	1	-	852	852	-	151	151	-	72	72	-	72	72
<i>Related Capital</i>	1	1	-	98	98	-	-	-	-	-	-	-	-	-
Department of Family & Community Services														
Women's Safety Agenda	1	1	-	173	173	-	43	43	-	43	43	-	44	44
<i>Related Capital</i>			-	112	112	-	-	-	-	-	-	-	-	-
Department of Finance & Administration														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-1,344	-1,344	-	-2,736	-2,736	-	-4,174	-4,174	-	-4,276	-4,276
Department of Health & Ageing - Lapsing Programmes														
Cervical screening incentives for general practitioners - maintain funding	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Better Outcomes in Mental Health Care Initiative - continue funding	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Asthma Management Programme - maintain funding	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Expenses			-	-573	-573	-	-3,474	-3,474	-	-5,044	-5,044	-	-5,212	-5,212
Subtotal Capital			-	210	210	-	-	-	-	-	-	-	-	-

Budget and Non Budget Measures	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)			Appropriations forward estimate 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)			Appropriations forward estimate 2008-09 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Budget measures cont'd														
Additional Practice Nurses for Rural Australia and Other Areas of Need - continue funding	1	1	-	-	-	-	-	-	-	-	-	-	-	-
National Integrated Diabetes Programme - maintain funding	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Department of Human Services - Lapsing Measure														
Electronic Commerce for Medicare Claiming - cease funding	1	1	-	-1,178	-1,178	-	-1,191	-1,191	-	-1,205	-1,205	-	-1,220	-1,220
Non Budget Measures														
Medicare - two new Medicare offices	1	1	-	512	512	-	970	970	-	981	981	-	993	993
<i>Related Capital</i>				466	466	-	-	-	-	-	-	-	-	-
National Immunisation Programme - replacement of oral polio vaccine with inactivated polio vaccine	1	1	-	82	82	-	81	81	-	82	82	-	83	83
Australia-United States Free Trade Agreement	1	1	-	122	122	-	124	124	-	125	125	-	127	127
Subtotal Expenses			-	-462	-462	-	-16	-16	-	-17	-17	-	-17	-17
Subtotal Capital			-	466	466	-	-	-	-	-	-	-	-	-
Total Expenses			-	-1,035	-1,035	-	-3,490	-3,490	-	-5,061	-5,061	-	-5,229	-5,229
Total Capital			-	676	676	-	-	-	-	-	-	-	-	-

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used.

Table 2.3: Other receipts available to be used

	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
Outcome 1		
Departmental other receipts		
Goods and Services		
Department of Veterans' Affairs	19,753	18,408
Department of Family and Community Services	8,605	7,900
Health Department of Western Australia	1,471	2,000
Other*	34,733	6,219
Total Goods and Services	64,562	34,527
Interest	1,250	1,250
Other revenues	800	800
Total departmental other receipts available to be used	66,612	36,577

* Note: 2004/05 receipts are primarily for health work related to the 2003/04 output pricing agreement.

2.4: DEPARTMENTAL EQUITY INJECTIONS AND LOANS

HIC expects to receive \$3.952m in capital appropriations in 2005-06. This comprises an amount of \$2.768m relating to the private health initiatives – e-commerce partnerships initiative, approved in the 2004-05 budget and additional items of \$1.184m associated with new measures outlined in section 2.2 and supplementary additional estimates 2. The capital appropriations will be used to fund capital costs associated with these measures.

Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs to contribute to the outcome for HIC.

3.1: SUMMARY OF OUTCOMES, OUTPUTS

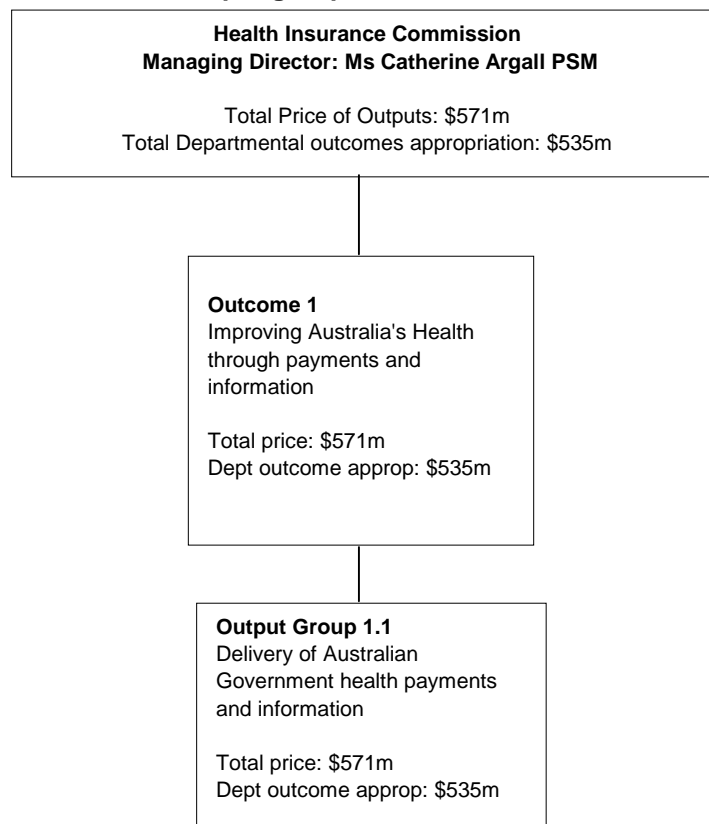
In October 2004, HIC ceased to be covered by the outcomes and outputs of the Health and Ageing Portfolio. HIC now reports to the Minister for Human Services within the Finance and Administration Portfolio, and is responsible for reporting on its own outcome and output group as demonstrated below.

Outcome: Improving Australia's health through payments and information.

Output: Delivery of Australian Government health payments and information.

Figure 4 shows the relationship between the outcome and the contributing output for HIC.

Figure 4: Outcomes and output groups



3.2: OUTCOMES — DEPARTMENTAL

HIC has one outcome – Improving Australia’s health through payments and information. The output under this outcome is the Delivery of Australian Government health payments and information.

3.3: OUTCOMES RESOURCING

Outcome 1 Resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (direct appropriation) and revenue from other sources.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
Departmental appropriations		
Output Group 1.1 - Delivery of Australian Government health payments and information	527,595	530,755
Subtotal Output Group 1.1	527,595	530,755
Total revenue from government (appropriations)	527,595	530,755
Contributing to price of departmental outputs	527,595	530,755
Revenue from other sources		
Goods and Services		
Department of Veterans' Affairs	19,753	18,408
Department of Family and Community Services	8,605	7,900
Health Department of Western Australia	1,471	2,000
Other*	34,733	6,219
Interest	1,250	1,250
Other revenues	800	800
Total revenue from other sources	66,612	36,577
Total price from departmental outputs	594,207	567,332
(Total revenue from government and from other sources)		
Total estimated resourcing for Outcome 1	594,207	567,332
(Total price of outputs and administered appropriations)		
	2004-05	2005-06
Average staffing level (number)	5,150	5,050

Measures affecting Outcome 1¹

Budget Measures

Department of Health & Ageing

Pharmaceutical Benefits Scheme – deletion of calcium tablet preparations

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-120	-132	-143	-155
	Total	-120	-132	-143	-155
Fiscal Impact	Total	-120	-132	-143	-155

Further details of this measure is published in Budget Paper No.2.

Medicare – increase in thresholds for Medicare Safety Net

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-134	-800	-842	-897
	Total	-134	-800	-842	-897
Fiscal Impact	Total	-134	-800	-842	-897

Further details of this measure is published in Budget Paper No. 2.

Pharmaceutical Benefits Scheme – reinforcing safety net arrangements

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	860	170	91	92
	Total	860	170	91	92
Fiscal Impact	Total	950	151	72	72

Further details of this measure is published in Budget Paper No.2.

1 This relates to measures disclosed in the 2005-06 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* 2004-05 (MYEFO)).

Department of Family and Community Services

Women's Safety Agenda

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	185	68	68	69
	Total	185	68	68	69
Fiscal Impact	Total	285	43	43	44

Further details of this measure is published in Budget Paper No.2.

Department of Finance & Administration

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-1,344	-2,736	-4,174	-4,276
	Total	-1,344	-2,736	-4,174	-4,276
Fiscal Impact	Total	-1,344	-2,736	-4,174	-4,276

Further details of this measure is published in Budget Paper No.2.

Lapsing Measures

Lapsing measures are shown at no additional cost as funding is already included in the forward estimates.

Department of Health & Ageing

Cervical screening incentives for general practitioners – maintain funding

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-	-	-	-
	Total	-	-	-	-
Fiscal Impact	Total	-	-	-	-

Further details of this measure is published in Budget Paper No.2.

Better Outcomes in Mental Health Care Initiative – continue funding

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-	-	-	-
	Total	-	-	-	-
Fiscal Impact	Total	-	-	-	-

Further details of this measure is published in Budget Paper No.2.

Asthma Management Programme – maintain funding

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-	-	-	-
	Total	-	-	-	-
Fiscal Impact	Total	-	-	-	-

Further details of this measure is published in Budget Paper No.2.

Additional Practice Nurses for Rural Australia and Other Areas of Need – continue funding

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-	-	-	-
	Total	-	-	-	-
Fiscal Impact	Total	-	-	-	-

Further details of this measure is published in Budget Paper No.2.

National Integrated Diabetes Programme – maintain funding

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-	-	-	-
	Total	-	-	-	-
Fiscal Impact	Total	-	-	-	-

Further details of this measure is published in Budget Paper No.2.

Department of Human Services

Electronic Commerce for Medicare Claiming – cease funding

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	-1,178	-1,191	-1,205	-1,220
	Total	-1,178	-1,191	-1,205	-1,220
Fiscal Impact	Total	-1,178	-1,191	-1,205	-1,220

Further details of this measure is published in Budget Paper No.2.

Non Budget Measures

Medicare – two new Medicare offices

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	578	1,103	1,115	1,126
	Total	578	1,103	1,115	1,126
Fiscal Impact	Total	978	970	981	993

Further details of this measure is published in Budget Paper No.2.

National Immunisation Programme – replacement of oral polio vaccine with inactivated polio vaccine

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	82	81	82	83
	Total	82	81	82	83
Fiscal Impact	Total	82	81	82	83

Further details of this measure is published in Budget Paper No.2.

Australia-United States Free Trade Agreement

		2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Output 1	Departmental	122	124	125	127
	Total	122	124	125	127
Fiscal Impact	Total	122	124	125	127

Performance information for Outcome 1

HIC business performance is guided by the themes articulated in the HIC Strategic Direction Statement.

HIC Strategic Themes and Objectives 2005 – 2006

Strategic Theme	Key Performance Indicators
Delivering excellent customer service	<ul style="list-style-type: none"> Client and provider satisfaction with the services provided by the HIC. Initiatives are implemented on time, within budget and to expectations.
Providing accurate and reliable information and payments	<ul style="list-style-type: none"> Payments are accurate and timely. Staff awareness and procedures protect customers privacy
Being a well run organisation	<ul style="list-style-type: none"> Resources are managed to the financial plan. A sound governance framework is in place.
Ensuring the integrity of the Government programs we deliver	<ul style="list-style-type: none"> Education and compliance programs minimise system leakage Payments are accurate and timely.
Being a valued strategic partner in delivering agreed health and other Government initiatives	<ul style="list-style-type: none"> Strategic partners including the Departments of Health, Veterans Affairs, Family and Community Services, and Human Services are satisfied with HIC performance. Government initiatives are implemented on time, within budget and to expectations.
Being a great place to work	<ul style="list-style-type: none"> Feedback gained through staff survey is acted upon. Staff have access to individual performance assessments and development.

Section 4: Other reporting requirements

HIC has 2 main purchaser provider arrangements with agencies external to the portfolio: the Department of Veterans' Affairs (DVA) and the Department of Family and Community Services (FaCS).

4.1: PURCHASER-PROVIDER ARRANGEMENTS

Outcome 1 - Improving Australia's health through payments and information - Department of Veteran's Affairs

Cross agency overview

HIC provides services to DVA through a services agreement known as the Service Level Agreement. The services provided are the processing of claims for veterans' treatments, including medical, hospital and allied health services.

Responsibility

Policy responsibility for DVA lies within the Defence Portfolio while responsibility for HIC lies under the Department of Human Services within the Finance and Administration Portfolio.

Control arrangements

HIC is subject to the *Health Insurance Commission Act 1973* and the *Commonwealth Authorities and Companies Act 1997*.

Resourcing

HIC and DVA have agreed a new pricing model which will fall under the current Service Level Agreement. Once both executives have signed off on the new pricing model, the estimated revenue to HIC for 2005-06 is \$15.3m and adjustments to HIC forecasts will be made accordingly.

Performance against outcomes of purchased outputs

The performance of HIC in delivering these services is covered by performance measures outlined in the Service Level Agreement. DVA is responsible for setting policy direction and service standards, and HIC is responsible for the delivery of services.

Outcome 1 – Improving Australia’s health through payments and information – Family Assistance Office

Cross agency overview

The Australian Government provides Family Assistance Office (FAO) services through partnership arrangements between HIC, the Australian Taxation Office, Centrelink and the Department of Family and Community Services (FaCS).

HIC provides services to the FAO on behalf of FaCS through a Service Arrangement. The current Service Arrangement covers the period 2004-2006, expiring on 30 June 2006.

Responsibility

Policy responsibility for FAO lies within the Family and Community Services Portfolio while responsibility for HIC lies under the Department of Human Services within the Finance and Administration Portfolio.

Control arrangements

HIC is subject to the *Health Insurance Commission Act 1973* and the *Commonwealth Authorities and Companies Act 1997*.

Resourcing

The estimated revenue to HIC for 2004-2005 is \$8.605m. Under the current Service Arrangement, funding arrangements for 2005-2006 are currently being negotiated and as per Budget estimates, 2005-06 revenue to HIC is expected to be \$7.900m.

Performance against outcomes of purchased outputs

The main output required of HIC is good customer service as defined in the HIC Charter of Care. FaCS is responsible for setting policy direction and service standards, and HIC is responsible for the delivery of services.

4.2: COST RECOVERY ARRANGEMENTS

Summary of cost recovery impact statement

HIC recovers costs in relation to activities undertaken on behalf of other agencies, in particular the Department of Health and Ageing (usually relating to funding for new development work as ongoing work is funded through appropriation).

Costs are also recovered for payment of Visiting Medical Practitioners (VMPs) on behalf of the Health Department of Western Australia and various consultancy works, generally negotiated with overseas governments and non-government organisations. HIC also provides services to Department of Veterans' Affairs through a Service Level Agreement and the Family Assistance Office through Service Arrangement. These agreements are covered under Section 4.1 Purchaser-Provider Arrangements. In addition, HIC recover costs for the provision of statistical information and accommodation space let to another organisation.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Table 4.1 shows 2004-05 and 2005-06 expenditure for indigenous items.

Table 4.1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total	Cross Reference
	Bill	Bill	Special	Total			
	No. 1	No. 2	Approp	Approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	(A)	(B)	(C)	(D)	(E)	(F)=(D)+(E)	(G)
Outcome 1							
Improving Australia's health through payments and information							
Departmental 2005-06	-	-	-	-	3,372	3,372	
Departmental 2004-05	-	-	-	-	3,534	3,534	
Total Outcome 2005-06	-	-	-	-	3,372	3,372	
Total Outcome 2004-05	-	-	-	-	3,534	3,534	
Total Departmental 2005-06	-	-	-	-	3,372	3,372	
Total Departmental 2004-05	-	-	-	-	3,534	3,534	
Total AGIE 2005-06	-	-	-	-	3,372	3,372	
Total AGIE 2004-05	-	-	-	-	3,534	3,534	

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of HIC's budgeted departmental financial statements is provided below.

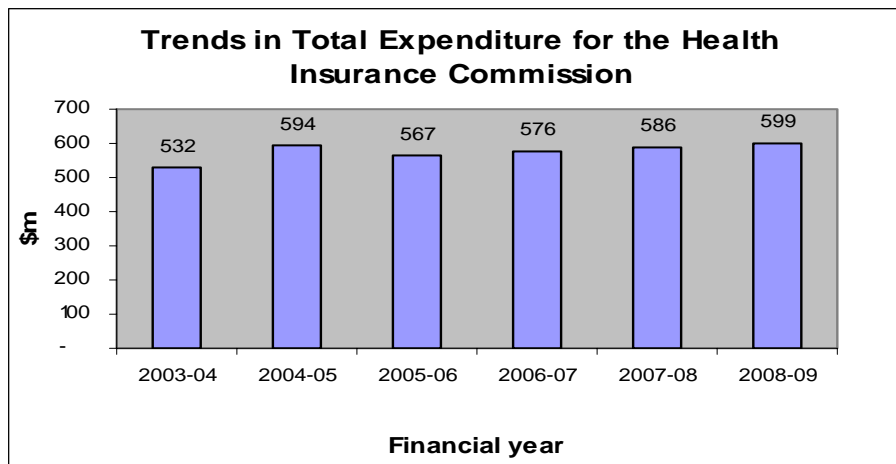
5.2: BUDGETED FINANCIAL STATEMENTS

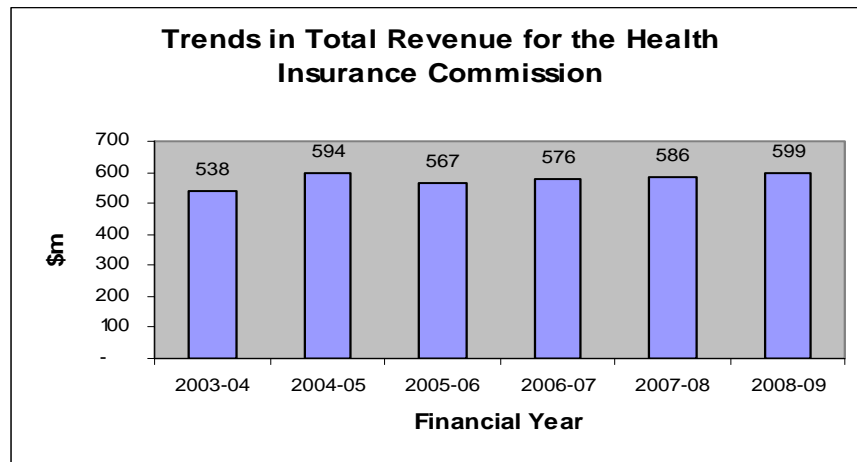
Statement of Financial Performance

HIC is expecting to achieve a breakeven position in the budget year and forward years.

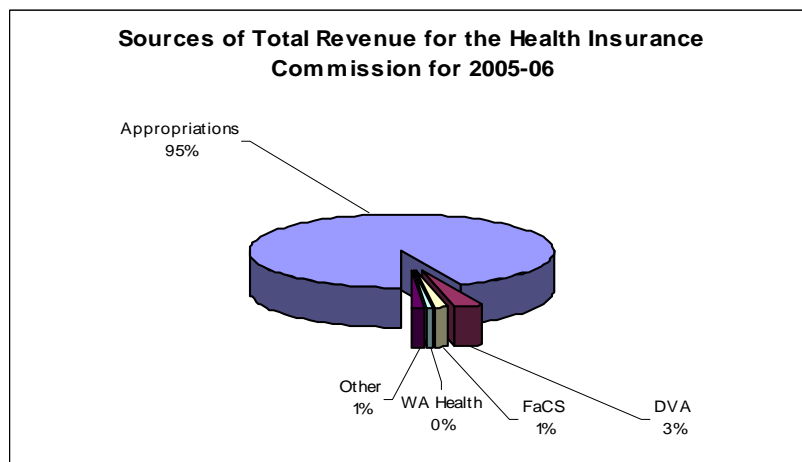
HIC's revenue and expense estimates in the current budget year have reduced from 2004-05 estimates primarily as a result of the 2003-04 unearned income that has been recognised in 2004-05. There is a general increase in revenue across the forward years resulting from expected increases in transaction volumes associated with the delivery of HIC programs.

The following charts show revenue and expenditure trends across budget and forward years. Figures for 2003-04 are based on actuals. Figures for 2004-05 and forward years are estimates only and are indexed in accordance with the Wage Cost Index (WCI) parameters issued by the Department of Finance and Administration (DoFA).





Total revenue and expenses for 2005-06 is estimated at \$567.3m, a decrease of \$26.9m from 2004-05 revenue. The reduction in revenue and associated expenditure is primarily a result of the 2003-04 unearned income and other receipts that have been recognised in 2004-05. Revenue from non-appropriated sources have been identified in Table 2.3.



Statement of Financial Position

HIC's budgeted net asset position of \$116.7m represents an increase of \$3.9m from the 2004-05 estimate. The increase is primarily due to reduced estimates for accrued employee leave entitlements (-\$3.5m) which continues to be HIC's primary liability at \$66.7m.

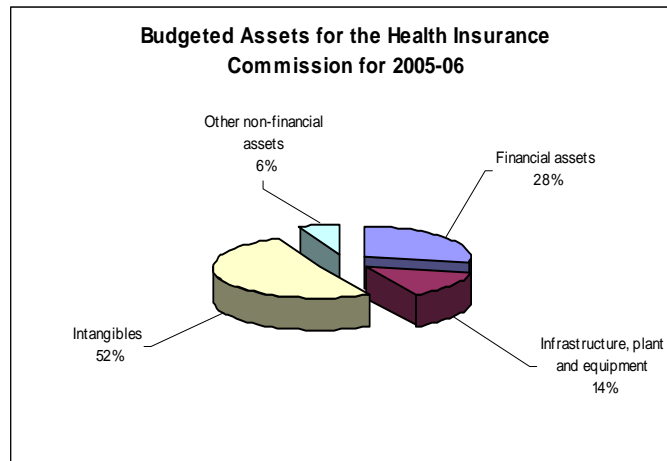


Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	527,595	530,755	539,717	548,290	561,666
Goods and services	64,562	34,527	34,202	36,135	35,457
Interest	1,250	1,250	1,250	1,250	1,250
Dividends	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	800	800	800	800	800
Revenues from ordinary activities	594,207	567,332	575,969	586,475	599,173
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	328,026	317,517	328,115	342,621	355,875
Suppliers	230,623	213,781	207,655	204,356	203,273
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	35,172	36,034	40,199	39,498	40,025
Write-down of assets and impairment of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Expenses from ordinary activities (excluding borrowing costs expense)	593,821	567,332	575,969	586,475	599,173
Borrowing costs expense	-	-	-	-	-
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-

**Table 5.1: Budgeted departmental statement of financial performance (cont)
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
Operating surplus or (deficit) from ordinary activities	386	-	-	-	-
Gain or (loss) on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or (deficit)	386	-	-	-	-
Outside equity interests in net surplus or (deficit)	-	-	-	-	-
Net surplus or deficit attributable to the Australian Government	386	-	-	-	-
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit or (credit) to equity	-	-	-	-	-
Adjustments arising from standards recognised as direct debit or (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit or (credit) to equity	-	-	-	-	-
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	386	-	-	-	-

**Table 5.2: Budgeted departmental statement of financial position
as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	9,893	9,829	9,765	9,765	9,765
Receivables	50,950	50,069	54,217	60,462	65,534
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	598	598	598	598	598
Other financial assets	-	-	-	-	-
Total financial assets	61,441	60,496	64,580	70,825	75,897
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	30,929	30,996	29,334	26,877	25,918
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	111,197	111,918	111,652	111,059	106,946
Other non-financial assets	13,549	13,549	13,549	13,549	13,549
Total non-financial assets	155,675	156,463	154,535	151,485	146,413
Total assets	217,116	216,959	219,115	222,310	222,310
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	70,227	66,732	66,806	68,529	68,529
Other provisions	-	-	-	-	-
Total provisions	70,227	66,732	66,806	68,529	68,529
Payables					
Suppliers	32,732	33,015	33,285	33,486	33,520
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	1,442	545	258	34	-
Total payables	34,174	33,560	33,543	33,520	33,520
Total liabilities	104,401	100,292	100,349	102,049	102,049

**Table 5.2: Budgeted departmental statement of financial position (cont)
as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total parent entity interest	-	-	-	-	-
Outside equity interest					
Contributed equity	154,150	158,102	160,201	161,696	161,696
Reserves	10,693	10,693	10,693	10,693	10,693
Retained surpluses or accumulated deficits	(52,128)	(52,128)	(52,128)	(52,128)	(52,128)
Total outside equity interest	112,715	116,667	118,766	120,261	120,261
Total equity	112,715	116,667	118,766	120,261	120,261
Current assets	74,990	74,045	78,129	84,374	89,446
Non-current assets	142,126	142,914	140,986	137,936	132,864
Current liabilities	65,776	63,589	63,606	64,358	64,358
Non-current liabilities	38,625	36,703	36,743	37,691	37,691

* 'Equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 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	67,322	39,777	36,436	37,110	35,417
Appropriations	480,436	526,386	533,335	541,070	556,634
Interest	1,250	1,250	1,250	1,250	1,250
Dividends	-	-	-	-	-
Other	16,243	16,126	16,126	16,126	16,126
Extraordinary items	-	-	-	-	-
Total cash received	565,251	583,539	587,147	595,556	609,427
Cash used					
Employees	329,054	321,012	328,041	340,898	355,875
Suppliers	272,995	214,395	207,672	204,379	203,273
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	15,443	15,326	15,326	15,326	15,326
Extraordinary items	-	-	-	-	-
Total cash used	617,492	550,733	551,039	560,603	574,474
Net cash from or (used by) operating activities	(52,241)	32,806	36,108	34,953	34,953
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
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	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	50,040	36,822	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	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	50,040	36,822	38,271	36,448	34,953
Net cash from or (used by) investing activities	(50,040)	(36,822)	(38,271)	(36,448)	(34,953)

**Table 5.3: Budgeted departmental statement of cash flows (cont)
for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 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	19,978	3,952	2,099	1,495	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	19,978	3,952	2,099	1,495	-
Cash used					
Repayments of debt	-	-	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	19,978	3,952	2,099	1,495	-
Net cash from/(used by) financing activities					
Net increase or (decrease) in cash held	(82,303)	(64)	(64)	-	-
Cash at the beginning of the reporting period	92,196	9,893	9,829	9,765	9,765
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	9,893	9,829	9,765	9,765	9,765

Table 5.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	19,978	3,952	2,099	1,495	-
Total loans	-	-	-	-	-
Total capital appropriations	19,978	3,952	2,099	1,495	-
Represented by:					
Purchase of non-financial assets	19,978	3,952	2,099	1,495	-
Other	-	-	-	-	-
Total represented by	19,978	3,952	2,099	1,495	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	19,978	3,952	2,099	1,495	-
Funded internally by					
Departmental resources	30,062	32,870	36,172	34,953	34,953
Total	50,040	36,822	38,271	36,448	34,953

Table 5.5: 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	-	-	-	-	104,119	-	191,038	-	295,157
Accumulated depreciation	-	-	-	-	73,190	-	79,841	-	153,031
Opening net book value	-	-	-	-	30,929	-	111,197	-	142,126
Additions:									
by purchase	-	-	-	-	11,266	-	25,556	-	36,822
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	11,199	-	24,835	-	36,034
Recoverable amount write-downs	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2006									
Gross book value	-	-	-	-	115,385	-	216,594	-	331,979
Accumulated depreciation	-	-	-	-	84,389	-	104,676	-	189,065
Closing net book value	-	-	-	-	30,996	-	111,918	-	142,914

5.3: NOTES TO THE FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management System (AIMS) as at April 2005.

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

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 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 HIC 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.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
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).

Glossary

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 consolidated revenue fund (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.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its 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.

Glossary

Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
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	Total value of all of 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 an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.

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.
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 expense.
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.

Glossary

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) 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.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

ABBREVIATIONS

ACIR	Australian Childhood Immunisation Register
AoG	Act of Grace
ASL	Average Staffing Level
AWT	Australians Working Together
CCB	Child Care Benefit
CDDA	Compensation for Detriment caused by Defective Administration
CPI	Consumer Price Index
CRS	CRS Australia
CSA	Child Support Agency
CSHC	Commonwealth Senior Health Card
DAFF	Department of Agriculture, Fisheries and Forestry Australia
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Work Relations
DHS	Department of Human Services
DoFA	Department of Finance and Administration
DoHA	Department of Health and Ageing
DVA	Department of Veterans Affairs
FaCS	Department of Family and Community Services
FAO	Family Assistance Office
FMA Act	Financial Management and Accountability Act
FTB	Family Tax Benefit
FTB (A)	Family Tax Benefit part A
FTB (B)	Family Tax Benefit part B

Abbreviations

GP	General Practitioner
HECS	Higher Education Contribution Scheme
HIC	Health Insurance Commission
HSA	Health Service Australia
MBS	Medical Benefits Scheme
MYEFO	Mid-Year Fiscal and Economic Outlook
OMPs	Other Medical Practitioners
OOF	Outcomes and Output Framework
PB Statements	Portfolio Budget Statements
PBS	Pharmaceutical Benefits Scheme
TPV	Temporary Protection Vis