

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2006-07**

HUMAN SERVICES PORTFOLIO

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SENATOR THE HON IAN CAMPBELL
Minister for Human Services

1 February 2007

Senator The Hon. Paul Calvert
President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

The Hon David Hawker MP
Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2006-07 Additional Estimates for the Human Services Portfolio.

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

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

Yours sincerely


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

USER GUIDE

INTRODUCTION

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

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2006-07. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2006-07* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

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

Portfolio overview

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

Agency additional estimates statements

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

Section 1: Agency overview, variations and measures

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

Section 2: Revisions to outcomes, administered items and outputs

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

Section 3: Budgeted financial statements

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

Glossary

Explains key terms.

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

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

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

ENQUIRIES

Should you have any enquiries regarding this publication please contact the Chief Financial Officer, in the Department of Human Services on (02) 6223 4000.

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

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

The Department of Human Services was created on 26 October 2004 as part of the Finance and Administration Portfolio to improve the development and delivery of Government social and health related services to the Australian people.

As a result of the Administrative Arrangements Orders (AAOs) issued on 30 January 2007, the Department of Human Services and its agencies have been transferred to the newly created Human Services Portfolio.

The Department of Human Services is the central policy and coordination agency of the portfolio. The department is responsible for ensuring the Government is able to get best value for money in service delivery while emphasising continuous service improvement and a whole of government approach.

AGENCIES WITHIN HUMAN SERVICES PORTFOLIO

The Human Services portfolio comprises the following General Government Sector entities:

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

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

Public Non-Financial Corporation

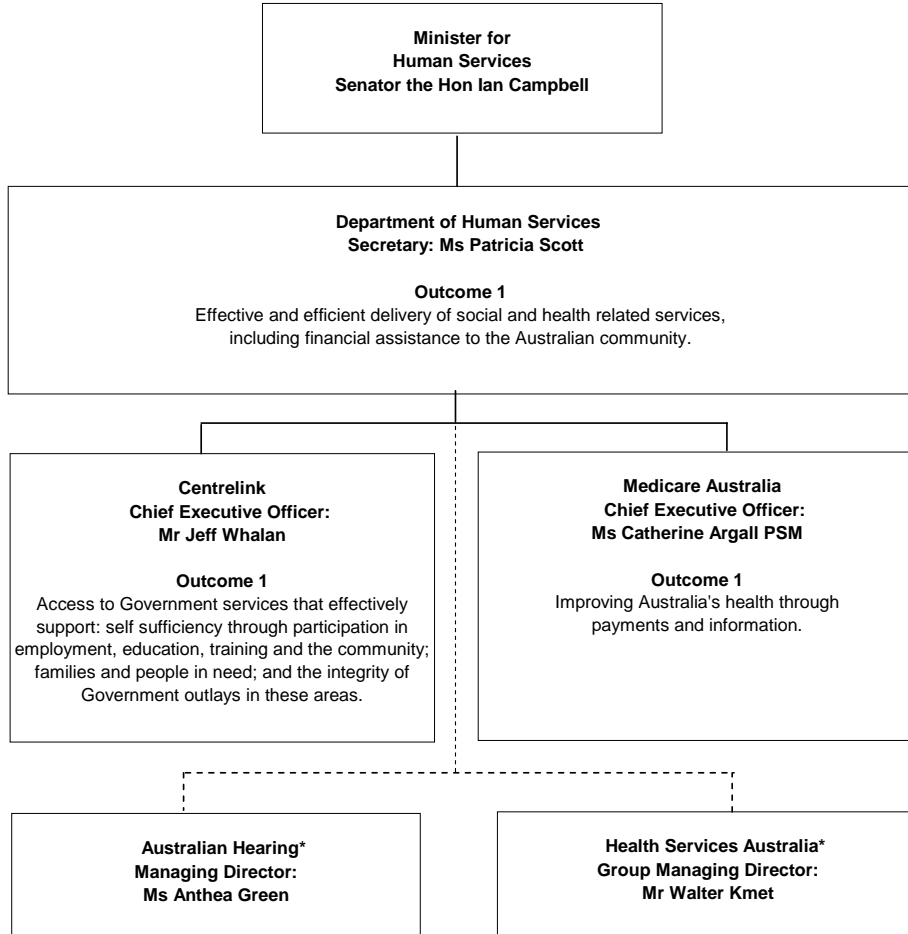
- Australian Hearing

Public Financial Corporation

- Health Services Australia

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

Figure 1: Portfolio structure and outcomes



* These agencies are non-general government sector entities and are not consolidated into the Commonwealth general government sector fiscal estimates. Therefore they are not reported in the Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

For 2006-07, additional estimates and variations are being sought for the following agencies within the Human Services Portfolio:

- The Department of Human Services (DHS);
- Centrelink; and
- Medicare Australia.

Details of variations are outlined in Section 1 in the portfolio additional estimates statements for each agency. Details of revenue and expenses are provided at Section 3.

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DEPARTMENT OF HUMAN SERVICES

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DEPARTMENT OF HUMAN SERVICES

Section 1: Agency overview and resources; variations and measures

OVERVIEW

The total resourcing to be received by the Department in 2006-07 is \$1,957.9m, comprising:

- \$448.9m from departmental expense appropriations;
- \$58.9m from departmental equity injections
- \$233.7m from revenue from departmental independent sources;
- \$123.7m from administered appropriations;
- \$1,022.9m from revenue from administered independent sources; and
- \$69.8m for administered special appropriations.

Total resourcing has increased by \$113.7m from the resources of \$1,844.2 provided at the 2006-07 Budget. Details of appropriations are provided at Tables 1.5, 1.6 and 1.10. The Department does not receive any appropriation for administered capital.

Overall, the Department's administered and departmental appropriations (including equity injections and administered special appropriations) in 2006-07 have increased by \$90.4m since Budget.

The increase in appropriations is predominantly attributable to the movement of appropriations between DHS agencies for the changed arrangements relating to the Health and Social Services Access Card (\$71.1m) and new measures announced since the 2006-07 Budget (\$16.3m). Details of variations are provided at table 1.3 and measures are provided at Table 1.4.

The activities of the Department of Human Services remain unchanged from that specified in the 2006-07 Portfolio Budget Statements.

Core Department

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

Child Support Agency

The Child Support Agency (CSA) provides assessment, registration, collection and disbursement services that facilitate the transfer of child support payments between separated parents for the support of their children. The Child Support Scheme is designed to ensure that both parents contribute to the cost of their children, according to their capacity. The scheme is expected to transfer over \$2.6b between parents for the benefit of just over 1.1 million children in 2006-07.

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 2006-2007 CRS Australia anticipates providing 34,947 new services.

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

Table 1.1: Agency outcomes and output groups

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

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Increase in estimates - departmental expense appropriations				
Medicare rebates - electronic claiming via EFTPOS	11,562	4,140	-	-
Drought Package 2006 - communications	4,734	2,081	-	-
	16,296	6,221	-	-

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

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations to departmental expense appropriations				
Core Department				
Health and Social Services Access Card				
- transfer from Centrelink	19,035	-	-	-
- transfer from Medicare Australia	17,692	-	-	-
Child Support Reforms - communications strategy				
- transfer to Child Support Agency	(264)	(11,262)	(32)	-
Adjustment for revised WCI	-	408	400	438
	36,463	(10,854)	368	438
Child Support Agency				
Child Support Reforms - communications strategy				
- transfer from Core Department	264	11,262	32	-
Funding agreement - caseload adjustment	2,374	3,408	(2,448)	4,398
Child Support Reforms - reallocation of expense appropriation to capital appropriation	(12,043)	(3,424)	(935)	-
Adjustment for revised WCI	817	1,441	7,571	(204)
	(8,588)	12,687	4,220	4,194
	27,875	1,833	4,588	4,632
Variations to departmental capital appropriations				
Core Department				
Health and Social Services Access Card				
- transfer from Centrelink	31,307	-	-	-
- transfer from Medicare Australia	3,094	-	-	-
	34,401	-	-	-
Child Support Agency				
Child Support Reforms - reallocation of expense appropriation to capital appropriation	12,043	3,424	935	-
Previous years' outputs - funding agreement	3,797	-	-	-
	15,840	3,424	935	-
	50,241	3,424	935	-
Variations to administered appropriations				
Core Department				
Job Capacity Assessment - revision to caseload	(11,666)	-	-	-
Child Support Agency				
Child Support Agency - caseload adjustment	140	207	279	357
	(11,526)	207	279	357
Variations to special appropriations				
Child Support Agency				
Child Support Agency - caseload adjustment				
- S76 - shortfalls in CSA Trust	7,461	9,000	10,663	12,450
	7,461	9,000	10,663	12,450

MEASURES — AGENCY SUMMARY

The table below displays the impact of PAES Measures since the 2006-07 Budget on the Department of Human Services. The measures are summarised in Table 1.4 and identify the relevant outcomes, administered items and outputs associated with each measure.

Table 1.4: Summary of measures since the 2006-07 Budget

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Medicare rebates - electronic claiming via EFTPOS	1	1.1	-	11,562	11,562	-	4,140	4,140	-	-	-	-	-	-
Drought Package 2006 - communications	1	1.1	-	4,734	4,734	-	2,081	2,081	-	-	-	-	-	-
Total Expense Measures			-	16,296	16,296	-	6,221	6,221	-	-	-	-	-	-
Total of All Measures			-	16,296	16,296	-	6,221	6,221	-	-	-	-	-	-

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BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2006-07

	2005-06 available (\$'000)	2006-07 budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
Effective and efficient delivery of social and health related services, including financial assistance to the Australian community.	5,210	135,249	123,723	-	11,526
Total	5,210	135,249	123,723	-	11,526
DEPARTMENTAL OUTPUTS					
Outcome 1					
Effective and efficient delivery of social and health related services, including financial assistance to the Australian community.	318,464	404,716	448,887	44,171	-
Total	318,464	404,716	448,887	44,171	-
Total administered and departmental	323,674	539,965	572,610	44,171	11,526

Note 1: 2005-06 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:
Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings
- Rephasings - Other Reductions +/- Section 32

Note 2: No appropriation is provided in Appropriation Bill 3 for the agency where the total funding change across outcomes for departmental outputs is negative (where the amount shown in the Reduced Estimates' column is greater than the amount in the 'Additional Estimates' column)

Note 3: For details on additional estimates and variations please refer to tables 1.2 and 1.3.

Table 1.6: Appropriation Bill (No. 4) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections					
- Health and Social Services Access Card	-	525	34,926	34,401	-
- Child Support Reforms	-	8,087	20,130	12,043	-
Previous years' outputs					
- Child Support Agency	-	-	3,797	3,797	-
Total	-	8,612	58,853	50,241	-

Note 1: 2005-06 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:
*Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings
 - Rephasings - Other Reductions +/- Section 32*

Note 2: For details on additional estimates and variations please refer to tables 1.2 and 1.3.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1			
Output 1			
DHS Core Department	107	180	73
Output 2			
Child Support Agency	3,795	3,831	36
Output 3			
CRS Australia	1,915	1,859	-56
Total	5,817	5,870	53

SUMMARY OF AGENCY SAVINGS

Table 1.8: Summary of agency savings*

(Administered Bill 3 - refer "Administered Items" in Table 1.5)		2006-07 \$'000
S	Savings from annual appropriations	11,526
T	Transfer appropriation monies across outcomes	-
M	Movements of funding between years	-
Total agency savings (as per 'Reduced Estimates' Bill 3 in Table 1.5)		11,526

* Note: There are no net savings in departmental outputs.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Departmental other receipts		
CRS Australia	233,181	232,310
Child Support Agency	1,407	1,407
Total departmental other receipts available to be used	234,588	233,717
Administered other receipts		
Child Support Agency		
<i>Child Support (Registration and Collections) Act 1988</i>	983,347	1,007,551
Australian Hearing (Dividend)	8,800	8,800
Health Services Australia (Competitive Neutrality)	6,530	6,530
Total administered other receipts available to be used	998,677	1,022,881

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.10: Estimates of expenses from special appropriations

	Outcome No	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Estimated expenses			
Child Support s77-Short falls in CSA Trust (A)	1	62,285	69,746
Child Support s78- Unexplained Remittances (A)	1	50	50
Total estimated expenses		62,335	69,796

A = Administered

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Outcome No.	Opening Balance 2006-07 2005-06 (\$'000)	Receipts 2006-07 2005-06 (\$'000)	Payments 2006-07 2005-06 (\$'000)	Closing Balance 2006-07 2005-06 (\$'000)
Child Support Trust - Child Support Act 1998 (A)	1	38,504	934,456	931,504	41,456
	1	34,731	834,501	830,729	38,504
Total special accounts		38,504	934,456	931,504	41,456

A = Administered

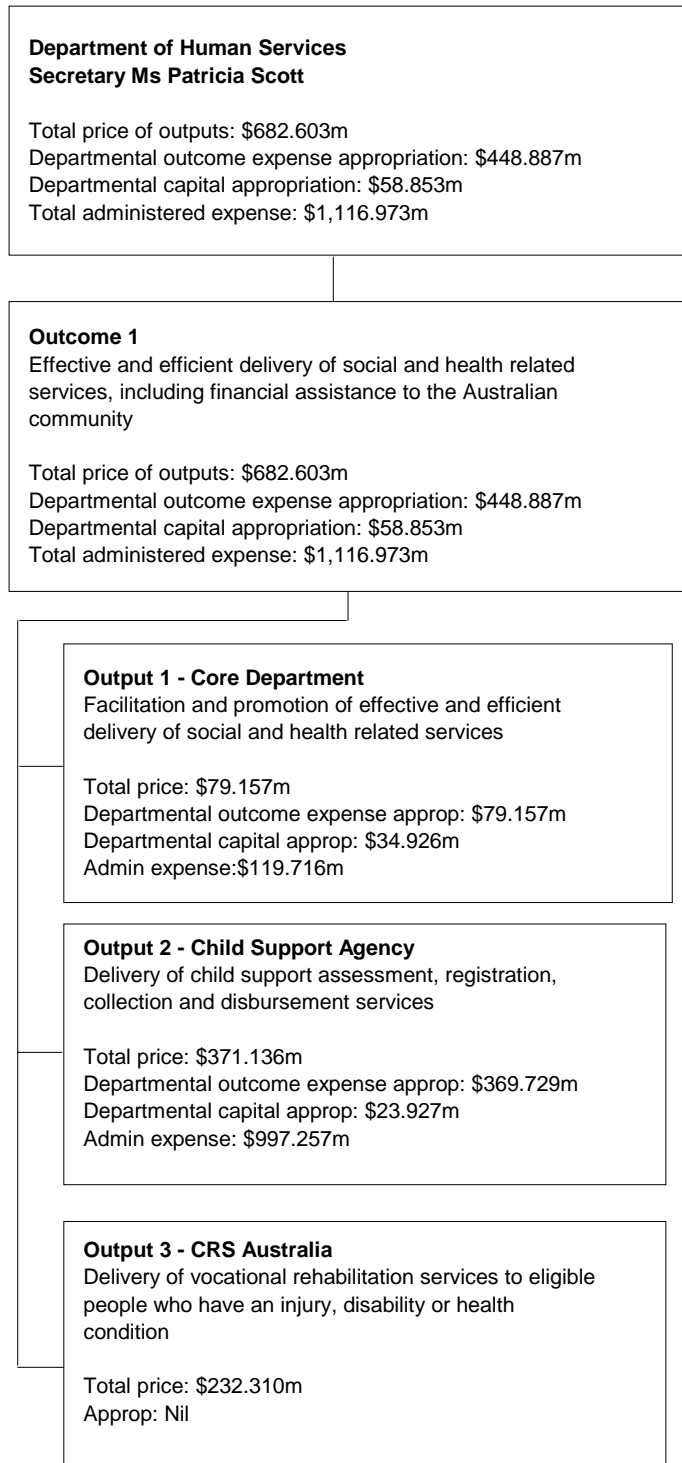
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

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

The outcomes and outputs framework for the Department of Human Services remains unchanged to that reported in the 2006-07 Portfolio Budget Statements. However, increased funding for a number of new Measures since the 2006-07 Budget and variations to estimates has changed the price of outputs.

Figure 2: Outcome and output structure



Outcome 1

Explanation of variations

The additional estimates appropriation changes are for the purposes of:

- Output 1 – resources for the development and implementation of the Health and Social Services Access Card, communication and tendering activities for Medicare electronic claiming, communication activities for the Drought Package 2006 and resources for CSA's caseload adjustments.

Output cost attribution

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

Revised performance information — 2006-07

Other than price for each output, the performance indicators and information for the Department of Human Services remains largely unchanged to that reported in the 2006-07 Portfolio Additional Estimates.

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

Output	Performance information 2006-07 budget	Performance information 2006-07 revised
Output 1		
Core Department		
	<p>Quality The degree of satisfaction of the Minister and his office with the quality and timeliness of advice and the achievement of key tasks as expressed through formal and informal feedback.</p> <p>Quantity On the basis of experience since the establishment of the department in October 2004, the department expects annually to: * process approximately 7,200 pieces of Ministerial correspondence; * provide approximately 1,500 briefings to the Minister and his office; and * prepare draft answers to approximately 300 Parliamentary Questions on Notice.</p> <p>Price The price of the core department's outputs in 2006-07 is \$26.398 million.</p>	<p>Quality The degree of satisfaction of the Minister and his office with the quality and timeliness of advice and the achievement of key tasks as expressed through formal and informal feedback.</p> <p>Quantity On the basis of experience since the establishment of the department in October 2004, the department expects annually to: * process approximately 7,200 pieces of Ministerial correspondence; * provide approximately 1,800 briefings to the Minister and his office; and * prepare draft answers to approximately 300 Parliamentary Questions on Notice.</p> <p>Price The price of the core department's outputs in 2006-07 is \$79.157 million.</p>

Agency Additional Estimates Statements – DHS

Output	Performance information 2006-07 budget	Performance information 2006-07 revised
Output 2		
Child Support Agency		
	Cost Cost per case (estimate: \$365) Cost per dollar transferred (estimate: 11 cents)	Cost Cost per case (estimate: \$368) Cost per dollar transferred (estimate: 11 cents)
	Effectiveness (Adequacy) Total amount of child support transferred between parents (estimate \$2.6 billion)	Effectiveness (Adequacy) Total amount of child support transferred between parents (estimate \$2.6 billion)
	Effectiveness (Independence) Child support transfer rate (CSA collect and Private collect) (estimate: 95 per cent) Percentage of Private collect cases to total cases (CSA collect and Private collect cases) (estimate: 51.9 per cent)	Effectiveness (Independence) Child support transfer rate (CSA collect and Private collect) (estimate: 96 per cent) Percentage of Private collect cases to total cases (CSA collect and Private collect cases) (estimate: 52.6 per cent)
	Price The price of CSA's outputs in 2006-07 is \$379.725 million.	Price The price of CSA's outputs in 2006-07 is \$371.136 million.
Output 3		
CRS Australia		
	Quality Certification against Disability Services Standards.	Quality Certification against Disability Services Standards.
	Quantity * Number of new clients assisted on a rehabilitation program. * Number of rehabilitation clients achieving durable employment outcomes.	Quantity * Number of new clients assisted on a rehabilitation program. * Number of rehabilitation clients achieving durable employment outcomes.
	Effectiveness and Efficiency * Proportion of clients achieving durable employment outcomes. * Efficiency - CRS Australia must deliver effective rehabilitation programmes within the funding provided 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.	Effectiveness and Efficiency * Proportion of clients achieving durable employment outcomes. * Efficiency - CRS Australia must deliver effective rehabilitation programmes within the funding provided 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 2006-07 is \$230.765 million.	Price The price of CRS's outputs in 2006-07 is \$232.310 million.

Section 3: Budgeted financial statements

An analysis of the Department of Human Services budgeted departmental financial statements is provided below.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted departmental income statement

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

The Department is budgeting for an overall operating surplus of \$3.4m in 2006-07, compared to a budgeted surplus of \$2.5m at Budget. The operating surplus is due to CRS Australia's revised budgeted operating surplus of \$3.4m, whilst the Core Department and CSA are budgeting for a break even operating position.

Total departmental revenue budgeted for 2006-07 is \$682.6m, which represents a \$43.3m increase from \$639.3m at Budget. The revenue increase was due to the following, \$16.3m of appropriations provided for new measures in the Core Department, \$36.7m of appropriation transferred from Centrelink and Medicare Australia to the Core Department due to changed arrangements for the Health and Social Services Access Card and \$3.2m of adjustments for CSA relating to caseload and WCI adjustments. This was offset by a \$12.0m reduction in appropriation in the Child Support Agency resulting from a reclassification of expense appropriation to capital appropriation for the implementation of Child Support Reforms and a \$0.9m reduction in revenue for the provision of services by CRS Australia.

Total departmental expenses budgeted for 2006-07 is \$679.2m (including \$1.3m income tax), this represents a \$42.4m increase from \$636.8m at Budget. The increase is in response to expenses required for new measures and the Health and Social Services Access Card.

Budgeted departmental balance sheet

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

The Department's estimated net asset position as at 30 June 2007 has increased from \$56.5m at Budget to \$124.7m. Overall, many variations across the balance sheet categories are due to the flow on effect of actual results for 2005-06 impacting the budgeted balance sheet. However, noteworthy major variations outside of the 2005-06 actuals include:

Agency Additional Estimates Statements – DHS

- **Assets** (+ \$60.2m) – this has increased from \$182.8m at budget to \$242.4m. The increase is predominantly due to intangible assets (software) purchased for the Health and Social Services Access Card and the purchase of leasehold improvements for the implementation of Child Support Reforms.
- **Liabilities** (+ \$3.1m) – this has remained relatively constant. Total liabilities have increased from \$114.6m at Budget to \$117.7m.
- **Equity** (+ \$56.5m) – this has increased from \$68.2m at Budget to \$124.7m and is predominantly due to:
 - Flow on effect of operating surplus compared to budget for 2005-06 (\$5.3m);
 - Capital appropriation transfer from Centrelink and Medicare Australia to the Core Department for the Health and Social Services Access Card (\$34.4m);
 - The Child Support Agency reclassifying expense appropriation to capital appropriation for purchase of assets for the implementation of Child Support Reforms (\$12.0m); and
 - Caseload reconciliation by the Child Support Agency resulting in adjustment to funding for 2005-06 via an equity injection (\$3.8m).

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS - ADMINISTERED

Schedule of budgeted income and expenses administered on behalf of government

Revenues administered on behalf of the government have increased by \$24.2m since Budget to \$1,022.9m. The increase is due to the revision in child support revenue based on forecasted caseload.

Expenses have increased by a total of \$16.4m since the Budget. This increase is due to Child Support activity offset by a reduction in Job Capacity Assessment due to expected caseload.

Schedule of budgeted assets and liabilities administered on behalf of government

Total budgeted assets administered on behalf of government are estimated at \$559.8m as at 30 June 2006, which represents a \$53.8m decrease on \$613.6m at Budget.

Total budgeted liabilities administered on behalf of government are estimated at \$485.4m as at 30 June 2006, which represents a \$16.4m decrease on \$501.8m at Budget.

The significant movements on the assets and liabilities administered on behalf of government are mostly due to the revision of CSA's budget estimates due to revisions to forecasted caseload and flow on effect from 2005-06 actual results.

BUDGETED FINANCIAL STATEMENTS - CONSOLIDATED

Departmental financial statements

Budgeted departmental income statement (see Table 3.1)

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

Budgeted departmental balance sheet (see Table 3.2)

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

Budgeted departmental statement of cash flows (see Table 3.3)

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

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

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

Departmental capital budget statement (see Table 3.5)

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

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

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

Schedule of administered activity

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

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

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

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

Schedule of budgeted administered cash flows (see Table 3.9)

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

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	318,464	448,887	543,252	512,938	479,352
Goods and services	168,897	233,217	209,658	195,266	181,410
Other	420	500	500	500	500
Total revenue	487,781	682,604	753,410	708,704	661,262
Total income	487,781	682,604	753,410	708,704	661,262
EXPENSE					
Employees	300,228	396,536	418,905	405,509	373,553
Suppliers	160,834	261,090	305,275	275,574	261,667
Depreciation and amortisation	13,837	20,117	25,453	24,122	23,266
Finance costs	77	101	106	111	116
Write-down of assets and impairment of assets	431	55	55	58	58
Net losses from sale of assets	9	-	-	-	-
Other	393	-	-	-	-
Total expenses	475,809	677,899	749,794	705,374	658,660
Operating result before Income Tax	11,972	4,705	3,616	3,330	2,602
Income Tax expense	1,181	1,260	1,323	1,389	1,389
Net surplus or (deficit) attributable to the Australian Government	10,791	3,445	2,293	1,941	1,213

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	25,455	17,620	17,841	17,802	17,087
Receivables	86,035	113,344	127,889	141,188	141,732
Accrued revenues	289	289	1,300	1,300	1,300
Total financial assets	111,779	131,253	147,030	160,289	160,120
Non-financial assets					
Land and buildings	30,285	47,078	47,671	40,070	40,581
Infrastructure, plant and equipment	5,283	5,724	3,374	4,656	4,682
Intangibles	19,386	56,898	57,241	55,191	54,524
Other	2,661	1,444	1,442	1,443	1,443
Total non-financial assets	57,615	111,144	109,728	101,360	101,230
Total assets	169,394	242,397	256,758	261,650	261,349
LIABILITIES					
Payables					
Suppliers	22,192	25,135	23,727	23,841	24,578
Tax liabilities	-	397	407	326	326
Other payables	1,496	437	632	632	632
Total payables	23,688	25,969	24,766	24,799	25,536
Interest bearing liabilities					
Leases	10,205	9,044	7,883	6,721	5,560
Other interest bearing liabilities	906	906	-	-	-
Total interest bearing liabilities	11,111	9,950	7,883	6,721	5,560
Provisions					
Employees	68,264	77,748	83,102	85,238	84,651
Other provisions	3,978	4,079	4,184	4,295	3,687
Total provisions	72,242	81,827	87,287	89,533	88,339
Total liabilities	107,041	117,746	119,936	121,053	119,434
EQUITY					
Contributed equity	47,819	106,672	116,550	118,384	118,489
Reserves	791	791	791	791	791
Retained surpluses or accumulated deficits	13,743	17,188	19,481	21,421	22,634
Total equity	62,353	124,651	136,822	140,597	141,915
Current assets	114,172	132,697	148,472	161,732	161,563
Non-current assets	55,222	109,700	108,286	99,917	99,787
Current liabilities	77,198	60,491	62,045	64,039	65,529
Non-current liabilities	29,843	57,254	57,891	57,014	53,905

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	174,832	231,724	209,658	195,266	181,410
Appropriations	300,565	437,404	525,664	497,038	475,103
Net GST received	12,549	19,542	25,099	21,989	21,359
Other cash received	4,609	584	1,084	1,084	2,584
Total cash received	492,555	689,253	761,505	715,377	680,456
Cash used					
Employees	297,169	385,295	412,473	402,874	368,411
Suppliers	160,009	257,899	305,290	273,461	264,352
Net GST paid	10,760	19,542	24,426	21,910	21,281
Other cash used	1,465	18,344	1,407	1,473	1,473
Total cash used	469,403	681,079	743,596	699,718	655,517
Net cash from or (used by) operating activities	23,152	8,174	17,908	15,659	24,939
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	23	-	-	-	-
Total cash received	23	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	12,957	74,862	27,565	17,533	25,034
Other cash used	-	-	-	-	724
Total cash used	12,957	74,862	27,565	17,533	25,758
Net cash from or (used by) investing activities	(12,934)	(74,862)	(27,565)	(17,533)	(25,758)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	58,853	9,877	1,835	105
Total cash received	-	58,853	9,877	1,835	105
Net cash from or (used by) financing activities	-	58,853	9,877	1,835	105
Net increase or (decrease) in cash held	10,218	(7,835)	221	(39)	(714)
Cash at the beginning of the reporting period	15,237	25,455	17,620	17,841	17,802
Cash at the end of the reporting period	25,455	17,620	17,841	17,802	17,087

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	13,743	791	-	47,819	62,353
Adjusted opening balance	13,743	791	-	47,819	62,353
Income and expense					
Net operating result	3,445	-	-	-	3,445
Total income and expenses	3,445	-	-	-	3,445
Transactions with owners					
<i>Contribution by owners</i>	-	-	-	-	-
Appropriation (equity injection)	-	-	-	55,056	55,056
Other: Previous years' outputs - funding agreement	-	-	-	3,797	3,797
Total transactions with owners	-	-	-	58,853	58,853
Estimated closing balance as at 30 June 2007	17,188	791	-	106,672	124,651

Table 3.5: Departmental capital budget statement

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	55,056	9,877	1,835	105
Total loans	-	3,797	-	-	-
Total capital appropriations	-	58,853	9,877	1,835	105
Represented by:					
Purchase of non-financial assets	-	55,056	9,877	1,835	105
Other	-	3,797	-	-	-
Total represented by	-	58,853	9,877	1,835	105
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	55,056	9,877	1,835	105
Funded internally by Departmental resources	15,812	19,806	17,687	15,698	24,929
Total	15,812	74,862	27,565	17,533	25,034

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006					
Gross book value	558	41,491	10,598	47,152	99,799
Accumulated depreciation	-	11,764	5,315	27,766	44,844
Opening net book value	558	29,727	5,283	19,386	54,954
Additions:					
by purchase	-	23,710	3,005	35,101	61,816
internally developed	-	-	-	13,047	13,047
Depreciation/amortisation expense	-	6,916	2,564	10,636	20,117
As at 30 June 2007					
Gross book value	558	65,200	13,603	95,300	174,661
Accumulated depreciation	-	18,680	7,879	38,402	64,961
Estimated closing net book value	558	46,520	5,724	56,898	109,700

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	46,817	47,970	50,133	52,371	54,687
Total taxation	46,817	47,970	50,133	52,371	54,687
Non-taxation					
Interest	836	-	-	-	-
Dividends	11,495	8,800	8,300	8,300	8,300
Competitive neutrality revenue	11,329	6,530	6,530	6,530	6,530
Other sources of non-taxation revenues	1,051,071	959,581	1,002,842	1,047,622	1,093,957
Total non-taxation	1,074,731	974,911	1,017,672	1,062,452	1,108,787
Total revenues administered on behalf of Government	1,121,549	1,022,881	1,067,805	1,114,823	1,163,473
Total income administered on behalf of Government	1,121,549	1,022,881	1,067,805	1,114,823	1,163,473
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers (external)	-	119,716	134,676	127,154	127,154
Personal benefits	800	750	-	-	-
Write down and impairment of assets	59,635	65,889	71,856	75,071	78,399
Child Support Payments	990,235	930,619	972,578	1,015,998	1,060,923
Other	-	-	-	-	-
Total expenses administered on behalf of Government	1,050,670	1,116,973	1,179,110	1,218,224	1,266,476

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	18	20	20	20	20
Receivables	492,969	516,193	537,051	558,840	581,593
Investments accounted for under the equity method	43,612	43,612	43,612	43,612	43,612
Total financial assets	536,599	559,825	580,683	602,472	625,225
Total assets administered on behalf of Government	536,599	559,825	580,683	602,472	625,225
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Accrued child support payments	439,288	454,338	469,643	485,631	502,326
Other payables	30,205	31,039	31,925	32,841	33,787
Total payables	469,493	485,378	501,568	518,472	536,113
Total liabilities administered on behalf of Government	469,493	485,378	501,568	518,472	536,113

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	4,051	3,838	4,011	4,190	4,375
GST Input Credit Receipts	-	11,972	13,468	12,715	12,715
Child support receipts	905,848	929,788	971,692	1,015,082	1,059,978
Cash From OPA	902,801	1,051,220	1,107,392	1,143,303	1,188,243
Interest	836	-	-	-	-
Dividends	11,495	8,800	8,300	8,300	8,300
Competitive neutrality revenue	11,329	6,530	6,530	6,530	6,530
Other	-	-	-	-	-
Total cash received	1,836,360	2,012,148	2,111,393	2,190,120	2,280,141
Cash used					
Suppliers	-	119,716	134,676	127,154	127,154
GST Payments to Suppliers	-	11,972	13,468	12,715	12,715
Personal benefits	735	750	-	-	-
Child support payments	902,066	929,922	971,830	1,015,233	1,060,143
Cash to the OPA	933,549	949,786	991,419	1,035,018	1,080,128
Total cash used	1,835,615	2,011,396	2,111,393	2,190,120	2,280,141
Net cash from operating activities	746	752	-	-	-
Net increase or (decrease) in cash held					
	11	2	-	-	-
Cash at beginning of reporting period	7	18	20	20	20
Cash at end of reporting period	18	20	20	20	20

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

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

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

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

Additional disclosure

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

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

BUDGETED FINANCIAL STATEMENTS – CORE DEPARTMENT

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	22,694	79,157	75,679	68,299	64,184
Goods and services	3	-	-	-	-
Other	78	-	-	-	-
Total revenue	22,775	79,157	75,679	68,299	64,184
Total income	22,775	79,157	75,679	68,299	64,184
EXPENSE					
Employees	10,108	19,603	12,719	11,948	10,644
Suppliers	12,981	59,165	62,571	55,961	53,191
Depreciation and amortisation	263	389	389	389	349
impairment of assets	94	-	-	-	-
Total expenses	23,446	79,157	75,679	68,299	64,184
Operating result before Income Tax	(671)	-	-	-	-
Income Tax expense	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(671)	-	-	-	-

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	132	132	132	132	132
Receivables	4,565	5,095	5,399	5,843	5,961
Total financial assets	4,697	5,227	5,531	5,975	6,093
Non-financial assets					
Land and buildings	420	616	392	167	55
Infrastructure, plant and equipment	558	428	442	313	361
Intangibles	-	34,471	34,436	34,401	34,436
Other	125	126	124	125	125
Total non-financial assets	1,103	35,641	35,394	35,006	34,977
Total assets	5,800	40,868	40,925	40,981	41,070
LIABILITIES					
Payables					
Suppliers	1,504	1,495	1,487	1,491	1,491
Other payables	16	16	16	16	16
Total payables	1,520	1,511	1,503	1,507	1,507
Provisions					
Employees	3,105	3,256	3,321	3,373	3,357
Other provisions	112	112	112	112	112
Total provisions	3,217	3,368	3,433	3,485	3,469
Total liabilities	4,737	4,879	4,936	4,992	4,976
EQUITY					
Contributed equity	-	34,926	34,926	34,926	35,031
Retained surpluses or accumulated deficits	1,063	1,063	1,063	1,063	1,063
Total equity	1,063	35,989	35,989	35,989	36,094
Current assets	4,822	5,353	5,655	6,100	6,218
Non-current assets	978	35,515	35,270	34,881	34,852
Current liabilities	1,520	1,511	1,503	1,507	1,507
Non-current liabilities	3,217	3,368	3,433	3,485	3,469

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,704	-	-	-	-
Appropriations	20,951	77,002	72,832	65,755	62,360
Net GST received	1,343	-	-	-	-
Other cash received		84	84	84	84
Total cash received	23,998	77,086	72,916	65,839	62,444
Cash used					
Employees	10,089	18,950	11,658	11,396	10,601
Suppliers	13,501	58,052	61,031	54,358	51,545
Other cash used	-	84	84	84	84
Total cash used	23,590	77,086	72,773	65,839	62,229
Net cash from or (used by) operating activities	408	-	143	-	215
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	375	34,926	143	-	320
Other cash used	-	-	-	-	-
Total cash used	375	34,926	143	-	320
Net cash from or (used by) investing activities	(375)	(34,926)	(143)	-	(320)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity		34,926			105
Total cash received	-	34,926	-	-	105
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	34,926	-	-	105
Net increase or (decrease) in cash held	33	-	-	-	-
Cash at the beginning of the reporting period	99	132	132	132	132
Cash at the end of the reporting period	132	132	132	132	132

Table 3.13: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	1,063	-	-	-	1,063
Adjusted opening balance	1,063	-	-	-	1,063
Income and expense					
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)				34,926	34,926
Total transactions with owners	-	-	-	34,926	34,926
Estimated closing balance as at 30 June 2007	1,063	-	-	34,926	35,989

Table 3.14: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	34,926	-	-	105
Previous years' outputs	-	-	-	-	-
Total capital appropriations	-	34,926	-	-	105
Represented by:					
Purchase of non-financial assets	-	34,926	-	-	105
Other	-	-	-	-	-
Total represented by	-	34,926	-	-	105
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	34,926	-	-	105
Funded internally by					
Departmental resources	375	-	143	-	215
Total	375	34,926	143	-	320

Table 3.15: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006					
Gross book value	-	547	742	-	1,289
Accumulated depreciation	-	127	184	-	311
Opening net book value	-	420	558	-	978
Additions:					
by purchase	-	420		34,506	34,926
Depreciation/amortisation expense	-	224	130	35	389
As at 30 June 2007					
Gross book value	-	967	742	34,506	36,215
Accumulated depreciation	-	351	314	35	700
Estimated closing net book value	-	616	428	34,471	35,515

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Interest	836	-	-	-	-
Dividends	11,495	8,800	8,300	8,300	8,300
Competitive neutrality revenue	11,329	6,530	6,530	6,530	6,530
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	23,660	15,330	14,830	14,830	14,830
Total revenues administered on behalf of Government	23,660	15,330	14,830	14,830	14,830
Total income administered on behalf of Government	23,660	15,330	14,830	14,830	14,830
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers (external)	-	119,716	134,676	127,154	127,154
Personal benefits	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Child Support Payments	-	-	-	-	-
Other	-	-	-	-	-
Total expenses administered on behalf of Government	-	119,716	134,676	127,154	127,154

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

	Actual	Revised	Forward	Forward	Forward
	2005-06	budget	estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	-	-	-	-	-
Receivables	-	-	-	-	-
Investments accounted for under the equity method	43,612	43,612	43,612	43,612	43,612
Total financial assets	43,612	43,612	43,612	43,612	43,612
Total assets administered on behalf of Government	43,612	43,612	43,612	43,612	43,612
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Accrued child support payments	-	-	-	-	-
Other payables	-	-	-	-	-
Total payables	-	-	-	-	-
Total liabilities administered on behalf of Government	-	-	-	-	-

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	-	-	-	-	-
GST Input Credit Receipts	-	11,972	13,468	12,715	12,715
Child support receipts	-	-	-	-	-
Cash From OPA	-	119,716	134,676	127,154	127,154
Interest	836	-	-	-	-
Dividends	11,495	8,800	8,300	8,300	8,300
Competitive neutrality revenue	11,329	6,530	6,530	6,530	6,530
Other	-	-	-	-	-
Total cash received	23,660	147,018	162,974	154,699	154,699
Cash used					
Suppliers	-	119,716	134,676	127,154	127,154
GST Payments to Suppliers	-	11,972	13,468	12,715	12,715
Personal benefits	-	-	-	-	-
Child support payments	-	-	-	-	-
Cash to the OPA	23,660	15,330	14,830	14,830	14,830
Total cash used	23,660	147,018	162,974	154,699	154,699
Net cash from operating activities	-	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	295,770	369,729	467,572	444,639	415,168
Goods and services	636	1,407	1,940	-	-
Other	233	-	-	-	-
Total revenue	296,639	371,136	469,512	444,639	415,168
Total income	296,639	371,136	469,512	444,639	415,168
EXPENSE					
Employees	182,785	238,232	281,771	276,585	254,213
Suppliers	96,862	118,858	168,355	151,110	144,821
Depreciation and amortisation	8,896	13,945	19,281	16,833	16,017
Finance costs	77	101	106	111	116
Write-down of assets and impairment of assets	337	-	-	-	-
Net losses from sale of assets	9	-	-	-	-
Total expenses	288,966	371,136	469,512	444,639	415,168
Operating result before Income Tax	7,673	-	-	-	-
Income Tax expense	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	7,673	-	-	-	-

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,641	2,000	2,000	2,000	2,000
Receivables	38,531	48,310	63,051	76,406	78,832
Total financial assets	42,172	50,310	65,051	78,406	80,832
Non-financial assets					
Land and buildings	23,119	38,056	39,315	33,294	33,917
Infrastructure, plant and equipment	363	276	199	149	127
Intangibles	17,685	20,687	19,104	16,937	16,095
Other	710	334	334	334	334
Total non-financial assets	41,877	59,353	58,952	50,714	50,473
Total assets	84,049	109,663	124,003	129,121	131,305
LIABILITIES					
Payables					
Suppliers	13,678	14,006	14,356	14,658	14,966
Other payables	1,041	-	-	-	-
Total payables	14,719	14,006	14,356	14,658	14,966
Interest bearing liabilities					
Leases	10,205	9,044	7,883	6,721	5,560
Total interest bearing liabilities	10,205	9,044	7,883	6,721	5,560
Provisions					
Employees	43,024	46,484	51,652	55,684	59,330
Other provisions	2,785	2,886	2,991	3,102	2,494
Total provisions	45,809	49,370	54,643	58,786	61,824
Total liabilities	70,733	72,420	76,882	80,166	82,350
EQUITY					
Contributed equity	4,272	28,199	38,077	39,911	39,911
Retained surpluses or accumulated deficits	9,044	9,044	9,044	9,044	9,044
Total equity	13,316	37,243	47,121	48,955	48,955
Current assets	42,882	50,644	65,385	78,740	81,166
Non-current assets	41,167	59,019	58,618	50,380	50,139
Current liabilities	50,583	36,178	40,146	43,131	45,751
Non-current liabilities	20,150	36,242	36,736	37,035	36,599

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	647	(87)	1,940	-	-
Appropriations	279,614	360,402	452,832	431,284	412,742
Net GST received	10,760	11,932	16,917	15,197	14,567
Total cash received	291,021	372,247	471,689	446,481	427,310
Cash used					
Employees	179,920	234,772	276,603	272,554	250,567
Suppliers	90,884	119,315	169,167	151,971	145,675
Net GST paid	10,760	11,932	16,917	15,197	14,567
Total cash used	281,564	366,019	462,686	439,721	410,810
Net cash from or (used by) operating activities	9,457	6,228	9,003	6,760	16,500
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	8,725	31,796	18,880	8,595	15,776
Other cash used					724
Total cash used	8,725	31,796	18,880	8,595	16,500
Net cash from or (used by) investing activities	(8,725)	(31,796)	(18,880)	(8,595)	(16,500)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	23,927	9,877	1,835	-
Total cash received	-	23,927	9,877	1,835	-
Net cash from or (used by) financing activities	-	23,927	9,877	1,835	-
Net increase or (decrease) in cash held	732	(1,641)	-	-	-
Cash at the beginning of the reporting period	2,909	3,641	2,000	2,000	2,000
Cash at the end of the reporting period	3,641	2,000	2,000	2,000	2,000

Table 3.22: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	9,044	-	-	4,272	13,316
Adjusted opening balance	9,044	-	-	4,272	13,316
Income and expense					
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	20,130	20,130
Other: Previous years' outputs - funding agreement	-	-	-	3,797	3,797
Total transactions with owners	-	-	-	23,927	23,927
Estimated closing balance as at 30 June 2007	9,044	-	-	28,199	37,243

Table 3.23: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	20,130	9,877	1,835	-
Previous years' outputs	-	3,797	-	-	-
Total capital appropriations	-	23,927	9,877	1,835	-
Represented by:					
Purchase of non-financial assets	-	20,130	9,877	1,835	-
Other	-	3,797	-	-	-
Total represented by	-	23,927	9,877	1,835	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	20,130	9,877	1,835	-
Funded internally by					
Departmental resources	11,580	11,666	9,002	6,760	15,776
Total	11,580	31,796	18,880	8,595	15,776

Table 3.24: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006					
Gross book value		27,024	477	44,158	71,659
Accumulated depreciation		3,905	114	26,473	30,491
Opening net book value		23,119	363	17,685	41,167
Additions:					
by purchase		19,395	10	-	19,405
internally developed		-	-	12,392	12,392
Depreciation/amortisation expense		4,457	97	9,390	13,945
As at 30 June 2007					
Gross book value		46,418	487	56,550	103,455
Accumulated depreciation		8,362	211	35,863	44,436
Estimated closing net book value		38,056	276	20,687	59,019

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	46,817	47,970	50,133	52,371	54,687
Total taxation	46,817	47,970	50,133	52,371	54,687
Non-taxation					
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Competitive neutrality revenue					
Other sources of non-taxation revenues	1,051,071	959,581	1,002,842	1,047,622	1,093,957
Total non-taxation	1,051,071	959,581	1,002,842	1,047,622	1,093,957
Total revenues administered on behalf of Government	1,097,889	1,007,551	1,052,975	1,099,993	1,148,643
Total income administered on behalf of Government	1,097,889	1,007,551	1,052,975	1,099,993	1,148,643
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers (external)	-	-	-	-	-
Personal benefits	800	750	-	-	-
Write down and impairment of assets	59,635	65,889	71,856	75,071	78,399
Child Support Payments	990,235	930,619	972,578	1,015,998	1,060,923
Other	-	-	-	-	-
Total expenses administered on behalf of Government	1,050,670	997,257	1,044,434	1,091,070	1,139,322

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	18	20	20	20	20
Receivables	492,969	516,193	537,051	558,840	581,593
Investments accounted for under the equity method	-	-	-	-	-
Total financial assets	492,987	516,213	537,071	558,860	581,613
Total assets administered on behalf of Government	492,987	516,213	537,071	558,860	581,613
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Accrued child support payments	439,288	454,338	469,643	485,631	502,326
Other payables	30,205	31,039	31,925	32,841	33,787
Total payables	469,493	485,378	501,568	518,472	536,113
Total liabilities administered on behalf of Government	469,493	485,378	501,568	518,472	536,113

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	4,051	3,838	4,011	4,190	4,375
GST Input Credit Receipts	-	-	-	-	-
Child support receipts	905,848	929,788	971,692	1,015,082	1,059,978
Cash From OPA	902,801	931,504	972,716	1,016,149	1,061,089
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Competitive neutrality revenue	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	1,812,700	1,865,130	1,948,419	2,035,421	2,125,442
Cash used					
Suppliers					
GST Payments to Suppliers					
Personal benefits	735	750	-	-	-
Child support payments	902,066	929,922	971,830	1,015,233	1,060,143
Cash to the OPA	909,889	934,456	976,589	1,020,188	1,065,298
Total cash used	1,811,955	1,864,378	1,948,419	2,035,421	2,125,442
Net cash from operating activities	746	752	-	-	-
Net increase or (decrease) in cash held	11	2	-	-	-
Cash at beginning of reporting period	7	18	20	20	20
Cash at end of reporting period	18	20	20	20	20

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government					
Goods and services	168,258	231,810	207,718	195,266	181,410
Other	109	500	500	500	500
Total revenue	168,367	232,310	208,218	195,766	181,910
Total income	168,367	232,310	208,218	195,766	181,910
EXPENSE					
Employees	107,335	138,701	124,415	116,975	108,696
Suppliers	50,991	83,066	74,349	68,503	63,654
Depreciation and amortisation	4,678	5,783	5,783	6,900	6,900
Write-down of assets and impairment of assets		55	55	58	58
Other	393	-	-	-	-
Total expenses	163,397	227,605	204,602	192,436	179,308
Operating result before Income Tax	4,970	4,705	3,616	3,330	2,602
Income Tax expense	1,181	1,260	1,323	1,389	1,389
Net surplus or (deficit) attributable to the Australian Government	3,789	3,445	2,293	1,941	1,213

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	21,682	15,488	15,709	15,670	14,955
Receivables	42,939	59,939	59,439	58,939	56,939
Accrued revenues	289	289	1,300	1,300	1,300
Total financial assets	64,910	75,716	76,448	75,909	73,194
Non-financial assets					
Land and buildings	6,746	8,406	7,964	6,609	6,609
Infrastructure, plant and equipment	4,362	5,020	2,733	4,194	4,194
Intangibles	1,701	1,740	3,701	3,853	3,993
Other	1,826	984	984	984	984
Total non-financial assets	14,635	16,150	15,382	15,640	15,780
Total assets	79,545	91,866	91,830	91,549	88,974
LIABILITIES					
Payables					
Suppliers	7,010	9,634	7,884	7,692	8,121
Tax liabilities	-	397	407	326	326
Other payables	439	421	616	616	616
Total payables	7,449	10,452	8,907	8,634	9,063
Interest bearing liabilities					
Other interest bearing liabilities	906	906	-	-	-
Total interest bearing liabilities	906	906	-	-	-
Provisions					
Employees	22,135	28,008	28,130	26,181	21,964
Other provisions	1,081	1,081	1,081	1,081	1,081
Total provisions	23,216	29,089	29,211	27,262	23,045
Total liabilities	31,571	40,447	38,118	35,896	32,108
EQUITY					
Contributed equity	43,547	43,547	43,547	43,547	43,547
Reserves	791	791	791	791	791
Retained surpluses or accumulated deficits	3,636	7,081	9,374	11,315	12,528
Total equity	47,974	51,419	53,712	55,653	56,866
Current assets	66,468	76,700	77,432	76,893	74,178
Non-current assets	13,077	15,166	14,398	14,656	14,796
Current liabilities	25,095	22,802	20,396	19,402	18,271
Non-current liabilities	6,476	17,645	17,722	16,494	13,838

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	172,481	231,810	207,718	195,266	181,410
Net GST received	446	7,610	8,182	6,792	6,792
Other cash received	4,609	500	1,000	1,000	2,500
Total cash received	177,536	239,920	216,900	203,058	190,702
Cash used					
Employees	107,160	131,573	124,212	118,924	107,243
Suppliers	55,624	80,531	75,093	67,133	67,133
Net GST paid	-	7,610	7,509	6,713	6,713
Other cash used	1,465	18,260	1,323	1,389	1,389
Total cash used	164,249	237,974	208,137	194,159	182,478
Net cash from or (used by) operating activities	13,287	1,946	8,763	8,899	8,224
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	23	-	-	-	-
Total cash received	23	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	3,857	8,140	8,542	8,938	8,938
Other cash used	-	-	-	-	-
Total cash used	3,857	8,140	8,542	8,938	8,938
Net cash from or (used by) investing activities	(3,834)	(8,140)	(8,542)	(8,938)	(8,938)
Net increase or (decrease) in cash held	9,453	(6,194)	221	(39)	(714)
Cash at the beginning of the reporting period	12,229	21,682	15,488	15,709	15,670
Cash at the end of the reporting period	21,682	15,488	15,709	15,670	14,955

Table 3.31: Departmental statement of changes in equity — summary of movement (Budget year 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	3,636	791		43,547	47,974
Adjusted opening balance	3,636	791	-	43,547	47,974
Income and expense					
Net operating result	3,445	-	-	-	3,445
Total income and expenses	3,445	-	-	-	3,445
Estimated closing balance as at 30 June 2007	7,081	791	-	43,547	51,419

Table 3.32: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2005-06	budget	estimate	estimate	estimate
	\$'000	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Previous years' outputs	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	3,857	8,140	8,542	8,938	8,938
Total	3,857	8,140	8,542	8,938	8,938

Table 3.33: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006					
Gross book value	558	13,920	9,379	2,994	26,851
Accumulated depreciation	-	7,732	5,017	1,293	14,042
Opening net book value	558	6,188	4,362	1,701	12,809
Additions:					
by purchase	-	3,895	2,995	595	7,485
internally developed	-	-	-	655	655
Depreciation/amortisation expense	-	2,235	2,337	1,211	5,783
As at 30 June 2007					
Gross book value	558	17,815	12,374	4,244	34,991
Accumulated depreciation	-	9,967	7,354	2,504	19,825
Estimated closing net book value	558	7,848	5,020	1,740	15,166

CENTRELINK

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CENTRELINK

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There have been no major variations to the role or purpose of Centrelink.

Centrelink's Purpose is:

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

Centrelink provides services on behalf of more than 20 entities. Centrelink delivers information, payments and services detailed in Business Partnership Agreements on behalf of the following Policy Departments:

- Australian Government Department of Families, Community Services and Indigenous Affairs (FaCSIA);
- 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); and
- Australian Government Department of Health and Ageing (DoHA).

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		
Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas.	The outcome and output reflect Centrelink's role of delivering specified outputs on behalf of Policy Departments.	Output Group 1.1 Effective and Efficient delivery of Government services.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Increase in estimates (departmental)				
Department of Families, Community Services and Indigenous Affairs				
Carers - payment of one-off carer bonus	2,130	-	-	-
Older Australians - payment of one-off bonus	112	-	-	-
Cyclone Larry and Cyclone Monica - one-off income support	141	-	-	-
Carer Allowance (child) - addition to the lists of recognised disabilities	414	37	36	40
Department of Industry, Tourism and Resources				
Cyclones Monica and Larry Business Assistance Fund for Cape York - establishment	1,250	-	-	-
Decrease in estimates (departmental)				
Department of Families, Community Services and Indigenous Affairs				
Child Support Reforms - changes to the Family Tax Benefit maintenance arrangements	(2,864)	2,864	-	-
Department of Health and Ageing				
Income testing for residential aged care fees - revenue adjustment	(316)	(319)	(321)	(323)
Total of All Variations to Outcomes - Measures	867	2,582	(285)	(283)

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

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (departmental)				
Department of Families, Community Services and Indigenous Affairs				
Family Tax Benefit administration - additional funding	1,647	-	-	-
Child Care compliance	(1,460)	-	-	-
Parameter adjustments	-	3,489	3,923	4,608
Department of Employment and Workplace Relations				
Utilities Allowance - extension and one-off payment to allowees with long term barriers to employment	414	66	67	67
Centrelink Reduction of Appropriation for Medical Assessments	(29,449)	(29,449)	(29,449)	(29,449)
Parameter adjustments	-	5,274	6,342	7,654
Department of Education, Science and Training				
Parameter adjustments	-	643	748	880
Department of Health and Ageing				
Parameter adjustments	-	59	72	85
Department of Agriculture, Fisheries and Forestry				
Parameter adjustments	-	20	1	-
Direct Appropriation				
Health and Social Services Access Card - Funding Transfers	(19,035)	-	-	-
Parameter adjustments	-	643	792	582
Direct Appropriation				
Capital Measures				
Health and Social Services Access Card - Funding Transfers	(31,307)	-	-	-
Infrastructure				
Parameter adjustments	-	2,717	3,293	3,883
Total of All Variations to Outcomes - Other Variations	(79,190)	(16,538)	(14,211)	(11,690)

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2006-07 Budget

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Families, Community Services and Indigenous Affairs														
Expense Measures														
Pandemic influenza preparedness - mitigating social and community impacts	1	1	-	546	546	-	-	-	-	-	-	-	-	-
Child Care Management System	1	1	-	8,874	8,874	-	2,562	2,562	-	(2,304)	(2,304)	-	(7,226)	(7,226)
Simplified Superannuation	1	1	-	9,025	9,025	-	47,606	47,606	-	22,554	22,554	-	33,659	33,659
Government response to the report on Overseas Adoption in Australia	1	1	-	-	-	-	653	653	-	206	206	-	87	87
Baby Bonus - compulsory instalment payments for mothers under 18	1	1	-	1,314	1,314	-	353	353	-	109	109	-	110	110
Egypt Terrorist Bombings - ex gratia assistance	1	1	-	57	57	-	-	-	-	-	-	-	-	-
2006 East Timor Medical Evacuees	1	1	-	371	371	-	-	-	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2006-07 Budget (continued)

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Employment and Workplace Relations														
Expense Measures														
Simplified Superannuation	1	1	-	545	545	-	658	658	-	478	478	-	684	684
Department of Agriculture, Fisheries and Forestry														
Expense Measures														
Drought assistance - Exceptional Circumstances assistance	1	1	-	11,276	11,276	-	-	-	-	-	-	-	-	-
Drought assistance - Interim Income Support	1	1	-	669	669	-	-	-	-	-	-	-	-	-
Tobacco grower adjustment assistance	1	1	-	447	447	-	-	-	-	-	-	-	-	-
Provision of Professional Advice and Planning Grants for Farm Businesses	1	1	-	1,589	1,589	-	1,369	1,369	-	-	-	-	-	-
Department of Industry, Tourism and Resources														
Expense Measures														
Energy initiatives - liquified petroleum gas vehicle purchase and conversion rebate - establishment	1	1	-	3,535	3,535	-	3,485	3,485	-	5,052	5,052	-	4,160	4,160

Table 1.4: Summary of measures since the 2006-07 Budget (continued)

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Direct Appropriation														
Expense Measures														
Regulation reform agenda - electronic forms for general practioners and reducing red tape for doctors	1	1	-	274	274	-	45	45	-	43	43	-	45	45
Total Expense Measures			-	38,522	38,522	-	56,731	56,731	-	26,138	26,138	-	31,519	31,519
Department of Families, Community Services and Indigenous Affairs														
Capital Measures														
Child Care Management System	1	1	-	5,430	5,430	-	1,686	1,686	-	-	-	-	-	-
Total Capital Measures			-	5,430	5,430	-	1,686	1,686	-	-	-	-	-	-
Total of All Measures			-	43,952	43,952	-	58,417	58,417	-	26,138	26,138	-	31,519	31,519

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas.	250	636,936	618,175	-	(18,761)
Total departmental	250	636,936	618,175	-	(18,761)
Total	250	636,936	618,175	-	(18,761)

Note: Centrelink receives direct appropriation for Infrastructure costs and Centrelink coordinated Budget measures. In 2006-07, Centrelink has \$618.18m directly appropriated as reported in Table 1.5. Previous direct appropriations were costed at \$636.94m. The reduction in direct appropriation of \$18.76m is attributed to the following:

- Regulation reform agenda - electronic forms for general practitioners and reducing red tape for doctors: \$0.27m
- Health and social Services Access Card - Funding Transfers: (\$19.03)m

Table 1.6: Appropriation Bill (No. 4) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	56,524	95,237	69,360	-	(25,877)
Total non-operating	56,524	95,237	69,360	-	(25,877)
Total	56,524	95,237	69,360	-	(25,877)

Note: Centrelink receives direct appropriations for funding relating to equity injections. In 2006-07, Centrelink has \$69.36m appropriated as an equity injection as reported in Table 1.6. The implementation of previous budget measures were costed at \$95.24m. The reduction in equity injection of \$25.88m is attributed to the following:

- Child Care Management System: \$5.43m
- Health and Social Services Access Card - Funding Transfers: (\$31.31)m

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1			
Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas.	25,285	24,650	(635)
Total	25,285	24,650	(635)

SUMMARY OF AGENCY SAVINGS

Table 1.8: Summary of agency savings

R	Reclassification of appropriations	-
E	Estimates reductions	\$44.64 million
P	Policy decisions	-
M	Movement of estimates between years	-
Total		\$44.64 million

Note: The savings for Centrelink reflected in the table above comprise the following elements:

- Savings relating to Direct Appropriations as a result of *Health and Social Services Access Card - Funding Transfer*: (\$19.03)m offset by direct appropriations received for *Regulation reform agenda - electronic forms for general practitioners and reducing red tape for doctors*: \$0.27m.
- Savings relating to Equity Injections as a result of *Health and Social Services Access Card - Funding Transfers*: (\$31.31)m offset by equity injection received for *Child Care Management System*: \$5.43m.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of resources obtained by Centrelink for provision of services. These resources are approved for collection and for use by Centrelink under Section 20 of the *Financial Management and Accountability Act 1997*.

Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Departmental other receipts		
Revenue from Ordinary activities	1,926,630	2,081,846
Total	1,926,630	2,081,846

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Centrelink makes payments to the Australian Public by drawing on Special Appropriations administered by various Policy Departments. Centrelink holds drawing rights issued by these Policy Departments authorising these drawings.

The legislation establishing the above special appropriation expenditure by Centrelink are administered by the following agencies:

Australian Government Department of Families, Community Services and Indigenous Affairs

- *Social Security (Administration) Act 1999*
- *A New Tax System (Family Assistance) (Administration) Act 1999*

Australian Government Department of Employment and Workplace Relations

- *Social Security (Administration) Act 1999*

Australian Government Department of Education, Science and Training

- *Social Security Act 1991*
- *The Student Assistance Act 1973*

Australian Government Department of Agriculture, Fisheries and Forestry

- *Farm Household Support Act 1992*

Details of legislation and policy contexts are included in Table 1.10 of respective Policy Departments 2006-07 Portfolio Additional Estimates Statements.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Outcome No.	Opening Balance 2006-07 2005-06 ⁽¹⁾ (\$'000)	Receipts 2006-07 2005-06 (\$'000)	Payments 2006-07 2005-06 (\$'000)	Closing Balance 2006-07 2005-06 (\$'000)
Centrelink Special Account - s20 FMA Act 1997 (D) ⁽²⁾	1	217,473	2,791,452	(2,706,183)	302,742
		304,832	2,297,817	(2,385,176)	217,473
Other Trust Monies - CSDA - s20 FMA Act 1997 (A)		331	1,100	(1,200)	231
		430	2,539	(2,638)	331
Total special accounts		217,804	2,792,552	(2,707,383)	302,973

D = Departmental;
A = Administered

Acts Glossary:
FMA Act = *Financial Management and Accountability Act, 1997*

Note 1: The actuals for 2005-06 have been updated to reflect the final budget outcome for that year.

Note 2: The opening and closing balances in Table 1.11 for the Centrelink Special Account reflect cash and cash receivable from the Official Public Account.

Section 2: Revisions to agency outcomes

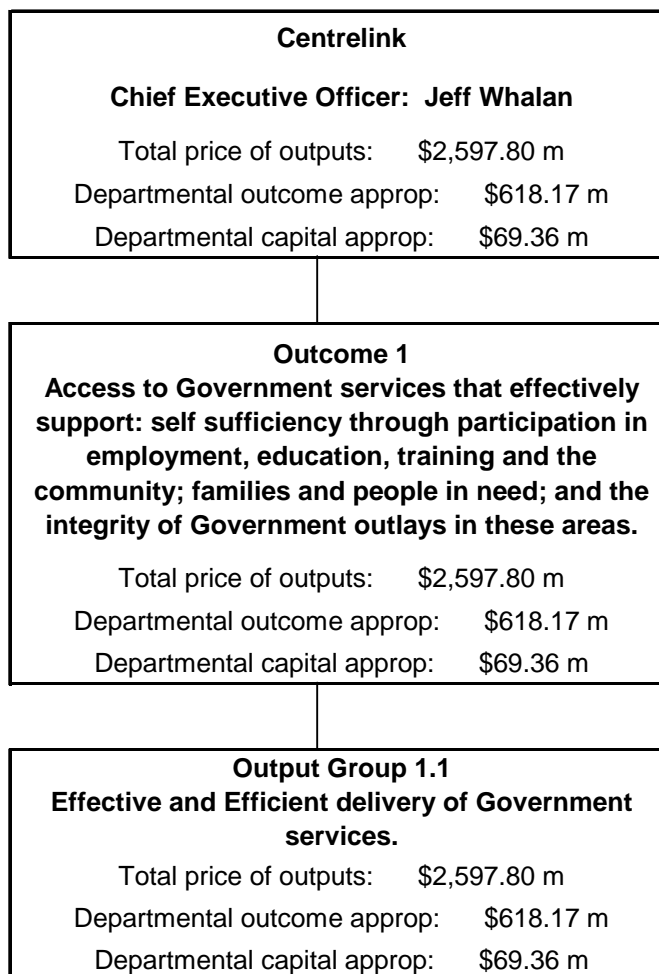
OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

There have been no major variations to Centrelink's outcome.

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

The relationship between activities of Centrelink and the outcome is summarised in Figure 3.

Figure 3: Outcome and output structure for Centrelink



Revised performance information — 2006-07

Table 2.1 below lists the performance information that Centrelink will use to assess the achievement of its Outcome during 2006-07. Achievement against planned performance will be reported in the Centrelink Annual Report.

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

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: Effective and Efficient Delivery of Government services.	
Output group 1.1 Effective and Efficient Delivery of Government services.	
Strategic Theme	Top Level Key Performance Indicator
Building confidence in Centrelink	The extent to which Policy Departments' Key Performance Indicators are achieved
Strengthening our customer focus in line with Government direction	The extent to which service delivery contributes to Government outcomes and improves customer service
Developing a networked organisation	Partnerships with other agencies to deliver services
Building capability for Government	Level of workforce and systems capability
Demonstrating value for money	Cost of services delivered

Table 2.2: Centrelink Summary of Future Revenue

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

	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000
FaCSIA	782,542	768,055	691,753	691,560
DEWR	962,232	1,039,021	1,043,142	1,064,015
DEST	124,946	127,323	123,833	119,269
DoHA	12,086	11,750	11,937	12,136
DAFF	20,400	5,517	273	115
DITR	4,785	3,485	5,052	4,160
Subtotal Service Delivery	1,906,991	1,955,151	1,875,990	1,891,255
Departmental Appropriations ¹	618,174	689,077	698,296	654,409
Revenue from other sources ²	72,639	71,619	20,034	20,176
Total	2,597,804	2,715,847	2,594,320	2,565,840

Note 1: Departmental Appropriations include amounts directly appropriated to Centrelink for Infrastructure funding, Compensation for Detriment caused by Defective Administration (CDDA) and some specific Budget measures.

Note 2: Revenue from other sources includes anticipated revenue from new business outside existing business partnership agreements or service level agreements with Policy Departments.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The financial statements reflect Centrelink's unaudited Australian Equivalent to Financial Reporting Standards (AEIFRS) compliant statements.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Centrelink estimates an operating surplus of \$60 million for 2006-07 reflecting changed arrangements relating to Access Card. Breakeven results are anticipated for the forward years.

Revenue movements are detailed in Table 1.4.

Budgeted departmental balance sheet

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

Budgeted departmental statement of cash flows

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

Positive cash positions have been forecast for 2006-07 and each of the forward years. It is anticipated that Centrelink will have a cash holding of approximately \$24.03 million as at 30 June 2007, with \$278.71 million cash receivable from the Official Public Account.

Departmental statement of changes in equity — summary of movement

This statement shows the expected closing balance and movement in equity for Centrelink. Movements have been due to changes in equity injections as per Table 1.6 - Appropriation Bill (No 4) 2006-07.

Departmental capital budget statement

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

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

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	250	618,175	689,078	698,296	654,409
Goods and services	2,258,315	1,974,370	2,023,423	1,892,543	1,907,808
Other	56,405	-	-	-	-
Total revenue	2,314,970	2,592,545	2,712,501	2,590,839	2,562,217
Gains					
Net gains from sale of assets	16	-	-	-	-
Other	3,327	5,259	3,346	3,481	3,623
Total gains	3,343	5,259	3,346	3,481	3,623
Total income	2,318,313	2,597,804	2,715,847	2,594,320	2,565,840
EXPENSE					
Employees	1,497,707	1,643,445	1,790,485	1,638,978	1,584,336
Suppliers	709,283	764,393	776,717	803,934	836,307
Depreciation and amortisation	96,545	121,466	147,645	150,408	144,197
Write-down of assets and impairment of assets	3,601	8,500	1,000	1,000	1,000
Total expenses	2,307,136	2,537,804	2,715,847	2,594,320	2,565,840
Net operating result	11,177	60,000	-	-	-

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	47,473	24,028	22,968	23,744	21,793
Receivables	271,904	298,464	310,484	369,223	416,972
Total financial assets	319,377	322,492	333,452	392,967	438,765
Non-financial assets					
Land and buildings	86,130	139,264	182,870	178,658	171,279
Infrastructure, plant and equipment	71,048	138,087	155,955	125,068	107,624
Intangibles	262,369	258,759	261,358	262,123	268,149
Assets held for sale	12	12	12	12	12
Other	60,641	66,093	44,892	44,646	44,646
Total non-financial assets	480,200	602,215	645,087	610,507	591,710
Total assets	799,577	924,707	978,539	1,003,474	1,030,475
LIABILITIES					
Payables					
Suppliers	42,632	41,871	43,021	44,171	46,319
Other payables	72,179	43,222	32,863	22,503	12,289
Total payables	114,811	85,093	75,884	66,674	58,608
Provisions					
Employees	443,096	468,867	501,867	536,629	572,317
Other provisions	10,508	10,225	9,767	9,150	8,529
Total provisions	453,604	479,092	511,634	545,779	580,846
Total liabilities	568,415	564,185	587,518	612,453	639,454
EQUITY					
Parent entity interest					
Contributed equity	219,272	288,632	319,131	319,131	319,131
Reserves	19,978	19,978	19,978	19,978	19,978
Accumulated deficits	(8,088)	51,912	51,912	51,912	51,912
Total parent entity interest	231,162	360,522	391,021	391,021	391,021
Total equity	231,162	360,522	391,021	391,021	391,021
Current assets	361,305	388,585	378,344	437,613	483,412
Non-current assets	438,272	536,122	600,195	565,861	547,063
Current liabilities	489,467	481,891	502,505	524,589	548,588
Non-current liabilities	78,948	82,294	85,013	87,864	90,866

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	2,175,365	2,010,871	2,013,319	1,882,437	1,897,693
Appropriations	250	618,175	689,078	698,296	654,409
Net GST received	73,680	70,975	73,291	71,922	76,753
Cash Received from the Official Public Account	60,000	-	-	-	-
Total cash received	2,309,295	2,700,021	2,775,688	2,652,655	2,628,855
Cash used					
Employees	1,497,193	1,649,642	1,790,106	1,636,716	1,581,198
Suppliers	755,701	803,889	792,507	839,456	875,573
Cash Transferred to the Official Public Account	-	108,714	11,916	58,633	47,633
Total cash used	2,252,894	2,562,245	2,594,529	2,534,805	2,504,404
Net cash from operating activities	56,401	137,776	181,159	117,850	124,451
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	16	-	-	-	-
Total cash received	16	-	-	-	-
Cash used					
Purchase of property, plant and equipment	64,794	200,438	149,543	58,720	62,661
Other cash used	67,490	52,214	63,175	58,354	63,741
Total cash used	132,284	252,652	212,718	117,074	126,402
Net cash used by investing activities	(132,268)	(252,652)	(212,718)	(117,074)	(126,402)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	48,508	91,431	30,499	-	-
Total cash received	48,508	91,431	30,499	-	-
Cash used					
Other cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	48,508	91,431	30,499	-	-
Net increase or (decrease) in cash held	(27,359)	(23,445)	(1,060)	776	(1,951)
Cash at the beginning of the reporting period	74,832	47,473	24,028	22,968	23,744
Cash at the end of the reporting period	47,473	24,028	22,968	23,744	21,793

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006				
Balance carried forward from previous period	(8,088)	19,978	219,272	231,162
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	(8,088)	19,978	219,272	231,162
Net operating result	-	-	-	-
Total income and expenses	-	-	-	-
Transactions with owners				
<i>Contribution by owners</i>				
Appropriation (equity injection)	-	-	69,360	69,360
Sub-total transactions with owners	-	-	69,360	69,360
Estimated closing balance as at 30 June 2007	(8,088)	19,978	288,632	300,522

Table 3.5: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	56,524	69,360	30,499	-	-
Total capital appropriations	56,524	69,360	30,499	-	-
Represented by:					
Purchase of non-financial assets	56,524	69,360	30,499	-	-
Total represented by	56,524	69,360	30,499	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	56,524	69,360	30,499	-	-
Funded internally by					
Departmental resources	75,760	183,292	182,219	117,074	126,402
Total	132,284	252,652	212,718	117,074	126,402

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006					
Gross book value	2,141	140,673	172,576	415,786	731,176
Accumulated depreciation		(56,684)	(101,528)	(153,417)	(311,629)
Opening net book value	2,141	83,989	71,048	262,369	419,547
Additions:					
by purchase	-	79,644	112,629	25,078	217,351
internally developed	-	-	-	29,178	29,178
Depreciation/amortisation expense	-	(26,310)	(42,790)	(52,366)	(121,466)
Disposals:					
other disposals	-	(200)	(2,800)	(5,500)	(8,500)
As at 30 June 2007					
Gross book value	2,141	220,117	282,405	464,542	969,205
Accumulated depreciation	-	(82,994)	(144,318)	(205,783)	(433,095)
Estimated closing net book value	2,141	137,123	138,087	258,759	536,110

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

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

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

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

MEDICARE AUSTRALIA

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MEDICARE AUSTRALIA

Section 1: Overview

Medicare Australia administers a range of health-related and other programs on behalf of the Australian Government. The key programs are:

- Medicare
- Pharmaceutical Benefits Scheme (and Repatriation Pharmaceutical Benefits Scheme) including various payments under the Community Pharmacy Agreement.
- Family Assistance (with Centrelink and the Australian Taxation Office)
- Australian Organ Donor Register
- Australian Childhood Immunisation Register

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

In conjunction with DHS, Centrelink and DVA, Medicare Australia will also be involved in the delivery of Access Card initiative. The Access card is a single card that will replace the existing Medicare card and a wide range of other health and social services cards and vouchers, health care cards and Veteran's cards. The initiative includes the development of the Access Card itself and shared technical and policy infrastructure across agencies.

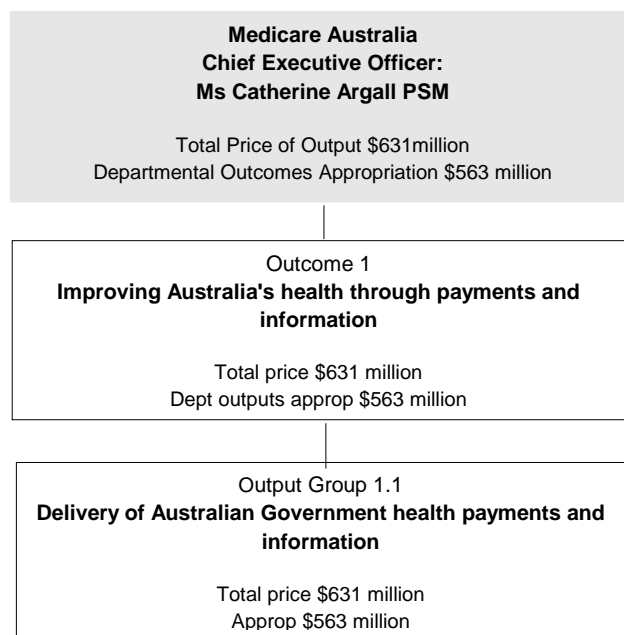
Medicare Australia administers community rebate and reimbursement schemes, such as the Higher Education Contribution Scheme Reimbursement Scheme and the Private Health Insurance Rebate. We also process claims for payment for Aged Care on behalf of the Department of Health and Ageing and accept applications for grants available under the LPG Vehicle Scheme on behalf of the Department of Industry, Tourism and Resources.

In addition, Medicare Australia administers the Medical Indemnity Scheme, the Herceptin Program, Broadband for Health Payment scheme for General Practitioners and Pharmacies, National Bowel Cancer Screening Register as well as the Special Assistance Programs for victims of the Bali bombings, Tsunami and London bombings.

Agency Additional Estimates Statements – Medicare Australia

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

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



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

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

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

Table 1.1: Agency outcomes and output groups

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

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes - measures

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Expense Measures				
Department of Human Services				
Medicare rebates - electronic claiming via EFTPOS	3,059	-918	-6,599	-15,370
Medicare rebates - electronic claiming via EFTPOS - Capital	1,669	209	-	-
Regulation reform agenda-electronic forms for General Practitioners and reducing red tape for doctors	757	578	512	468
Department of Industry, Tourism & Resources				
* Energy Initiatives - liquefied petroleum gas vehicle purchase and conversion rebate -establishment	658	933	1,170	1,051
Department of Health & Ageing				
COAG Health Workforce - New Medicare Item	139	427	500	709
Strengthening the health workforce in rural and remote areas and in Indigenous Communities	155	130	136	138
Pharmaceutical Benefits Scheme				
Broadened eligibility for the use of lipid-lowering drugs	96	255	380	452
Extension to the listing of Mabthera (Rituximab)	6	6	7	8
Extension to the listing of Pegasys (Peginterferon Alfa - 2a)	2	3	3	3
Extension to the listings of Enbrel (Etanercept), Humira (adalimumab) and Remicade (infliximab)	192	266	273	277
Extension to listing of Taxotere (docataxel) and Anzatax, Paclitaxel Ebewe and Taxol (paclitaxel)	2	3	4	5
Listing of Herceptin (trastuzumab)	307	415	408	415
Listing of Prexige (lumiracoxib)	68	143	189	248
Minor new listings	495	855	1,022	1,191
Extension to the listings of Fosamax Once Weekly and Alendronate Once Weekly	113	468	543	611
Pharmaceutical Benefits Scheme reform				
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package	3,578	14,152	13,361	14,613
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package - Capital	551	350	-	-
Pharmaceutical Benefits Scheme Reform - streamlining authority prescribing arrangements	678	1,374	1,028	1,042
Total Expense Measures	10,305	19,090	12,937	5,861
Total Capital Measures	2,220	559	-	-
Total of All Measures	12,525	19,649	12,937	5,861

Agency Additional Estimates Statements – Medicare Australia

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

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (departmental)				
Volume and WCI adjustment	629	5,472	4,404	5,496
Health and Social Services Access Card - introduction	-17,692	-	-	-
Health and Social Services Access Card - introduction - Capital	-3,094	-	-	-
COAG Health Services - promoting good health, prevention and early intervention	-150	-151	-313	-71
Total Departmental	-17,213	5,321	4,091	5,425
Total Capital	-3,094	-	-	-

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2006-07 Budget

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			items	outputs		items	outputs		items	outputs		items	outputs	
Expense Measures														
Department of Human Services														
Medicare rebates - electronic claiming via EFTPOS	1	1	-	3,059	3,059	-	-918	-918	-	-6,599	-6,599	-	-15,370	-15,370
Medicare rebates - electronic claiming via EFTPOS - Capital			-	1,669	1,669	-	209	209	-	-	-	-	-	-
Regulation reform agenda-electronic forms for General Practitioners and reducing red tape for doctors	1	1	-	757	757	-	578	578	-	512	512	-	468	468
Department of Industry, Tourism & Resources														
* Energy Initiatives - liquefied petroleum gas vehicle purchase and conversion rebate - establishment	1	1	-	658	658	-	933	933	-	1,170	1,170	-	1,051	1,051
Department of Health & Ageing														
COAG Health Workforce - New Medicare Item	1	1	-	139	139	-	427	427	-	500	500	-	709	709
Strengthening the health workforce in rural and remote areas and in Indigenous Communities	1	1	-	155	155	-	130	130	-	136	136	-	138	138
Sub Total Expense Measures			-	4,768	4,768	-	1,150	1,150	-	-4,281	-4,281	-	-13,004	-13,004
Sub Total Capital Measures			-	1,669	1,669	-	209	209	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2006-07 Budget Cont.

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
			Expense Measures											
Pharmaceutical Benefits Scheme														
Broadened eligibility for the use of lipid-lowering drugs	1	1	-	96	96	-	255	255	-	380	380	-	452	452
Extension to the listing of Mabthera (Rituximab)	1	1	-	6	6	-	6	6	-	7	7	-	8	8
Extension to the listing of Pegasys (Peginterferon Alfa - 2a)	1	1	-	2	2	-	3	3	-	3	3	-	3	3
Extension to the listings of Enbrel (Etanercept), Humira (adalimumab) and Remicade (infliximab)	1	1	-	192	192	-	266	266	-	273	273	-	277	277
Extension to listing of Taxotere (docataxel) and Anzatax Paclitaxel Ebewe (paclitaxel))	1	1	-	2	2	-	3	3	-	4	4	-	5	5
Listing of Herceptin (trastuzumab)	1	1	-	307	307	-	415	415	-	408	408	-	415	415
Listing of Prexige (lumiracoxib)	1	1	-	68	68	-	143	143	-	189	189	-	248	248
Minor new listings	1	1	-	495	495	-	855	855	-	1,022	1,022	-	1,191	1,191
Extension to the listings of Fosamax Once Weekly and Alendronate Once Weekly	1	1	-	113	113	-	468	468	-	543	543	-	611	611
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package	1	1	-	3,578	3,578	-	14,152	14,152	-	13,361	13,361	-	14,613	14,613
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package - Capital			-	551	551	-	350	350	-	-	-	-	-	-
Pharmaceutical Benefits Scheme Reform - streamlining authority prescribing arrangements	1	1	-	678	678	-	1,374	1,374	-	1,028	1,028	-	1,042	1,042
Sub Total Expense Measures			-	5,537	5,537	-	17,940	17,940	-	17,218	17,218	-	18,865	18,865
Sub Total Capital Measures			-	551	551	-	350	350	-	-	-	-	-	-
Total Expense Measures			-	10,305	10,305	-	19,090	19,090	-	12,937	12,937	-	5,861	5,861
Total Capital Measures			-	2,220	2,220	-	559	559	-	-	-	-	-	-
Total of All Measures			-	12,525	12,525	-	19,649	19,649	-	12,937	12,937	-	5,861	5,861

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 - Appropriation Bill (No 3) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Improving Australia's health through payments and information	523,523	569,937	563,029	10,934	17,842
Total	523,523	569,937	563,029	10,934	17,842
Total administered and departmental	523,523	569,937	563,029	10,934	17,842

The amount shown in reduced estimates relates to the transfer of appropriations for the Health and Social Services Access Card to the Department of Human Services (\$17.7m) and reduced appropriations related to Council of Australian Governments (COAG) Health Services (\$0.1m).

Table 1.6: Appropriation Bill (No. 4) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	4,830	2,300	2,300	-	-
Health and Social Services Access Card - introduction	-	11,461	8,367	-	3,094
Medicare rebates - electronic claiming via EFTPOS	-	-	1,669	1,669	-
Pharmaceutical Benefits Scheme reform - pharmacy and pharmaceutical wholesaler structural adjustment package	-	-	551	551	-
Total non-operating	4,830	13,761	12,887	2,220	3,094
Medicare Australia					
Total	4,830	13,761	12,887	2,220	3,094

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1			
Improving Australia's health through payments and information	4,797	5,129	332
Total	4,797	5,129	332

The increase in staffing levels from Budget is associated with an increase in the delivery of services that the agency expects to undertake.

SUMMARY OF AGENCY SAVINGS

Table 1.8: Summary of agency savings

R	Reclassification of appropriations	-
E	Estimates reductions	\$0.150 million
P	Policy decisions	\$20.786 million
M	Movement of estimates between years	-
Total agency savings		\$20.936 million

The savings for Medicare Australia reflected in the table below is associated with the transfer of appropriations related to the Health and Social Services Access Card to the Department of Human Services (\$20.8m) and reduced estimates related to Council of Australian Government (COAG) Health Services (\$0.1m).

OTHER RECEIPTS AVAILABLE TO BE USED

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

The increase from Budget of approximately \$19.0m in receipts available to be used is mainly attributable to the additional funding from Centrelink of \$11.7m associated with the delivery of increased Family Assistance services in Medicare Offices. There are also variations in receipts from the Department of Veterans' Affairs, Department of Health and Ageing and Department of Families, Community Services and Indigenous Affairs to reflect increased service delivery and revised revenue estimates.

Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Departmental other receipts		
Department of Veterans' Affairs	15,448	18,035
Department of Health and Ageing	19,842	23,527
Department of Families, Community Services and Indigenous Affairs	7,900	8,605
Health Department of Western Australia	2,017	2,017
Centrelink	-	11,700
Other	3,801	4,076
Total departmental other receipts available to be used	49,008	67,960
Administered other receipts		
	-	-
Total administered other receipts available to be used	-	-

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Outcome No.	Opening Balance 2006-07⁽¹⁾ 2005-06 ⁽¹⁾ (\$'000)	Receipts 2006-07 2005-06 (\$'000)	Payments 2006-07 2005-06 (\$'000)	Adjustments ⁽²⁾ 2006-07 2005-06 (\$'000)	Closing Balance 2006-07 2005-06 (\$'000)
Recovery of Compensation for Health Care and other Services Special Account - s20 FMA Act, 1997 (A)	1	31,545 32,047	192,148 191,631	196,076 192,133	- -	27,617 31,545
Other Trust Monies Special Account - s20 FMA Act, 1997 (D)	1	177 160	900 948	925 931	- -	152 177
Total special accounts		31,722 32,207	193,048 192,579	197,001 193,064	- -	27,769 31,722

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

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

Medicare Australia has a single outcome and output.

Outcome: Improving Australia's health through payments and information

Output: Delivery of Australian Government health payments and information.

Outcome 1

Revised performance information — 2006-07

The performance information for the Agency remains unchanged from that specified in the 2006-07 Portfolio Budget Statements.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

Departmental financial statements

Budgeted departmental income statement

Medicare Australia is estimating an operating surplus of \$10.3m in 2006-07 which is mainly attributable to changed arrangements relating to the Health and Social Services Access Card.

The income estimate for the current budget year is \$631.0m which represents a \$12.0m increase from \$618.9m at Budget. This is mainly attributable to additional appropriations of \$10.3m for new measures, \$11.7m from Centrelink for the provision of increased Family Assistance services, additional revenue of \$7.3m from other client agencies for the delivery of services and a reduction of \$17.7m mainly associated with the transfer of funding for the Health and Social Services Access Card to the Department of Human Services.

The total departmental expenditure estimate for the Agency has increased to reflect expenses associated with the delivery of additional services mentioned above, however, this is partially offset by the underspend associated with the Health and Social Services Access Card, resulting in a slight increase of \$1.7m from \$618.9m at Budget.

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

Budgeted departmental balance sheet

The majority of variations across the balance sheet categories from Budget are due to the flow on effects of actual results for 2005-06 which impact on the 2006-07 budgeted balance sheet. Major variations caused by other factors are explained below.

Medicare Australia's budgeted net asset position of \$139.2m represents a \$9.6m increase from \$129.6m at Budget. This increase is primarily due to the budgeted operating surplus of \$10.3m in the current year which is reflected in receivables and accumulated results. The increase in receivables is mainly attributable to the

underspend in operating and capital expenditure of \$16.9m for the Health and Social Services Access Card.

Employee provisions have increased by \$12.1m in comparison to Budget and is attributable to revised projections associated with the increase in employee expenses.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement (see Table 3.1)

This statement represents the expected financial results for the Agency by identifying total accrued revenues and expenses. It highlights whether Medicare Australia is operating at a sustainable level.

Budgeted departmental balance sheet (see Table 3.2)

This statement represents the end of year financial position for Medicare Australia and assists decision-makers in tracking the management of assets and liabilities.

Budgeted departmental statement of cash flows (see Table 3.3)

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

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

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

Departmental capital budget statement (see Table 3.5)

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

Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07) (see Table 3.6)

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

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	524,575	563,029	666,384	703,897	695,754
Goods and services	52,311	66,455	51,054	44,634	43,936
Interest	123	-	-	-	-
Other	79	951	800	800	800
Total revenue	577,088	630,435	718,238	749,331	740,490
Gains					
Other	618	554	-	-	-
Total gains	618	554	-	-	-
Total income	577,706	630,989	718,238	749,331	740,490
EXPENSE					
Employees	319,726	348,400	357,402	352,961	345,571
Suppliers	217,624	226,689	312,985	352,623	352,055
Depreciation and amortisation	45,425	45,582	47,851	43,747	42,864
Finance costs	63	-	-	-	-
Write-down of assets and impairment of assets	773	-	-	-	-
Net losses from sale of assets	873	-	-	-	-
Net foreign exchange losses	2	-	-	-	-
Total expenses	584,486	620,671	718,238	749,331	740,490
Operating result before Income Tax	(6,780)	10,318	-	-	-
Income Tax expense	-	-	-	-	-
Net operating result	(6,780)	10,318	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(6,780)	10,318	-	-	-

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,781	4,717	4,717	4,717	4,717
Receivables	125,541	155,913	178,508	187,998	190,814
Accrued revenues	1,714	1,714	1,714	1,714	1,714
Total financial assets	132,036	162,344	184,939	194,429	197,245
Non-financial assets					
Land and buildings	42,804	48,211	54,255	56,192	55,813
Infrastructure, plant and equipment	769	769	769	769	769
Heritage and cultural assets	82	82	82	82	82
Intangibles	76,262	69,926	61,388	56,050	52,056
Other non-financial assets	10,409	10,409	10,409	10,409	10,409
Total non-financial assets	130,326	129,397	126,903	123,502	119,129
Total assets	262,362	291,741	311,842	317,931	316,374
LIABILITIES					
Payables					
Suppliers	53,170	54,776	70,065	77,086	76,986
Other payables	4,803	3,132	2,908	2,874	2,874
Total payables	57,973	57,908	72,973	79,960	79,860
Interest bearing liabilities					
Leases	7,380	7,380	7,380	7,380	7,380
Total interest bearing liabilities	7,380	7,380	7,380	7,380	7,380
Provisions					
Employees	77,102	83,341	85,073	83,875	82,118
Other provisions	3,921	3,921	3,921	3,921	3,921
Total provisions	81,023	87,262	88,994	87,796	86,039
Total liabilities	146,376	152,550	169,347	175,136	173,279
EQUITY*					
Parent entity interest					
Contributed equity	124,807	137,694	140,998	141,298	141,598
Retained surpluses or accumulated deficits	(8,821)	1,497	1,497	1,497	1,497
Total parent entity interest	115,986	139,191	142,495	142,795	143,095
Total equity	115,986	139,191	142,495	142,795	143,095
Current assets	142,445	172,753	195,348	204,838	207,654
Non-current assets	119,917	118,988	116,494	113,093	108,720
Current liabilities	127,681	127,331	143,769	149,807	148,315
Non-current liabilities	18,695	25,219	25,578	25,329	24,964

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	49,170	60,242	55,776	46,662	44,160
Appropriations	497,685	537,199	638,843	692,345	692,714
Interest	123	-	-	-	-
Net GST received	26,795	15,326	15,326	15,326	15,326
Other cash received	79	951	800	800	800
Total cash received	573,852	613,718	710,745	755,133	753,000
Cash used					
Employees	320,005	342,161	355,670	354,159	347,328
Suppliers	195,058	224,529	297,696	345,602	352,155
Net GST paid	23,836	15,326	15,326	15,326	15,326
Total cash used	538,899	582,016	668,692	715,087	714,809
Net cash from or (used by) operating activities	34,953	31,702	42,053	40,046	38,191
INVESTING ACTIVITIES					
Cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	41,012	44,653	45,357	40,346	38,491
Total cash used	41,012	44,653	45,357	40,346	38,491
Net cash from or (used by) investing activities	(41,012)	(44,653)	(45,357)	(40,346)	(38,491)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	3,962	12,887	3,304	300	300
Other cash received	6,284	-	-	-	-
Total cash received	10,246	12,887	3,304	300	300
Cash used					
Other cash used	6,284	-	-	-	-
Total cash used	6,284	-	-	-	-
Net cash from or (used by) financing activities	3,962	12,887	3,304	300	300
Net increase or (decrease) in cash held	(2,097)	(64)	-	-	-
Cash at the beginning of the reporting period	6,878	4,781	4,717	4,717	4,717
Cash at the end of the reporting period	4,781	4,717	4,717	4,717	4,717

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	(8,821)	-	-	124,807	115,986
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(8,821)	-	-	124,807	115,986
Income and expense					
Net operating result	10,318	-	-	-	10,318
Total income and expenses	10,318	-	-	-	10,318
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	12,887	12,887
Sub-total transactions with owners	-	-	-	12,887	12,887
Closing balance less minority interests	1,497	-	-	137,694	139,191
Estimated closing balance as at 30 June 2007	1,497	-	-	137,694	139,191

Table 3.5: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	3,962	12,887	3,304	300	300
Total loans	-	-	-	-	-
Total capital appropriations	3,962	12,887	3,304	300	300
Represented by:					
Purchase of non-financial assets	3,962	12,887	3,304	300	300
Other	-	-	-	-	-
Total represented by	3,962	12,887	3,304	300	300
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	3,962	12,887	3,304	300	300
Funded internally by					
Departmental resources	37,050	31,766	42,053	40,046	38,191
Total	41,012	44,653	45,357	40,346	38,491

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	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 2006									
Gross book value	-	-	55,325	-	988	82	97,536	-	153,931
Accumulated depreciation	-	-	(12,521)	-	(219)	-	(21,274)	-	(34,014)
Opening net book value	-	-	42,804	-	769	82	76,262	-	119,917
Additions:									
by purchase	-	-	21,387	-	343	-	22,923	-	44,653
Depreciation/amortisation expense	-	-	(15,980)	-	(343)	-	(29,259)	-	(45,582)
As at 30 June 2007									
Gross book value	-	-	76,712	-	1,331	82	120,459	-	198,584
Accumulated depreciation	-	-	(28,501)	-	(562)	-	(50,533)	-	(79,596)
Estimated closing net book value	-	-	48,211	-	769	82	69,926	-	118,988

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Basis of accounting

The agency budget statements have been prepared in accordance with the Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other Finance guidelines.

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

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

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

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
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.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
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.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	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.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include

Glossary

	computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
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.
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.
Intermediate outcomes	More specific medium-term impacts (for example, 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. (<i>see outcomes</i>)
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.
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 (<i>Financial Management and Accountability (FMA) Act 1997</i> , subsection 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

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Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 20 FMA Act) or through an Act of Parliament (referred to in section 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.