

# **PORTFOLIO BUDGET STATEMENTS 2006-07**

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

Department of Human Services, Centrelink and  
Medicare Australia

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

**BUDGET RELATED PAPER NO. 1.9B**

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

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2006-07 Budget for the Department of Human Services and its agencies, a part of the Finance and Administration Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement of the outcomes for the Department and its agencies. They also cover the purpose of portfolio budget measures.

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

Yours sincerely

JOE HOCKEY MP



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**USER GUIDE  
TO THE  
PORTFOLIO BUDGET  
STATEMENTS**





# USER GUIDE

## Purpose of the Portfolio Budget Statements

The purpose of the 2006-07 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations bills, special appropriations, standing appropriations (including special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2006-07 (or Appropriation Bill [Parliamentary Departments] No. 1 2006-07 for the parliamentary departments). In this sense the PB Statements are officially Budget Related Papers and are declared by the Appropriation Bills to be 'relevant documents' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

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

## How to read the PB Statements

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

Part	Description
<b>User Guide to the Portfolio Budget Statements</b>	
An introduction, explaining the purpose of the PB Statements, the structure of the document, and styles and conventions used.	
<b>Overview</b>	
The overview section includes a chart outlining the structure of the outcomes to which Human Services contributes. This includes a table of Australian Indigenous Expenditures by the Department and its agencies.	
<b>Agency Budget Statements</b>	
For each agency within Human Services, a budget statement is presented in five sections:	
<b>Section 1: Overview</b>	A brief overview of the agency.
<b>Section 2: Resources</b>	A reconciliation of agency resourcing information from the <i>2005-06 Mid-Year Economic and Fiscal Outlook</i> to the 2006-07 Budget. Includes key changes to the agency's estimates and a table of appropriations and other revenue sources for both Administered and Departmental appropriations.
<b>Section 3: Outcomes</b>	A brief description of the agency's outcomes and, where applicable, Budget measures in summary form. Details the contribution of the agency's outputs to the outcome, performance information for the outcome(s), outputs and administered activities, and planned evaluations. Notes upcoming competitive tendering and contracting that is of a material or sensitive nature. Links the resources appropriated and their application to the agency's outputs and to Administered items.
<b>Section 4: Other reporting requirements</b>	Includes purchaser-provider and cost recovery components.
<b>Section 5: Budgeted financial statements</b>	The agency's budgeted financial statements in accrual format, covering the Budget year, the preceding year and three out-years.
<b>Glossary</b>	Explains key terms.
<b>Index</b>	Alphabetical guide to the PB Statements.

## PB STATEMENTS AND BUDGET PAPERS

Comprehensive information on all Government decisions announced in the Budget are in Budget Paper No. 2, *Budget Measures 2006-07*. The PB Statements include Budget appropriations for this Budget in each agency's Table 2.2, 2006-07 Budget Measures.

The following chart shows the parts of PB Statements which relate to specific Budget papers.

Budget Paper	PB Statements
<b>Budget Paper No. 1: Budget Strategy and Outlook</b>	
<b>Statement 1: Fiscal Strategy and Budget Priorities</b> Overview of the fiscal and economic outlook	Human Services structure (Agency) Overview (Agency) Resources for 2006-07
<b>Statement 2: Fiscal Outlook</b> Budget aggregates and variations to the fiscal balance estimates	(Agency) Resources for 2006-07
<b>Statement 10: AAS Financial Statements</b> Accrual financial statements for the general government sector	(Agency) Budgeted financial statements
<b>Budget Paper No. 2: Budget Measures</b>	
Budget revenue, expense and capital measures	(Agency) Resources for 2006-07
<b>Budget Paper No. 3: Federal Financial Relations</b>	
Information on the Australian Government's relations with States, Territories and local government, in particular, Specific Purpose Payments (SPPs)	(Agency) Resources for 2006-07 (Agency) Outcomes
<b>Budget Paper No. 4: Agency Resourcing</b>	
Resourcing for Australian Government agencies, including Appropriation Bills	(Agency) Resources for 2006-07

## Departmental and Administered items

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies decide (departmental transactions) are separately budgeted for and reported on from transactions agencies make on behalf of others (administered transactions). This ensures that the transactions decided by agencies are reported separately from other transactions in their accounts.

### Departmental items

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

### Administered items

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

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## Appropriations in the accrual budgeting framework

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

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

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State Governments). The appropriation framework is discussed further in the introduction to Budget Paper No. 4, *Agency Resourcing 2006-07*.

## **Components of agency financial statements**

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

The budgeted financial statements contain the estimates prepared in accordance with the requirements of the Government's financial budgeting and reporting framework, including the principles of the Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration. They show the planned financial performance for the 2006-07 Budget year and each of the forward years from 2007-08 to 2009-10. The statements also include the estimated actual for 2005-06 for comparative purposes.

*User Guide*

The schedules included in the budgeted financial statements for 2006-07 are as follows.

<b>Schedule</b>	<b>Purpose</b>
<b>Budgeted departmental income statement</b>	Shows the expected financial results for the agency. Identifies full accrual expenses and revenues, which highlights whether the agency is operating at a sustainable level.
<b>Budgeted departmental balance sheet</b>	The financial position of the agency. It helps decision makers to track the management of assets and liabilities.
<b>Budgeted departmental statement of cash flows</b>	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.
<b>Budgeted departmental statement of changes in equity — summary of movement</b>	This is a new statement for Portfolio Budget Statements that represents the movement of parent entity (the Commonwealth) interest in the agency. The statement has been prepared to reflect the net operating result, movements of capital return and additional capital injections from the Commonwealth.
<b>Departmental capital budget statement</b>	Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.
<b>Departmental property, plant, equipment and intangibles — summary of movement</b>	Shows budgeted acquisitions and disposals of non financial assets during the Budget year.
<b>Schedule of budgeted income and expenses administered on behalf of government</b>	Identifies the main revenues and expenses administered on behalf of government.
<b>Schedule of budgeted assets and liabilities administered on behalf of government</b>	Shows the assets and liabilities administered on behalf of government.
<b>Schedule of budgeted administered cash flows</b>	Shows cash flows administered on behalf of government.
<b>Schedule of administered capital budget</b>	Shows details of planned administered capital expenditure.
<b>Schedule of administered property, plant, equipment and intangibles — summary of movement</b>	Discloses details of movements in administered non financial assets.

## Abbreviations and conventions

The following notation may be used:

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

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

## Enquiries

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

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





# **HUMAN SERVICES OVERVIEW**



# OVERVIEW OF HUMAN SERVICES

## HUMAN SERVICES RESPONSIBILITIES

The Department of Human Services (Finance and Administration Portfolio) was established on 26 October 2004 to improve the development, delivery and coordination of Government services. The department is responsible for ensuring the Government is able to get best value for money in service delivery while emphasising continuous service improvement and a whole of government approach.

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

## HUMAN SERVICES AGENCIES

Human Services comprises the following General Government Sector entities and Non-Government Sector Entities:

### *General Government Sector Entities*

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

### *Non-Government Sector Entities (Public Non-Financial Corporations)*

- **Australian Hearing** is one of the largest hearing service providers in the world and is dedicated to helping people manage their hearing impairment so they have a

## *Overview*

better quality of life. Australian Hearing provides a full range of hearing services for children and young people up to the age of 21, eligible adults and aged pensioners, and most war veterans.

- **Health Services Australia** is a government business enterprise established in 1997 focusing primarily on occupational health and safety and medical assessments.

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

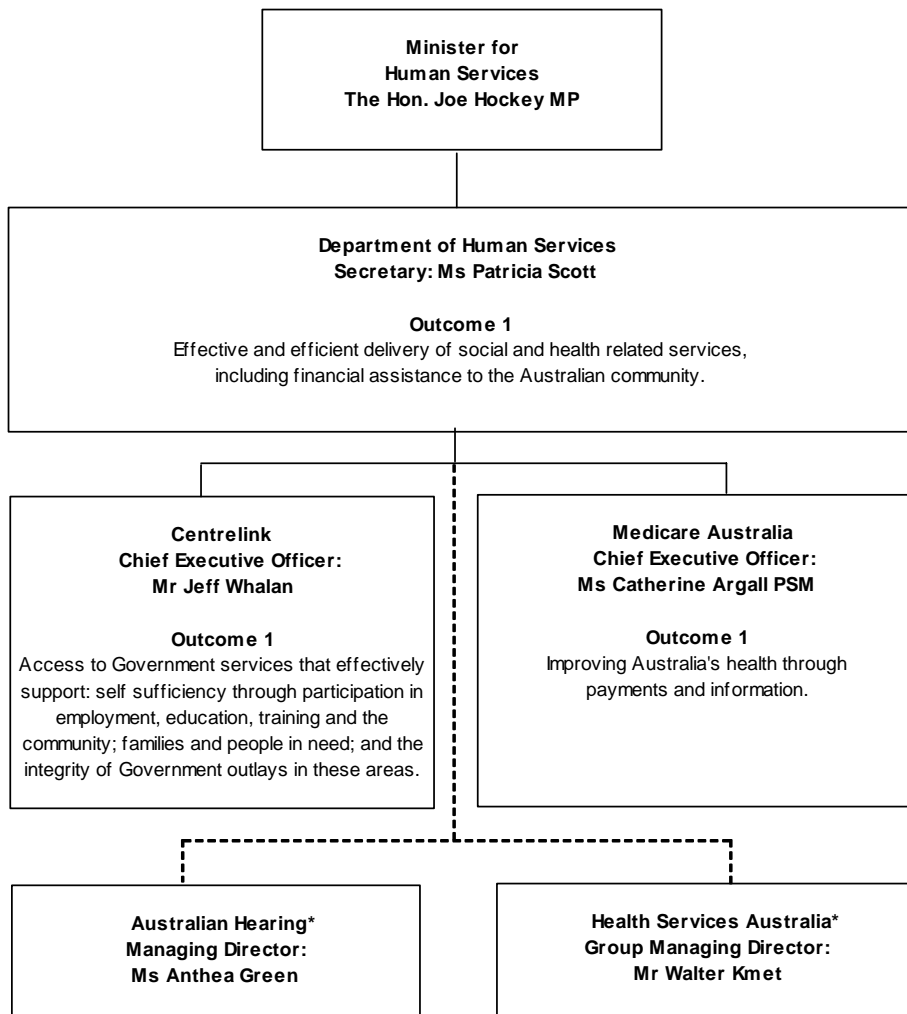
More comprehensive information on activities undertaken within the Department of Human Services and its agencies is available on the following web site.

<http://www.humanservices.gov.au>

## APPROPRIATIONS AND VARIATIONS

There have been no changes to the structure of the Department of Human Services and its agencies since the publication of the 2005-06 Portfolio Additional Estimates Statements in February 2006.

**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.

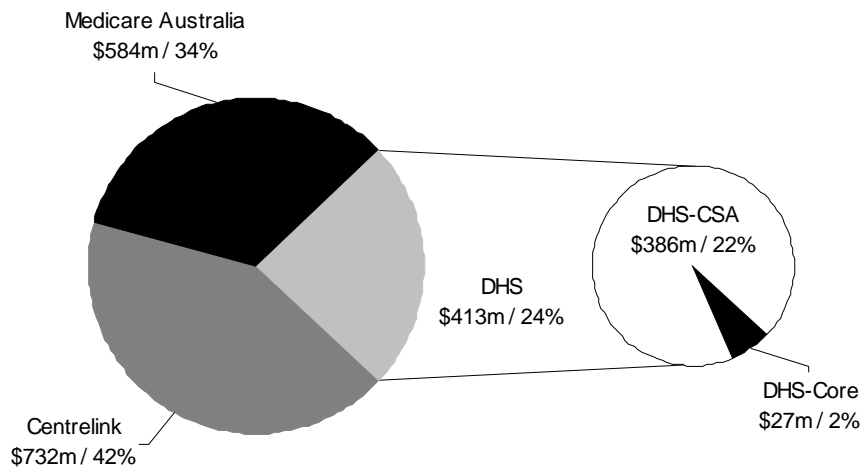
Overview

Funds appropriated to the Department of Human Services and its agencies in 2006-07 total \$1.927 billion, comprising both departmental and administered appropriations (including capital and special appropriations). This compares with appropriated funding of \$0.968 billion in 2005-06.

The significant increase is predominantly due to changes to Centrelink's funding arrangements. From 2006-07 Centrelink will receive direct funding for infrastructure costs through Departmental Appropriation Bill No. 1 rather than from policy departments.

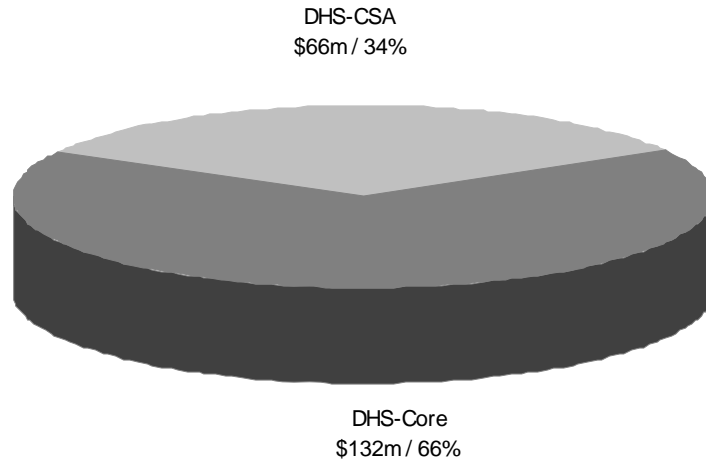
Departmental appropriations (including capital appropriations) for agencies within the Department of Human Services in 2006-07 total \$1.729 billion. Figure 2 compares the allocation of these resources across the Department of Human Services agencies.

**Figure 2: Departmental appropriations for agencies in the portfolio, 2006-07**



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

**Figure 3: Administered appropriations for agencies in the portfolio**



Administered appropriations for Department of Human Services agencies in 2006-07 total \$197.6 million. The majority of the funds are managed by the Core Department for the Job Capacity Assessment program. The remaining funds are for the Child Support Agency.

## AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Table 1 provides details of Australian Government Indigenous Expenditure for 2006-07.

**Table 1: Australian Government Indigenous Expenditure — portfolio level**

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)
	Bill No. 1 \$'000 (A)	Bill No. 2 \$'000 (B)	Special Approp \$'000 (C)	Total Approp \$'000 (D)		
<b>Outcome 1</b>						
<b>Centrelink</b>						
Administered 2006-07	-	-	-	-	-	-
<i>Administered 2005-06</i>	-	-	-	-	-	-
Departmental 2006-07	-	-	-	-	57,232	57,232
<i>Departmental 2005-06</i>	-	-	-	-	56,677	56,677
Total Outcome 2006-07	-	-	-	-	57,232	57,232
<i>Total Outcome 2005-06</i>	-	-	-	-	56,677	56,677
<b>Outcome 1</b>						
<b>Medicare Australia</b>						
Administered 2006-07	-	-	-	-	-	-
<i>Administered 2005-06</i>	-	-	-	-	-	-
Departmental 2006-07	-	-	-	-	1,552	1,552
<i>Departmental 2005-06</i>	-	-	-	-	3,372	3,372
Total Outcome 2006-07	-	-	-	-	1,552	1,552
<i>Total Outcome 2005-06</i>	-	-	-	-	3,372	3,372
Total Administered 2006-07	-	-	-	-	-	-
<i>Total Administered 2005-06</i>	-	-	-	-	-	-
Total Departmental 2006-07	-	-	-	-	58,784	58,784
<i>Total Departmental 2005-06</i>	-	-	-	-	60,049	60,049
<b>Total AGIE 2006-07</b>	-	-	-	-	<b>58,784</b>	<b>58,784</b>
<i>Total AGIE 2005-06</i>	-	-	-	-	<i>60,049</i>	<i>60,049</i>



# AGENCY BUDGET STATEMENTS

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# DEPARTMENT OF HUMAN SERVICES

(INCLUDING CHILD SUPPORT AGENCY AND CRS AUSTRALIA)

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# DEPARTMENT OF HUMAN SERVICES

## Section 1: Overview

### **Core Department**

The Department of Human Services was established to improve the development, delivery and coordination 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 \$2.6 billion between parents for the benefit of 1.1 million children in 2006-07. Prior to the creation of the Department of Human Services, budget estimates relating to the Child Support Agency were reported under outcome 1, output 1.3 of the then Department of Family and Community Services.

### **CRS Australia**

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

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

In 2006-07 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 (FaCSIA) and rehabilitation and injury prevention services to a range of workers' compensation insurers.

**Table 1.1: Agency outcomes and output groups**

<b>Outcome</b>	<b>Description</b>	<b>Output groups</b>
<b>Outcome 1</b>		
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 <b>Core Department</b> 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 <b>Child Support Agency</b> 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 <b>CRS Australia</b> Delivery of vocational rehabilitation services to eligible people who have an injury, disability or health condition

## Section 2: Resources for 2006-07

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for the department in the 2006-07 Budget (including capital and special appropriation) is \$610.9 million. While appropriations are provided directly to the Core Department and CSA, CRS Australia is a business operation and as such does not receive direct appropriations.

**Table 2.1: Appropriations and other resources 2006-07 ('000)**

<b>Department of Human Services</b>										
Agency Resourcing—2006-2007										
Agency/Outcome/ Non-operating	Departmental				Administered					Total
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 SPPs \$'000	Other (b) \$'000	Special Appropriation \$'000	Receipts (a) \$'000	
Outcome 1	404,716	-	-	234,011	135,249	-	-	62,335	908,980	1,745,291
Equity injections	8,612	-	-	-	-	-	-	-	-	8,612
Loans	-	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-	-	-
Special capital	-	-	-	-	-	-	-	-	-	-
Appropriation	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>413,328</b>	<b>-</b>	<b>-</b>	<b>234,011</b>	<b>135,249</b>	<b>-</b>	<b>-</b>	<b>62,335</b>	<b>908,980</b>	<b>1,753,903</b>

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

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

2. Refer to Budgeted Income Statement for application of agency revenue.



**Table 2.1.1: Supplementary Table - Appropriations and other resources 2006-07 by Output ('000)**

**Supplementary Table**  
Agency Resourcing—2006-2007

Agency/Outcome/ Non-operating	Departmental				Administered					Total
	Appropriation	Appropriation	Special	Receipts	Appropriation	Appropriation Bill No. 2	Special	Receipts	Total	
	Bill No. 1 \$'000	Bill No. 2 \$'000	Appropriation \$'000	(a) \$'000	Bill No. 1 \$'000	SPPs \$'000	Other (b) \$'000	Appropriation \$'000		
<b>Core Department</b>										
Outcome 1	26,398	-	-	84	131,382	-	-	-	15,430	173,294
Equity injections	525	-	-	-	-	-	-	-	-	525
	<b>26,923</b>	-	-	<b>84</b>	<b>131,382</b>	-	-	-	<b>15,430</b>	<b>173,819</b>
<b>Child Support Agency</b>										
Outcome 1	378,318	-	-	1,407	3,867	-	-	62,335	893,550	1,339,477
Equity injections	8,087	-	-	-	-	-	-	-	-	8,087
	<b>386,405</b>	-	-	<b>1,407</b>	<b>3,867</b>	-	-	<b>62,335</b>	<b>893,550</b>	<b>1,347,564</b>
<b>CRS Australia</b>										
Outcome 1	-	-	-	232,520	-	-	-	-	-	232,520
Equity injections	-	-	-	-	-	-	-	-	-	-
	-	-	-	<b>232,520</b>	-	-	-	-	-	<b>232,520</b>
<b>TOTAL</b>	<b>413,328</b>	-	-	<b>234,011</b>	<b>135,249</b>	-	-	<b>62,335</b>	<b>908,980</b>	<b>1,753,903</b>

## 2.2 2006-07 BUDGET MEASURES

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

**Table 2.2 Department of Human Services measures**

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
<b>Expense Measures - Outcome 1</b>														
<b>Department of Human Services</b>														
Health and social services access card - introduction	1	1	-	13,578	13,578	-	55,560	55,560	-	55,021	55,021	-	51,651	51,651
Child Support Reforms - a new formula <sup>1</sup>	1	2	-	7,122	7,122	-	63,190	63,190	-	59,254	59,254	-	29,111	29,111
Child Support Reforms - improving compliance <sup>1</sup>	1	2	-	29,962	29,962	-	52,886	52,886	-	39,107	39,107	-	39,528	39,528
Child Support Reforms - aligning income definitions <sup>1</sup>	1	2	-	-	-	-	394	394	-	408	408	-	422	422
Child Support Reforms - external review <sup>1</sup>	1	2	-	1,281	1,281	-	939	939	-	2,385	2,385	-	1,215	1,215
Child Support Reforms - changes to Family Tax Benefit maintenance arrangements <sup>1</sup>	1	2	-	378	378	-	809	809	-	440	440	-	702	702
Child Support Reforms - Family Relationship Centres <sup>1</sup>	1	2	-	216	216	-	(26)	(26)	-	(171)	(171)	-	(414)	(414)
Child Support Reforms - communication strategy <sup>1</sup>	1	1,2	-	4,170	4,170	-	17,721	17,721	-	151	151	-	-	-
National Emergency Call Centre - establishment	1	2	-	89	89	-	91	91	-	92	92	-	93	93
Fraud and Compliance - improving cross agency activities	1	2	-	257	257	-	101	101	-	93	93	-	84	84
Child Support Reforms - building a better Child Support Agency <sup>1</sup>	1	2	(2,068)	38,797	36,729	-	35,760	35,760	-	38,698	38,698	-	33,660	33,660
<b>Total Expense Measures</b>			<b>(2,068)</b>	<b>95,850</b>	<b>93,782</b>	<b>-</b>	<b>227,425</b>	<b>227,425</b>	<b>-</b>	<b>195,478</b>	<b>195,478</b>	<b>-</b>	<b>156,052</b>	<b>156,052</b>

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
<b>Capital Measures - Outcome 1</b>														
<b>Department of Human Services</b>														
Health and social services access card - introduction	1	1	-	525	525	-	-	-	-	-	-	-	105	105
Child Support Reforms - a new formula <sup>1</sup>	1	2	-	8,087	8,087	-	6,453	6,453	-	900	900	-	-	-
<b>Total Capital Measures</b>			-	<b>8,612</b>	<b>8,612</b>	-	<b>6,453</b>	<b>6,453</b>	-	<b>900</b>	<b>900</b>	-	<b>105</b>	<b>105</b>
<b>Total of All Measures</b>			<b>(2,068)</b>	<b>104,462</b>	<b>102,394</b>	-	<b>233,878</b>	<b>233,878</b>	-	<b>196,378</b>	<b>196,378</b>	-	<b>156,157</b>	<b>156,157</b>

<sup>1</sup> Measures previously disclosed in 2005-06 Portfolio Supplementary Additional Estimates Statement. The measures are included in this table for completeness.

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by the Department of Human Services for provision of goods or services. These resources are approved for use by the department and are included in Table 2.1.

The department collects a substantial amount of its departmental revenue from other sources. CRS Australia is fully funded via purchaser provider arrangements with both government and non-government entities. In 2006-07, CRS Australia will collect an estimated \$233 million in revenue.

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

**Table 2.3: Other resources available to be used<sup>1</sup>**

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Departmental resources</b>		
Core Department	84	84
Child Support Agency	291	1,407
CRS Australia	171,967	232,520
<b>Total departmental other resources available to be used</b>	<b>172,342</b>	<b>234,011</b>
<b>Administered other resources</b>		
Dividend - Health Services Australia and Australian Hearing	8,200	8,900
Competitive Neutrality - Australian Hearing	6,530	6,530
Interest - Medicare Australia	656	-
Child Support Agency	865,354	893,550
<b>Total administered other resources available to be used</b>	<b>880,740</b>	<b>908,980</b>

1. This table replaces the former table 'Receipts from Other sources'. It represents own source receipts available for spending on departmental purposes.

## 2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

This table is not included as the department did not have any movement of administered funds from 2005-06.

## 2.5 SPECIAL APPROPRIATIONS

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

**Table 2.5: Estimates of expenses from special appropriations**

		Estimated expenses 2005-06 \$'000	Budget estimate 2006-07 \$'000
	Outcome		
<b>Estimated expenses</b>			
Child Support (Registration and Collection) Act 1988			
Child Support s77 - Shortfalls in CSA Trust (A)	1	60,582	62,285
Child Support s78 - Unexplained Remittances (A)	1	50	50
<b>Total estimate expenses</b>		60,632	62,335

(A) = Administered

## 2.6 SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account.

The department administers a special account for the Child Support Agency Trust. Estimated balances, receipts and payments for 2006-07 are provided in the table below. Actual balances, receipts and payments for this special account will be disclosed in the department’s annual report.

**Table 2.6: Estimates of special account flows and balances**

		Opening balance <b>2006-07</b> 2005-06	Credits <b>2006-07</b> 2005-06	Debits <b>2006-07</b> 2005-06	Adjustments <b>2006-07</b> 2005-06	Closing balance <b>2006-07</b> 2005-06
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Trust -	1	37,661	894,400	891,316	-	40,745
Child Support Act 1988 (A)		34,731	869,958	867,028	-	37,661
<b>Total special accounts</b>						
<b>2006-07 Budget estimate</b>		<b>37,661</b>	<b>894,400</b>	<b>891,316</b>	<b>-</b>	<b>40,745</b>
Total special accounts						
2005-06 estimate actual		34,731	869,958	867,028	-	37,661

(A) = Administered

## 2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

Table 2.7 provides details of departmental equity injections. The department does not have an appropriation for administered capital or loans.

**Table 2.7: Departmental equity injections**

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
<b>Item</b>					
Health and social services access card - introduction	-	525	-	-	105
Child Support Reforms - a new formula	-	8,087	6,453	900	-
<b>Total</b>	-	<b>8,612</b>	<b>6,453</b>	<b>900</b>	<b>105</b>

## **Section 3: Outcomes**

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programmes on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for the Department of Human Services, CSA and CRS Australia.

Each agency will publish an expanded description of the strategy contained in the agency overview, relating resources to outcomes, administered items and outputs, as well as key performance information such as targets/indicators.

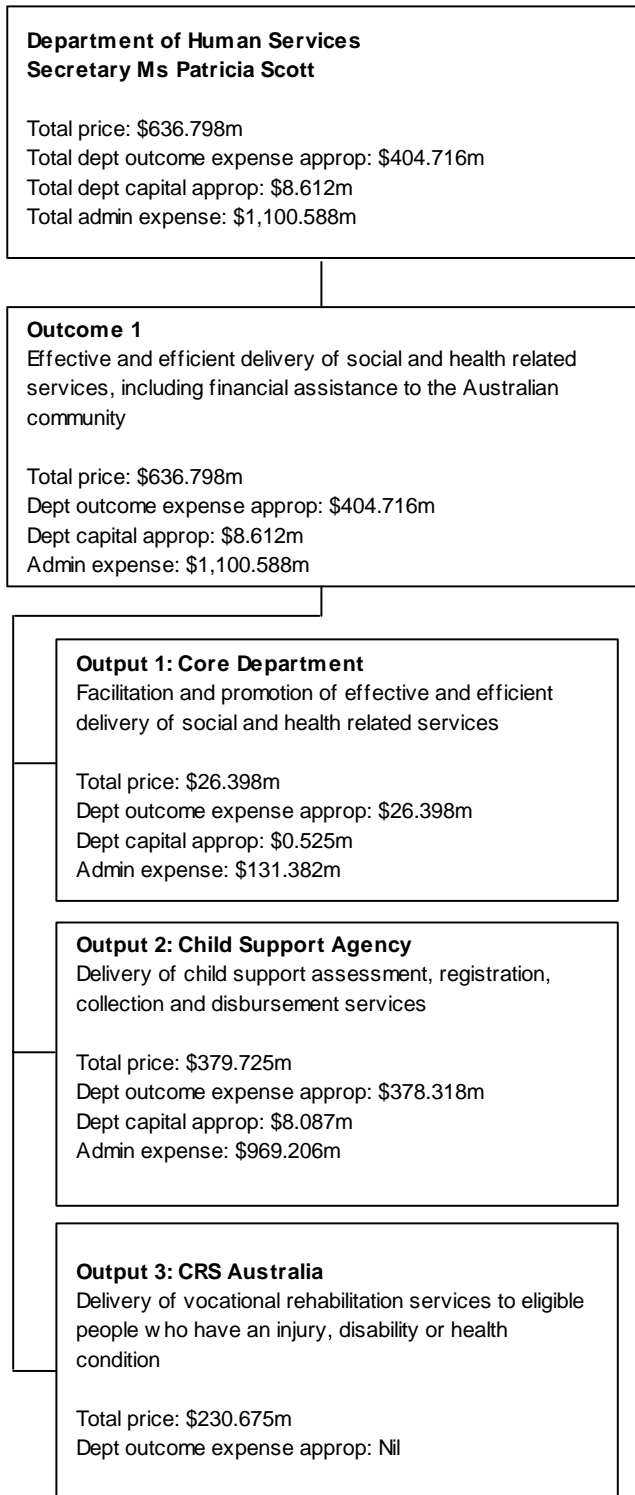
### **3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES**

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

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



**Figure 4: Contributions to outcomes**



### 3.2 OUTCOMES — DEPARTMENTAL AND ADMINISTERED

#### Departmental appropriations by outcome

The department has one outcome and three outputs as shown in Figure 4 on the previous page. Figure 5 shows departmental appropriations by output for 2005-06. The total departmental appropriation (including capital appropriation) for DHS Outcome 1 is \$413.3 million.

**Figure 5: Departmental appropriations by outcome, 2006-07**

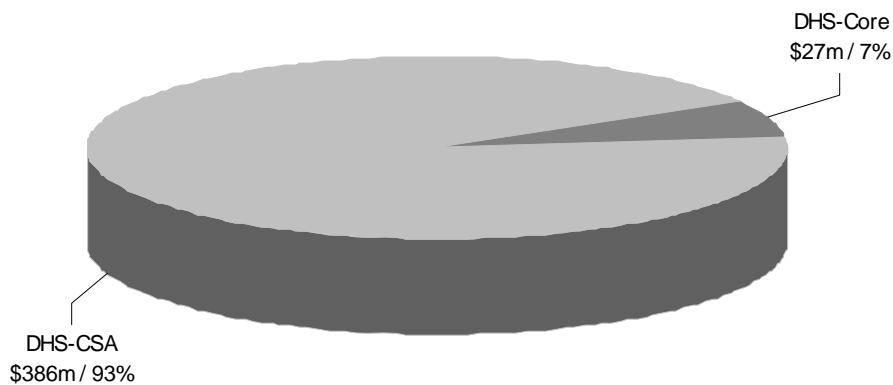


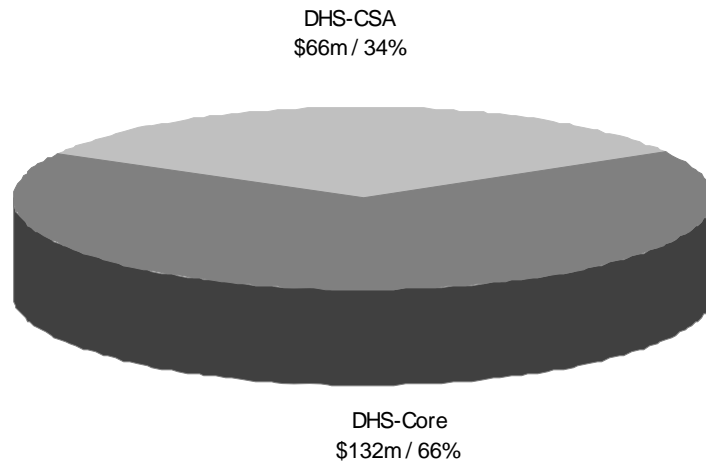
Figure 5 illustrates the appropriation funding and outputs. The Core Department receives approximately 7% of the departmental appropriations provided to the Core Department, while CSA receives approximately 93% of available departmental appropriations. Both the Core Department and CSA are appropriation funded. CRS Australia is not represented in this Figure as CRS Australia does not receive a direct appropriation.

#### Administered appropriations by outcome

The total administered appropriation for DHS Outcome 1 is \$197.6 million (including special appropriations). The Core Department receives approximately 66% of the administered appropriations provided to the department, while CSA receives approximately 34% of available administered appropriations.

The Core Department receives an administered appropriation for the Job Capacity Assessment program. CSA's administered appropriations are in relation to Support for Unemployed Payers and Recovery Revenue.

**Figure 6: Administered appropriations by outcome, 2006-07**



### 3.3 OUTCOMES AND PERFORMANCE

#### Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Administered appropriations</b>		
Core Department Annual Appropriation Bill 1	-	131,382
Child Support Agency Annual Appropriation Bill 1	3,832	3,867
Child Support (Registration and Collection) Act 1988		
Child Support s77 - Shortfalls in CSA Trust	60,582	62,285
Child Support s78 - Unexplained Remittances	50	50
<b>Total administered appropriations</b>	<b>64,464</b>	<b>197,584</b>
<b>from Special Accounts (estimated payments from Special Account balances)<sup>2</sup></b>		
Child Support Agency Trust	867,028	891,316
<b>Total Special Account outflows</b>	<b>867,028</b>	<b>891,316</b>
<b>Departmental appropriations</b>		
Output 1 - Core Department	22,694	26,398
<b>Subtotal Output 1</b>	<b>22,694</b>	<b>26,398</b>
<b>Departmental appropriations</b>		
Output 2 - Child Support Agency	295,770	378,318
<b>Subtotal Output 2</b>	<b>295,770</b>	<b>378,318</b>
<b>Departmental appropriations</b>		
Output 3 - CRS Australia	-	-
<b>Subtotal Output 3</b>	<b>-</b>	<b>-</b>
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>318,464</b>	<b>404,716</b>
<b>Other resources available to be used</b>		
Output 2 - Child Support Agency	291	1,407
Output 3 - CRS Australia	171,967	233,181
<b>Total revenue from other sources</b>	<b>172,258</b>	<b>234,588</b>
<b>Total resources</b>		
(Total revenue from government and from other sources)	<b>490,722</b>	<b>639,304</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>555,186</b>	<b>836,888</b>
	2005-06	2006-07
Core Department	80	107
Child Support Agency	3,125	3,795
CRS Australia	1,610	1,915
<b>Average staffing level (number)</b>	<b>4,815</b>	<b>5,817</b>

## Performance information for Outcome 1

Performance information for administered items, individual outputs and output groups relating to the Department of Human Services, CSA and CRS Australia are summarised in Table 3.2.

**Table 3.2: Performance information for Outcome 1**

Output	Performance information
<b>Output 1</b>	
Core Department	<p><b>Quality</b> 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><b>Quantity</b> 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><b>Price</b> The price of the Core Department's outputs in 2006-07 is \$26.398 million.</p>
<b>Output 2</b>	
Child Support Agency	<p><b>Cost</b> Cost per case (estimate: \$365) Cost per dollar transferred (estimate: 11 cents)</p> <p><b>Effectiveness (Adequacy)</b> Total amount of child support transferred between parents (estimate \$2.6 billion)</p> <p><b>Effectiveness (Independence)</b> 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)</p> <p><b>Price</b> The price of CSA's outputs in 2006-07 is \$379.725 million.</p>
<b>Output 3</b>	
CRS Australia	<p><b>Quality</b> Certification against Disability Services Standards.</p> <p><b>Quantity</b> * Number of new clients assisted on a rehabilitation program. * Number of rehabilitation clients achieving durable employment outcomes.</p> <p><b>Effectiveness and Efficiency</b> * 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.</p> <p><b>Price</b> The price of CRS's outputs in 2006-07 is \$230.675 million.</p>

**Evaluations for Outcome 1**

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

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

## Section 4: Other reporting requirements

### **4.1 PURCHASER-PROVIDER ARRANGEMENTS**

Agencies may need to provide resources to other General Government Sector (GGS) bodies, for example in payment for services rendered or as part of cross agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not equal total resourcing at the whole of government level (as reproduced in Budget Paper No. 1).

This section summarises significant transactions between GGS agencies that are not consolidated or reported at the whole of government level.

Contractual arrangements are specified in a Memorandum of Understanding between CRS Australia and the Department of Employment and Workplace Relations (DEWR). CRS Australia reports monthly on programme performance to DEWR.

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

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

#### **Cross agency overview**

CRS Australia has a Memorandum of Understanding (MOU) with DEWR for the provision of vocational rehabilitation programs for people with disabilities under Part III of the Disability Services Act 1986.

CRS Australia has a Memorandum of Understanding (MOU) with DEST to deliver approximately 13,700 career planning places during 2006-07 across Australia.

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

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

## **4.2 COST RECOVERY ARRANGEMENTS**

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

## **4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

Please refer to the Portfolio Overview, Table 1: Australian Government Indigenous Expenditure for a summary of expenditure.



## **Section 5: Budgeted financial statements**

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

To provide additional disclosure, separate agency budget information for the Core Department, CSA and CRS is provided from Tables 5.12 to 5.35.

### **ANALYSIS OF FINANCIAL STATEMENTS**

#### **Departmental**

##### **Budgeted Departmental Income Statement**

The Department of Human Services is budgeting for an operating surplus of \$2.5 million for 2006-07, compared to an estimated operating surplus of \$6.6 million for 2005-06. The 2006-07 operating surplus is associated with surpluses generated by CRS Australia, whilst the 2005-06 operating surplus is from CRS Australia (\$1.6 million) and the Child Support Agency (\$5.0 million).

The total revenue for 2006-07 for the department is estimated to be \$639.3 million, of which \$404.7 million is from appropriation and \$234.6 million is from independent sources, predominantly from CRS Australia's business operations. Total revenue has increased by \$148.6 million from the 2005-06 estimated actual. The increase is principally due to additional appropriations for new measures, including "Child Support Reforms" and the "Health and social services access card – introduction". For a breakdown of measures, please refer to Table 2.2: Summary of Measures.

The Core Department will receive appropriation revenue of \$26.4 million (2005-06: \$22.7 million) and the Child Support Agency will receive \$378.3 million (2005-06: \$295.8 million). CRS Australia will receive revenue from the sale of goods and services of approximately \$232.7 million (2005-06: \$171.5 million).

Total expenses for 2006-07 are expected to be \$635.5 million (excluding income tax). Total expenses has increased by \$152.6 million from the 2005-006 estimated actual and represents the additional expenses to be incurred to deliver outputs related to new measures.

##### **Budgeted Departmental Balance Sheet**

The statement shows the estimated end of year position of the department.

The department's estimated equity position as at 30 June 2007 is expected to increase on 30 June 2006 due to the receipt of equity injections to the Core Department (\$0.5 million) and the Child Support Agency (\$8.1 million) for capital expenditure related to new budget measures, and the expected operating surplus for CRS Australia.

Some movements are expected in the following areas:

Total financial assets – increased marginally from \$96.1 million in 2005-06 to \$103.2 million in 2006-07. The majority of the increase is in receivables related to CRS operations.

Total non-financial assets - increased from \$63.2 million in 2005-06 to \$79.6 million in 2006-07. The increase is mainly due to increased capital spend on intangibles.

Provisions - increased from \$80.7 million in 2005-06 to \$88.8 million in 2006-07. The majority of the increase is related to employee provisions for CRS and CSA and relate to increased staffing as a result of CRS operations and new CSA measures.

## **Administered**

### **Schedule of budgeted income and expenses administered on behalf of government**

The schedule shows the estimated revenues and expenses for the programmes the department administers on the behalf of the Government.

Total administered revenue budgeted for 2006-07 is \$998.7 million, consisting of \$55.7 million from Child Support penalties, \$8.8 million in dividends from Health Services Australia and Australian Hearing Services, \$6.5 million in competitive neutrality payments from Australian Hearing, and \$927.9 million from Child Support receipts.

Administered expenses for 2006-07 is estimated to be \$1,100.6 million. The movement between financial years is predominantly due to changes in Child Support payments and commencement of administered payments associated with the Job Capacity Assessment program.

### **Schedule of budgeted assets and liabilities administered on behalf of government**

The schedule shows the estimated assets and liabilities the department administers on behalf of the Government.

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

## BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	318,464	404,716	535,198	508,231	474,839
Goods and services	171,837	234,088	256,755	232,566	238,831
Other	421	500	500	500	500
<b>Total revenue</b>	<b>490,722</b>	<b>639,304</b>	<b>792,453</b>	<b>741,297</b>	<b>714,170</b>
<b>Gains</b>					
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>490,722</b>	<b>639,304</b>	<b>792,453</b>	<b>741,297</b>	<b>714,170</b>
<b>EXPENSE</b>					
Employees	312,951	389,583	450,782	436,743	419,982
Suppliers	156,744	228,370	316,857	281,408	270,445
Depreciation and amortisation	13,211	17,530	20,584	20,819	21,261
Write-down of assets and impairment of assets	54	55	57	58	58
Net losses from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>482,960</b>	<b>635,538</b>	<b>788,280</b>	<b>739,028</b>	<b>711,746</b>
<b>Operating result from continuing operations</b>	<b>7,762</b>	<b>3,766</b>	<b>4,173</b>	<b>2,269</b>	<b>2,424</b>
Income Tax Expense	1,200	1,260	1,323	1,389	1,458
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>6,562</b>	<b>2,506</b>	<b>2,850</b>	<b>880</b>	<b>966</b>

**Table 5.2: Budgeted departmental balance sheet as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	14,468	14,255	15,887	14,175	14,674
Receivables	81,022	87,690	106,904	112,317	123,795
Accrued revenues	639	1,300	1,300	1,300	1,300
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>96,129</b>	<b>103,245</b>	<b>124,091</b>	<b>127,792</b>	<b>139,769</b>
<b>Non-financial assets</b>					
Land and buildings	31,390	36,129	30,270	24,161	19,656
Infrastructure, plant and equipment	5,109	4,056	2,422	7,963	5,030
Intangibles	23,562	36,713	40,987	39,897	39,815
Other	3,151	2,666	2,664	2,665	2,665
<b>Total non-financial assets</b>	<b>63,212</b>	<b>79,564</b>	<b>76,343</b>	<b>74,686</b>	<b>67,166</b>
<b>Total assets</b>	<b>159,341</b>	<b>182,809</b>	<b>200,434</b>	<b>202,478</b>	<b>206,935</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	68,745	78,139	87,127	90,316	94,916
Other	11,928	10,683	9,394	8,249	7,104
<b>Total provisions</b>	<b>80,673</b>	<b>88,822</b>	<b>96,521</b>	<b>98,565</b>	<b>102,020</b>
<b>Payables</b>					
Suppliers	18,718	22,674	23,180	21,369	21,897
Other	2,648	2,751	2,858	2,970	2,363
<b>Total payables</b>	<b>21,366</b>	<b>25,425</b>	<b>26,038</b>	<b>24,339</b>	<b>24,260</b>
<b>Tax liabilities</b>					
Tax liabilities equivalent	255	397	407	326	336
<b>Total Tax liabilities</b>	<b>255</b>	<b>397</b>	<b>407</b>	<b>326</b>	<b>336</b>
<b>Total liabilities</b>	<b>102,294</b>	<b>114,644</b>	<b>122,966</b>	<b>123,230</b>	<b>126,616</b>
<b>EQUITY*</b>					
Contributed equity	47,819	56,431	62,884	63,784	63,889
Reserves	785	785	785	785	785
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	8,443	10,949	13,799	14,679	15,645
<b>Total equity</b>	<b>57,047</b>	<b>68,165</b>	<b>77,468</b>	<b>79,248</b>	<b>80,319</b>
<b>Current assets</b>	<b>99,280</b>	<b>105,911</b>	<b>126,755</b>	<b>130,457</b>	<b>142,434</b>
<b>Non-current assets</b>	<b>60,061</b>	<b>76,898</b>	<b>73,679</b>	<b>72,021</b>	<b>64,501</b>
<b>Current liabilities</b>	<b>52,565</b>	<b>61,073</b>	<b>65,778</b>	<b>64,970</b>	<b>67,421</b>
<b>Non-current liabilities</b>	<b>49,729</b>	<b>53,571</b>	<b>57,188</b>	<b>58,260</b>	<b>59,195</b>

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

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	171,837	233,427	256,755	232,566	238,831
Appropriations	307,935	400,647	523,192	498,181	467,327
GST input credit receipts	572	1,345	1,302	539	311
GST receipts from customers	4,632	6,265	6,880	6,253	6,435
Cash from the OPA	-	778	-	2,937	-
Lease incentive	-	-	-	-	-
Other	9,195	9,806	10,050	10,373	10,636
<b>Total cash received</b>	<b>494,171</b>	<b>652,268</b>	<b>798,179</b>	<b>750,849</b>	<b>723,540</b>
<b>Cash used</b>					
Employees	308,105	380,948	442,112	434,445	416,781
Suppliers	154,736	228,859	316,438	285,753	261,963
Competitive neutrality payments	-	-	-	-	-
Cash to the OPA	1,400	-	9,351	-	5,233
Net GST paid to ATO	5,204	7,610	8,182	6,792	6,746
Other	8,822	9,306	9,550	9,873	10,136
<b>Total cash used</b>	<b>478,267</b>	<b>626,723</b>	<b>785,633</b>	<b>736,863</b>	<b>700,859</b>
<b>Net cash from or (used by) operating activities</b>	<b>15,904</b>	<b>25,545</b>	<b>12,546</b>	<b>13,986</b>	<b>22,681</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	441	-	-	-	-
<b>Total cash received</b>	<b>441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	17,114	34,370	17,367	16,598	21,563
Other	-	-	-	-	724
<b>Total cash used</b>	<b>17,114</b>	<b>34,370</b>	<b>17,367</b>	<b>16,598</b>	<b>22,287</b>
<b>Net cash from or (used by) investing activities</b>	<b>(16,673)</b>	<b>(34,370)</b>	<b>(17,367)</b>	<b>(16,598)</b>	<b>(22,287)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	8,612	6,453	900	105
<b>Total cash received</b>	<b>-</b>	<b>8,612</b>	<b>6,453</b>	<b>900</b>	<b>105</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>8,612</b>	<b>6,453</b>	<b>900</b>	<b>105</b>
<b>Net increase or (decrease) in cash held</b>	<b>(769)</b>	<b>(213)</b>	<b>1,632</b>	<b>(1,712)</b>	<b>499</b>
Cash at the beginning of the reporting period	15,237	14,468	14,255	15,887	14,175
<b>Cash at the end of the reporting period</b>	<b>14,468</b>	<b>14,255</b>	<b>15,887</b>	<b>14,175</b>	<b>14,674</b>

**Table 5.4: 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	<b>Total equity \$'000</b>
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	8,443	785	-	47,819	<b>57,047</b>
<b>Adjusted opening balance</b>	<b>8,443</b>	<b>785</b>	-	<b>47,819</b>	<b>57,047</b>
<b>Income and expense</b>					
Net operating result	2,506	-	-	-	<b>2,506</b>
<b>Total income and expenses recognised directly in equity</b>	<b>2,506</b>	-	-	-	<b>2,506</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	8,612	<b>8,612</b>
<b>Sub-total transactions with owners</b>	-	-	-	<b>8,612</b>	<b>8,612</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>10,949</b>	<b>785</b>	-	<b>56,431</b>	<b>68,165</b>

**Table 5.5: Departmental capital budget statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	8,612	6,453	900	105
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	<b>-</b>	<b>8,612</b>	<b>6,453</b>	<b>900</b>	<b>105</b>
<b>Represented by:</b>					
Purchase of non-financial assets	-	8,612	6,453	900	105
Other	-	-	-	-	-
<b>Total represented by</b>	<b>-</b>	<b>8,612</b>	<b>6,453</b>	<b>900</b>	<b>105</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	8,612	6,453	900	105
Funded internally by					
Departmental resources	17,114	25,758	10,914	15,698	21,458
<b>Total</b>	<b>17,114</b>	<b>34,370</b>	<b>17,367</b>	<b>16,598</b>	<b>21,563</b>

**Table 5.6: Departmental property, plants, 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
<b>As at 1 July 2006</b>					
Gross book value	558	43,122	13,095	31,953	88,728
Accumulated depreciation	-	12,289	7,986	8,391	28,666
<b>Opening net book value</b>	<b>558</b>	<b>30,833</b>	<b>5,109</b>	<b>23,562</b>	<b>60,062</b>
Additions:					
by purchase	-	11,848	2,559	19,959	34,366
Depreciation/amortisation expense	-	7,110	3,612	6,808	17,530
Disposals:					
Gross value	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
<b>As at 30 June 2007</b>					
Gross book value	558	54,970	15,654	51,912	123,094
Accumulated depreciation	-	19,399	11,598	15,199	46,196
<b>Estimated closing net book value</b>	<b>558</b>	<b>35,571</b>	<b>4,056</b>	<b>36,713</b>	<b>76,898</b>



**Table 5.7: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Other taxes, fees and fines	54,135	55,657	57,092	58,515	59,928
<b>Total taxation</b>	<b>54,135</b>	<b>55,657</b>	<b>57,092</b>	<b>58,515</b>	<b>59,928</b>
<b>Non-taxation</b>					
Interest (from related entities)	656	-	-	-	-
Dividends (from related entities)	8,300	8,800	8,300	8,300	8,300
Other sources of non-taxation revenues	1,086,719	934,220	958,160	981,872	1,005,434
<b>Total non-taxation</b>	<b>1,095,675</b>	<b>943,020</b>	<b>966,460</b>	<b>990,172</b>	<b>1,013,734</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,149,810</b>	<b>998,677</b>	<b>1,023,552</b>	<b>1,048,687</b>	<b>1,073,662</b>
<b>Total income administered on behalf of Government</b>	<b>1,149,810</b>	<b>998,677</b>	<b>1,023,552</b>	<b>1,048,687</b>	<b>1,073,662</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers (external)	-	131,382	134,676	127,154	127,154
Personal benefits	800	750	-	-	-
Write down and impairment of assets	51,496	59,012	60,535	62,043	63,541
Child support payments	975,270	909,444	932,912	956,157	979,254
Other expenses	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>1,027,566</b>	<b>1,100,588</b>	<b>1,128,123</b>	<b>1,145,354</b>	<b>1,169,949</b>

**Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash	17	20	20	20	20
Receivables	569,360	600,048	631,931	664,300	697,450
Investments accounted for under the equity method	13,540	13,540	13,540	13,540	13,540
<b>Total financial assets</b>	<b>582,917</b>	<b>613,608</b>	<b>645,491</b>	<b>677,860</b>	<b>711,010</b>
<b>Non-Financial assets</b>					
<b>Total non-financial assets</b>	-	-	-	-	-
<b>Total assets administered on behalf of Government</b>	<b>582,917</b>	<b>613,608</b>	<b>645,491</b>	<b>677,860</b>	<b>711,010</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
<b>Total interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>					
<b>Total provisions</b>	-	-	-	-	-
<b>Payables</b>					
Suppliers	-	-	-	-	-
Grants and subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Accrued child support payments	454,874	473,752	493,118	512,966	533,292
Other payables	27,211	28,067	28,943	29,834	30,741
<b>Total payables</b>	<b>482,085</b>	<b>501,819</b>	<b>522,061</b>	<b>542,800</b>	<b>564,033</b>
<b>Total liabilities administered on behalf of Government</b>	<b>482,085</b>	<b>501,819</b>	<b>522,061</b>	<b>542,800</b>	<b>564,033</b>

**Table 5.9: Schedule of budgeted administered cash flows for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	3,789	3,896	3,996	4,096	4,195
GST input credit receipts	-	13,138	13,468	12,715	12,715
Child support receipts	865,354	889,654	912,608	935,349	957,945
Cash from the OPA	867,029	1,022,698	1,048,222	1,063,463	1,086,080
Interest	656	-	-	-	-
Dividends	8,200	8,900	8,000	8,300	8,300
Other	6,530	6,530	6,530	6,530	6,530
<b>Total cash received</b>	<b>1,751,558</b>	<b>1,944,816</b>	<b>1,992,824</b>	<b>2,030,453</b>	<b>2,075,765</b>
<b>Cash used</b>					
Suppliers	-	131,382	134,676	127,154	127,154
GST payment to suppliers	-	13,138	13,468	12,715	12,715
Personal benefits	800	750	-	-	-
Child support payments	865,404	889,713	912,670	935,418	958,020
Cash to the OPA	885,344	909,830	932,010	955,166	977,876
Other	-	-	-	-	-
<b>Total cash used</b>	<b>1,751,548</b>	<b>1,944,813</b>	<b>1,992,824</b>	<b>2,030,453</b>	<b>2,075,765</b>
<b>Net cash from or (used by) operating activities</b>	<b>10</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>10</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	7	17	20	20	20
<b>Cash at end of reporting period</b>	<b>17</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**Table 5.10: Schedule of administered capital budget**

This table is not included as the Department will not receive any administered capital appropriations in 2006-07.

**Table 5.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)**

This table is not included as the Department does not manage any administered property, plant, equipment and intangibles.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

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

- Australian Equivalents to International Financial Reporting Standards (AEIFRS)
- the Finance Minister's Orders;
- authoritative pronouncements of the Australian Accounting Standards Boards; and
- the Consensus Views of the Urgent Issues Group.

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.

### **Departmental and Administered items**

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

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

Administered items are those items controlled by the government and managed, or oversighted, by the department on behalf of the government.

**Revenue**

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

**Employee expenses**

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

**Suppliers**

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

**Cash**

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

**Assets**

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

**Asset valuation**

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

**Liabilities**

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

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

**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 5.12 – Table 5.20
- Child Support Agency              Table 5.21 – Table 5.29.
- CRS Australia                          Table 5.30 – Table 5.35

## BUDGETED FINANCIAL STATEMENTS TABLES – CORE DEPARTMENT

**Table 5.12: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	22,694	26,398	80,313	67,931	63,746
Goods and services	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenue</b>	<b>22,694</b>	<b>26,398</b>	<b>80,313</b>	<b>67,931</b>	<b>63,746</b>
<b>Gains</b>					
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>22,694</b>	<b>26,398</b>	<b>80,313</b>	<b>67,931</b>	<b>63,746</b>
<b>EXPENSE</b>					
Employees	8,630	11,734	12,846	11,980	10,644
Suppliers	13,794	14,275	67,078	55,562	52,753
Depreciation and amortisation	270	389	389	389	349
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>22,694</b>	<b>26,398</b>	<b>80,313</b>	<b>67,931</b>	<b>63,746</b>
<b>Operating result from continuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income Tax Expense					
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.13: Budgeted departmental balance sheet as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	50	50	50	50	50
Receivables	3,008	3,538	3,842	4,286	4,404
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>3,058</b>	<b>3,588</b>	<b>3,892</b>	<b>4,336</b>	<b>4,454</b>
<b>Non-financial assets</b>					
Land and buildings	667	863	639	414	302
Infrastructure, plant and equipment	245	115	129	-	48
Intangibles	36	106	71	36	71
Other	27	28	26	27	27
<b>Total non-financial assets</b>	<b>975</b>	<b>1,112</b>	<b>865</b>	<b>477</b>	<b>448</b>
<b>Total assets</b>	<b>4,033</b>	<b>4,700</b>	<b>4,757</b>	<b>4,813</b>	<b>4,902</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	1,832	1,983	2,048	2,100	2,084
Other	-	-	-	-	-
<b>Total provisions</b>	<b>1,832</b>	<b>1,983</b>	<b>2,048</b>	<b>2,100</b>	<b>2,084</b>
<b>Payables</b>					
Suppliers	466	457	449	453	453
Other	-	-	-	-	-
<b>Total payables</b>	<b>466</b>	<b>457</b>	<b>449</b>	<b>453</b>	<b>453</b>
<b>Tax liabilities</b>					
Tax liabilities equivalent	-	-	-	-	-
<b>Total Tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,298</b>	<b>2,440</b>	<b>2,497</b>	<b>2,553</b>	<b>2,537</b>
<b>EQUITY*</b>					
Contributed equity	-	525	525	525	630
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	1,735	1,735	1,735	1,735	1,735
<b>Total equity</b>	<b>1,735</b>	<b>2,260</b>	<b>2,260</b>	<b>2,260</b>	<b>2,365</b>
<b>Current assets</b>	<b>3,085</b>	<b>3,616</b>	<b>3,918</b>	<b>4,363</b>	<b>4,481</b>
<b>Non-current assets</b>	<b>948</b>	<b>1,084</b>	<b>839</b>	<b>450</b>	<b>421</b>
<b>Current liabilities</b>	<b>651</b>	<b>647</b>	<b>645</b>	<b>654</b>	<b>654</b>
<b>Non-current liabilities</b>	<b>1,647</b>	<b>1,793</b>	<b>1,852</b>	<b>1,899</b>	<b>1,883</b>

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



**Table 5.14: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	-	-	-	-	-
Appropriations	18,436	24,246	77,870	65,787	62,360
GST input credit receipts	-	-	-	-	-
GST receipts from customers	-	-	-	-	-
Cash from the OPA	-	-	-	-	-
Lease incentive	-	-	-	-	-
Other	84	84	84	84	84
<b>Total cash received</b>	<b>18,520</b>	<b>24,330</b>	<b>77,954</b>	<b>65,871</b>	<b>62,444</b>
<b>Cash used</b>					
Employees	6,774	11,083	11,782	11,428	10,601
Suppliers	11,404	13,163	65,945	54,359	51,544
Competitive neutrality payments	-	-	-	-	-
Cash to the OPA	-	-	-	-	-
Net GST paid to ATO	-	-	-	-	-
Other	133	84	84	84	84
<b>Total cash used</b>	<b>18,311</b>	<b>24,330</b>	<b>77,811</b>	<b>65,871</b>	<b>62,229</b>
<b>Net cash from or (used by) operating activities</b>	<b>209</b>	<b>-</b>	<b>143</b>	<b>-</b>	<b>215</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	441	-	-	-	-
<b>Total cash received</b>	<b>441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	699	525	143	-	320
Other	-	-	-	-	-
<b>Total cash used</b>	<b>699</b>	<b>525</b>	<b>143</b>	<b>-</b>	<b>320</b>
<b>Net cash from or (used by) investing activities</b>	<b>(258)</b>	<b>(525)</b>	<b>(143)</b>	<b>-</b>	<b>(320)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	525	-	-	105
<b>Total cash received</b>	<b>-</b>	<b>525</b>	<b>-</b>	<b>-</b>	<b>105</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>525</b>	<b>-</b>	<b>-</b>	<b>105</b>
<b>Net increase or (decrease) in cash held</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	99	50	50	50	50
<b>Cash at the end of the reporting period</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

**Table 5.15: 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	<b>Total equity \$'000</b>
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	1,735	-	-	-	<b>1,735</b>
<b>Adjusted opening balance</b>	<b>1,735</b>	-	-	-	<b>1,735</b>
<b>Income and expense</b>					
Net operating result	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	525	<b>525</b>
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525</b>	<b>525</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>1,735</b>	<b>-</b>	<b>-</b>	<b>525</b>	<b>2,260</b>

**Table 5.16: Departmental capital budget statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	525	-	-	105
Total loans					
<b>Total capital appropriations</b>	<b>-</b>	<b>525</b>	<b>-</b>	<b>-</b>	<b>105</b>
<b>Represented by:</b>					
Purchase of non-financial assets	-	525	-	-	105
Other					
<b>Total represented by</b>	<b>-</b>	<b>525</b>	<b>-</b>	<b>-</b>	<b>105</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	525	-	-	105
Funded internally by					
Departmental resources	699	-	143	-	215
<b>Total</b>	<b>699</b>	<b>525</b>	<b>143</b>	<b>-</b>	<b>320</b>

**Table 5.17: Departmental property, plants, 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
<b>As at 1 July 2006</b>					
Gross book value	-	667	456	39	1,162
Accumulated depreciation			211	3	214
<b>Opening net book value</b>	<b>-</b>	<b>667</b>	<b>245</b>	<b>36</b>	<b>948</b>
Additions:					
by purchase		420	-	105	525
Depreciation/amortisation expense	-	224	130	35	389
Disposals:					
Gross value	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
<b>As at 30 June 2007</b>					
Gross book value	-	1,087	456	144	1,687
Accumulated depreciation	-	224	341	38	603
<b>Estimated closing net book value</b>	<b>-</b>	<b>863</b>	<b>115</b>	<b>106</b>	<b>1,084</b>

**Table 5.18: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Other taxes, fees and fines	-	-	-	-	-
<b>Total taxation</b>	-	-	-	-	-
<b>Non-taxation</b>					
Interest (from related entities)	656	-	-	-	-
Dividends (from related entities)	8,300	8,800	8,300	8,300	8,300
Other sources of non-taxation revenues	6,530	6,530	6,530	6,530	6,530
<b>Total non-taxation</b>	<b>15,486</b>	<b>15,330</b>	<b>14,830</b>	<b>14,830</b>	<b>14,830</b>
<b>Total revenues administered on behalf of Government</b>	<b>15,486</b>	<b>15,330</b>	<b>14,830</b>	<b>14,830</b>	<b>14,830</b>
<b>Total income administered on behalf of Government</b>	<b>15,486</b>	<b>15,330</b>	<b>14,830</b>	<b>14,830</b>	<b>14,830</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers (external)	-	131,382	134,676	127,154	127,154
Personal benefits	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Child support payments	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>-</b>	<b>131,382</b>	<b>134,676</b>	<b>127,154</b>	<b>127,154</b>

**Table 5.19: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash	-	-	-	-	-
Receivables	100	-	300	300	300
Investments accounted for under the equity method	13,540	13,540	13,540	13,540	13,540
<b>Total financial assets</b>	<b>13,640</b>	<b>13,540</b>	<b>13,840</b>	<b>13,840</b>	<b>13,840</b>
<b>Non-Financial assets</b>					
<b>Total non-financial assets</b>	-	-	-	-	-
<b>Total assets administered on behalf of Government</b>	<b>13,640</b>	<b>13,540</b>	<b>13,840</b>	<b>13,840</b>	<b>13,840</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
<b>Total interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>					
<b>Total provisions</b>	-	-	-	-	-
<b>Payables</b>					
Suppliers	-	-	-	-	-
Grants and subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Accrued child support payments	-	-	-	-	-
Other payables	-	-	-	-	-
<b>Total payables</b>	-	-	-	-	-
<b>Total liabilities administered on behalf of Government</b>	-	-	-	-	-

**Table 5.20: Schedule of budgeted administered cash flows for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	-	-	-	-	-
GST input credit receipts	-	13,138	13,468	12,715	12,715
Child support receipts	-	-	-	-	-
Cash from the OPA	-	131,382	134,676	127,154	127,154
Interest	656	-	-	-	-
Dividends	8,200	8,900	8,000	8,300	8,300
Other	6,530	6,530	6,530	6,530	6,530
<b>Total cash received</b>	<b>15,386</b>	<b>159,950</b>	<b>162,674</b>	<b>154,699</b>	<b>154,699</b>
<b>Cash used</b>					
Suppliers	-	131,382	134,676	127,154	127,154
GST payment to suppliers	-	13,138	13,468	12,715	12,715
Personal benefits	-	-	-	-	-
Child support payments	-	-	-	-	-
Cash to the OPA	15,386	15,430	14,530	14,830	14,830
Other	-	-	-	-	-
<b>Total cash used</b>	<b>15,386</b>	<b>159,950</b>	<b>162,674</b>	<b>154,699</b>	<b>154,699</b>
<b>Net cash from or (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>					
Cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## BUDGETED FINANCIAL STATEMENTS TABLES – CHILD SUPPORT AGENCY

**Table 5.21: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	295,770	378,318	454,885	440,300	411,093
Goods and services	291	1,407	1,940	970	485
Other					
<b>Total revenue</b>	<b>296,061</b>	<b>379,725</b>	<b>456,825</b>	<b>441,270</b>	<b>411,578</b>
<b>Gains</b>					
Reversals of previous asset write-downs					
Net gains from sale of assets					
Other					
<b>Total gains</b>	-	-	-	-	-
<b>Total income</b>	<b>296,061</b>	<b>379,725</b>	<b>456,825</b>	<b>441,270</b>	<b>411,578</b>
<b>EXPENSE</b>					
Employees	191,101	236,524	278,490	269,726	249,677
Suppliers	92,853	134,163	167,898	160,147	150,022
Depreciation and amortisation	7,107	9,038	10,437	11,397	11,879
Write-down of assets and impairment of assets					
Net losses from sale of assets					
Other					
<b>Total expenses</b>	<b>291,061</b>	<b>379,725</b>	<b>456,825</b>	<b>441,270</b>	<b>411,578</b>
<b>Operating result from continuing operations</b>	<b>5,000</b>	-	-	-	-
Income Tax Expense					
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>5,000</b>	-	-	-	-



**Table 5.22: Budgeted departmental balance sheet as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	2,000	2,000	2,000	2,000	2,000
Receivables	29,098	31,014	40,573	48,478	54,604
Accrued revenues					
Other					
<b>Total financial assets</b>	<b>31,098</b>	<b>33,014</b>	<b>42,573</b>	<b>50,478</b>	<b>56,604</b>
<b>Non-financial assets</b>					
Land and buildings	23,560	25,469	21,667	17,138	13,077
Infrastructure, plant and equipment	360	273	196	146	124
Intangibles	20,236	27,568	32,730	33,573	33,698
Other	1,981	1,654	1,654	1,654	1,654
<b>Total non-financial assets</b>	<b>46,137</b>	<b>54,964</b>	<b>56,247</b>	<b>52,511</b>	<b>48,553</b>
<b>Total assets</b>	<b>77,235</b>	<b>87,978</b>	<b>98,820</b>	<b>102,989</b>	<b>105,157</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
<b>Provisions</b>					
Employees	43,284	46,703	51,867	55,901	59,547
Other	10,700	9,555	8,410	7,265	6,120
<b>Total provisions</b>	<b>53,984</b>	<b>56,258</b>	<b>60,277</b>	<b>63,166</b>	<b>65,667</b>
<b>Payables</b>					
Suppliers	11,649	11,928	12,191	12,459	12,733
Other	2,032	2,135	2,242	2,354	1,747
<b>Total payables</b>	<b>13,681</b>	<b>14,063</b>	<b>14,433</b>	<b>14,813</b>	<b>14,480</b>
<b>Tax liabilities</b>					
Tax liabilities equivalent					
<b>Total Tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>67,665</b>	<b>70,321</b>	<b>74,710</b>	<b>77,979</b>	<b>80,147</b>
<b>EQUITY*</b>					
Contributed equity	4,272	12,359	18,812	19,712	19,712
Reserves					
Statutory funds					
Retained surpluses or accumulated deficits	5,298	5,298	5,298	5,298	5,298
<b>Total equity</b>	<b>9,570</b>	<b>17,657</b>	<b>24,110</b>	<b>25,010</b>	<b>25,010</b>
<b>Current assets</b>	<b>33,079</b>	<b>34,668</b>	<b>44,227</b>	<b>52,132</b>	<b>58,258</b>
<b>Non-current assets</b>	<b>44,156</b>	<b>53,310</b>	<b>54,593</b>	<b>50,857</b>	<b>46,899</b>
<b>Current liabilities</b>	<b>32,385</b>	<b>34,156</b>	<b>36,723</b>	<b>38,519</b>	<b>40,221</b>
<b>Non-current liabilities</b>	<b>35,280</b>	<b>36,165</b>	<b>37,987</b>	<b>39,460</b>	<b>39,926</b>

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

**Table 5.23: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	291	1,407	1,940	970	485
Appropriations	289,499	376,401	445,322	432,394	404,967
GST input credit receipts	-	-	-	-	-
GST receipts from customers	-	-	-	-	-
Cash from the OPA	-	-	-	-	-
Lease incentive	-	-	-	-	-
Other	8,690	9,222	9,466	9,789	10,052
<b>Total cash received</b>	<b>298,480</b>	<b>387,030</b>	<b>456,728</b>	<b>443,153</b>	<b>415,504</b>
<b>Cash used</b>					
Employees	188,580	233,104	273,320	265,692	246,031
Suppliers	92,493	134,600	168,674	160,912	150,775
Competitive neutrality payments	-	-	-	-	-
Cash to the OPA	-	-	-	-	-
Net GST paid to ATO	-	-	-	-	-
Other	8,689	9,222	9,466	9,789	10,052
<b>Total cash used</b>	<b>289,762</b>	<b>376,926</b>	<b>451,460</b>	<b>436,393</b>	<b>406,858</b>
<b>Net cash from or (used by) operating activities</b>	<b>8,718</b>	<b>10,104</b>	<b>5,268</b>	<b>6,760</b>	<b>8,646</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	9,627	18,191	11,721	7,660	7,922
Other	-	-	-	-	724
<b>Total cash used</b>	<b>9,627</b>	<b>18,191</b>	<b>11,721</b>	<b>7,660</b>	<b>8,646</b>
<b>Net cash from or (used by) investing activities</b>	<b>(9,627)</b>	<b>(18,191)</b>	<b>(11,721)</b>	<b>(7,660)</b>	<b>(8,646)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	8,087	6,453	900	-
<b>Total cash received</b>	<b>-</b>	<b>8,087</b>	<b>6,453</b>	<b>900</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>8,087</b>	<b>6,453</b>	<b>900</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(909)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	2,909	2,000	2,000	2,000	2,000
<b>Cash at the end of the reporting period</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

**Table 5.24: 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	<b>Total equity \$'000</b>
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	5,298	-	-	4,272	<b>9,570</b>
<b>Adjusted opening balance</b>	<b>5,298</b>	-	-	<b>4,272</b>	<b>9,570</b>
<b>Income and expense</b>					
Net operating result	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	-	-	-	-	-
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	8,087	<b>8,087</b>
<b>Sub-total transactions with owners</b>	-	-	-	<b>8,087</b>	<b>8,087</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>5,298</b>	-	-	<b>12,359</b>	<b>17,657</b>

**Table 5.25: Departmental capital budget statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	8,087	6,453	900	-
Total loans					
<b>Total capital appropriations</b>	<b>-</b>	<b>8,087</b>	<b>6,453</b>	<b>900</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	-	8,087	6,453	900	-
Other					
<b>Total represented by</b>	<b>-</b>	<b>8,087</b>	<b>6,453</b>	<b>900</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	8,087	6,453	900	-
Funded internally by					
Departmental resources	9,627	10,104	5,268	6,760	7,922
<b>Total</b>	<b>9,627</b>	<b>18,191</b>	<b>11,721</b>	<b>7,660</b>	<b>7,922</b>

**Table 5.26: Departmental property, plants, 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
<b>As at 1 July 2006</b>					
Gross book value	-	26,492	475	24,298	51,265
Accumulated depreciation	-	2,931	115	4,062	7,108
<b>Opening net book value</b>	<b>-</b>	<b>23,561</b>	<b>360</b>	<b>20,236</b>	<b>44,157</b>
Additions:					
by purchase	-	5,789	10	12,392	18,191
Depreciation/amortisation expense	-	3,881	97	5,060	9,038
Disposals:					
Gross value	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
<b>As at 30 June 2007</b>					
Gross book value	-	32,281	485	36,690	69,456
Accumulated depreciation	-	6,812	212	9,122	16,146
<b>Estimated closing net book value</b>	<b>-</b>	<b>25,469</b>	<b>273</b>	<b>27,568</b>	<b>53,310</b>

**Table 5.27: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Other taxes, fees and fines	54,135	55,657	57,092	58,515	59,928
<b>Total taxation</b>	<b>54,135</b>	<b>55,657</b>	<b>57,092</b>	<b>58,515</b>	<b>59,928</b>
<b>Non-taxation</b>					
Interest (from related entities)	-	-	-	-	-
Dividends (from related entities)	-	-	-	-	-
Other sources of non-taxation revenues	1,080,189	927,690	951,630	975,342	998,904
<b>Total non-taxation</b>	<b>1,080,189</b>	<b>927,690</b>	<b>951,630</b>	<b>975,342</b>	<b>998,904</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,134,324</b>	<b>983,347</b>	<b>1,008,722</b>	<b>1,033,857</b>	<b>1,058,832</b>
<b>Total income administered on behalf of Government</b>	<b>1,134,324</b>	<b>983,347</b>	<b>1,008,722</b>	<b>1,033,857</b>	<b>1,058,832</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers (external)	-	-	-	-	-
Personal benefits	800	750	-	-	-
Write down and impairment of assets	51,496	59,012	60,535	62,043	63,541
Child support payments	975,270	909,444	932,912	956,157	979,254
Other expenses	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>1,027,566</b>	<b>969,206</b>	<b>993,447</b>	<b>1,018,200</b>	<b>1,042,795</b>

**Table 5.28: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash	17	20	20	20	20
Receivables	569,260	600,048	631,631	664,000	697,150
Investments accounted for under the equity method	-	-	-	-	-
<b>Total financial assets</b>	<b>569,277</b>	<b>600,068</b>	<b>631,651</b>	<b>664,020</b>	<b>697,170</b>
<b>Non-Financial assets</b>					
<b>Total non-financial assets</b>	-	-	-	-	-
<b>Total assets administered on behalf of Government</b>	<b>569,277</b>	<b>600,068</b>	<b>631,651</b>	<b>664,020</b>	<b>697,170</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
<b>Total interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>					
<b>Total provisions</b>	-	-	-	-	-
<b>Payables</b>					
Suppliers	-	-	-	-	-
Grants and subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Accrued child support payments	454,874	473,752	493,118	512,966	533,292
Other payables	27,211	28,067	28,943	29,834	30,741
<b>Total payables</b>	<b>482,085</b>	<b>501,819</b>	<b>522,061</b>	<b>542,800</b>	<b>564,033</b>
<b>Total liabilities administered on behalf of Government</b>	<b>482,085</b>	<b>501,819</b>	<b>522,061</b>	<b>542,800</b>	<b>564,033</b>

**Table 5.29: Schedule of budgeted administered cash flows for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	3,789	3,896	3,996	4,096	4,195
GST input credit receipts	-	-	-	-	-
Child support receipts	865,354	889,654	912,608	935,349	957,945
Cash from the OPA	867,029	891,316	913,546	936,309	958,926
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>1,736,172</b>	<b>1,784,866</b>	<b>1,830,150</b>	<b>1,875,754</b>	<b>1,921,066</b>
<b>Cash used</b>					
Suppliers	-	-	-	-	-
GST payment to suppliers	-	-	-	-	-
Personal benefits	800	750	-	-	-
Child support payments	865,404	889,713	912,670	935,418	958,020
Cash to the OPA	869,958	894,400	917,480	940,336	963,046
Other	-	-	-	-	-
<b>Total cash used</b>	<b>1,736,162</b>	<b>1,784,863</b>	<b>1,830,150</b>	<b>1,875,754</b>	<b>1,921,066</b>
<b>Net cash from or (used by) operating activities</b>	<b>10</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) investing activities</b>	-	-	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>	<b>10</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	7	17	20	20	20
<b>Cash at end of reporting period</b>	<b>17</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>



## BUDGETED FINANCIAL STATEMENTS TABLES – CRS AUSTRALIA

**Table 5.30: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	-	-	-	-	-
Goods and services	171,546	232,681	254,815	231,596	238,346
Other	421	500	500	500	500
<b>Total revenue</b>	<b>171,967</b>	<b>233,181</b>	<b>255,315</b>	<b>232,096</b>	<b>238,846</b>
<b>Gains</b>					
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>171,967</b>	<b>233,181</b>	<b>255,315</b>	<b>232,096</b>	<b>238,846</b>
<b>EXPENSE</b>					
Employees	113,220	141,325	159,446	155,037	159,661
Suppliers	50,097	79,932	81,881	65,699	67,670
Depreciation and amortisation	5,834	8,103	9,758	9,033	9,033
Write-down of assets and impairment of assets	54	55	57	58	58
Net losses from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>169,205</b>	<b>229,415</b>	<b>251,142</b>	<b>229,827</b>	<b>236,422</b>
<b>Operating result from continuing operations</b>	<b>2,762</b>	<b>3,766</b>	<b>4,173</b>	<b>2,269</b>	<b>2,424</b>
Income Tax Expense	1,200	1,260	1,323	1,389	1,458
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>1,562</b>	<b>2,506</b>	<b>2,850</b>	<b>880</b>	<b>966</b>

**Table 5.31: Budgeted departmental balance sheet as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	12,418	12,205	13,837	12,125	12,624
Receivables	48,916	53,138	62,489	59,553	64,787
Accrued revenues	639	1,300	1,300	1,300	1,300
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>61,973</b>	<b>66,643</b>	<b>77,626</b>	<b>72,978</b>	<b>78,711</b>
<b>Non-financial assets</b>					
Land and buildings	7,163	9,797	7,964	6,609	6,277
Infrastructure, plant and equipment	4,504	3,668	2,097	7,817	4,858
Intangibles	3,290	9,039	8,186	6,288	6,046
Other	1,143	984	984	984	984
<b>Total non-financial assets</b>	<b>16,100</b>	<b>23,488</b>	<b>19,231</b>	<b>21,698</b>	<b>18,165</b>
<b>Total assets</b>	<b>78,073</b>	<b>90,131</b>	<b>96,857</b>	<b>94,676</b>	<b>96,876</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
<b>Provisions</b>					
Employees	23,629	29,453	33,212	32,315	33,285
Other	1,228	1,128	984	984	984
<b>Total provisions</b>	<b>24,857</b>	<b>30,581</b>	<b>34,196</b>	<b>33,299</b>	<b>34,269</b>
<b>Payables</b>					
Suppliers	6,603	10,289	10,540	8,457	8,711
Other	616	616	616	616	616
<b>Total payables</b>	<b>7,219</b>	<b>10,905</b>	<b>11,156</b>	<b>9,073</b>	<b>9,327</b>
<b>Tax liabilities</b>					
Tax liabilities equivalent	255	397	407	326	336
<b>Total Tax liabilities</b>	<b>255</b>	<b>397</b>	<b>407</b>	<b>326</b>	<b>336</b>
<b>Total liabilities</b>	<b>32,331</b>	<b>41,883</b>	<b>45,759</b>	<b>42,698</b>	<b>43,932</b>
<b>EQUITY*</b>					
Contributed equity	43,547	43,547	43,547	43,547	43,547
Reserves	785	785	785	785	785
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	1,410	3,916	6,766	7,646	8,612
<b>Total equity</b>	<b>45,742</b>	<b>48,248</b>	<b>51,098</b>	<b>51,978</b>	<b>52,944</b>
<b>Current assets</b>	<b>63,116</b>	<b>67,627</b>	<b>78,610</b>	<b>73,962</b>	<b>79,695</b>
<b>Non-current assets</b>	<b>14,957</b>	<b>22,504</b>	<b>18,247</b>	<b>20,714</b>	<b>17,181</b>
<b>Current liabilities</b>	<b>19,529</b>	<b>26,270</b>	<b>28,410</b>	<b>25,797</b>	<b>26,546</b>
<b>Non-current liabilities</b>	<b>12,802</b>	<b>15,613</b>	<b>17,349</b>	<b>16,901</b>	<b>17,386</b>

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

**Table 5.32: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	171,546	232,020	254,815	231,596	238,346
Appropriations	-	-	-	-	-
GST input credit receipts	572	1,345	1,302	539	311
GST receipts from customers	4,632	6,265	6,880	6,253	6,435
Cash from the OPA	-	778	-	2,937	-
Lease incentive	-	-	-	-	-
Other	421	500	500	500	500
<b>Total cash received</b>	<b>177,171</b>	<b>240,908</b>	<b>263,497</b>	<b>241,825</b>	<b>245,592</b>
<b>Cash used</b>					
Employees	112,751	136,761	157,010	157,325	160,149
Suppliers	50,839	81,096	81,819	70,482	59,644
Competitive neutrality payments	-	-	-	-	-
Cash to the OPA	1,400	-	9,351	-	5,233
Net GST paid to ATO	5,204	7,610	8,182	6,792	6,746
Other	-	-	-	-	-
<b>Total cash used</b>	<b>170,194</b>	<b>225,467</b>	<b>256,362</b>	<b>234,599</b>	<b>231,772</b>
<b>Net cash from or (used by) operating activities</b>	<b>6,977</b>	<b>15,441</b>	<b>7,135</b>	<b>7,226</b>	<b>13,820</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	6,788	15,654	5,503	8,938	13,321
Other	-	-	-	-	-
<b>Total cash used</b>	<b>6,788</b>	<b>15,654</b>	<b>5,503</b>	<b>8,938</b>	<b>13,321</b>
<b>Net cash from or (used by) investing activities</b>	<b>(6,788)</b>	<b>(15,654)</b>	<b>(5,503)</b>	<b>(8,938)</b>	<b>(13,321)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>					
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>189</b>	<b>(213)</b>	<b>1,632</b>	<b>(1,712)</b>	<b>499</b>
Cash at the beginning of the reporting period	12,229	12,418	12,205	13,837	12,125
<b>Cash at the end of the reporting period</b>	<b>12,418</b>	<b>12,205</b>	<b>13,837</b>	<b>12,125</b>	<b>12,624</b>

**Table 5.33: 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	<b>Total equity \$'000</b>
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	1,410	785	-	43,547	<b>45,742</b>
<b>Adjusted opening balance</b>	<b>1,410</b>	<b>785</b>	-	<b>43,547</b>	<b>45,742</b>
<b>Income and expense</b>					
Net operating result	2,506	-	-	-	<b>2,506</b>
<b>Total income and expenses recognised directly in equity</b>	<b>2,506</b>	-	-	-	<b>2,506</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
<b>Sub-total transactions with owners</b>	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2007</b>	<b>3,916</b>	<b>785</b>	-	<b>43,547</b>	<b>48,248</b>

**Table 5.34: Departmental capital budget statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	6,788	15,654	5,503	8,938	13,321
<b>Total</b>	<b>6,788</b>	<b>15,654</b>	<b>5,503</b>	<b>8,938</b>	<b>13,321</b>

**Table 5.35: Departmental property, plants, 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
<b>As at 1 July 2006</b>					
Gross book value	558	15,963	12,164	7,616	36,301
Accumulated depreciation	-	9,358	7,660	4,326	21,344
<b>Opening net book value</b>	<b>558</b>	<b>6,605</b>	<b>4,504</b>	<b>3,290</b>	<b>14,957</b>
Additions:					
by purchase	-	5,639	2,549	7,462	15,650
Depreciation/amortisation expense	-	3,005	3,385	1,713	8,103
Disposals:					
Gross value	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
<b>As at 30 June 2007</b>					
Gross book value	558	21,602	14,713	15,078	51,951
Accumulated depreciation	-	12,363	11,045	6,039	29,447
<b>Estimated closing net book value</b>	<b>558</b>	<b>9,239</b>	<b>3,668</b>	<b>9,039</b>	<b>22,504</b>

# CENTRELINK

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# CENTRELINK

## Section 1: Overview

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
<b>Outcome 1</b>		
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.

## Section 2: Resources for 2006-07

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome and departmental classification (Centrelink does not receive administered revenue).

Centrelink now receives significant funding relating to:

- Infrastructure costs; and
- Centrelink coordinated Budget measures

via Departmental Appropriation Bill No. 1 rather than part of Centrelink's service delivery to Policy Departments receipts.

The total appropriation for Centrelink in the 2006-07 Budget is \$636.94 million and receipts from other sources amounts to \$1,926.63 million.

### **2.2 2006-07 BUDGET MEASURES**

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

There are 12 measures listed in Table 2.2 that also appear in the Portfolio Supplementary Additional Estimates Statements.

**Table 2.1: Appropriations and other resources 2006-07 ('000)**

<b>Finance Portfolio</b>				
Agency Resourcing—2006-2007				
Agency/Outcome/ Non-operating	Departmental			Total
	Appropriation Bill No. 1 \$'000	Appropriation <sup>1</sup> Bill No. 2 \$'000	Receipts <sup>2</sup> \$'000	
<b>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.</b>	-	-	1,926,630	1,926,630
Equity injections	-	95,237	-	95,237
Appropriation	636,936	-	-	636,936
<b>TOTAL</b>	636,936	95,237	1,926,630	2,658,803

Notes:

1. Under the appropriation structure, Bill No. 2 includes departmental capital via departmental injections.
2. Departmental receipts from other sources (i.e. other than appropriation amounts) that are available to be used.  
This amount excludes GST receipts and includes gains. As a result of this, this figure differs from that reported in Budget Paper No.4's Resourcing table.
3. Refer to Budgeted Income Statement for application of agency revenue.

**Table 2.2 Centrelink measures**

Measure Title	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
		<b>Department of Family, Community Services and Indigenous Affairs</b>											
<b>Expense Measures</b>													
<b>Outcome 1</b>													
Fraud and Compliance - enhanced focus on serious social security fraud	1		559	559		630	630		639	639		680	680
Fraud and Compliance - address risks in payments to income recipients who reside abroad	1		1,695	1,695		1,865	1,865		1,949	1,949		1,938	1,938
Fraud and Compliance - addressing undeclared unearned income	1		700	700		677	677		-	-		-	-
Fraud and Compliance - pilot programme addressing undeclared business income and assets	1		609	609		551	551		-	-		-	-
Fraud and Compliance - detecting incorrect Carer payments	1		2,465	2,465		765	765		614	614		642	642
Fraud and Compliance - improved assessment of the value of real estate assets	1		13,828	13,828		20,061	20,061		23,117	23,117		23,941	23,941

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
Centrelink - call centre supplementation	1		40,998	40,998		32,823	32,823		-	-		-	-
Financial services sector - reducing red tape	1		1,424	1,424		751	751		-69	-69		-212	-212
Pension asset test - changed treatment	1		20,557	20,557		2,673	2,673		2,752	2,752		1,913	1,913
Strengthening Indigenous Communities - extending Family Income Management and improving family payment outcomes for Indigenous children	1		2,263	2,263		433	433		425	425		432	432
Japan - social security agreement	1		-	-		-	-		1,059	1,059		295	295
Domestic violence - Crisis Payments to victims who remain in the home	1		905	905		318	318		330	330		348	348
Australian Government Disaster Recovery Payment - introduction	1		2,199	2,199		291	291		293	293		296	296
Assurance of Support Scheme - additional funding	1		6,000	6,000		-	-		-	-		-	-

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
Migration Programme - 3,000 additional family stream places for 2005-06	1		37	37		94	94		77	77		78	78
Migration Programme - 4,000 place increase in the family stream for 2006-07	1		268	268		358	358		482	482		583	583
Child care - uncapping outside school hours care and family day care	1		990	990		1,098	1,098		1,446	1,446		1,885	1,885
Child care - Jobs, Education and Training (JET) Child Care fee assistance - continue and extend	1		765	765		-	-		-	-		-	-
Child Support Reforms - a new formula	1		605	605		18,894	18,894		10,749	10,749		4,901	4,901
Child Support Reforms - changes to the Family Tax Benefit maintenance arrangements	1		745	745		61	61		62	62		63	63
Child Support Reforms - Family Relationship Centres	1		716	716		634	634		735	735		744	744
Child Support Reforms - improving compliance	1		473	473		810	810		795	795		802	802

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
Child Support Reforms - communication strategy	1		4,325	4,325		5,395	5,395		861	861		179	179
National Emergency Call Centre - establishment	1		3,475	3,475		2,386	2,386		2,411	2,411		2,435	2,435
Cyclone Larry - ex-gratia payments	1		1	1		-	-		-	-		-	-
Cyclone Larry - fuel excise relief	1		1	1		-	-		-	-		-	-
Cyclone Larry - one-off income support	1		64	64		-	-		-	-		-	-
<b>Department of Employment and Workplace Relations</b>													
<b>Expense Measures</b>													
<b>Outcome 1</b>													
Fraud and Compliance - enhanced focus on serious social security fraud	1		15,229	15,229		17,416	17,416		17,653	17,653		18,732	18,732
Fraud and Compliance - address risks in payments to income recipients who reside abroad	1		565	565		621	621		649	649		646	646

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
Fraud and Compliance - improving processes for updating benefit recipient information	1	-	4,475	4,475	-	4,512	4,512	-	4,560	4,560	-	4,607	4,607
Fraud and Compliance - addressing undeclared unearned income	1		660	660		638	638		-	-		-	-
Fraud and Compliance - pilot programme addressing undeclared business income and assets	1		575	575		520	520		-	-		-	-
Fraud and Compliance - expand random sample surveys for working age payments	1		8,142	8,142		7,095	7,095		7,202	7,202		7,301	7,301
Strengthening Indigenous Communities - enhanced opportunities for employment and participation in remote communities	1		700	700		400	400		400	400		400	400
Strengthening Indigenous Communities - Remote Area Servicing - continue and expand funding	1		2,079	2,079		1,379	1,379		1,364	1,364		1,379	1,379



**Table 2.2 Centrelink measures (continued)**

Measure Title	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
Centrelink - call centre supplementation	1		15,756	15,756		12,614	12,614		-	-		-	-
Welfare to Work - financial case management for income support recipients	1		3,810	3,810		4,082	4,082		4,156	4,156		4,156	4,156
Welfare to Work - Employment Entry Payment	1		203	203		143	143		146	146		146	146
Employment services - access for Age Pensioners	1		77	77		40	40		38	38		38	38
Unpaid work experience - job opportunities for highly disadvantaged job seekers	1		57	57		6	6		7	7		7	7
Migration Programme - 3,000 additional family stream places for 2005-06	1		-	-		-	-		451	451		392	392
Migration Programme - 4,000 place increase in the family stream for 2006-07	1		-	-		-	-		300	300		826	826
Child Support Reforms - a new formula	1		340	340		228	228		231	231		233	233

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
<b>Department of Education Science and Training</b>													
<b>Expense Measures</b>													
<b>Outcome 1</b>													
Fraud and Compliance - enhanced focus on serious social security fraud	1		52	52		58	58		59	59		63	63
Fraud and Compliance - addressing undeclared unearned income	1		123	123		119	119		-	-		-	-
Fraud and Compliance - pilot programme addressing undeclared business income and assets	1		107	107		97	97		-	-		-	-
Fraud and Compliance - expansion of risk profiled customer reviews	1		2,462	2,462		2,722	2,722		2698	2698		2,754	2,754
Fraud and Compliance - continuation and expansion of the rolling random sample survey programme for student payments	1		2,629	2,629		1,991	1,991		1,956	1,956		1,981	1,981

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
Centrelink - call centre supplementation	1		5,700	5,700		4,563	4,563		-	-		-	-
ABSTUDY - linking School Term Allowance to school attendance	1		1,547	1,547		1,011	1,011		933	933		942	942
ABSTUDY and Pensioner Education Supplement - revision of rules for Vocational Education and Training certificate courses	1		808	808		-19	-19		-39	-39		-40	-40
Migration Programme - 3,000 additional family stream places for 2005-06	1		-	-		25	25		21	21		6	6
Migration Programme - 4,000 place increase in the family stream for 2006-07	1		-	-		32	32		59	59		67	67
<b>Department of Health and Ageing</b>													
<b>Expense Measure</b>													
<u>Outcome 1</u>													
Aged care income test - additional funding	1		985	985		1,053	1,053		1,120	1,120		1,196	1,196
Aged care and pensions - further harmonisation	1		558	558		-	-		-	-		-	-

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
<b>Department of Agriculture, Fisheries and Forestry</b>													
<b>Expense Measures</b>													
<b>Outcome 1</b>													
Drought assistance - Exceptional Circumstances assistance	1		72	72		-	-		-	-		-	-
<b>Department of Industry, Tourism and Resources</b>													
<b>Expense Measure</b>													
<b>Outcome 1</b>													
Cyclone Larry - Business Assistance Fund	1		1	1		-	-		-	-		-	-
<b>Direct Appropriation</b>													
<b>Expense Measures</b>													
<b>Outcome 1</b>													
Fraud and Compliance - improving cross agency activities	1		1,099	1,099		247	247		249	249		252	252
Fraud and Compliance - investigation of the use of data mining as a predictive and risk identification method	1		1,100	1,100		1100	1100		-	-		-	-
Health and social services access card - introduction	1		86,628	86,628		129,996	129,996		134,733	134,733		84,721	84,721
<b>Total Expense Measures</b>			254,256	254,256		275,233	275,233		218,553	218,553		163,534	163,534

**Table 2.2 Centrelink measures (continued)**

Measure Title	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
<b>Capital Measures</b>													
<b>Outcome 1</b>													
Fraud and Compliance - enhanced focus on serious social security fraud	1		5,115	5,115		-	-		-	-		-	-
Fraud and Compliance - improved assessment of the value of real estate assets	1		2,036	2,036		-	-		-	-		-	-
Child Support Reforms - a new formula	1		-	-		7,811	7,811		-	-		-	-
Child Support Reforms - communication strategy	1		66	66		-	-		-	-		-	-
Centrelink - call centre supplementation	1		2,546	2,546		-	-		-	-		-	-
Strengthening Indigenous Communities - Remote Area Servicing - continue and expand funding	1		1,110	1,110		-	-		-	-		-	-
National Emergency Call Centre - establishment	1		1,063	1,063		-	-		-	-		-	-
Health and social services access card - introduction	1		57,211	57,211		6,000	6,000		-	-		-	-
<b>Total Capital Measures</b>			69,147	69,147		13,811	13,811		-	-		-	-
<b>Total of All Measures</b>			323,403	323,403		289,044	289,044		218,553	218,553		163,534	163,534

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by Centrelink for provision of services. These resources are approved for use by Centrelink under Section 20 of the *Financial Management and Accountability Act 1997*.

**Table 2.3: Other resources available to be used<sup>1</sup>**

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Departmental resources</b>		
Revenue from Ordinary activities excluding Approp Bill (No. 1) <sup>2</sup>	2,307,694	1,926,630
<b>Total departmental other resources available to be used</b>	2,307,694	1,926,630

Notes:

1. This table replaces the former table 'Receipts from Other sources'.
2. Revenue from Ordinary activities has moved significantly between 2005-06 and 2006-07 primarily as a result of shifts in infrastructure funding and direct appropriations. Refer Section 2.1.

## 2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

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

## 2.5 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 2.5 of respective departments 2006-07 Portfolio Budget Statements

## 2.6 SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part.

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

**Table 2.6: Estimates of special account flows and balances**

	Opening balance <b>2006-07</b> 2005-06	Credits <b>2006-07</b> 2005-06	Debits <b>2006-07</b> 2005-06	Closing balance <b>2006-07</b> 2005-06
Outcome	\$'000	\$'000	\$'000	\$'000
Other Trust Monies - Centrelink - s20 FMA Act 1997 (A)	<b>530</b> 430	<b>1,100</b> 2,500	<b>(1,200)</b> (2,400)	<b>430</b> 530
Centrelink Special Account - s20 FMA Act 1997 (D)	1 <b>326,629</b> 304,832	<b>2,745,800</b> 2,442,844	<b>(2,806,321)</b> (2,421,047)	<b>266,108</b> 326,629
<b>Total special accounts</b>				
<b>2006-07 Budget estimate</b>	<b>327,159</b>	<b>2,746,900</b>	<b>(2,807,521)</b>	<b>266,538</b>
Total special accounts 2005-06 estimate actual	305,262	2,445,344	(2,423,447)	327,159

(A) = Administered  
(D) = Departmental

Acts Glossary:  
*FMA Act - Financial Management and Accountability Act 1997.*

Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by Centrelink. The opening and closing balances for Centrelink’s Special Account reflect cash at bank and cash receivable from the Official Public Account.

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



## **2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

In 2006-07, Centrelink has \$95.24 million appropriated as a departmental equity injection as reported in Tables 2.1 and 5.4. The implementation of previous budget measures will cost \$26.09 million. The additional equity injection of \$69.15 million is attributed to the following measures;

- Fraud and Compliance – enhanced focus on serious social security fraud
- Fraud and Compliance – improved assessment of the value of real estate assets
- Strengthening Indigenous Communities – Remote Area Servicing – continue and expand funding
- Centrelink – call centre supplementation
- Child Support Reforms – communication strategy
- National Emergency Call Centre – establishment
- Health and social services access card - introduction

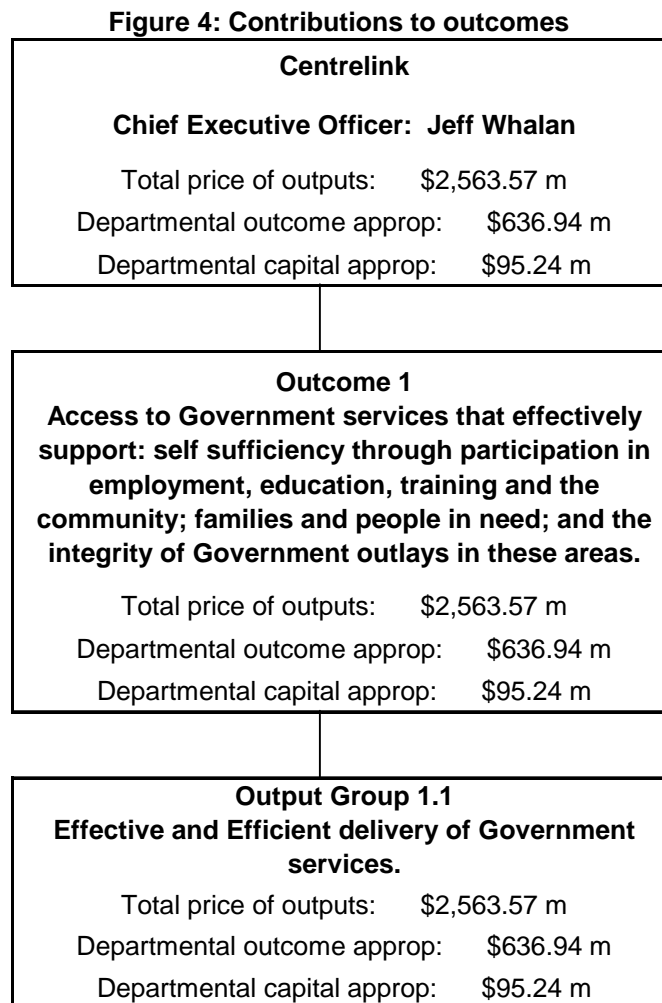
Centrelink does not have an appropriation for administered capital or loans.

## Section 3: Outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programmes on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcomes for Centrelink.

### 3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

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



## **3.2 OUTCOMES — DEPARTMENTAL AND ADMINISTERED**

### **Departmental appropriations by outcome**

Centrelink has historically received direct appropriations for funding relating to Compensation for Detriment caused by Defective Administration (CDDA) and equity injections. In the 2006-07 Budget Centrelink will also receive direct appropriations for funding relating to infrastructure and some specific Budget measures. The funding is as follows:

- CDDA - \$0.25 million
- Infrastructure - \$547.95 million
- Budget Measures - \$88.74 million

### **Administered appropriations by outcome**

Centrelink does not receive administered appropriations.

## **3.3 OUTCOMES AND PERFORMANCE**

### **Outcome 1 resourcing**

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for outcome 1, including revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Departmental appropriations</b>		
Output Group 1.1 - Effective and Efficient delivery of Government services	250	636,936
<b>Subtotal Output Group 1.1</b>	<b>250</b>	<b>636,936</b>
<b>Total revenue from government (appropriations)</b>	<b>250</b>	<b>636,936</b>
<b>Other resources available to be used</b>		
Family and Community Services and Indigenous Affairs	1,224,281	753,225
Employment and Workplace Relations	904,719	1,000,901
Education, Science and Training	115,678	132,596
Health and Ageing	13,480	12,402
Agriculture, Fisheries and Forestry	19,325	6,419
Other	30,211	21,087
<b>Total revenue from other sources</b>	<b>2,307,694</b>	<b>1,926,630</b>
<b>Total resources</b> (Total revenue from government and from other sources)	<b>2,307,944</b>	<b>2,563,566</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs)	<b>2,307,944</b>	<b>2,563,566</b>
	2005-06	2006-07
<b>Average staffing level (number)</b>	<b>22,900</b>	<b>25,285</b>

*Agency Budget Statements – Outcomes – Centrelink*

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

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

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
FaCS	753,225	719,401	674,817	679,091
DEWR	1,000,901	1,075,972	1,077,204	1,113,559
DEST	132,596	131,270	126,995	128,079
DoHA	12,402	12,010	12,186	12,374
DAFF	6,419	4,128	272	115
<b>Subtotal Service Delivery</b>	<b>1,905,543</b>	<b>1,942,781</b>	<b>1,891,474</b>	<b>1,933,218</b>
Departmental Appropriations <sup>1</sup>	636,936	685,672	694,168	649,899
Revenue from other sources <sup>2</sup>	21,087	21,118	21,186	21,277
<b>Total</b>	<b>2,563,566</b>	<b>2,649,571</b>	<b>2,606,828</b>	<b>2,604,394</b>

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

## Performance information for Outcome 1

**Table 3.2: Performance information for Outcome 1**

<b>Performance indicators for administered items including third party outputs</b>	
N/A	N/A
<b>Performance indicators for individual outputs</b>	
N/A	N/A
<b>Output group 1: Effective and Efficient Delivery of Government services.</b>	
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

## Evaluations for Outcome 1

Centrelink has a comprehensive organisational performance framework which links evaluation throughout the organisation. Centrelink undertakes a range of evaluations including performance evaluations of outcomes and outputs, audit and risk reviews and business integrity compliance reviews.

## Section 4: Other reporting requirements

### 4.1 PURCHASER-PROVIDER ARRANGEMENTS

Agencies may need to provide resources to other General Government Sector (GGS) bodies, for example in payment for services rendered or as part of cross agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not necessarily equal total resourcing at the whole of government level (as reproduced in Budget Paper No. 1).

This section summarises significant transactions between GGS agencies that are not consolidated or reported at the whole of government level.

#### **Cross agency overview**

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

#### **Responsibility**

The services Centrelink delivers on behalf of Policy Departments are the responsibility of the Minister for Human Services. Centrelink operates as a statutory agency under the Department of Human Services, which is part of the Finance portfolio.

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

#### **Control arrangements**

Centrelink was established to provide Australian Government services in accordance with service arrangements under the *Commonwealth Services Delivery Agency Act 1997* (CSDA Act).

The CSDA Act was amended by the *Human Services Legislation Amendment Act 2005* which commenced on 1 October 2005.

Legislation applying to agencies within the Australian Government Budget sector, such as the *Financial Management and Accountability Act 1996* and the *Privacy Act 1998*, also apply to Centrelink.

The *Financial Management and Accountability Act 1997* sets out the CEO's functions and responsibilities relating to Centrelink's financial management.

Centrelink's governance framework changed on 1 October 2005 with the commencement of the *Human Services Legislation Amendment Act 2005* and the abolition of the Centrelink Board of Management.

Until that date the Board was accountable to the Minister, through the Chair, for deciding Centrelink's goals, priorities, policies and strategies, and ensuring that Centrelink's functions were properly, efficiently and effectively performed. The Chief Executive Officer was accountable to the Chair for managing all strategic and functional aspects of Centrelink's operations.

Since 1 October 2005 the Chief Executive Officer has been accountable to the Minister, through the Departmental Secretary, for Centrelink's strategic, operational and financial management, and for ensuring Centrelink achieves its purpose: 'Serving Australia by assisting people to become self sufficient and supporting those in need'.

Centrelink's revenue is provided through Business Partnership Agreements or similar arrangements with Policy Departments. Funds are appropriated to the policy departments and paid to Centrelink in return for specified services.

Centrelink has one government outcome: 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 in delivering specified outputs on behalf of Policy Departments. The Government's priorities and Centrelink's Strategic Directions provide the framework for achieving our output and outcome.

The Balanced Scorecard gives the Centrelink CEO, Centrelink Executive and the DHS an overview of Centrelink's business. It provides a regular health check for our business, helps forecast scenarios and take pre-emptive action to minimise any adverse impacts to the organisation that may affect its ability to consistently deliver high quality service. It is used as a performance-reporting tool and assists in making Centrelink staff accountable for their performance.

### **Resourcing**

Refer to Section 2 for a summary of Centrelink revenue.

### **Performance against outcomes of purchased outputs**

Centrelink's performance is measured by 'Key Performance Indicators' as outlined in Section 3.3 Outcomes and Performance.



## 4.2 COST RECOVERY ARRANGEMENTS

Centrelink does not undertake any activities subject to the Australian Government Cost Recovery Guidelines.

### Summary of cost recovery impact statement

The Cost Recovery Impact Statement (CRIS) prepared by Centrelink in January 2006 was a consequence of Centrelink's review of its cost recovery processes and mechanisms. It was prepared in accordance with the *Australian Government Cost Recovery Guidelines* issued by the Department of Finance and Administration in July 2005, and in consultation with the Finance and Banking Branch of the Department of Finance and Administration.

The process followed included:

- A review of Centrelink's internal pricing policy to ensure that pricing, in general, was being undertaken in both an effective and consistent manner
- A policy review of Centrelink's services to ensure that the *Australian Government Cost Recovery Guidelines* were being applied correctly, if necessary
- Consideration of design and implementation issues to ensure that the methodology for both determining the cost model, pricing supplies using the relevant model, and the process to recover that amount from the beneficiaries of the supply, was being undertaken in an efficient and effective manner, and
- Consideration of the impact of other policies (eg. Government Competitive Neutrality Policy) on cost recovery.

The review revealed that Centrelink does not undertake any activities subject to the *Australian Government Cost Recovery Guidelines*. Notwithstanding this fact, Centrelink is committed to ensuring all of its revenue activities are, and continue to be, priced with the appropriate pricing model and in accordance with relevant Government policy.

### **4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

Please refer to the Portfolio Overview, Table 1: Australian Government Indigenous Expenditure for a summary of expenditure.

## Section 5: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

Centrelink's budgeted financial statements reflect the entries to the Accrual Information Management System (AIMS) as at April 2006. An analysis of the budgeted financial statements, as reflected in the budgeted departmental financial statements for 2006-07, is provided below.

#### **Departmental**

##### **Income Statement (see table 5.1)**

Centrelink is budgeting for break even operating results for 2006-07 and for the forward years. The 2005-06 estimated actual operating result is a surplus of \$14.15m which represents 0.01% of Centrelink's total revenue.

The 2006-07 revenue is estimated to increase by \$255.62m from 2005-06. This increase is primarily as a result of the net increase in funding from measures disclosed in the 2006-07 Budget (\$254.26m) (please refer to Section 2, Table 2.2). It is anticipated that there will be a corresponding increase in expenses for 2006-07.

##### **Balance Sheet (see table 5.2)**

Centrelink's budgeted net asset position of \$323.27m represents an increase of \$95.24m from the 2005-06 estimated actual. The increase is mainly due to the projected operating surplus in 2005-06 (\$14.15m) and an increase in Centrelink's fixed assets.

The 2006-07 total assets are expected to increase to \$828.58m, mainly due to anticipated increases in fixed assets resulting from Centrelink's asset replacement program eg personal computers and capital for associated budget initiatives.

The major movements in Centrelink's liabilities continue to be accrued employee leave entitlements which is estimated to increase by approximately \$16.57m in 2006-07. The 2005-06 other payable (\$44.0m) relates to refunds to client agencies in respect to the Centrelink Funding Model Agreement.

**Statement of Changes in Equity (see table 5.4)**

The impact of the transition to AEIFRS from previous AGAAP for is as follows -

	2004-2005 \$'000
<b>Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS</b>	
Total equity under previous AGAAP	191 892
Adjustments to retained earnings:	
Intangibles <sup>1</sup>	(41 943)
Employee <sup>2</sup>	2 352
"Makegood" assets	
Total equity translated to AEIFRS	<u>152 301</u>
<b>Reconciliation of profit or loss as presented under previous AGAAP to AEIFRS</b>	
Prior year profit as previous reported	21 939
Adjustments:	
Employee <sup>2</sup>	(403)
Suppliers <sup>3</sup>	5 019
Depreciation <sup>4</sup>	442
Prior year profit translated to AEIFRS	<u>26 997</u>

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<sup>1</sup> AEIFRS allow intangible assets to be revalued only where an active market exists. The Agency has previously revalued intangible assets under AGAAP that are highly specialised and for which no active market exist. The carrying value of the revalued component of these asset therefore has been derecognised.

<sup>2</sup> AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, Centrelink has made adjustments for non-current annual leave as at 1 July 2004 and 30 June 2005 respectively.

<sup>3</sup> AEIFRS requires the recording of assets reflecting future estimated restoration costs. Amounts for 'makegood' provisions existing accommodation leases (operating) have been taken up accordingly.

<sup>4</sup> The operating result has been adjusted due to the de-recognition of revalued amounts of intangibles, for which under AGAAP amortisation of these values occurred in 2005-06. This has been partly offset by additional depreciation on Make-good' assets.

**BUDGETED FINANCIAL STATEMENTS TABLES**

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	250	636,936	685,673	694,168	649,899
Services	2,297,876	1,922,178	1,959,357	1,908,029	1,949,772
Other	5,453	-	-	-	-
<b>Total revenue</b>	<b>2,303,579</b>	<b>2,559,114</b>	<b>2,645,030</b>	<b>2,602,197</b>	<b>2,599,671</b>
<b>Gains</b>					
Other	4,365	4,452	4,541	4,631	4,723
<b>Total gains</b>	<b>4,365</b>	<b>4,452</b>	<b>4,541</b>	<b>4,631</b>	<b>4,723</b>
<b>Total income</b>	<b>2,307,944</b>	<b>2,563,566</b>	<b>2,649,571</b>	<b>2,606,828</b>	<b>2,604,394</b>
<b>EXPENSE</b>					
Employees	1,545,473	1,795,370	1,851,687	1,803,388	1,792,131
Suppliers	652,769	666,538	671,406	675,360	680,681
Depreciation and amortisation	93,711	100,658	125,478	127,080	130,582
Write-down of assets and impairment of assets	1,841	1,000	1,000	1,000	1,000
<b>Total expenses</b>	<b>2,293,794</b>	<b>2,563,566</b>	<b>2,649,571</b>	<b>2,606,828</b>	<b>2,604,394</b>
<b>Operating result</b>	<b>14,150</b>	-	-	-	-
<b>Net surplus or (deficit)</b>	<b>14,150</b>	-	-	-	-

**Table 5.2: Budgeted departmental balance sheet  
as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	25,574	25,053	27,688	26,569	27,560
Receivables	336,805	256,806	272,806	303,804	365,808
<b>Total financial assets</b>	<b>362,379</b>	<b>281,859</b>	<b>300,494</b>	<b>330,373</b>	<b>393,368</b>
<b>Non-financial assets</b>					
Land and buildings	92,387	123,315	132,777	132,732	129,378
Infrastructure, plant and equipment	61,463	134,867	150,391	127,107	97,982
Intangibles	186,109	244,863	256,452	265,558	255,042
Other	59,224	43,676	34,475	26,229	26,229
<b>Total non-financial assets</b>	<b>399,183</b>	<b>546,721</b>	<b>574,095</b>	<b>551,626</b>	<b>508,631</b>
<b>Total assets</b>	<b>761,562</b>	<b>828,580</b>	<b>874,589</b>	<b>881,999</b>	<b>901,999</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Leases	2,371	1,491	1,263	1,073	1,073
<b>Total interest bearing liabilities</b>	<b>2,371</b>	<b>1,491</b>	<b>1,263</b>	<b>1,073</b>	<b>1,073</b>
<b>Provisions</b>					
Employees	423,843	440,414	457,838	465,438	485,438
Other	7,998	7,848	7,698	7,548	7,398
<b>Total provisions</b>	<b>431,841</b>	<b>448,262</b>	<b>465,536</b>	<b>472,986</b>	<b>492,836</b>
<b>Payables</b>					
Suppliers	55,316	55,556	55,706	55,856	56,006
Other	44,000	-	-	-	-
<b>Total payables</b>	<b>99,316</b>	<b>55,556</b>	<b>55,706</b>	<b>55,856</b>	<b>56,006</b>
<b>Total liabilities</b>	<b>533,528</b>	<b>505,309</b>	<b>522,505</b>	<b>529,915</b>	<b>549,915</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	219,272	314,509	343,322	343,322	343,322
Reserves	13,876	13,876	13,876	13,876	13,876
Retained surpluses or accumulated deficits	(5,114)	(5,114)	(5,114)	(5,114)	(5,114)
<b>Total parent entity interest</b>	<b>228,034</b>	<b>323,271</b>	<b>352,084</b>	<b>352,084</b>	<b>352,084</b>
<b>Total equity</b>	<b>228,034</b>	<b>323,271</b>	<b>352,084</b>	<b>352,084</b>	<b>352,084</b>
<b>Current assets</b>	421,603	325,535	334,969	356,603	419,599
<b>Non-current assets</b>	339,959	503,045	539,620	525,396	482,400
<b>Current liabilities</b>	260,848	222,618	232,228	228,189	235,439
<b>Non-current liabilities</b>	272,680	282,691	290,277	301,726	314,476

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

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Services	2,377,960	1,993,627	2,034,751	1,984,898	2,026,641
Appropriations	250	636,936	685,673	694,168	649,899
Cash from the official public account	1,647,000	1,760,000	1,825,000	1,906,000	1,970,000
<b>Total cash received</b>	<b>4,025,210</b>	<b>4,390,563</b>	<b>4,545,424</b>	<b>4,585,066</b>	<b>4,646,540</b>
<b>Cash used</b>					
Employees	1,515,823	1,799,651	1,877,016	1,871,649	1,824,363
Suppliers	748,108	697,925	690,533	663,681	700,597
Cash to the official public account	1,704,000	1,700,000	1,841,000	1,937,000	2,032,000
Other	51,742	44,000	-	-	-
<b>Total cash used</b>	<b>4,019,673</b>	<b>4,241,576</b>	<b>4,408,549</b>	<b>4,472,330</b>	<b>4,556,960</b>
<b>Net cash from or (used by) operating activities</b>	<b>5,537</b>	<b>148,987</b>	<b>136,875</b>	<b>112,736</b>	<b>89,580</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	65,746	163,769	100,263	56,044	48,376
Other - Intangibles	39,628	100,976	62,790	57,811	40,213
<b>Total cash used</b>	<b>105,374</b>	<b>264,745</b>	<b>163,053</b>	<b>113,855</b>	<b>88,589</b>
<b>Net cash from or (used by) investing activities</b>	<b>(105,374)</b>	<b>(264,745)</b>	<b>(163,053)</b>	<b>(113,855)</b>	<b>(88,589)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	50,579	115,237	28,813	-	-
<b>Total cash received</b>	<b>50,579</b>	<b>115,237</b>	<b>28,813</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>50,579</b>	<b>115,237</b>	<b>28,813</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(49,258)</b>	<b>(521)</b>	<b>2,635</b>	<b>(1,119)</b>	<b>991</b>
Cash at the beginning of the reporting period	74,832	25,574	25,053	27,688	26,569
<b>Cash at the end of the reporting period</b>	<b>25,574</b>	<b>25,053</b>	<b>27,688</b>	<b>26,569</b>	<b>27,560</b>

**Table 5.4: 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
<b>Opening balance as at 1 July 2006</b>				
Balance carried forward from previous period	(5,114)	13,876	219,272	228,034
Adjustment for changes in accounting policies	-	-	-	-
<b>Adjusted opening balance</b>	<b>(5,114)</b>	<b>13,876</b>	<b>219,272</b>	<b>228,034</b>
Net operating result	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>				
<i>Contribution by owners</i>				
Appropriation (equity injection)	-	-	95,237	95,237
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>95,237</b>	<b>95,237</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>(5,114)</b>	<b>13,876</b>	<b>314,509</b>	<b>323,271</b>



**Table 5.5: Departmental capital budget statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	56,524	95,237	28,813	-	-
<b>Total capital appropriations</b>	<b>56,524</b>	<b>95,237</b>	<b>28,813</b>	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	56,524	95,237	28,813	-	-
<b>Total represented by</b>	<b>56,524</b>	<b>95,237</b>	<b>28,813</b>	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	56,524	95,237	28,813	-	-
Funded internally by					
Departmental resources	52,805	169,508	134,240	113,855	88,589
<b>Total</b>	<b>109,329</b>	<b>264,745</b>	<b>163,053</b>	<b>113,855</b>	<b>88,589</b>

**Table 5.6: Departmental property, plants, 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
<b>As at 1 July 2006</b>					
Gross book value	1,956	142,452	163,427	375,172	683,007
Accumulated depreciation	-	(52,021)	(101,964)	(189,063)	(343,048)
<b>Opening net book value</b>	<b>1,956</b>	<b>90,431</b>	<b>61,463</b>	<b>186,109</b>	<b>339,959</b>
Additions:					
by purchase	-	55,798	107,970	27,864	191,632
internally developed	-	-	-	73,112	73,112
Depreciation/amortisation expense	-	(24,670)	(34,266)	(41,722)	(100,659)
Recoverable amount write downs	-	(200)	(300)	(500)	(1,000)
<b>As at 30 June 2007</b>					
Gross book value	1,956	198,050	271,097	475,648	946,751
Accumulated depreciation	-	(76,691)	(136,230)	(230,785)	(443,707)
<b>Estimated closing net book value</b>	<b>1,956</b>	<b>121,359</b>	<b>134,867</b>	<b>244,863</b>	<b>503,045</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Accounting policy**

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

- the Finance Minister's Orders;
- Australian Accounting Standards;
- Other authoritative pronouncements of the Australian Accounting Standards Board; and
- Interpretations issued by the Urgent Issues Group.

### **2. Departmental revenue**

Revenue from government represents the purchase of outputs from the Agency by the government and is recognised to the extent that it has been received into the Agency's bank account.

Revenue from other sources, representing rendering of services, is recognised at the time that it is imposed on customers.

### **3. Departmental gains**

Other gains represents resources received free of charge from related entities.

### **4. Departmental expenses - employees**

Payments and net increases in entitlements to employees for services rendered in the financial year.

### **5. Departmental expenses - suppliers**

Payments and net increases in payable to suppliers for goods and services used in providing agency outputs.

### **6. Departmental expenses - depreciation and amortisation**

Depreciable property plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life to the department, using straight-line calculation method.

**7. Departmental expense - write-down and impairment of assets**

Write-down of financial assets and non-financial assets held at cost ie software only. The software is assessed and is written down to its net selling price or if the asset's service potential is replaced, to its depreciated replacement cost.

**8. Departmental assets - financial assets**

The primary financial asset relates to receivables. Financial assets are used to fund the Agency's capital programme, employee entitlements, creditors and to provide working capital.

**9. Departmental assets - non-financial assets**

These items represent future economic benefits that the Agency will consume in producing outputs. The reported value represents the purchase price paid less depreciation incurred to date in using the asset.

**10. Departmental liabilities - interest bearing liabilities**

Property lease incentives that the Agency has received. These incentives are written-off over the life of the lease.

**11. Departmental liabilities - provisions and payables**

Provision has been made for the Agency's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave. No provision has been made for sick leave because the level of sick leave taken is less on average than the amount which employees are entitled to each year.

Provision has also been made for unpaid supplier expenses and make-good relating to leased properties as at balance date.

# MEDICARE AUSTRALIA

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# MEDICARE AUSTRALIA

## Section 1: Overview

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

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

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

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

Medicare Australia also administers the Medical Indemnity Scheme, the Vietnam Veterans' Childrens' Program, the Herceptin Program, the Broadband for Health Payment scheme for General Practitioners and Pharmacies, as well as the Special Assistance Programs for victims of the Bali bombings, Tsunami and London bombings.

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

**Table 1.1: Agency outcomes and output groups**

Outcome	Description	Output groups
<b>Outcome 1</b> Improving Australia's health through payments and information	Medicare Australia administer 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.	<b>Output Group 1.1</b> Delivery of Australian government health payments and information.



## Section 2: Resources for 2006-07

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for Medicare Australia in the 2006-07 Budget is \$584 million.

**Table 2.1: Appropriations and other resources 2006-07 ('000)**

**Finance and Administration Portfolio**

Agency Resourcing—2006-2007

Agency/Outcome/ Non-operating	Departmental				Administered				Total	
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 SPPs \$'000	Other (b) \$'000	Special Appropriation \$'000		Receipts (a) \$'000
Outcome 1 Improving Australia's Health through payments and information	569,937	-	-	48,708	-	-	-	-	-	618,645
Equity injections	-	13,761	-	-	-	-	-	-	-	13,761
Loans	-	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-	-	-
Special capital Appropriation	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	569,937	13,761	-	48,708	-	-	-	-	-	632,406

(a) Departmental and administered receipts from other sources (that is, other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Income Statement for application of agency revenue.

## 2.2 2006-07 BUDGET MEASURES

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

**Table 2.2 Medicare Australia measures**

Measure Title	Output groups affected	Appropriations budget			Appropriations forward estimate 2007-08			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
<b>*Budget measures -</b>													
<b>Department of Human Services</b>													
Outcome 1													
Health and social services access card - introduction	1.1	-	34,293	34,293	-	100,641	100,641	-	134,687	134,687	-	113,382	113,382
<b>Capital</b>	1.1	-	11,461	11,461	-	1,250	1,250	-	300	300	-	300	300
Fraud and Compliance - improving cross agency activities	1.1	-	207	207	-	-	-	-	-	-	-	-	-
Fraud and Compliance - increasing Medicare compliance through education	1.1	-	-	-	-	-	-	-	-	-	-	-	-
<b>Department of Health and Ageing</b>													
Outcome 1													
Pregnancy support counselling - new Medicare item	1.1	-	141	141	-	145	145	-	147	147	-	148	148
COAG Mental Health - new funding for mental health nurses	1.1	-	243	243	-	138	138	-	166	166	-	234	234
COAG Mental Health - better access to psychiatrists, psychologists and general practitioners through the Medicare Benefits Schedule	1.1	-	427	427	-	6	6	-	7	7	-	18	18
<b>Capital</b>	1.1	-	201	201	-	-	-	-	-	-	-	-	-
Private health insurance - enhanced choices	1.1	-	168	168	-	170	170	-	172	172	-	174	174

**Table 2.2 (cont) Medicare Australia measures**

Measure Title	Output groups affected	Appropriations budget			Appropriations forward estimate 2007-08 \$'000			Appropriations forward estimate 2008-09 \$'000			Appropriations forward estimate 2009-10 \$'000		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
<b>Department of Families, Community Services and Indigenous Affairs</b>													
Outcome 1													
National Emergency Call Centre establishment	1.1	-	160	160	-	161	161	-	163	163	-	165	165
<b>Department of Finance &amp; Administration</b>													
Outcome 1													
Volume and WCI Adjustment	1.1		7,683	7,683		9,384	9,384		9,422	9,422		10,990	10,990
<b>Subtotal Expenses</b>		-	<b>43,322</b>	<b>43,322</b>	-	<b>110,645</b>	<b>110,645</b>	-	<b>144,764</b>	<b>144,764</b>	-	<b>125,111</b>	<b>125,111</b>
<b>Subtotal Capital</b>			<b>11,662</b>	<b>11,662</b>		<b>1,250</b>	<b>1,250</b>		<b>300</b>	<b>300</b>		<b>300</b>	<b>300</b>

**Table 2.2 (cont) Medicare Australia measures**

Measure Title	Output groups affected	Appropriations budget			Appropriations forward estimate 2007-08			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10		
		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
<b>Other - Budget Measures - Department of Health and Ageing Outcome 1</b>													
COAG Health Services - promoting good health, prevention and early intervention	1.1	-	253	253	-	327	327	-	481	481	-	283	283
COAG Health Services - improving access to primary care services in rural and remote areas	1.1	-	99	99	-	133	133	-	158	158	-	188	188
<b>Subtotal Expenses</b>		-	<b>352</b>	<b>352</b>	-	<b>460</b>	<b>460</b>	-	<b>639</b>	<b>639</b>	-	<b>471</b>	<b>471</b>
<b>Subtotal Capital</b>													

**Table 2.2 (cont) Medicare Australia measures**

Measure Titles	Output groups affected	Appropriations budget			Appropriations forward estimate 2007-08			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10		
		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
<b>Lapsing Measures</b>													
<b>Department of Human Services</b>													
Outcome 1													
Medicare Easyclaim - continue funding	1.1	-	-	-	-	-	-	-	-	-	-	-	-
<b>Department of Health and Ageing</b>													
Outcome1													
Better Access to Radiation Oncology - continue funding	1.1	-	-	-	-	-	-	-	-	-	-	-	-
Cervical screening incentives for general practitioners - continue funding	1.1	-	-	-	-	-	-	-	-	-	-	-	-
Visudyne Therapy (verteporfin) - continue funding	1.1	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal Expenses</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal Capital</b>													

**Table 2.2 (cont) Medicare Australia measures**

Measure Titles	Output groups affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
		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
<b>2005-06 Supplementary Additional Estimates Measures</b>													
<b>Department of Health and Ageing</b>													
Outcome 1													
Pharmaceutical Benefits Scheme - listing of Raptiva (efalizumab)**	1.1	-	835	835	-	841	841	-	851	851	-	858	858
Pharmaceutical Benefits Scheme - listing of Vytarin**	1.1	-	51	51	-	95	95	-	149	149	-	220	220
Pharmaceutical Benefits Scheme - minor new listings**	1.1	-	8	8	-	8	8	-	8	8	-	8	8
<b>Subtotal Expenses</b>		-	<b>894</b>	<b>894</b>	-	<b>944</b>	<b>944</b>	-	<b>1,008</b>	<b>1,008</b>	-	<b>1,086</b>	<b>1,086</b>
<b>Total Departmental</b>	1.1	-	<b>44,568</b>	<b>44,568</b>	-	<b>112,049</b>	<b>112,049</b>	-	<b>146,411</b>	<b>146,411</b>	-	<b>126,668</b>	<b>126,668</b>
<b>Total Capital</b>		-	<b>11,662</b>	<b>11,662</b>	-	<b>1,250</b>	<b>1,250</b>	-	<b>300</b>	<b>300</b>	-	<b>300</b>	<b>300</b>

\*These measures are prepared on a resourcing basis.

\*\*2005-06 Supplementary Additional Estimate Measures have already been disclosed in the 2005-06 Portfolio Supplementary Additional Estimates Statements.

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by Medicare Australia for provision of goods or services. These resources are approved for use by the department/agency and are included in Table 2.1.

Table 2.3 is prepared on an accrual basis, while in Table 2.1 Departmental Receipts has been prepared on a cash basis.

**Table 2.3: Other resources available to be used<sup>1</sup>**

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Departmental resources</b>		
Department of Veterans' Affairs	17,019	15,448
Department of Health and Ageing	19,560	19,842
Department of Family and Community Services and Indigenous Affairs	11,425	7,900
Health Department of Western Australia	1,183	2,017
Interest	123	-
Other	5,882	3,801
<b>Total departmental other resources available to be used</b>	<b>55,192</b>	<b>49,008</b>
<b>Administered other resources</b>		
	-	-
<b>Total administered other resources available to be used</b>	<b>-</b>	<b>-</b>

## 2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

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

## 2.5 SPECIAL APPROPRIATIONS

Medicare Australia does not receive special appropriations.



## 2.6 SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by Medicare Australia.

**Table 2.6: Estimates of special account flows and balances**

		Opening balance <b>2006-07</b> 2005-06	Credits <b>2006-07</b> 2005-06	Debits <b>2006-07</b> 2005-06	Adjustments <b>2006-07</b> 2005-06	Closing balance <b>2006-07</b> 2005-06
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Recovery of Compensation for Health Care and other Services Special Account (A)	1	<b>21,107</b> 32,047	<b>179,947</b> 187,709	<b>181,496</b> 198,649		<b>19,558</b> 21,107
Other Trust Moneys Account (D)	1	<b>162</b> 160	- 2	- -		<b>162</b> 162
<b>Total special accounts</b>						
<b>2006-07 Budget estimate</b>		<b>21,269</b>	<b>179,947</b>	<b>181,496</b>		<b>19,720</b>
Total special accounts 2005-06 estimate actual		32,207	187,711	198,649		21,269

## Section 3: Outcomes

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

### 3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

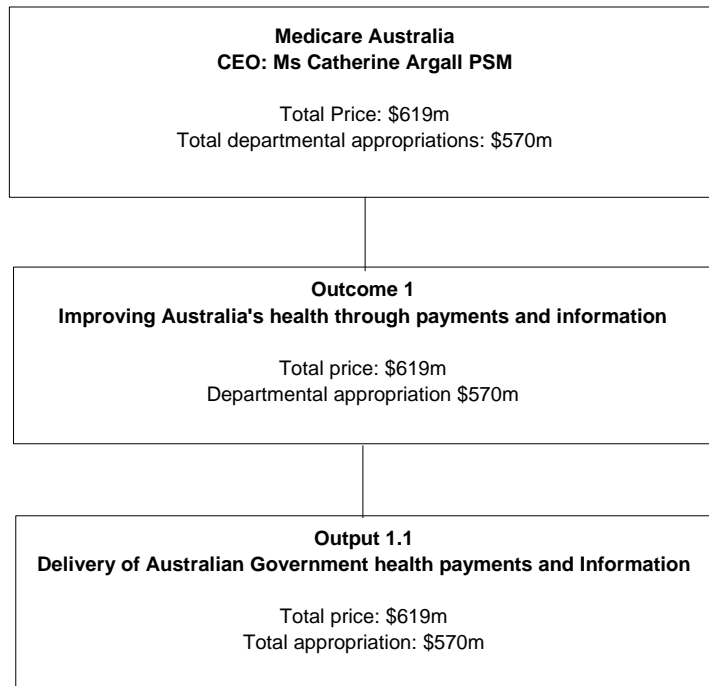
Medicare Australia reports to the Minister for Human Services within the Finance and Administration Portfolio, and is responsible for reporting on its own outcome and output group as demonstrated below.

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

Output: Delivery of Australian Government health payments and information.

The relationship between activities of Medicare Australia and the outcomes is summarised in Figure 4.

**Figure 4: Contributions to outcomes**



### **3.2 OUTCOMES — DEPARTMENTAL**

Medicare Australia has one outcome - Improving Australia's health through payments and information. The output under this outcome is the Delivery of Australian Government health payments and information.

### 3.3 OUTCOMES AND PERFORMANCE

#### Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1: Total resources for Outcome 1 (or Outcome 2 etc) (\$'000)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Administered appropriations</b>	-	-
<b>Total administered appropriations</b>	-	-
<b>Departmental appropriations</b>		
Output Group 1.1 - Delivery of Australian Government health payments and information	523,523	569,937
<b>Subtotal Output Group 1.1</b>	<b>523,523</b>	<b>569,937</b>
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>523,523</b>	<b>569,937</b>
<b>Other resources available to be used</b>		
Department of Veterans' Affairs	17,019	15,448
Department of Health and Ageing	19,560	19,842
Department of Family and Community Services and Indigenous Affairs	11,425	7,900
Health Department of Western Australia	1,183	2,017
Interest	123	-
Other	5,882	3,801
<b>Total revenue from other sources</b>	<b>55,192</b>	<b>49,008</b>
<b>Total resources</b> (Total revenue from government and from other sources)	<b>578,715</b>	<b>618,945</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>578,715</b>	<b>618,945</b>
	2005-06	2006-07
<b>Average staffing level (number)</b>	4,830	4,797

## Performance information for Outcome 1

Medicare Australia business performance is guided by the themes articulated in the Medicare Australia Strategic Direction Statement

### Medicare Australia Strategic Themes 2006 – 2007

Strategic Theme	Key Performance Indicators
Delivering great customer service	Client and provider satisfaction with the services provided by Medicare Australia. Initiatives are implemented on time, within budget and to expectations.
Providing accurate and reliable information and payments	Payments are accurate and timely. Staff awareness and procedures protect customers privacy
Being a well run organisation	Resources are managed in accordance with the requirements the FMA Act and to the financial plan. A sound governance framework is in place.
Ensuring the integrity of the Government programs we deliver	Education and compliance programs minimise system leakage Payments are accurate and timely.
Being a valued strategic partner in delivering agreed health and other Government initiatives	Strategic partners including the Departments of Health, Veterans' Affairs, Families, Community Services and Indigenous Affairs, and Human Services are satisfied with Medicare Australia performance. Government initiatives are implemented on time, within budget and to expectations.
Being a great place to work	Feedback gained through staff survey is acted upon. Staff have access to development opportunities and participate in individual performance assessments and absenteeism is reduced.

## **Section 4: Other reporting requirements**

Medicare Australia has purchaser provider arrangements with agencies external to the portfolio: the Department of Veterans' Affairs (DVA), Department of Families, Community Services and Indigenous Affairs (FACSlA), Department of Health and Ageing (DoHA) and Health Department of Western Australia.

### **4.1 PURCHASER-PROVIDER ARRANGEMENTS**

#### **Outcome 1 – Improving Australia's health through payments and information – Department of Veterans' Affairs**

##### **Cross agency overview**

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

##### **Responsibility**

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

##### **Control arrangements**

Medicare Australia is subject to the Medicare Australia Act 1973 and the Financial Management and Accountability Act 1997.

##### **Resourcing**

Medicare Australia and DVA have agreed and signed a pricing model which falls under the current Service Level Agreement. The estimated revenue to Medicare Australia for 2006-07 is \$15.448m.

##### **Performance against outcomes of purchased outputs**

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

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

### **Cross agency overview**

The Australian Government provides Family Assistance Office (FAO) services through partnership arrangements between Medicare Australia, the Australian Taxation Office, Centrelink and the Department of Families, Community Services and Indigenous Affairs (FaCSIA).

Medicare Australia provides services to the FAO on behalf of FaCSIA through a Service Arrangement. The current Service Arrangement covers the period 2004-2006, expiring on 30 June 2006. An additional Service Arrangement is currently being negotiated with Centrelink and is expected to be finalised by 30 June 2006.

### **Responsibility**

Policy responsibility for FAO lies within the Families, Community Services and Indigenous Affairs Portfolio while responsibility for Medicare Australia lies under the Department of Human Services within the Finance and Administration Portfolio.

### **Control arrangements**

Medicare Australia is subject to the Medicare Australia Act 1973 and the Financial Management and Accountability Act 1997.

### **Resourcing**

Medicare Australia’s increased service delivery role in relation to FAO since 1 July 2005 has been the subject of negotiation with Centrelink to secure additional funding for work formerly done by Centrelink which has been transferred to Medicare Australia. The estimated revenue to Medicare Australia for 2006-2007 is \$7.900m.

### **Performance against outcomes of purchased outputs**

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

## **Outcome 1 – Improving Australia’s health through payments and information – Department of Health and Ageing**

### **Cross agency overview**

Medicare Australia provides payment services to Department of Health and Ageing through a Business Partnership Agreement. The services provided are to perform the aged care payments function, which includes payments for Residential Care, Community Aged Care Packages (CACP), Extended Aged Care at Home (EACH) payments. New payments to be included are: - Transition Care and Extended Aged Care at Home - Dementia payments.

### **Responsibility**

Policy responsibility for the aged care payments function lies within the Health and Ageing Portfolio, while responsibility for Medicare Australia lies under the Department of Human Services within the Finance and Administration Portfolio.

### **Control arrangements**

Medicare Australia is subject to the Medicare Australia Act 1973 and the Financial Management and Accountability Act 1997.

### **Resourcing**

Medicare Australia is funded under an agreement with the Department of Finance and Administration. The estimated revenue to Medicare Australia is \$19.842m.

### **Performance against outcomes of purchased outputs**

The performance of Medicare Australia in delivering the aged care payments function is covered in the performance measures outlined in a Business Partnership Agreement. Department of Health and Ageing is responsible for setting policy direction and service standards, and Medicare Australia is responsible for the delivery of Aged Care Payments function.



## **Outcome 1 – Improving Australia’s health through payments and information – Health Department of Western Australia**

### **Cross agency overview**

Medicare Australia recovers costs for payment of Visiting Medical Practitioners (VMPs) on behalf of the Health Department of Western Australia

### **Responsibility**

Policy responsibility for the payment of Visiting Medical Practitioners lies with the Health Department of Western Australia, while responsibility for Medicare Australia lies under the Department of Human Services within the Finance and Administration Portfolio.

### **Control arrangements**

Medicare Australia is subject to the Medicare Australia Act 1973 and the Financial Management and Accountability Act 1997.

The State of Western Australia, through the various public hospitals boards established pursuant to sections 7 and 15 of the *Hospitals and Health Service Act 1927* (WA) (“the Hospitals Act”), makes payments to Visiting Medical Practitioners (VMP's) for services provided at various public hospitals throughout the State.

### **Resourcing**

Medicare Australia and the Western Australian Government entered into an Agreement on 17 June 1999 for the provision of consultancy and management services in relation to the then nominated services, including the areas of claims assessment and the provision of payment advice to health services providers. The estimated revenue to Medicare Australia for 2006-07 is \$2.017m.

### **Performance against outcomes of purchased outputs**

The performance of Medicare Australia in delivering the consultancy and management services in relation to the nominated services is covered in the performance measures outlined in the Agreement signed on the 17 June 1999. Western Australian Government is responsible for setting policy direction and service standards, and Medicare Australia is responsible for the delivery of the nominated services.

## **4.2 Cost recovery arrangements**

Medicare Australia recovers costs in relation to activities undertaken on behalf of other agencies. A number of these cost recovery activities are covered under Section 4.1 Purchaser – Provider Arrangements. These include Department of Health and Ageing, Department of Veterans' Affairs, Family Assistance Office and Visiting Medical Practitioners on behalf of the Health Department of Western Australia.

Costs are also recovered for various consultancy works, generally negotiated with overseas governments and non-government organisations. In addition, Medicare Australia recovers costs for the provision of statistical information and accommodation space let to another organisation.

## **4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

Please refer to the Portfolio Overview, Table 1: Australian Government Indigenous Expenditure for a summary of expenditure.

## Section 5: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

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

#### **Income Statement**

Medicare Australia is estimating a breakeven position for 2006/07 and in the forward years. The revenue estimate for the current budget year is \$618.9m which represents an increase of \$40.2m from 2005-06 estimated actuals. This is mainly attributable to increased appropriation revenue of \$46.4m which primarily reflects the Health and Social Services Access Card System and volume and price adjustments. There is a reduction of approximately \$6.0m in goods and services revenue as the contracts have not yet been finalised for 2006-07.

The current Medicare card is to be replaced with a Health and Social Services Access Card. The financial impact of this project on Medicare Australia is shown in Table 2.2. These estimates cover the production of the health and social services access card, registration of customers and renewal and replacement of customer's health and social services access card.

The expenditure estimate for the current budget year is \$618.9m which represents an increase of \$33.5m from 2005-06 estimated actuals. Employee expenses have fallen by \$11.2m which is associated with the full year effect of reduction in staffing levels in 2005-06 and a reduction in payroll tax. Additional expenses are mostly associated with the implementation of the Health and Social Services Access Card System.

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

#### **Statement of Financial Position**

Medicare Australia's budgeted net asset position of \$129.6m represents an increase of \$13.8m from the 2005-06 estimated actual. The increase is due to increased equity injections associated with capital expenditure.

Medicare Australia's primary liability continues to be accrued employee leave entitlements of \$71.3m.

## BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	523,523	569,937	641,973	686,869	685,701
Goods and services	54,160	48,208	47,769	42,058	42,310
Interest	123	-	-	-	-
Other	909	800	800	800	800
<b>Total revenue</b>	<b>578,715</b>	<b>618,945</b>	<b>690,542</b>	<b>729,727</b>	<b>728,811</b>
<b>Gains</b>					
Net gains from sale of assets	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>578,715</b>	<b>618,945</b>	<b>690,542</b>	<b>729,727</b>	<b>728,811</b>
<b>EXPENSE</b>					
Employees	315,388	304,189	332,718	352,468	378,463
Suppliers	225,644	269,582	308,962	332,055	306,031
Depreciation and amortisation	44,415	45,174	48,862	45,204	44,317
<b>Total expenses</b>	<b>585,447</b>	<b>618,945</b>	<b>690,542</b>	<b>729,727</b>	<b>728,811</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(6,732)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.2: Budgeted departmental balance sheet  
as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	6,814	6,750	6,750	6,750	6,750
Receivables	87,764	97,508	111,938	123,083	130,672
Accrued revenues	1,915	1,915	1,915	1,915	1,915
<b>Total financial assets</b>	<b>96,493</b>	<b>106,173</b>	<b>120,603</b>	<b>131,748</b>	<b>139,337</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	46,018	51,425	57,469	59,406	59,027
Intangibles	76,967	76,319	66,211	59,416	53,969
Other	6,767	6,767	6,767	6,767	6,767
<b>Total non-financial assets</b>	<b>129,752</b>	<b>134,511</b>	<b>130,447</b>	<b>125,589</b>	<b>119,763</b>
<b>Total assets</b>	<b>226,245</b>	<b>240,684</b>	<b>251,050</b>	<b>257,337</b>	<b>259,100</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
<b>Total interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>					
Employees	76,515	71,256	73,520	76,270	81,429
<b>Total provisions</b>	<b>76,515</b>	<b>71,256</b>	<b>73,520</b>	<b>76,270</b>	<b>81,429</b>
<b>Payables</b>					
Suppliers	32,006	38,230	43,811	47,082	43,386
Other	1,908	1,621	1,397	1,363	1,363
<b>Total payables</b>	<b>33,914</b>	<b>39,851</b>	<b>45,208</b>	<b>48,445</b>	<b>44,749</b>
<b>Total liabilities</b>	<b>110,429</b>	<b>111,107</b>	<b>118,728</b>	<b>124,715</b>	<b>126,178</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	158,980	172,741	175,486	175,786	176,086
Reserves	11,948	11,948	11,948	11,948	11,948
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(55,112)	(55,112)	(55,112)	(55,112)	(55,112)
<b>Total parent entity interest</b>	<b>115,816</b>	<b>129,577</b>	<b>132,322</b>	<b>132,622</b>	<b>132,922</b>
<b>Total equity</b>	<b>115,816</b>	<b>129,577</b>	<b>132,322</b>	<b>132,622</b>	<b>132,922</b>
<b>Current assets</b>	<b>103,260</b>	<b>112,940</b>	<b>127,370</b>	<b>138,515</b>	<b>146,104</b>
<b>Non-current assets</b>	<b>122,985</b>	<b>127,744</b>	<b>123,680</b>	<b>118,822</b>	<b>112,996</b>
<b>Current liabilities</b>	<b>66,699</b>	<b>67,108</b>	<b>71,711</b>	<b>75,327</b>	<b>76,211</b>
<b>Non-current liabilities</b>	<b>43,730</b>	<b>43,999</b>	<b>47,017</b>	<b>49,388</b>	<b>49,967</b>

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	56,564	47,908	47,206	42,693	42,268
Appropriations	521,975	560,493	628,106	675,090	678,154
Interest	123	-	-	-	-
Other	16,235	16,126	16,126	16,126	16,126
<b>Total cash received</b>	<b>594,897</b>	<b>624,527</b>	<b>691,438</b>	<b>733,909</b>	<b>736,548</b>
<b>Cash used</b>					
Employees	316,721	309,448	330,454	349,719	373,304
Suppliers	225,446	263,645	303,605	328,818	309,727
Other	15,326	15,326	15,326	15,326	15,326
<b>Total cash used</b>	<b>557,493</b>	<b>588,419</b>	<b>649,385</b>	<b>693,863</b>	<b>698,357</b>
<b>Net cash from or (used by) operating activities</b>	<b>37,404</b>	<b>36,108</b>	<b>42,053</b>	<b>40,046</b>	<b>38,191</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Purchase of property, plant and equipment	42,298	49,933	44,798	40,346	38,491
<b>Total cash used</b>	<b>42,298</b>	<b>49,933</b>	<b>44,798</b>	<b>40,346</b>	<b>38,491</b>
<b>Net cash from or (used by) investing activities</b>	<b>(42,298)</b>	<b>(49,933)</b>	<b>(44,798)</b>	<b>(40,346)</b>	<b>(38,491)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	4,830	13,761	2,745	300	300
<b>Total cash received</b>	<b>4,830</b>	<b>13,761</b>	<b>2,745</b>	<b>300</b>	<b>300</b>
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	<b>4,830</b>	<b>13,761</b>	<b>2,745</b>	<b>300</b>	<b>300</b>
<b>Net increase or (decrease) in cash held</b>	<b>(64)</b>	<b>(64)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	6,878	6,814	6,750	6,750	6,750
<b>Cash at the end of the reporting period</b>	<b>6,814</b>	<b>6,750</b>	<b>6,750</b>	<b>6,750</b>	<b>6,750</b>

**Table 5.4: 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
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	(55,112)	11,948	-	158,980	115,816
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>(55,112)</b>	<b>11,948</b>	<b>-</b>	<b>158,980</b>	<b>115,816</b>
Net operating result	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	13,761	13,761
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,761</b>	<b>13,761</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>(55,112)</b>	<b>11,948</b>	<b>-</b>	<b>172,741</b>	<b>129,577</b>

**Table 5.5: Departmental capital budget statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	4,830	13,761	2,745	300	300
<b>Total capital appropriations</b>	4,830	13,761	2,745	300	300
<b>Represented by:</b>					
Purchase of non-financial assets	4,830	13,761	2,745	300	300
<b>Total represented by</b>	4,830	13,761	2,745	300	300
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	4,830	13,761	2,745	300	300
Funded internally by					
Departmental resources	37,468	36,172	42,053	40,046	38,191
<b>Total</b>	42,298	49,933	44,798	40,346	38,491



**Table 5.6: Departmental property, plants, equipment and intangibles - summary of movement (Budget year 2006-07)**

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2006</b>						
Gross book value	-	-	63,219	202,022	-	265,241
Accumulated depreciation	-	-	17,201	125,055	-	142,256
<b>Opening net book value</b>	-	-	46,018	76,967	-	122,985
Additions:						
by purchase	-	-	21,730	3,500	-	25,230
internally developed	-	-	-	24,703	-	24,703
Depreciation/amortisation expense	-	-	16,323	28,851	-	45,174
Disposals:						
other disposals	-	-	-	-	-	-
<b>As at 30 June 2007</b>						
Gross book value	-	-	84,949	230,225	-	315,174
Accumulated depreciation	-	-	33,524	153,906	-	187,430
<b>Estimated closing net book value</b>	-	-	51,425	76,319	-	127,744

## **NOTES TO THE FINANCIAL STATEMENTS**

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

### **Basis of accounting**

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

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

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

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

## PORTFOLIO 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.