

PORTFOLIO BUDGET STATEMENTS 2008-09

HUMAN SERVICES PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY AGENCY, BY OUTCOME

BUDGET RELATED PAPER NO. 1.11

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SENATOR THE HON JOE LUDWIG

Minister for Human Services
Manager of Government Business in the Senate
Senator for Queensland

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 2008-09 Budget for the Human Services Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

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

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Joe Ludwig', with a large, sweeping flourish extending from the bottom left.

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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nfp	not for publication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 4000.

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET
STATEMENTS**

USER GUIDE

The purpose of the 2008-09 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 acts, special appropriations (including standing appropriations and 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 2008-09 (or Appropriation Bill [Parliamentary Departments] No. 1 2008-09 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts 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 and accordingly, these entities are not reported in the PB Statements.

STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS

The Portfolio Budget Statements have been revised for the 2008-09 Budget, with significant changes made to reduce the work load on agencies and to provide Parliament with more targeted and comprehensive information on government expenditure.

Included below is a brief outline of each section of the revised document.

Portfolio overview

The portfolio overview is largely unchanged with portfolio departments required to briefly outline the responsibilities of the portfolio, list the relevant agencies and Ministers and the resources available.

Agency Resources and Planned Performance

A statement (under the name of the agency) for each agency within the Portfolio.

Section 1: Agency overview and resources

- This section includes three components:
 - 1.1 Strategic Direction for 2008-09;
 - 1.2 Resource Statement; and
 - 1.3 Measures Table.
- The intention of section one is to provide readers with an overview of the functions and responsibilities of the agency, its contribution towards its outcomes for the budget year and the resources available.
- In the *Strategic Direction for 2008-09* agencies are to present a narrative approach rather than being restricted to a fixed number of headings. The key emphasis is on telling the agency 'story': the key strategies it is implementing to achieve its outcomes, what is involved and how success and progress are to be measured.
- The agency resource statement and measures table summarise resource information into two tables. Agencies are to use the new agency resource statement which details the source and nature of the all resources available to the agency. Budget Measures information is to reflect the information covered in Budget Paper 2, with the output group against which the measures are to be pursued included to improve cross-referencing.

Agency Resources and Planned Performance (continued)	
Section 2: Outcomes and Planned Performance	<ul style="list-style-type: none"> • The outcomes section has undergone significant change to re-orientate agency reporting towards their results in contributing to outcomes and away from focusing on the activities and processes of agencies. • The outcome resource statement provides lower level resourcing information for general users at the results level, grouped by output group rather than appropriation type as has been the case previously. • Following the outcome resource statement agencies will use output groups for each outcome to group their intended contributions and the performance indicators used to assess the agency's effectiveness. By focusing on the results and impacts agencies are making towards outcomes, the revised PB Statements will be more focused on how agencies contribute to outcomes rather than detailing activities.
Section 3: Explanatory tables and budgeted financial statements	<ul style="list-style-type: none"> • This section has been reworked to increase the readability of technical financial information. The section now includes: <ul style="list-style-type: none"> – an explanation of any differences at agency level between the information included in the Budget Papers and the PB Statements arising from the use of the GFS and AAS accounting methodologies; and – explanatory tables to provide supplementary information on the reconciliation between total available appropriation and outcome attribution, the re-phasing and use of appropriations, special account flows and Australian Government Indigenous Expenditure. • It should also be noted that the capital budget statement and the property, plant, equipment and intangibles statements are no longer mandatory in the financial statements. This change has been made because for the majority of agencies the information provided was of little value. Agencies with significant investment programs and/or balance sheets may continue using the statements to better explain their overall position.
Glossary	Explains key terms relevant to the Portfolio.

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PORTFOLIO OVERVIEW

HUMAN SERVICES PORTFOLIO OVERVIEW

MINISTER(S) AND PORTFOLIO RESPONSIBILITIES

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

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

The Department of Human Services is the central policy and coordination department of the Portfolio. The Department works with other departments and agencies to develop policy on service delivery, as clarified by the AAOs issued on 25 January 2008, and to ensure the effective, innovative, and efficient implementation of Government service delivery policy. The Department works to ensure early consideration of service delivery issues in the policy development process to improve the quality and cost effectiveness of service delivery by agencies in the Human Services Portfolio.

HUMAN SERVICES AGENCIES

AGENCIES WITHIN HUMAN SERVICES PORTFOLIO

The Human Services Portfolio 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 and provide policy advice on service delivery matters to government. 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.

Portfolio overview

- **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)

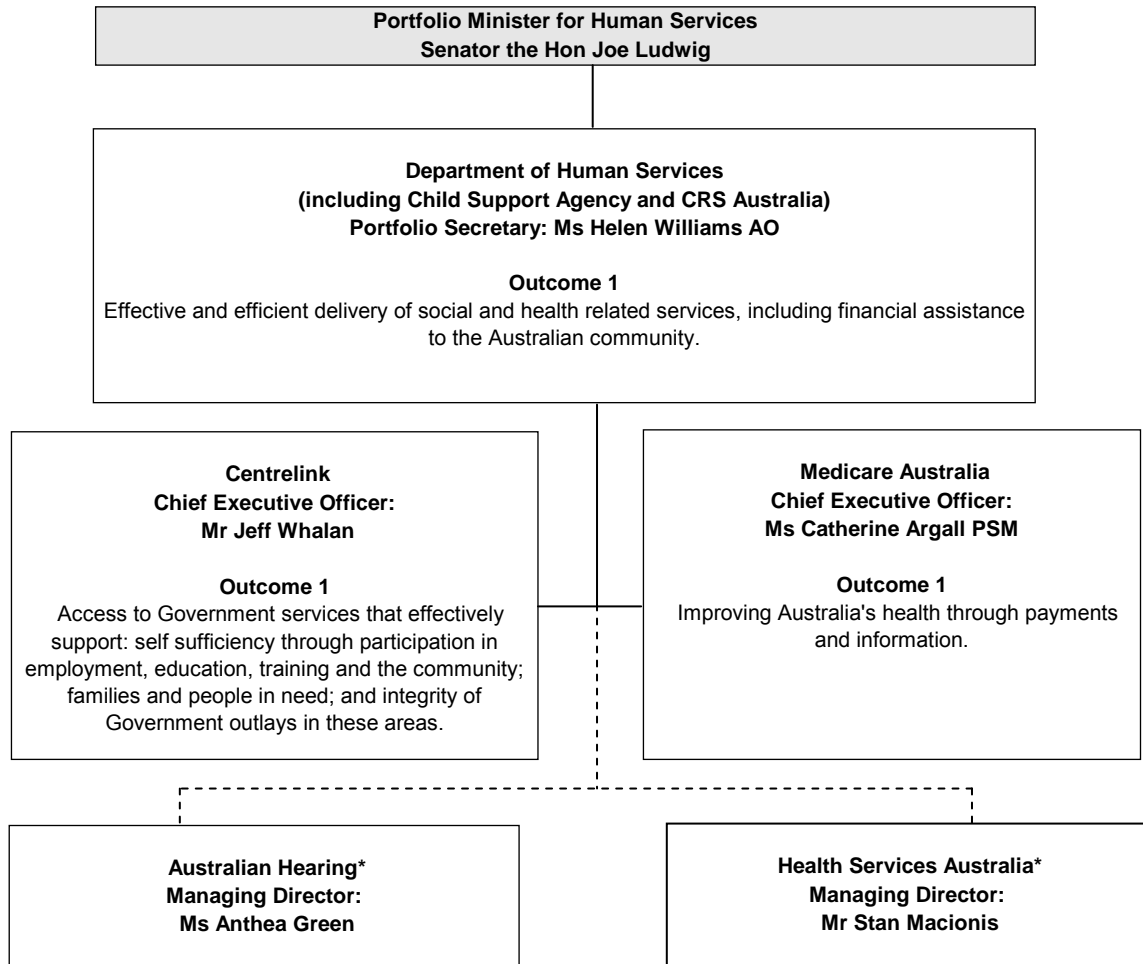
- **Australian Hearing** is one of the largest hearing service providers in the world and is dedicated to helping people manage their hearing impairment so they have a better quality of life. Australian Hearing provides a full range of hearing services for children and young people up to the age of 21, 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>

Figure 1: Human Services 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.

PORTFOLIO RESOURCES MADE AVAILABLE IN THE BUDGET YEAR

Table 1: Portfolio resources made available in the Budget year

	Appropriation			Receipts	Total
	Bill No. 1	Bill No. 2	Special		
	\$m	\$m	\$m	\$m	\$m
Department of Human Services					
Administered appropriations	134	-	79	978	1,190
Departmental appropriations	474	2	-	212	688
Total:	608	2	79	1,189	1,878
Centrelink					
Administered appropriations	-	-	-	-	-
Departmental appropriations	607	4	-	2,216	2,826
Total:	607	4	-	2,216	2,826
Medicare Australia					
Administered appropriations	5	-	-	194	199
Departmental appropriations	608	15	-	85	708
Total:	614	15	-	279	907
Resources available within Portfolio:					5,612

Discrepancies in the table between totals and sums of components are due to rounding.

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Human Services

Agency resources and planned performance

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DEPARTMENT OF HUMAN SERVICES

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Department of Human Services was created on 26 October 2004 to achieve improved governance, clearer accountability and better performance in government service delivery.

It is committed to achieving best value for money in service delivery while emphasising innovation and continuous improvement, and to working across service delivery agencies and government as a whole to achieve these objectives.

The Core Department works in partnership with the Child Support Agency and CRS Australia which are part of the Department, and with the four agencies that form part of the Human Services Portfolio, Australian Hearing, Centrelink, Health Services Australia Group and Medicare Australia.

The Department of Human Services' key strategies are set out below:

- Consider community requirements when reviewing services offered by service delivery agencies, to promote simplicity and innovation.
- Work in partnership with human services agencies and external stakeholders to strengthen community confidence in service delivery.
- Partner with other government agencies to develop and influence policy and devise appropriate service delivery mechanisms.
- Work to ensure that Australians are able to access government services in an efficient, effective and contemporary way.
- Balance individuals' preference for service delivery with the risks to taxpayer funds caused by fraud and incorrect payment.
- Work with the service delivery agencies to deliver value for money in service provision, and sound and sustainable financial and governance arrangements.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Department of Human Services resource statement — Budget estimates for 2008-09 as at Budget May 2008

	Estimate of prior ⁺ year amounts available in 2008-09 \$'000	Proposed at Budget ⁼ 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services				
Departmental outputs				
Departmental outputs	158,381 ⁴	474,090 ¹	632,471	528,424
s31 Relevant agency receipts	-	211,621 ³	211,621	197,291
Total	158,381	685,711	844,092 ⁵	725,715
Administered expenses				
Job Capacity Assessment Program	-	130,052	130,052	147,118
Child Support Agency Annual Appropriation	-	3,690	3,690	3,531
Total	-	133,742	133,742	150,649
Total ordinary annual services	A 158,381	819,453	977,834	876,364
Departmental non-operating				
Equity injections	3,797	1,835 ²	5,632	9,877
Previous years' outputs	-	-	-	5,429
Total	3,797	1,835	5,632	15,306
Total other services	B 3,797	1,835	5,632	15,306
Total Available Annual Appropriations	162,178	821,288	983,466	891,670
Special Appropriations				
Special Appropriations limited by criteria/entitlement				
Child Support (Registration and Collection) Act 1988				
Child Support s77 - Short falls in CSA Trust	-	79,014	79,014	75,619
Child Support s78 - Unexplained Remittances		50	50	50
Total Special Appropriations	C -	79,064	79,064	75,669
Total Appropriations excluding Special Accounts	162,178	900,352	1,062,530	967,339

Table 1.1: Department of Human Services resource statement — Budget estimates for 2008-09 as at Budget May 2008 (continued)

	Estimate of prior year amounts available in	Proposed at Budget	Total Estimate	Estimated Appropriation Available
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
Special Accounts⁶				
Opening balance	45,531	-	45,531	40,328
Appropriation Receipts	-	82,754	82,754	79,200
Non-Appropriation receipts to Special Accounts	-	977,514	977,514	935,333
Total Special Account	D 45,531	1,060,268	1,105,799	1,054,861
Total resourcing				
A+B+C+D	207,709	1,960,620	2,168,329	2,022,200
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
Total net resourcing for Department of Human Services	207,709	1,877,866	2,085,575	1,943,000

1. Appropriation Bill (No.1) 2008-09.
 2. Appropriation Bill (No.2) 2008-09.
 3. s31 Relevant Agency receipts — estimate.
 4. Estimated adjusted balance carried from previous year for Annual Appropriations.
 5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Resource Statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.
 6. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.
- Reader note: All figures are GST exclusive

Third Party Drawdowns from and on behalf of other agencies

	\$'000
Payments made on behalf of other agencies (Third Party drawdown access) (disclosed in the respective agency Resource Statement)	-
Payments made on behalf of other agencies (Third Party drawing rights) (disclosed above)	-
Revenue received from other agencies for the provision of services (disclosed above within Departmental s31)	
- Department of Education, Employment and Workplace Relations	182,881
- other agencies and external	28,740
Payments made to other agencies for the provision of services - Centrelink	68,292

1.3 BUDGET MEASURES

Budget measures relating to the Department of Human Services are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

Table 1.2: Agency 2008-09 Budget measures

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Expense measures					
Service Delivery Reform					
Departmental outputs	1	10,000	-	-	-
Closing the Gap - Northern Territory - income management ²					
Departmental outputs	1	3,633	-	-	-
Welfare Payments Reform - child protection pilot and school attendance and enrolment pilot					
Departmental outputs	1	708	-	-	-
Responsible Economic Management - Employment Services for 2009-10 to 2011-12					
Administered expense	1	1,308	1,308	1,308	1,308
Total		15,649	1,308	1,308	1,308
Total expense measures					
	Administered	1,308	1,308	1,308	1,308
	Departmental	14,341	-	-	-
	Total	15,649	1,308	1,308	1,308

Prepared on a Government Financial Statistics (fiscal) basis

1. The lead agency for measures Closing the Gap - Northern Territory - income management, and Welfare Payments Reform - child protection pilot and school attendance and enrolment pilot is the Department of Families, Housing, Community Services and Indigenous Affairs. The lead agency for measure Employment Responsible Economic Management - Employment Services for 2009-10 to 2011-12 is the Department of Education, Employment and Workplace Relations. The full measure description and package details appear in Budget Paper 2 under the Human Services portfolio.
2. This measure has a \$2.810m impact in 2007-08. For further details on the 2007-08 impact see Budget Paper No.2.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

The Department of Human Services has one outcome and three outputs. Outcome 1 is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Human Services in achieving government outcomes.

2.1.1 Outcome 1: Effective and efficient delivery of social and health related services, including financial assistance to the Australian community

Outcome 1 Strategy

The Department of Human Services drives the development and delivery of creative and efficient government programs for Australians, in partnership with Portfolio agencies, departments and the community.

Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for Outcome 1.

Table 2.1: Total resources for Outcome 1

Outcome 1:		2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 1: Core Department			
Administered Items:			
Job Capacity Assessment program	B1	130,052	147,118
Departmental Outputs			
Core Department		33,815	62,250
Revenues from other sources (s.31) for the Department of Human Services		-	-
Subtotal for Output Group 1		163,867	209,368
Output Group 2: Child Support Agency			
Administered Items:			
Child Support (Registration and Collection) Act 1988	B1	3,690	3,531
Special Appropriations:			
<i>Child Support s77 - Shortfalls in CSA Trust</i>		79,014	75,619
<i>Child Support s78 - Unexplained Remittances</i>		50	50
Departmental Outputs			
Child Support Agency		440,275	466,174
Revenues from other sources (s.31) for the Department of Human Services		1,940	1,940
Special Accounts			
Special Account - Child Support Agency Trust			
Opening balance		45,485	40,282
Appropriation receipts ¹		82,754	79,200
Non-Appropriation receipts to Special Accounts		977,514	935,333
Less appropriation drawn from annual and special appropriations above and credited to special account		(82,754)	(79,200)
Subtotal for Output Group 2		1,547,968	1,522,929
Output Group 3: CRS Australia			
Departmental Outputs			
CRS Australia			
Revenues from other sources (s.31) for the Department of Human Services		209,981	193,278
Special Accounts			
Special Account - Other Trust Moneys			
Opening balance		46	46
Subtotal for Output Group 3		210,027	193,324
Total resources for Outcome 1		1,921,862	1,925,621
		2008-09	2007-08
Core Department		145	220
Child Support Agency		3,520	3,930
CRS Australia		1,748	1,708
Average staffing level (number)		5,413	5,858

¹ Appropriation item receipted into Child Support Special Account (B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)

Note: 1 Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

Output Group 1: Core Department

The Core Department works with policy departments to influence the development of policy that incorporates sound and innovative service delivery. It also provides leadership at a whole-of-government level so that service delivery implementation issues are taken into account in policy design and decision-making.

Output Group 1: Core Department	
<p>Development of effective and efficient service delivery of social and health related services, including financial assistance, to the Australian community.</p> <p>Components of Output Group 1:</p> <ul style="list-style-type: none"> Administered - Job Capacity Assessment program (JCA); Job Capacity Account (JCAC) program. <p>Objective - These programs ensure individuals have their work capacity assessed accurately and are quickly referred to the appropriate employment service.</p> <p>Total Budget</p> <ul style="list-style-type: none"> Total budget for the JCA and JCAC programs in 2008-09 is \$130.052 million. <p>Departmental</p> <ul style="list-style-type: none"> Provision of advice on the development of service delivery policy and programs, the coordination and development of specific initiatives on behalf of Government and the governance of service delivery performance and purchaser/provider relationships involving portfolio agencies and business units of the Department, including CSA and CRS Australia. <p>Total Price</p> <ul style="list-style-type: none"> The price of the core departmental outputs in 2008-09 is \$33.815 million. 	
Key Performance Indicators	2008-09 Target
<p>Administered - JCA and JCAC Programs</p> <p>Effectiveness</p> <ul style="list-style-type: none"> Program performance meets contract and service agreement KPIs. Stakeholder satisfaction with the programs as assessed via feedback provided through consultative mechanisms. <p>Efficiency</p> <ul style="list-style-type: none"> Program expenditure against budget. Administered expense appropriation for the JCA programs in 2008-09 is \$130.052 million: <ul style="list-style-type: none"> JCA \$105.060million JCAC \$24.992 million 	<p>Program performance to be assessed against a range of indicators including:</p> <ul style="list-style-type: none"> Timeliness (80 per cent of assessments completed within agreed timeframes). Effectiveness (measures includes client outcomes, referrals to employment services and acceptance of assessments by Centrelink for income support decisions). Quality (to be measured by quality assurance audits and rates of customer complaint).

Key Performance Indicators	2008-09 Target
<p>Departmental - Core Department</p> <ul style="list-style-type: none"> <i>Advice to the Minister on the development of service delivery policy and programs</i> <p>Effectiveness</p> <p>Minister's satisfaction with the quality, timeliness and relevance of Departmental advice for decision making.</p> <p>Efficiency</p> <p>Percentage of briefs and Ministerial replies submitted within agreed timeframes.</p> <ul style="list-style-type: none"> <i>Coordination and development of initiatives on behalf of Government including: (1) service delivery reform; (2) addressing fraud and improving compliance; and (3) implementation of an income management card.</i> <p>Effectiveness</p> <p>Minister is satisfied with the development and implementation of the service delivery initiatives.</p> <p>Efficiency</p> <p>The Department's coordination and implementation tasks meet agreed timeframes.</p> <ul style="list-style-type: none"> <i>Governance (monitoring and management) of service delivery performance and business agreements involving portfolio agencies and business units of the Department, including CSA and CRS Australia.</i> <p>Effectiveness</p> <p>Service delivery expectations for 2008-09 are set for the portfolio agencies and business units of the Department.</p> <p>Efficiency</p> <p>Governance arrangements are in place and service delivery performance is monitored against expectations.</p>	<ul style="list-style-type: none"> 95 per cent of briefs submitted within agreed timeframes and meeting a standard of satisfactory or above. 95 per cent of Ministerial replies to correspondence submitted within agreed timeframes. Ministerial satisfaction with the development and implementation of the initiatives. Timeframes met for implementation. Agencies and business units have service delivery expectations set. Performance is monitored through monthly governance meetings (quarterly in the case of HSA Group and Australian Hearing).

Output Group 2: Child Support Agency

The Child Support Agency (CSA) supports separated parents to resolve their child support issues by providing assessment, registration, collection and disbursement services taking into account their individual circumstances. CSA also offers assistance to parents to connect to support services when they need assistance with broader issues affecting their lives and 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 almost \$2.8 billion between parents for the benefit of just over 1.1 million children in 2008-09.

Output Group 2: Child Support Agency	
Delivery of child support assessment, registration, collection and disbursement services.	
Components of Output Group 2:	
<ul style="list-style-type: none"> • Annual Appropriation \$440.275 million. • Revenues from other sources (s.31) for - Child Support Agency Special Accounts \$1.940 million. 	
Key Performance Indicators	2008-09 Target
Quality Maintain customer satisfaction with CSA's service	(Greater or equal to 5.75 on a 7 point scale)
Cost Cost per case Cost per dollar transferred	(estimate: \$538) (estimate: 16 cents)
Effectiveness (Adequacy) Total amount transferred between parents	(estimate: \$2.8 billion)
Effectiveness (Independence) Child support transfer rate (CSA collect and private collect) Child support collection rate (CSA collect only) Percentage of Private collect cases to total active cases (CSA and Private collect cases)	(estimate: 96.0 per cent) (estimate: 90.0 per cent) (estimate: 52.0 per cent)
Price The price of CSA's outputs in 2008-09	\$442.215 million

Output Group 3: CRS Australia

CRS Australia's purpose is to meet the needs of customers by providing high quality vocational rehabilitation, assessment, injury management, and prevention services to people with disability, injury, and health conditions to enable them to gain and maintain employment.

Output Group 3: CRS Australia	
<p>CRS Australia assists people who have a disability or injury to return to work.</p> <p>Components of Output Group 3:</p> <ul style="list-style-type: none"> • Delivery of vocational rehabilitation services to eligible people who have an injury, disability or health condition. <p>Total price of outputs in 2008-09 is \$ 209.981 million.</p>	
Key Performance Indicators	2008-09 Target
<p>Quality</p> <p>Certification against Disability Standards</p>	CRS Australia remains certified
<p>Quantity</p> <p>Proportion of job seekers achieving durable employment outcomes.</p>	At least 30%
<p>Effectiveness and Efficiency</p> <p>CRS Australia undertakes a range of other services for government and private agencies with each agreement requiring certain performance indicators to be met.</p>	CRS Australia will meet all key performance indicators.
CRS Australia will maintain a viable business operation.	CRS Australia will maintain a positive operating result.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities. Table 3.1.1 reconciles the total available appropriation and amounts attributable to all outcomes.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	844,092
Less estimated payments in 2008-09	(683,578)
Estimated departmental operating appropriation carry-forward for 2009-10 (outputs)	160,514

3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

Table 3.1.2: Movement of administered funds between years

Department of Human Services has no movement of administered funds approved since the 2007-08 Additional Estimates.

3.1.3 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* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by Department of Human Services.

Table 3.1.3: Estimates of Special Account cash flows and balances

		Opening balance 2008-09 2007-08	Receipts 2008-09 2007-08	Payments 2008-09 2007-08	Adjustments 2008-09 2007-08	Closing balance 2008-09 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Trust - <i>Child Support Act 1988 (A)</i>		45,485	1,060,268	1,054,636		51,117
	1	40,282	1,014,533	1,009,330	-	45,485
Other Trust Monies (D)	1	46	-	-	-	46
		46	-	-	-	46
Total special accounts						
2008-09 Budget estimate		45,531	1,060,268	1,054,636	-	51,163
Total special accounts						
2007-08 estimate actual		40,328	1,014,533	1,009,330	-	45,531

(A) = Administered

(D) = Departmental

3.1.4 Australian Government Indigenous Expenditure

Table 3.1.4 provides details of Australian Government Indigenous Expenditure for 2008-09.

Table 3.1.4: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Output Group
	Bill	Bill	Special	Total			
	No. 1 \$'000	No. 2 \$'000	Approp \$'000	Approp \$'000			
Outcome 1							
Department of Human Services							
Administered 2008-09	-	-	-	-	475	475	1
Administered 2007-08	-	-	-	-	6,442	6,442	1
Departmental 2008-09	3,633	-	-	3,633	-	3,633	1
Departmental 2007-08	-	-	-	-	3,616	3,616	1
Total Outcome 2008-09	3,633	-	-	3,633	-	4,108	
Total Outcome 2007-08	-	-	-	-	-	10,058	
Total AGIE 2008-09	3,633	-	-	3,633	475	4,108	
Total AGIE 2007-08	-	-	-	-	10,058	10,058	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

Agency resource statement in Table 1.1 shows how the 2008-09 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), receipts from other sources, and special account receipts.

The financial statements report the consolidated budgeted 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 Australia is provided from Tables 3.2.8 to 3.2.25.

3.2.2 Analysis of budgeted financial statements

Departmental Budgeted Income Statement

Since the Portfolio Additional Estimates Statements 2007-08 were published, budgeted income for the Department in 2008-09 has increased by \$19.0 million. Of this \$14.3 million is due to the new measures for Service Delivery Reform (\$10m), Closing the Gap - Northern Territory - income management (\$3.6m), and Welfare Payments Reform - child protection pilot and school attendance and enrolment pilot (\$0.7m). The remaining \$4.7 million reflects expected income from the New Zealand government for the collection of child support on their behalf (\$1.9m), additional revenue from the Department of Education, Employment and Workplace Relations for CRS Australia (\$2.3m), and economic parameter adjustments (\$0.5m).

Movements in depreciation and amortisation expenses are due to CSA's comprehensive review of its capital expenditure and requirements which has recently been completed.

Departmental Budgeted Balance Sheet and Cash Flow

Major movements in the Department's Balance Sheet and Cashflow are mostly the result of the aforementioned review of CSA's review of capital expenditure. More fixed asset purchases for buildings, equipment and software in 2008-09 has been funded from appropriations receivable.

Administered Budgeted Financial Statements

Expenses administered on behalf of the government have increased by a total of \$1.3 million in 2008-09 since the 2007-08 additional estimates. This increase is due to a new measure for Responsible Economic Management - Employment Services for 2009-10 to 2011-12 (\$1.3m).

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	528,424	474,090	428,952	439,345	446,389
Goods and services	194,718	211,421	194,738	194,710	194,709
Other	500	500	500	500	500
Total revenue	723,642	686,011	624,190	634,555	641,598
Total income	723,642	686,011	624,190	634,555	641,598
EXPENSE					
Employees	417,725	405,674	367,474	375,276	377,707
Suppliers	278,649	245,137	220,172	224,721	231,553
Depreciation and amortisation	25,664	31,575	33,636	31,025	28,795
Finance costs	226	237	248	225	236
Write-down of assets and impairment of assets	-	-	-	-	-
Losses from sale of assets	55	58	58	58	58
Total expenses	722,319	682,681	621,588	631,305	638,349
Surplus (Deficit) before income tax	1,323	3,330	2,602	3,250	3,249
Income tax expense	1,323	1,389	1,389	1,389	1,389
Surplus (deficit) attributable to the Australian Government	-	1,941	1,213	1,861	1,860

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	15,856	15,759	12,219	12,160	13,767
Trade and other Receivables	167,289	165,722	162,189	171,832	164,955
Accrued revenues	2,029	2,129	2,129	2,629	2,629
Total financial assets	185,174	183,610	176,537	186,621	181,351
Non-financial assets					
Land and buildings	53,856	53,505	64,804	59,647	63,671
Infrastructure, plant and equipment	3,817	9,901	8,210	6,608	9,062
Intangibles	33,417	34,933	31,993	27,270	27,496
Other	6,765	6,766	6,766	6,766	6,766
Total non-financial assets	97,855	105,105	111,773	100,291	106,995
Total assets	283,029	288,715	288,310	286,912	288,346
LIABILITIES					
Interest bearing liabilities					
Leases	13,173	10,755	9,592	6,724	5,188
Total interest bearing liabilities	13,173	10,755	9,592	6,724	5,188
Provisions					
Employees	94,964	97,686	98,940	99,239	99,637
Other	7,933	8,169	7,695	7,918	8,154
Total provisions	102,897	105,855	106,635	107,157	107,791
Payables					
Suppliers	34,171	35,341	34,306	33,393	33,869
Tax liabilities	250	250	250	250	250
Other	7,307	7,507	7,307	7,307	7,307
Total payables	41,728	43,098	41,863	40,950	41,426
Total liabilities	157,798	159,708	158,090	154,831	154,405
Net assets	125,231	129,007	130,220	132,081	133,941
EQUITY*					
Parent entity interest					
Contributed equity	90,539	92,374	92,374	92,374	92,374
Reserves	2,326	2,326	2,326	2,326	2,326
Retained surpluses or accumulated deficits	32,366	34,307	35,520	37,381	39,241
Total equity	125,231	129,007	130,220	132,081	133,941
Current assets	191,939	190,376	183,303	193,387	188,117
Non-current assets	91,090	98,339	105,007	93,525	100,229
Current liabilities	93,629	95,871	97,647	94,572	94,376
Non-current liabilities	64,169	63,837	60,443	60,259	60,029

* 'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	192,367	209,181	194,738	194,210	194,710
Appropriations	516,149	471,861	432,485	429,703	453,433
Net GST received	51,175	46,998	44,636	43,247	45,242
Other cash received	4,924	2,440	500	500	500
Total cash received	764,615	730,480	672,359	667,660	693,885
Cash used					
Employees	411,005	403,155	368,222	375,182	377,675
Suppliers	283,314	247,095	222,222	229,991	234,192
Competitive neutrality payments	1,323	1,189	1,189	1,189	1,189
Cash to the Official Public Account	-	-	-	-	-
Net GST paid	50,236	46,999	44,636	43,246	45,242
Other	106	111	116	86	-
Total cash used	745,984	698,549	636,385	649,694	658,298
Net cash from or (used by) operating activities	18,631	31,931	35,974	17,966	35,587
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	38,341	25,214	29,888	13,074	25,579
Purchase of intangibles	15,671	12,446	8,900	4,950	8,400
Other	-	-	724	-	-
Total cash used	54,012	37,660	39,512	18,024	33,979
Net cash from or (used by) investing activities	(54,012)	(37,660)	(39,512)	(18,024)	(33,979)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	37,885	5,632	-	-	-
Total cash received	37,885	5,632	-	-	-
Net cash from or (used by) financing activities	37,885	5,632	-	-	-
Net increase or (decrease) in cash held	2,504	(97)	(3,538)	(58)	1,608
Cash at the beginning of the reporting period	13,351	15,856	15,759	12,219	12,160
Cash at the end of the reporting period	15,856	15,759	12,219	12,160	13,767

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	32,366	-	2,326	90,539	125,231
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	32,366	-	2,326	90,539	125,231
Surplus (deficit) for the period	1,941	-	-	-	1,941
Total income and expenses recognised directly in equity	1,941	-	-	-	1,941
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	1,835	1,835
Other: Previous Year's Outputs - funding agreement	-	-	-	-	-
Sub-total transactions with owners	-	-	-	1,835	1,835
Estimated closing balance as at 30 June 2009	34,307	-	2,326	92,374	129,007

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	70,208	76,075	79,455	82,952	84,908
Total taxation	70,208	76,075	79,455	82,952	84,908
Non-taxation					
Dividends	12,894	12,560	14,079	14,079	14,079
Competitive neutrality revenue	4,198	3,890	4,056	4,056	4,056
Other sources of non-taxation revenues	1,040,672	1,087,390	1,135,734	1,185,753	1,213,780
Total non-taxation	1,057,764	1,103,840	1,153,869	1,203,888	1,231,915
Total revenues administered on behalf of Government	1,127,972	1,179,915	1,233,324	1,286,840	1,316,823
Total income administered on behalf of Government	1,127,972	1,179,915	1,233,324	1,286,840	1,316,823
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	-	-	-	-	-
Suppliers	147,118	130,052	130,053	130,076	130,099
Write down and impairment of assets	83,170	85,338	89,130	93,053	95,248
Child support Payments	1,025,486	1,071,499	1,119,128	1,168,407	1,196,012
Total expenses administered on behalf of Government	1,255,774	1,286,889	1,338,311	1,391,536	1,421,359

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	20	20	20	20	20
Receivables	518,606	537,020	556,251	576,329	596,880
Investments	55,941	55,941	55,941	55,941	55,941
Total financial assets	574,567	592,981	612,212	632,290	652,841
Total assets administered on behalf of Government	574,567	592,981	612,212	632,290	652,841
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	13,356	13,356	13,356	13,356	13,356
Accrued child support payments	493,780	510,644	528,255	546,643	565,462
Other payables	31,142	31,696	32,243	32,779	33,275
Total payables	538,278	555,696	573,854	592,778	612,093
Total liabilities administered on behalf of Government	538,278	555,696	573,854	592,778	612,093

**Table 3.2.7: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	5,616	6,086	6,357	6,636	6,793
Cash from the Official Public Account	1,156,448	1,184,688	1,231,568	1,280,096	1,307,290
Dividends	12,894	12,560	14,079	14,079	14,079
Competitive neutrality revenue	4,198	3,890	4,056	4,056	4,056
Net GST received	14,712	13,005	13,005	13,007	13,010
Other	1,009,641	1,053,627	1,100,471	1,148,938	1,176,097
Total cash received	2,203,509	2,273,856	2,369,536	2,466,812	2,521,325
Cash used					
Personal benefits	-	-	-	-	-
Suppliers	147,118	130,052	130,053	130,076	130,099
Net GST paid	14,712	13,005	13,005	13,007	13,010
Cash to the Official Public Account	1,031,625	1,076,718	1,125,510	1,174,245	1,201,520
Other	1,010,078	1,054,081	1,100,968	1,149,484	1,176,696
Total cash used	2,203,533	2,273,856	2,369,536	2,466,812	2,521,325
Net cash from or (used by) operating activities	(24)	-	-	-	-
Net increase or (decrease) in cash held	(24)	-	-	-	-
Cash at beginning of reporting period	44	20	20	20	20
Cash at end of reporting period	20	20	20	20	20

3.2.4 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 3.2.8 – Table 3.2.14
- Child Support Agency Table 3.2.15 – Table 3.2.21.
- CRS Australia Table 3.2.22 – Table 3.2.25

BUDGETED FINANCIAL STATEMENTS-CORE DEPARTMENT**Table 3.2.8: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	62,250	33,815	17,739	18,584	18,398
Goods and services	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	62,250	33,815	17,739	18,584	18,398
Total income	62,250	33,815	17,739	18,584	18,398
EXPENSE					
Employees	26,026	18,284	11,750	12,806	12,616
Suppliers	36,797	15,011	5,544	5,458	5,531
Depreciation and amortisation	520	520	445	320	251
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Losses from sale of assets	-	-	-	-	-
Total expenses	63,343	33,815	17,739	18,584	18,398
Surplus (Deficit) before income tax	(1,093)	-	-	-	-
Income tax expense	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(1,093)	-	-	-	-

Prepared on Australian Accounting Standards basis

**Table 3.2.9: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	669	728	1,057	285	285
Trade and other Receivables	15,098	16,339	17,310	18,229	18,490
Accrued revenues	-	-	-	-	-
Total financial assets	15,767	17,067	18,367	18,514	18,775
Non-financial assets					
Land and buildings	1,570	1,179	901	680	430
Infrastructure, plant and equipment	1,021	893	940	841	841
Intangibles	1,950	1,948	1,947	1,947	1,948
Other	4	5	5	5	5
Total non-financial assets	4,545	4,025	3,793	3,473	3,224
Total assets	20,312	21,092	22,160	21,987	21,999
LIABILITIES					
Interest bearing liabilities					
Leases	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	7,609	8,125	8,566	9,401	9,410
Other	140	140	142	140	140
Total provisions	7,749	8,265	8,708	9,541	9,550
Payables					
Suppliers	3,618	3,882	4,507	3,501	3,504
Tax liabilities	-	-	-	-	-
Other	-	-	-	-	-
Total payables	3,618	3,882	4,507	3,501	3,504
Total liabilities	11,367	12,147	13,215	13,042	13,054
Net assets	8,945	8,945	8,945	8,945	8,945
EQUITY*					
Parent entity interest					
Contributed equity	3,487	3,487	3,487	3,487	3,487
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	5,458	5,458	5,458	5,458	5,458
Total equity	8,945	8,945	8,945	8,945	8,945
Current assets	15,771	17,072	18,372	18,519	18,780
Non-current assets	4,541	4,020	3,788	3,468	3,219
Current liabilities	9,845	10,522	11,502	11,162	11,172
Non-current liabilities	1,522	1,625	1,713	1,880	1,882

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

**Table 3.2.10: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	-	-	-	-	-
Appropriations	72,317	32,575	16,767	17,666	18,304
Net GST received	3,488	750	551	543	350
Other cash received	-	-	-	-	-
Total cash received	75,805	33,325	17,318	18,209	18,654
Cash used					
Employees	25,570	17,771	11,313	11,977	12,773
Suppliers	45,255	14,745	4,910	6,461	5,531
Competitive neutrality payments	-	-	-	-	-
Cash to the Official Public Account	-	-	-	-	-
Net GST paid	3,488	750	551	543	350
Other	-	-	-	-	-
Total cash used	74,313	33,266	16,774	18,981	18,654
Net cash from or (used by) operating activities	1,492	59	544	(772)	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,463	-	215	-	-
Purchase of intangibles	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	3,463	-	215	-	-
Net cash from or (used by) investing activities	(3,463)	-	(215)	-	-
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	2,449	-	-	-	-
Total cash received	2,449	-	-	-	-
Net cash from or (used by) financing activities	2,449	-	-	-	-
Net increase or (decrease) in cash held	478	59	329	(772)	-
Cash at the beginning of the reporting period	191	669	728	1,057	285
Cash at the end of the reporting period	669	728	1,057	285	285

Table 3.2.11: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	5,458	-	-	3,487	8,945
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	5,458	-	-	3,487	8,945
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Contribution by owners					
Appropriation (equity injection)	-	-	-	-	-
Other: Previous Year's Outputs	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Estimated closing balance as at 30 June 2009	5,458	-	-	3,487	8,945

Table 3.2.12: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Dividends	12,894	12,560	14,079	14,079	14,079
Competitive neutrality revenue	4,198	3,890	4,056	4,056	4,056
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	17,092	16,450	18,135	18,135	18,135
Total revenues administered on behalf of Government	17,092	16,450	18,135	18,135	18,135
Total income administered on behalf of Government	17,092	16,450	18,135	18,135	18,135
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	-	-	-	-	-
Suppliers	147,118	130,052	130,053	130,076	130,099
Write down and impairment of assets	-	-	-	-	-
Child support Payments	-	-	-	-	-
Total expenses administered on behalf of Government	147,118	130,052	130,053	130,076	130,099

Table 3.2.13: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	13,356	13,356	13,356	13,356	13,356
Investments	55,941	55,941	55,941	55,941	55,941
Total financial assets	69,297	69,297	69,297	69,297	69,297
Total assets administered on behalf of Government	69,297	69,297	69,297	69,297	69,297
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	13,356	13,356	13,356	13,356	13,356
Accrued child support payments	-	-	-	-	-
Other payables	-	-	-	-	-
Total payables	13,356	13,356	13,356	13,356	13,356
Total liabilities administered on behalf of Government	13,356	13,356	13,356	13,356	13,356

**Table 3.2.14: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes fees, and fines	-	-	-	-	-
Cash from the Official Public Account	147,118	130,052	130,053	130,076	130,099
Dividends	12,894	12,560	14,079	14,079	14,079
Competitive neutrality revenue	4,198	3,890	4,056	4,056	4,056
Net GST received	14,712	13,005	13,005	13,007	13,010
Other	-	-	-	-	-
Total cash received	178,922	159,507	161,193	161,218	161,244
Cash used					
Personal benefits	-	-	-	-	-
Suppliers	147,118	130,052	130,053	130,076	130,099
Net GST paid	14,712	13,005	13,005	13,007	13,010
Cash to the Official Public Account	17,092	16,450	18,135	18,135	18,135
Other	-	-	-	-	-
Total cash used	178,922	159,507	161,193	161,218	161,244
Net cash from or (used by) operating activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

BUDGETED FINANCIAL STATEMENTS-CHILD SUPPORT AGENCY**Table 3.2.15: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	466,174	440,275	411,213	420,761	427,991
Goods and services	1,940	1,940	-	-	-
Other	-	-	-	-	-
Total revenue	468,114	442,215	411,213	420,761	427,991
Total income	468,114	442,215	411,213	420,761	427,991
EXPENSE					
Employees	275,972	263,510	239,277	245,817	248,438
Suppliers	172,555	154,313	145,397	150,914	157,673
Depreciation and amortisation	19,361	24,155	26,291	23,805	21,644
Finance costs	226	237	248	225	236
Write-down of assets and impairment of assets	-	-	-	-	-
Losses from sale of assets	-	-	-	-	-
Total expenses	468,114	442,215	411,213	420,761	427,991
Surplus (Deficit) before income tax	-	-	-	-	-
Income tax expense	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis

**Table 3.2.16: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	3,500	3,500	3,500	3,500	3,500
Trade and other Receivables	71,871	69,063	64,557	73,281	66,143
Accrued revenues	-	-	-	-	-
Total financial assets	75,371	72,563	68,057	76,781	69,643
Non-financial assets					
Land and buildings	43,465	43,267	54,606	49,432	53,467
Infrastructure, plant and equipment	2,060	8,256	6,502	4,984	7,424
Intangibles	29,094	30,967	28,028	23,305	23,530
Other	5,220	5,220	5,220	5,220	5,220
Total non-financial assets	79,839	87,710	94,356	82,941	89,641
Total assets	155,210	160,273	162,413	159,722	159,284
LIABILITIES					
Interest bearing liabilities					
Leases	12,304	9,886	8,723	5,855	4,319
Total interest bearing liabilities	12,304	9,886	8,723	5,855	4,319
Provisions					
Employees	60,192	65,114	68,372	67,836	68,225
Other	6,297	6,533	6,057	6,282	6,518
Total provisions	66,489	71,647	74,429	74,118	74,743
Payables					
Suppliers	22,187	22,675	23,196	23,684	24,157
Tax liabilities	-	-	-	-	-
Other	-	-	-	-	-
Total payables	22,187	22,675	23,196	23,684	24,157
Total liabilities	100,980	104,208	106,348	103,657	103,219
Net assets	54,230	56,065	56,065	56,065	56,065
EQUITY*					
Parent entity interest					
Contributed equity	43,505	45,340	45,340	45,340	45,340
Reserves	35	35	35	35	35
Retained surpluses or accumulated deficits	10,690	10,690	10,690	10,690	10,690
Total equity	54,230	56,065	56,065	56,065	56,065
Current assets	80,591	77,783	73,277	82,001	74,863
Non-current assets	74,619	82,490	89,136	77,721	84,421
Current liabilities	49,747	52,885	57,301	54,862	54,656
Non-current liabilities	51,233	51,323	49,047	48,795	48,563

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

**Table 3.2.17: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	-	-	-	-	-
Appropriations	443,832	439,286	415,718	412,037	435,129
Net GST received	21,775	18,826	17,898	16,569	18,708
Other cash received	4,424	1,940	-	-	-
Total cash received	470,031	460,052	433,616	428,606	453,837
Cash used					
Employees	269,985	258,589	236,018	246,352	248,049
Suppliers	169,117	156,243	146,038	153,296	158,736
Competitive neutrality payments	-	-	-	-	-
Cash to the Official Public Account	-	-	-	-	-
Net GST paid	21,775	18,827	17,898	16,569	18,708
Other	-	-	-	-	-
Total cash used	460,877	433,659	399,954	416,217	425,493
Net cash from or (used by) operating activities	9,154	26,393	33,662	12,389	28,344
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	28,863	19,579	24,038	7,439	19,944
Purchase of intangibles	15,671	12,446	8,900	4,950	8,400
Other	-	-	724	-	-
Total cash used	44,534	32,025	33,662	12,389	28,344
Net cash from or (used by) investing activities	(44,534)	(32,025)	(33,662)	(12,389)	(28,344)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	35,436	5,632	-	-	-
Total cash received	35,436	5,632	-	-	-
Net cash from or (used by) financing activities	35,436	5,632	-	-	-
Net increase or (decrease) in cash held	56	-	-	-	-
Cash at the beginning of the reporting period	3,444	3,500	3,500	3,500	3,500
Cash at the end of the reporting period	3,500	3,500	3,500	3,500	3,500

Table 3.2.18: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	10,690		35	43,505	54,230
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	10,690	-	35	43,505	54,230
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Contribution by owners					-
Appropriation (equity injection)	-	-	-	1,835	1,835
Other: Previous Year's Outputs - funding agreement	-	-	-	-	-
Sub-total transactions with owners	-	-	-	1,835	1,835
Estimated closing balance as at 30 June 2009	10,690	-	35	45,340	56,065

Table 3.2.19: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	70,208	76,075	79,455	82,952	84,908
Total taxation	70,208	76,075	79,455	82,952	84,908
Non-taxation					
Dividends	-	-	-	-	-
Competitive neutrality revenue	-	-	-	-	-
Other sources of non-taxation revenues	1,040,672	1,087,390	1,135,734	1,185,753	1,213,780
Total non-taxation	1,040,672	1,087,390	1,135,734	1,185,753	1,213,780
Total revenues administered on behalf of Government	1,110,880	1,163,465	1,215,189	1,268,705	1,298,688
Total income administered on behalf of Government	1,110,880	1,163,465	1,215,189	1,268,705	1,298,688
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	-	-	-	-	-
Suppliers	-	-	-	-	-
Write down and impairment of assets	83,170	85,338	89,130	93,053	95,248
Child support Payments	1,025,486	1,071,499	1,119,128	1,168,407	1,196,012
Total expenses administered on behalf of Government	1,108,656	1,156,837	1,208,258	1,261,460	1,291,260

Table 3.2.20: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	20	20	20	20	20
Receivables	505,250	523,664	542,895	562,973	583,524
Investments	-	-	-	-	-
Total financial assets	505,270	523,684	542,915	562,993	583,544
Total assets administered on behalf of Government	505,270	523,684	542,915	562,993	583,544
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	-	-	-	-	-
Accrued child support payments	493,780	510,644	528,255	546,643	565,462
Other payables	31,142	31,696	32,243	32,779	33,275
Total payables	524,922	542,340	560,498	579,422	598,737
Total liabilities administered on behalf of Government	524,922	542,340	560,498	579,422	598,737

**Table 3.2.21: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	5,616	6,086	6,357	6,636	6,793
Cash from the Official Public Account	1,009,330	1,054,636	1,101,515	1,150,020	1,177,191
Dividends	-	-	-	-	-
Competitive neutrality revenue	-	-	-	-	-
Net GST received	-	-	-	-	-
Other	1,009,641	1,053,627	1,100,471	1,148,938	1,176,097
Total cash received	2,024,587	2,114,349	2,208,343	2,305,594	2,360,081
Cash used					
Personal benefits	-	-	-	-	-
Suppliers	-	-	-	-	-
Net GST paid	-	-	-	-	-
Cash to the Official Public Account	1,014,533	1,060,268	1,107,375	1,156,110	1,183,385
Other	1,010,078	1,054,081	1,100,968	1,149,484	1,176,696
Total cash used	2,024,611	2,114,349	2,208,343	2,305,594	2,360,081
Net cash from or (used by) operating activities	(24)	-	-	-	-
Net increase or (decrease) in cash held	(24)	-	-	-	-
Cash at beginning of reporting period	44	20	20	20	20
Cash at end of reporting period	20	20	20	20	20

BUDGETED FINANCIAL STATEMENTS-CRS AUSTRALIA**Table 3.2.22: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	-	-	-	-	-
Goods and services	192,778	209,481	194,738	194,710	194,709
Other	500	500	500	500	500
Total revenue	193,278	209,981	195,238	195,210	195,209
Total income	193,278	209,981	195,238	195,210	195,209
EXPENSE					
Employees	115,727	123,880	116,447	116,653	116,653
Suppliers	69,297	75,813	69,231	68,349	68,349
Depreciation and amortisation	5,783	6,900	6,900	6,900	6,900
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	55	58	58	58	58
Losses from sale of assets	-	-	-	-	-
Total expenses	190,862	206,651	192,636	191,960	191,960
Surplus (Deficit) before income tax	2,416	3,330	2,602	3,250	3,249
Income tax expense	1,323	1,389	1,389	1,389	1,389
Surplus (deficit) attributable to the Australian Government	1,093	1,941	1,213	1,861	1,860

Prepared on Australian Accounting Standards basis

**Table 3.2.23: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	11,687	11,531	7,662	8,375	9,982
Trade and other Receivables	80,524	80,524	80,526	80,526	80,526
Accrued revenues	2,029	2,129	2,129	2,629	2,629
Total financial assets	94,240	94,184	90,317	91,530	93,137
Non-financial assets					
Land and buildings	8,821	9,059	9,297	9,535	9,774
Infrastructure, plant and equipment	736	752	768	783	797
Intangibles	2,373	2,018	2,018	2,018	2,018
Other	1,541	1,541	1,541	1,541	1,541
Total non-financial assets	13,471	13,370	13,624	13,877	14,130
Total assets	107,711	107,554	103,941	105,407	107,267
LIABILITIES					
Interest bearing liabilities					
Leases	869	869	869	869	869
Total interest bearing liabilities	869	869	869	869	869
Provisions					
Employees	27,163	24,447	22,002	22,002	22,002
Other	1,496	1,496	1,496	1,496	1,496
Total provisions	28,659	25,943	23,498	23,498	23,498
Payables					
Suppliers	8,366	8,784	6,603	6,208	6,208
Tax liabilities	250	250	250	250	250
Other	7,511	7,711	7,511	7,511	7,511
Total payables	16,127	16,745	14,364	13,969	13,969
Total liabilities	45,655	43,557	38,731	38,336	38,336
Net assets	62,056	63,997	65,210	67,071	68,931
EQUITY*					
Parent entity interest					
Contributed equity	43,547	43,547	43,547	43,547	43,547
Reserves	2,291	2,291	2,291	2,291	2,291
Retained surpluses or accumulated deficits	16,218	18,159	19,372	21,233	23,093
Total equity	62,056	63,997	65,210	67,071	68,931
Current assets	95,781	95,725	91,858	93,071	94,678
Non-current assets	11,930	11,829	12,083	12,336	12,589
Current liabilities	34,241	32,668	29,048	28,752	28,752
Non-current liabilities	11,414	10,889	9,683	9,584	9,584

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

**Table 3.2.24: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	192,367	209,181	194,738	194,210	194,710
Appropriations	-	-	-	-	-
Net GST received	25,912	27,422	26,187	26,135	26,184
Other cash received	500	500	500	500	500
Total cash received	218,779	237,103	221,425	220,845	221,394
Cash used					
Employees	115,450	126,795	120,891	116,853	116,853
Suppliers	69,047	76,218	71,391	70,321	69,926
Competitive neutrality payments	1,323	1,189	1,189	1,189	1,189
Cash to the Official Public Account	-	-	-	-	-
Net GST paid	24,973	27,422	26,187	26,134	26,184
Other	-	-	-	-	-
Total cash used	210,793	231,624	219,658	214,497	214,152
Net cash from or (used by) operating activities	7,986	5,479	1,766	6,348	7,242
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	6,015	5,635	5,635	5,635	5,635
Purchase of intangibles	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	6,015	5,635	5,635	5,635	5,635
Net cash from or (used by) investing activities	(6,015)	(5,635)	(5,635)	(5,635)	(5,635)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	1,971	(156)	(3,869)	713	1,607
Cash at the beginning of the reporting period	9,716	11,687	11,531	7,662	8,375
Cash at the end of the reporting period	11,687	11,531	7,662	8,375	9,982

Table 3.2.25: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	16,218		2,291	43,547	62,056
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	16,218	-	2,291	43,547	62,056
Surplus (deficit) for the period	1,941	-	-	-	1,941
Total income and expenses recognised directly in equity	1,941	-	-	-	1,941
Transactions with owners					
Contribution by owners					
Appropriation (equity injection)	-	-	-	-	-
Other: Previous Year's Outputs - funding agreement	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Estimated closing balance as at 30 June 2009	18,159	-	2,291	43,547	63,997

CENTRELINK

Agency resources and planned performance

CENTRELINK

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CENTRELINK

SECTION 1: AGENCY OVERVIEW AND RESOURCES

1.1 STRATEGIC DIRECTION

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 organisations. Centrelink delivers information, payments and services detailed in Business Partnership Agreements or similar arrangements. Centrelink has Business Partnership Agreements in place with the following Policy Departments:

- Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA);
- Australian Government Department of Education, Employment and Workplace Relations (DEEWR);
- 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.

Centrelink Budget Statements

Centrelink's Strategic Themes specify the high level of focus that integrates issues, opportunities and information from the internal and external environment. A Theme is a succinct statement that provides a medium to long-term focus for Centrelink's strategic implementation efforts.

Centrelink's Strategic Themes are:

- Building confidence in Centrelink
- To provide assurance to Government, clients and customers that services are fairly, effectively and efficiently delivered.
- Strengthening our customer focus in line with Government direction
- To build and leverage our strong customer focus when delivering government policies and agendas.
- Developing a networked organisation
- To link with others inside and outside the organisation to provide quality outcomes and seamless service for customers.
- Building capability for Government
- To have the right resources and underlying capability to progress the Government's agenda on an ongoing basis and in times of crisis.
- Demonstrating value for money
- To be accountable for the efficient use of resources and ensuring the best service offer at the best price

Centrelink's Strategic Priorities reflect the most important things at an organisational level that need to be done. These are variable and current and for this reason are reviewed regularly. Centrelink's priorities must be understood and progressed to support the Government's agenda.

Centrelink's Strategic Priorities for 2008-09 are:

- Build capability and support our people to deliver the Government's priorities;
- Improve the customer experience;
- Support the Minister and the Department of Human Services to improve service delivery;
- Demonstrate united leadership;
- Prepare for increasing integration with Human Services agencies;
- Ensure effective and efficient delivery of services; and
- Strengthen relationships with local communities.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by departmental classification.

Table 1.1: Centrelink resource statement — Budget estimates for 2008-09 as at Budget May 2008

		Estimate of prior ⁺ year amounts available in 2008-09 \$'000	Proposed at Budget = 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services					
Departmental outputs					
Departmental outputs ¹		-	607,171	607,171	608,799
Total		-	607,171	607,171	608,799
Total ordinary annual services	A	-	607,171	607,171	608,799
Other services					
Departmental non-operating					
Equity injections ²		-	3,536	3,536	41,460
Previous years' outputs ²		-	-	-	2,232
Total		-	3,536	3,536	43,692
Total other services	B	-	3,536	3,536	43,692
Total Available Annual Appropriations		-	610,707	610,707	652,491
Special Accounts ³					
Opening balance		243,638	-	243,638	223,894
Appropriation Receipts		-	610,707	610,707	652,491
Non-Appropriation receipts to Special Accounts		-	2,215,758	2,215,758	2,144,550
Total Special Account	C	243,638	2,826,465	3,070,103	3,020,935
Total resourcing		243,638	3,437,172	3,680,810	3,673,426
A+B+C					
Less appropriations drawn from annual or special appropriations above and credited to special accounts				(610,707)	(652,491)
Total net resourcing for Centrelink				3,070,103	3,020,935

¹ Appropriation Bill (No.1) 2008-09

² Appropriation Bill (No.2) 2008-09

³ Estimated opening balance for Commonwealth Social Services Special Accounts. For further information on special accounts see Section 3 - Table 3.1.3.

Reader note: All figures are GST exclusive.

Third Party Drawdowns from and on behalf of other agencies

	\$'000
Centrelink has authority to make the following estimated payments on behalf of other agencies: ^{1,2,3,4,5} (disclosed in the respective agency's Resource Statement)	
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)	
A New Tax System (Family Assistance) (Administration) Act 1999	15,641,544
Social Security (Administration) Act 1999	39,817,061
Department of Education, Employment and Workplace Relations (DEEWR)	
A New Tax System (Family Assistance Administration) Act 1999 ⁵	2,769,144
Social Security (Administration) Act 1999	11,680,184
Social Security Act 1991	1,857,879
Student Assistance Act 1973	227,889
Department of Agriculture, Fisheries and Forestry (DAFF)	
Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)	193,417
Total	72,187,118
Revenue received from other agencies for the provision of services ⁶ (disclosed above within Non-Appropriation Receipts)	2,066,786

NOTES:

- Centrelink's purchaser-provider arrangements with the above agencies (i.e. FaHCSIA, DEEWR, DAFF) include the delivery of payments to customers.
- Centrelink has no drawdown access to the above agencies' Administered appropriations that are required to be drawn and paid to customers.
- The respective agencies are responsible for the policy, estimates and reporting of these Administered appropriations.
- The figures disclosed above are based on the 2008-09 estimates as provided to Centrelink by the respective agencies.
- The figures disclosed above includes Child Care Benefit program appropriation amounting to \$1,908,322m that both Centrelink and DEEWR pays out to the customers on behalf of DEEWR. It is not possible to quantify how much of this appropriation will be paid by Centrelink for FY 2008-09 as this is a transition year in the implementation payment processes.
- Refer to Table 2.1.1 for information of Revenue Breakdown from Policy Departments, which has been prepared on accrual basis.

1.3 BUDGET MEASURES

Budget measures relating to Centrelink are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

There are 15 measures that have 2007-08 funding totalling \$18.545 million. These measures are:

- Carers - improved support - \$0.205 million;
- Responsible Economic Management - Concession Cards - retention while overseas - \$2.166 million;
- Responsible Economic Management - Pilot program addressing undeclared business income and assets – cessation – \$(1.002) million;
- Closing the Gap - Northern Territory - income management - \$2.705 million;
- Welfare Payments Reform – child protection pilot and school attendance and enrolment pilot - \$1.930 million;
- Removal of differential treatment of same-sex couples and their children – law reform - \$0.218 million;
- Carer Bonus - \$1.289 million;
- Helping Seniors Make Ends Meet – Seniors Bonus - \$3.234 million;
- Queensland Floods – assistance - \$2.947 million;
- Responsible Economic Management - Better targeting and delivery of Family Tax Benefit - \$150,000 income test on primary earner for FTB-B - \$0.474 million;
- Responsible Economic Management - Employment Entry Payment - Abolish from 01 July 2008 - \$1.041 million;
- Respite brokerage for older carers - \$0.350 million;
- Responsible Economic Management - Child Care Benefit - remove the minimum rate - \$1.650 million;
- Temporary Protection visa – abolition - \$0.015 million; and
- Health and Hospitals Reform - Dental Health – Teen Dental Plan - \$1.323 million.

Table 1.2: Agency 2008-09 Budget measures

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Families, Housing, Community Services and Indigenous Affairs					
Expense measures					
Responsible Economic Management					
Family Tax Benefit - cease fortnightly payments for recipients who do not lodge a tax return	1.1				
Departmental outputs		4,149	6,174	1,710	1,726
Fraud and Compliance - Commonwealth Seniors Health Card compliance reviews	1.1				
Departmental outputs		9,368	965	763	686
Fraud and Compliance - assessments to verify income or assets	1.1				
Departmental outputs		13,788	13,666	14,508	14,884
Commonwealth Seniors Health Card adjusted taxable income	1.1				
Departmental outputs		11,274	3,274	1,566	1,581
Concession Cards - retention while overseas	1.1				
Departmental outputs		(4,859)	(4,899)	(4,939)	(4,987)
Better targeting and delivery of Family Tax Benefit - \$150,000 income test on primary earner for FTB-B	1.1				
Departmental outputs		(145)	(1,385)	(1,720)	(2,136)
Better targeting and delivery of Family Tax Benefit - Streamlining administration	1.1				
Departmental outputs		3,454	6,027	6,070	6,128
Better targeting and delivery of Family Tax Benefit - continuous adjustment to reduce overpayments of Family Tax Benefit	1.1				
Departmental outputs		1,591	669	656	652

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Expense measures					
Better targeting and delivery of Baby Bonus	1.1				
Departmental outputs		6,364	5,464	5,268	5,043
Employment Entry Payment - Abolish from 01 July 2008	1.1				
Departmental outputs		92	-	-	-
Means-testing of government support					
Expanded definitions of income to include net losses from investments					
Departmental outputs		3,680	1,521	1,211	1,223
Expanded definitions of income to include certain 'salary sacrificed' contributions to superannuation					
Departmental outputs		2,666	219	(209)	(217)
Closing the Gap					
Northern Territory - income management	1.1				
Departmental outputs		50,417	-	-	-
Migration Program					
37,500 place increase for 2008-09	1.1				
Departmental outputs		2,317	3,711	5,690	8,224
Additional 6,000 skill stream places for 2007-08	1.1				
Departmental outputs		212	297	299	302
Humanitarian migration program					
Additional 750 Special Humanitarian Program places from 2009-10	1.1				
Departmental outputs		-	135	181	228
Additional 500 places for Iraqis in 2008-09	1.1				
Departmental outputs		89	34	35	35

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Expense measures					
Visa places for Iraqi locally engaged employees	1.1				
Departmental outputs		105	40	40	41
Maternity Immunisation Allowance - eligibility change	1.1				
Departmental outputs		2,844	1,627	2,194	2,233
Social Security Agreement with Finland	1.1				
Departmental outputs		824	1,132	188	197
Social Security Agreement with Poland	1.1				
Departmental outputs		1,018	3,960	2,515	365
Carer Bonus	1.1				
Departmental outputs		1,363	-	-	-
Carers - improved support	1.1				
Departmental outputs		15,259	14,185	7,052	5,901
Centrelink call centre supplementation - continuation	1.1				
Departmental outputs		38,770	-	-	-
Welfare Payments Reform - child protection pilot and school attendance and enrolment pilot	1.1				
Departmental outputs		11,637	-	-	-
Removal of differential treatment of same-sex couples and their children - law reform	1.1				
Departmental outputs		8,817	2,384	999	868
Helping Seniors Make Ends Meet - Seniors Bonus	1.1				
Departmental outputs		419	-	-	-
Respite brokerage for older carers	1.1				
Departmental outputs		2,000	-	-	-
Total FaHCSIA expense measures	Departmental	187,513	59,200	44,077	42,977

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Education, Employment and Workplace Relations					
Expense measures					
Responsible Economic Management					
Fraud and Compliance - assessments to verify income or assets	1.1				
Departmental outputs		19,374	20,629	20,515	20,628
Fraud and Compliance - cessation of 'Keeping the System Fair' advertising campaign	1.1				
Departmental outputs		(7,247)	(7,316)	(7,389)	(7,458)
Employment Services for 2009-10 to 2011-12	1.1				
Departmental outputs		30,208	11,764	9,717	3,385
Child Care Benefit - remove the minimum rate	1.1				
Departmental outputs		4,310	3,990	951	1,023
Employment Entry Payment - Abolish from 01 July 2008	1.1				
Departmental outputs		641	-	-	-
Means-testing of government support					
Expanded definitions of income to include net losses from investments					
Departmental outputs		1,227	507	404	408
Expanded definitions of income to include certain 'salary sacrificed' contributions to superannuation					
Departmental outputs		666	55	(52)	(54)
Closing the Gap					
Northern Territory - further welfare and employment reform	1.1				
Departmental outputs		1,001	-	-	-

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Expense measures					
Migration Program					
37,500 place increase for 2008-09 Departmental outputs	1.1	-	-	512	1,270
Additional 6,000 skill stream places for 2007-08 Departmental outputs	1.1	-	-	501	412
Humanitarian migration program					
Additional 750 Special Humanitarian Program places from 2009-10 Departmental outputs	1.1	-	109	323	541
Additional 500 places for Iraqis in 2008-09 Departmental outputs	1.1	73	141	142	141
Visa places for Iraqi locally engaged employees Departmental outputs	1.1	161	164	165	166
Carers - improved support Departmental outputs	1.1	-	(2,568)	(3,176)	(3,272)
Centrelink call centre supplementation - continuation Departmental outputs	1.1	20,330	-	-	-
Welfare Payments Reform - child protection pilot and school attendance and enrolment pilot Departmental outputs	1.1	15,209	809	-	-
Removal of differential treatment of same-sex couples and their children - law reform Departmental outputs	1.1	11,687	3,161	1,325	1,151
Temporary Protection visa - abolition Departmental outputs	1.1	1,085	70	53	44
Total DEEWR expense measures	Departmental	98,725	31,515	23,991	18,385

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Health and Ageing					
Expense measures					
Insulin Pumps - subsidy for young people with type 1 diabetes	1.1				
Departmental outputs		113	5	3	2
Health and Hospitals Reform - Dental Health – Teen Dental Plan	1.1				
Departmental outputs		916	380	327	330
Total DoHA expense measures	Departmental	1,029	385	330	332
Department of Veterans' Affairs					
Expense measures					
Responsible Economic Management					
Partner Service Pension - cease payment to married partners who are seperated but not divorced	1.1				
Departmental outputs		8	7	7	7
Total DVA expense measures	Departmental	8	7	7	7
Direct Appropriation					
Expense measures					
Closing the Gap					
Northern Territory - Centrelink's Role					
Departmental outputs		4,211	-	-	-
Centrelink - consolidating technology capability	1.1				
Departmental outputs		13,259	-	-	-
Total Direct Appropriation expense measures	Departmental	17,470	-	-	-
Total ALL expense measures	Departmental Total	304,745 304,745	91,107 91,107	68,405 68,405	61,701 61,701

Table 1.2: Agency 2008-09 Budget measures (continued)

Output Group		2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Families, Housing, Community Services and Indigenous Affairs					
Capital measures					
Carers - improved support	1.1				
Departmental capital		-	2,530	-	-
Total		-	2,530	-	-
Welfare Payments Reform - child protection pilot and school attendance and enrolment pilot	1.1				
Departmental capital		1,823	-	-	-
Total		1,823	-	-	-
Department of Education, Employment and Workplace Relations					
Capital measures					
Welfare Payments Reform - child protection pilot and school attendance and enrolment pilot	1.1				
Departmental capital		13	-	-	-
Total		13	-	-	-
Direct Appropriation					
Capital measures					
Closing the Gap					
Northern Territory - Centrelink's Role					
Departmental outputs		1,600	-	-	-
Total		1,600	-	-	-
Total capital measures	Departmental	3,436	2,530	-	-
	Total	3,436	2,530	-	-
Total of All measures	Departmental	308,181	93,637	68,405	61,701
	Total	308,181	93,637	68,405	61,701

Prepared on a Government Financial Statistics (fiscal) basis

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups that demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of Centrelink in achieving government outcomes.

2.1.1 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

Outcome 1 Strategy

The role that Centrelink plays to deliver the outputs specified within the Business Partnership Agreements with policy departments will ensure achievement of this outcome.

Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

Table 2.1: Total resources for Outcome 1

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		2008-09	2007-08
		Total estimate of available resources \$'000	Estimated actual \$'000
Output Group 1.1:			
Departmental Outputs			
Effective and Efficient delivery of Government Services	B1	607,171	608,799
Special Accounts			
Commonwealth Social Services Special Account			
Opening balance		243,638	223,894
Appropriation receipts (Equity Injection)	B2	3,536	41,460
Previous years' outputs		-	2,232
Non-Appropriation receipts to Special Accounts		2,215,758	2,144,550
Subtotal for Output Group 1.1		3,070,103	3,020,935
Total resources for Outcome 1		3,070,103	3,020,935
		2008-09	2007-08
Average staffing level (number)		24,700	24,900

Note 1: Appropriation items receipted into the Commonwealth Social Services Special Account.

(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services).

This amount is receipted, but not reported above in the Commonwealth Social Services Special Accounts-"Appropriation receipts" to avoid double count of resources available by this amount.

(B2) - Annual Appropriation Bill 2 (Other Services).

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

Table 2.1.1: Supplementary Table – Centrelink Summary of Future Revenue

	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
FaHCSIA	986,425	834,786	811,961	821,602
DEEWR	1,047,373	894,768	906,723	918,152
DoHA	12,848	12,346	12,394	12,518
DAFF	14,712	5,790	3,315	3,311
DIISR	4,933	3,089	2,193	2,214
DIAC	495	-	-	-
Subtotal Service Delivery	2,066,786	1,750,779	1,736,586	1,757,797
Departmental Appropriations ¹	607,171	549,827	551,921	558,585
Revenue from other sources ²	98,678	93,110	94,769	89,146
Total	2,772,635	2,393,716	2,383,276	2,405,528

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

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

Note 3: All revenue is prepared on accrual basis and can be reconciled to the Income Statement. Refer to Table 3.2.1.

Contributions to Outcome 1

Output Group 1.1: Effective and efficient delivery of Government services

Centrelink's Strategic Balanced Scorecard will report upon Centrelink's performance against its Strategic Priorities, which aim to achieve Outcome 1.

Output Group 1.1: Effective and efficient delivery of Government Services	
<p>The performance measures listed below indicate Centrelink's performance in delivering Government services effectively and efficiently. These performance measures are grouped around its Strategic Priorities (components of output group 1.1).</p> <p>Components of Output Group 1.1:</p> <ul style="list-style-type: none"> • Build capability and support our people to deliver the Government's priorities • Improve the customer experience • Support the Minister and the Department of Human Services to improve service delivery • Demonstrate united leadership • Prepare for increasing integration with Human Services agencies • Ensure effective and efficient delivery of services • Strengthen relationships with local communities 	
Key Performance Indicators	2008-09 Target
Percentage availability of capability to enable the delivery of the Government's priorities	Workforce availability percentage IT platforms availability percentage
Increase in positive customer experience	Customer charter performance targets Customer satisfaction results
Support provided to the Minister and the Department of Human Services to improve service delivery	Centrelink's role in the improvement of service delivery Increase in E-Services Ministerial briefs meet satisfactory standard and are submitted within agreed timeframes
Proportion of employees who demonstrate united leadership	Positive results in the People Survey, performance rankings and other key indicators

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Key Performance Indicators	2008-09 Target
Degree of shared services and integrated service delivery across Human Services Agencies	Degree of joined up service delivery
Operate within budget	Actual operating result within approved budget parameters
Percentage of Centrelink Areas with effective relationships with local communities	Implementation of strategies to develop relationships to enable tailored service offers

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in departmental funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities. Table 3.1.1 reconciles the total available appropriation and amounts attributable to all outcomes.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	607,171
Less total estimated payments in 2008-09	(607,171)
Estimated departmental outputs carried forward and available for 2009-10	-

3.1.3 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* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by Centrelink.

Table 3.1.3: Estimates of Special Account cash flows and balances

		Opening balance 2008-09 2007-08	Receipts 2008-09 2007-08	Payments 2008-09 2007-08	Closing balance 2008-09 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000
Commonwealth Social Services Special Account (D)	1	243,638 223,894	2,826,465 2,797,041	(2,872,492) (2,777,297)	197,611 243,638
Commonwealth Service Delivery Agency Other Trust Moneys Account (T)		674 454	1,800 2,354	(1,880) (2,134)	594 674
Total special accounts					
2008-09 Budget estimate		244,312	2,828,265	(2,874,372)	198,205
Total special accounts					
2007-08 estimate actual		224,348	2,799,395	(2,779,431)	244,312

D = Departmental;
T= Assets held in Trust

3.1.4 Australian Government Indigenous Expenditure

Table 3.1.4: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Output Group
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000			
Centrelink							
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							
Departmental 2008-09	4,351	-	-	4,351	118,227	126,929	1.1
Departmental 2007-08	-	-	-	-	137,563	137,563	1.1
Total Outcome 2008-09	4,351	-	-	4,351	118,227	126,929	
Total Outcome 2007-08	-	-	-	-	137,563	137,563	
 Total Departmental 2008-09	4,351	-	-	4,351	118,227	126,929	
Total Departmental 2007-08	-	-	-	-	137,563	137,563	
Total AGIE 2008-09	4,351	-	-	4,351	118,227	126,929	
Total AGIE 2007-08	-	-	-	-	137,563	137,563	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The significant differences between resource information presented in the Budget Papers and Portfolio Budget Statements are the result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

These differences mainly comprise of:

- 2007-08 Unearned Revenue recognised in 2008-09 in the Income Statement (AAS);
- GST cash receipts included in the Agency Resource Statement (GFS); and
- Resources Received Free of Charge (AAS).

3.2.2 Analysis of budgeted financial statements

Departmental

Income Statement (see table 3.2.1)

Centrelink is budgeting for an operating loss of \$32.01m for 2007-08 and break-even operating results for the forward years.

The budgeted operating loss for 2007-08 is mainly due to significant financial pressures including reduction in revenue resulting from Centrelink Funding Model Reconciliations (CFM).

The 2008-09 revenue is estimated to increase by \$103.94m from the 2007-08 estimated revenue of \$2,668.70m reflecting net increase in funding from 2008-09 Budget measures.

The 2008-09 expense is also estimated to increase correspondingly by \$103.94m from 2007-08.

Balance Sheet (see table 3.2.2)

Centrelink's budgeted net asset position of \$305.77m represents an increase of \$3.54m from the 2007-08 estimates. The increase is mainly due to capital injections received in 2008-09 to fund capital works relating to certain Budget measures.

The 2008-09 total assets are expected to decrease by \$15.77m to \$908.77m, mainly reflecting an anticipated decrease in trade and other receivables by \$26.55m and offset by increase in cash in bank of \$2.58m and net increases in fixed assets of \$8.20m.

Centrelink's total liabilities are estimated to decrease by approximately \$19.31m in 2008-09 and the primary liability continues to be accrued employee leave entitlements.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	608,799	607,171	549,827	551,921	558,585
Rendering of services	2,056,553	2,161,983	1,840,266	1,827,587	1,843,024
Total revenue	2,665,352	2,769,154	2,390,093	2,379,508	2,401,609
Gains					
Other	3,346	3,481	3,623	3,768	3,919
Total gains	3,346	3,481	3,623	3,768	3,919
Total income	2,668,698	2,772,635	2,393,716	2,383,276	2,405,528
EXPENSE					
Employees	1,745,406	1,835,531	1,446,775	1,432,994	1,455,424
Suppliers	807,271	778,429	791,228	795,378	812,900
Depreciation and amortisation	141,311	153,175	150,213	149,404	131,704
Write-down of assets and impairment of assets	6,725	5,500	5,500	5,500	5,500
Total expenses	2,700,713	2,772,635	2,393,716	2,383,276	2,405,528
Surplus/(Deficit)	(32,015)	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(32,015)	-	-	-	-

Prepared on Australian Accounting Standards basis

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	19,369	21,951	21,335	22,230	22,282
Trade and other Receivables	275,710	227,207	248,419	281,297	305,469
Total financial assets	295,079	249,158	269,754	303,527	327,751
Non-financial assets					
Land and buildings	199,355	222,047	218,917	215,073	212,446
Infrastructure, plant and equipment	129,539	131,508	150,982	149,686	171,032
Intangibles	250,571	256,305	252,805	258,372	250,221
Prepayments	50,000	49,754	49,754	49,754	49,754
Total non-financial assets	629,465	659,614	672,458	672,885	683,453
Total assets	924,544	908,772	942,212	976,412	1,011,204
LIABILITIES					
Provisions					
Employees	467,301	484,923	514,497	545,279	577,767
Other	14,063	7,862	4,981	3,161	1,717
Total provisions	481,364	492,785	519,478	548,440	579,484
Payables					
Suppliers	47,705	49,149	51,604	53,951	55,569
Other	93,245	61,072	62,834	65,725	67,855
Total payables	140,950	110,221	114,438	119,676	123,424
Total liabilities	622,314	603,006	633,916	668,116	702,908
Net assets	302,230	305,766	308,296	308,296	308,296
EQUITY*					
Parent entity interest					
Contributed equity	301,041	304,577	307,107	307,107	307,107
Reserves	33,505	33,505	33,505	33,505	33,505
Accumulated deficits	(32,316)	(32,316)	(32,316)	(32,316)	(32,316)
Total equity	302,230	305,766	308,296	308,296	308,296
Current assets	335,079	289,158	309,754	343,527	367,751
Non-current assets	589,465	619,614	632,458	632,885	643,453
Current liabilities	90,236	87,436	91,918	96,877	101,922
Non-current liabilities	532,078	515,570	541,998	571,239	600,986

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

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Rendering of services	2,057,511	2,146,820	1,846,854	1,834,907	1,846,751
Appropriations	608,799	607,171	549,827	551,921	558,585
Net GST Received	87,039	68,938	71,003	69,957	71,877
Cash from the Official Public Account	-	48,609	-	-	-
Total cash received	2,753,349	2,871,538	2,467,684	2,456,785	2,477,213
Cash used					
Employees	1,732,604	1,852,997	1,451,525	1,436,364	1,457,506
Suppliers	825,111	830,425	829,650	831,434	770,500
Cash to the Official Public Account	20,269	-	21,096	32,761	101,383
Total cash used	2,577,984	2,683,422	2,302,271	2,300,559	2,329,389
Net cash from operating activities	175,365	188,116	165,413	156,226	147,824
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	167,845	119,094	108,732	87,487	97,332
Purchase of intangibles	51,737	69,976	59,827	67,844	50,440
Total cash used	219,582	189,070	168,559	155,331	147,772
Net cash used by investing activities	(219,582)	(189,070)	(168,559)	(155,331)	(147,772)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	43,692	3,536	2,530	-	-
Total cash received	43,692	3,536	2,530	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	43,692	3,536	2,530	-	-
Net increase or (decrease) in cash held	(525)	2,582	(616)	895	52
Cash at the beginning of the reporting period	19,894	19,369	21,951	21,335	22,230
Cash at the end of the reporting period	19,369	21,951	21,335	22,230	22,282

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2008				
Balance carried forward from previous period	(32,316)	33,505	301,041	302,230
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	(32,316)	33,505	301,041	302,230
Income and expense				
Surplus (deficit) for the period	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-
Transactions with owners				
Contribution by owners				
Appropriation (equity injection)	-	-	3,536	3,536
Sub-total transactions with owners	-	-	3,536	3,536
Estimated closing balance as at 30 June 2009	(32,316)	33,505	304,577	305,766

3.2.4 Notes to the Budgeted Financial Statements

1. Basis of Preparation of the Budgeted Financial Report

The Budgeted Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

Centrelink's Budgeted Financial Report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to Centrelink or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Medicare Australia

Agency resources and planned performance

MEDICARE AUSTRALIA

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MEDICARE AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

Medicare Australia administers a range of health-related and other programs on behalf of the Australian Government, and plays an integral role in the Australian health sector in particular, by supporting the development of E-Health initiatives.

The objective of Medicare Australia is to work together with our strategic policy partners and stakeholders to improve the health and wellbeing of Australians by delivering information and payment services.

The key programs Medicare Australia delivers on behalf of the Department of Health and Ageing and the Department of Veteran's Affairs are:

- Medicare and Veterans' treatment accounts processing;
- Pharmaceutical Benefits Scheme (and Repatriation Pharmaceutical Benefits Scheme) including various payments under the Community Pharmacy Agreement;
- Residential Aged Care Subsidies;
- Australian Organ Donor Register;
- Australian Childhood Immunisation Register; and
- Dental Benefits Scheme.

Medicare Australia also administers a range of programs supporting general practice, including the General Practice Immunisation Incentives Scheme, the Practice Incentives Program, the Rural Retention Program, the General Practice Registrars' Rural Incentive Payment Scheme, and the mental health nurse incentive program.

Medicare Australia provides payments and information services for Family Assistance (with Centrelink and the Australian Taxation Office) to meet the needs of families.

Medicare Australia is developing the Unique Healthcare Identifier (UHI) Service under contract to the National E-Health Transition Authority. The UHI Service, which will generate healthcare identifiers for patients, healthcare providers and healthcare

locations, is aimed at facilitating the development of electronic health records in Australia.

Medicare Australia has formed a partnership with the Department of Immigration and Citizenship to administer citizenship testing, and has opened its extensive network of offices to undertake citizenship testing.

Medicare Australia administers health sector rebate and reimbursement schemes, such as the Higher Education Contribution Reimbursement Scheme and the Private Health Insurance Rebate.

In addition, Medicare Australia administers the Medical Indemnity Scheme, a number of Specialised Drugs programs, the National Bowel Cancer Screening Register as well as the Special Assistance Programs for victims of the Bali Bombings in 2002 and 2005, the Tsunami, and London and Egypt Bombings.

Medicare Australia also undertakes claims processing and payments on behalf of the Office of Hearing Services and the Health Department of Western Australia.

Medicare Australia's priorities for 2008-09 are to:

- (1) Deliver on Government and stakeholder expectations including:
 - Election and budget commitments including service delivery reform;
 - Maximise take-up of electronic Medicare claiming to enhance access, choice and convenience for the public and providers;
 - Design and develop the Unique Healthcare Identifier service;
 - Support voluntary compliance with the programs we administer;
 - Aged Care online claiming and the technology refresh of aged care payment systems; and
 - Our commitments in the Statement of Intent.
- (2) Continue to transform our business to become more flexible, agile and responsive by:
 - Developing consistent, adaptable capabilities and organisational re-alignment to meet the future needs of the Australian Government, the public and healthcare providers;
 - Improving and leveraging our information technology and communications infrastructure to maximise our organisational capability and public benefit. This will include the implementation of new IT services arrangements;

- Delivering services built on robust program management assuring cost effective, accurate and timely payments and information to providers and the public while increasing access to indigenous and disadvantaged persons; and
- Supporting our people through enhanced physical, human, procedural, and technology infrastructure.

(3) Enhance our relationships with providers and the public by:

- Ensuring we maintain a positive connection with providers and the public in an increasingly electronic service delivery world;
- Being proactive in offering support and assistance to providers to make full use of our online channels including marketing, education and compliance;
- Promoting the use of online services to the public; and
- Delivering on our Service Charter promises:
 - Make it easy for me;
 - Get it right;
 - Be genuinely interested in me;
 - Respect my Rights.

The delivery of these priorities will be achieved through our ongoing commitment to sound business practices and financial management, caring for our environment and a values based culture.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Medicare Australia resource statement — Budget estimates for 2008-09 as at Budget May 2008

		Estimate of prior ⁺ year amounts available in 2008-09 \$'000	Proposed at Budget ⁼ 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services					
Departmental outputs					
Departmental outputs		117,653 ⁴	608,360 ¹	726,013	600,663
s31 Relevant agency receipts		-	83,701 ³	83,701	83,746
Total		117,653	692,061	809,714 ⁵	684,409
Administered expenses					
Outcome 1		-	5,442 ¹	5,442	528
Total		-	5,442	5,442	528
Total ordinary annual services	A	117,653	697,503	815,156	684,937
Other services					
Departmental non-operating					
Equity injections		8,602	9,499 ²	18,101	9,701
Previous years' outputs		-	5,422 ²	5,422	10,784
Total		8,602	14,921	23,523	20,485
Total other services	B	8,602	14,921	23,523	20,485
Total Available Annual Appropriations		126,255	712,424	838,679	705,422
Special Appropriations		-	-	-	-
Total Special Appropriations	C	-	-	-	-
Total Appropriations excluding Special Accounts		126,255	712,424	838,679	705,422

Table 1.1: Medicare Australia resource statement — Budget estimates for 2008-09 as at Budget May 2008 (continued)

	Estimate of prior ⁺ year amounts available in	Proposed at Budget ⁼	Total Estimate	Estimated Appropriation Available
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
Special Accounts⁶				
Opening balance	27,841	-	27,841	33,633
Non-Appropriation receipts to Special Accounts	-	195,069	195,069	194,980
Total Special Account D	27,841	195,069	222,910	228,613
Total resourcing	154,096	907,493	1,061,589	934,035
A+B+C+D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
Total net resourcing for Medicare Australia	154,096	907,493	1,061,589	934,035

1. Appropriation Bill (No.1) 2008-09.
 2. Appropriation Bill (No.2) 2008-09.
 3. s31 Relevant Agency receipts — estimate.
 4. Estimated adjusted balance carried from previous year for Annual Appropriations.
 5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Resource Statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.
 6. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.
- Reader note: All figures are GST exclusive.

Third Party Drawdowns from and on behalf of other agencies

Medicare Australia does not have any third party drawdown rights to draw against appropriations of other agencies.

	\$'000
Revenue received from other agencies for the provision of services (disclosed above within Departmental s31)	
Department of Veterans' Affairs	17,724
Department of Health and Ageing	13,173
Department of Families, Housing, Community Services and Indigenous Affairs	9,181
Centrelink	14,000
Department of Education, Employment and Workplace Relations	290
Australian National Audit Office	350
Other External Entities	28,983
Total s31 Relevant agency receipts	83,701

1.3 BUDGET MEASURES

Budget measures relating to Medicare Australia are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

Table 1.2: Agency 2008-09 Budget measures

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Departmental Outputs					
Department of Human Services					
Expense measures					
Medicare EasyClaim - increasing take-up	1.1	7,153	220	221	224
Medicare Office - Emerald	1.1	369	393	396	400
Responsible Economic Management - ECLIPSE System - discontinue development	1.1	(2,919)	(5,735)	(5,784)	(5,841)
Department of Health & Ageing					
Expense measures					
Responsible Economic Management - Adjusting the funding for specific health programs	1.1	697	274	283	290
- After-hours medical services - streamlining grants funding	1.1	(13)	(14)	(14)	(14)
- Chemotherapy Drugs - more efficient arrangements	1.1	575	109	34	35
- Medicare Benefits Schedule - funding for reversing elective sterilisation	1.1	4	4	4	4
- Medicare Benefits Schedule - increase compliance audits	1.1	14,237	18,666	18,817	19,001
- Medicare Benefits Schedule - reduction of repeat prescription requirements for patients with chronic conditions	1.1	98	(10)	(10)	(11)
- Pathology Services - reduced collection fees	1.1	19	-	-	-
- Practice Incentives Program - new e-Health incentive payment for General Practitioners	1.1	296	666	14	14
- Practice Incentives Program - removal of the General Practice Immunisation Service Incentive Payment	1.1	7	(178)	(187)	(198)

Table 1.2: Agency 2008-09 Budget measures (Continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Health & Ageing					
Expense measures (Continued)					
Pharmaceutical Benefits Scheme					
- listing of Sensipar® (cinacalcet)	1.1	4	2	2	4
- minor new listings ¹	1.1	742	783	903	774
Health and Hospitals Reform					
- Dental Health - Teen Dental Plan ²	1.1	8,145	6,482	6,429	6,484
- National Cancer Plan - National Bowel Cancer Screening Program	1.1	37	39	49	-
Attorney-General's Department					
Expense measures					
Removal of differential treatment of same-sex couples and their children – law reform	1.1	154	-	-	-
Department of Families, Housing, Community Services & Indigenous Affairs					
Expense measures					
Maternity Immunisation Allowance - eligibility change	1.1	103	107	65	22
Department of Immigration & Citizenship					
Expense measures					
Migration Program					
- 37,500 place increase for 2008-09	1.1	275	852	1,468	2,092
- additional 6,000 skill stream places for 2007-08	1.1	85	88	91	93
Humanitarian migration program					
- additional 500 places for Iraqis in 2008-09	1.1	4	9	10	10
- additional 750 Special Humanitarian Program places from 2009-10	1.1	-	21	37	52
Visa places for Iraqi locally engaged employees	1.1	5	12	12	12
Total expense measures	Total	30,077	22,790	22,840	23,447

Table 1.2: Agency 2008-09 Budget measures (Continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Human Services					
Capital measures					
Medicare EasyClaim - increasing take-up	1.1	748	-	-	-
Department of Health & Ageing					
Capital measures					
Responsible Economic Management					
- Chemotherapy Drugs - more efficient arrangements	1.1	750	-	-	-
- Medicare Benefits Schedule - increase compliance audits	1.1	6,169	-	-	-
- Practice Incentives Program - new e-Health incentive payment for General Practitioners	1.1	355	-	-	-
- Practice Incentives Program - removal of the General Practice Immunisation Service Incentive Payment	1.1	350	-	-	-
Health and Hospitals Reform					
- Dental Health - Teen Dental Plan	1.1	942	-	-	-
Attorney-General's Department					
Capital measures					
Removal of differential treatment of same-sex couples and their children – law reform	1.1	62	-	-	-
Total capital measures	Total	9,376	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis.

1. This measure has a \$0.1m impact in 2007-08, and excludes Velcade as published in the 2007-08 PAES. For further details on the 2007-08 impact see Budget Paper No. 2.
2. This measure has a \$4.3m impact in 2007-08. For further details on the 2007-08 impact see Budget Paper No. 2.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of Medicare Australia in achieving government outcomes.

2.1.1 Outcome 1: Improving Australia's health through payments and information.

Outcome 1 Strategy

As detailed in Section 1.1, Medicare Australia will deliver on the Government's and stakeholders' expectations, continue to transform our business to become more flexible, agile and responsive and enhance relationships with our policy partners, providers and the public.

Medicare Australia's strategy for achieving these outcomes consists of:

- Maximising take-up of electronic payment and information services to improve convenience for the public and providers;
- Ensuring that processing of payments and information is undertaken efficiently and effectively by distributing the workload appropriately throughout the network
- Delivering services to the public and providers in accordance with our service charter promises:
 - Make it easy for me;
 - Get it right;
 - Be genuinely interested in me;
 - Respect my Rights.

Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

Table 2.1: Total resources for Outcome 1

Outcome 1:	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 1.1: Delivery of Australian Government payments and information services		
Administered Items:		
Medicare rebates electronic claiming incentive package - Software Incentive Payment B1	5,442	1,401
Departmental Outputs		
Improving Australia's health through payments and information.	608,360	600,663
Revenues from other sources (s.31)	82,384	87,442
Special Accounts		
Special Account A		
Opening balance	27,552	33,403
Appropriation receipts		
Non-Appropriation receipts to Special Accounts	193,856	193,856
Subtotal for Output Group 1.1	917,594	916,765
Total resources for Outcome 1	917,594	916,765

	2008-09	2007-08
Average staffing level (number)	5,286	5,457

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)

Contributions to Outcome 1

Output Group 1.1: Delivery of Australian Government payments and information services

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

Output Group 1.1: Delivery of Australian Government payments and information services	
<p>Components of Output Group 1.1:</p> <ul style="list-style-type: none"> • Administered Items • Departmental outputs • Special Accounts <p>Medicare Australia contributes to outcome 1.1 in the following ways:</p> <ul style="list-style-type: none"> • Providing accurate and reliable information and payments • Ensuring the integrity of the Government programs we deliver • Being a well run organisation • Delivering of great customer service to public and providers • Being a valued strategic partner in delivering agreed health and other Government initiatives • Being a great place to work 	
Key Performance Indicators	2008-09 Target
Payments and information services are accurate and timely.	<p>Australian public served within 10 minutes in Medicare offices (≥90%).</p> <p>Telephone calls answered within 30 seconds (≥90%).</p> <p>Payments made within minimum payment times (≥90%).</p> <p>Increasing claims processing accuracy.</p>
Education and compliance programs support voluntary compliance.	<p>Savings from compliance activities ≥ \$280m.</p> <p>Increase percentage of providers subject to compliance review.</p>
<p>Being a well run organisation:</p> <ul style="list-style-type: none"> • Minister’s satisfaction with the quality, timeliness and relevance of agency advice for decision making. • Availability of IT systems • Availability of staff 	<p>Briefs meet satisfactory standard or above. (≥95%).</p> <p>Briefs submitted within agreed timeframes (≥95%).</p> <p>System availability (≥99.9%).</p> <p>Reduction in unscheduled leave.</p>

Output Group 1.1: Delivery of Australian Government payments and information services (continued)	
Key Performance Indicators	2008-09 Target
<p>Being a well run organisation (continued):</p> <ul style="list-style-type: none"> Financial performance Environmental performance 	<p>Resources are managed in accordance with the requirements of the FMA Act.</p> <p>Actual operating result within +/-1% of approved budget.</p> <p>Office light and power ≤10,000 Mj per person</p>
<p>Enhancing public and provider access, choice and convenience through electronic services.</p> <p>Public and Provider satisfaction with the services provided by Medicare Australia.</p> <p>Responsiveness to customer feedback</p>	<p>Increased take up of electronic services by the public and providers.</p> <p>High satisfaction levels achieved:</p> <ul style="list-style-type: none"> Community Medical practitioners Pharmacists Practice managers Aged care providers <p>Feedback acknowledged within 2 working days (≥95%)</p> <p>Feedback responded to within 10 working days (≥90%)</p>
<p>Strategic policy partners satisfaction with payment and information services provided by Medicare Australia.</p>	<p>KPI's within business performance agreements are met:</p> <ul style="list-style-type: none"> Department of Health and Ageing Department of Veterans' Affairs Department of Families, Housing, Community Services and Indigenous Affairs Department of Environment, Water, Heritage and the Arts Department of Immigration and Citizenship.
<p>Our people are satisfied with Medicare Australia as an employer. Their feedback is acted upon.</p> <p>Indigenous employment levels</p>	<p>Maintaining or improving overall staff satisfaction rating with employment at Medicare Australia (≥ 70%).</p> <p>Percentage of indigenous Australian employees (≥ 2%).</p>

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	809,714
Less estimated payments in 2008-09	(690,744)
Estimated departmental outputs carried forward and available for 2009-10	118,970

3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

Table 3.1.2: Movement of administered funds between years

M	Movements of funding between years	\$'000
	Medicare Rebates electronic claiming incentive package – Software Incentive Payment ¹	363

1. Based on the latest provider take up rates for electronic claiming, actual expenditure is now expected to be \$1.401m for 2007-08, a reduction of \$2.091m; \$5.442m for 2008-09, an increase of \$0.363m and \$3.740m for 2009-10, an increase of \$1.728m. As a result, it is necessary to re-phase appropriations for the budget and forward years to reflect the revised take-up forecast.

3.1.3 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* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by Medicare Australia.

Table 3.1.3: Estimates of Special Account cash flows and balances

		Opening balance 2008-09 2007-08	Receipts 2008-09 2007-08	Payments 2008-09 2007-08	Adjustments 2008-09 2007-08	Closing balance 2008-09 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Recovery of Compensation for Health Care & Other Services Special Account. ¹ (A)	1	27,552	193,856	175,606	(24,101)	21,701
		33,403	193,856	175,606	(24,101)	27,552
Other Trust Monies Account. ² (D)	1	289	1,213	1,213	-	289
		230	1,124	1,065	-	289
Total special accounts						
2008-09 Budget estimate		27,841	195,069	176,819	(24,101)	21,990
Total special accounts						
2007-08 estimate actual		33,633	194,980	176,671	(24,101)	27,841

(A) = Administered

(D) = Departmental

1. Legal Authority: FMA Act 1997 s20

Purpose – for the receipt of monies following a judgement or settlement under the Health and Other Services Compensation Act 1995

2. Legal Authority: FMA Act 1997 s20.

Purpose – for the expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth

3.1.4 Australian Government Indigenous Expenditure

Table 3.1.4: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total	Output Group
	Bill	Bill	Special	Total			
	No. 1	No. 2	Approp	Approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	(A)	(B)	(C)	(D)	(E)	(F)=(D)+(E)	(G)
Outcome 1							
Medicare Australia							
Administered 2008-09							
<i>Administered 2007-08</i>							
Departmental 2008-09	2,007	-	-	2,007	1,000	3,007	1.1
<i>Departmental 2007-08</i>	1,930	-	-	1,930	1,000	2,930	1.1
Total Outcome 2008-09	2,007	-	-	2,007	1,000	3,007	
<i>Total Outcome 2007-08</i>	1,930	-	-	1,930	1,000	2,930	
Total Administered 2008-09	-	-	-	-	-	-	
<i>Total Administered 2007-08</i>	-	-	-	-	-	-	
Total Departmental 2008-09	2,007	-	-	2,007	1,000	3,007	
<i>Total Departmental 2007-08</i>	1,930	-	-	1,930	1,000	2,930	
Total AGIE 2008-09	2,007	-	-	2,007	1,000	3,007	
<i>Total AGIE 2007-08</i>	1,930	-	-	1,930	1,000	2,930	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no differences between Medicare Australia's agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

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

Income Statement

Consistent with government approval, Medicare Australia is estimating an operating loss of \$6.7m for 2007-08. The loss relates to lower than expected take up of electronic Medicare claiming. The revenue estimate for the current budget year is \$691m which is a increase of \$2.6m from 2007-08 estimated actuals. New Budget measures totalling \$30.2m have been offset by a \$5.1m reduction in contract revenue and a range of savings.

Employee expenses will increase slightly in 2008-09 followed by a reduction of \$17.1m in 2009-10 as electronic Medicare claiming take up increases and efficiencies are realised. Increases in the forward years relate mainly to indexation and implementation of measures.

Statement of Financial Position

Medicare Australia's budgeted net asset position of \$141.5m represents an increase of \$9.5m from the 2007-08 estimated actual, which is due to equity injections of \$9.5m.

Medicare Australia's primary liability continues to be accrued employee entitlements of \$90.1m.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	600,663	608,360	617,822	646,333	682,013
Goods and services	86,642	81,584	65,367	58,888	57,389
Rents	800	800	800	800	800
Other	-	-	-	-	-
Total revenue	688,105	690,744	683,989	706,021	740,202
Gains					
Other	350	350	350	350	350
Total gains	350	350	350	350	350
Total income	688,455	691,094	684,339	706,371	740,552
EXPENSE					
Employees	372,759	374,825	357,692	374,044	396,682
Suppliers	273,619	268,499	279,462	288,281	300,975
Grants	-	-	-	-	-
Depreciation and amortisation	48,777	47,770	47,185	44,046	42,895
Total expenses	695,155	691,094	684,339	706,371	740,552
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Surplus (Deficit) before income tax	(6,700)	-	-	-	-
Income tax expense	-	-	-	-	-
Surplus/(Deficit)					
Minority interest in surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(6,700)	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash	2,604	5,115	5,115	5,115	5,115
Receivables	156,065	145,290	163,414	171,820	184,405
Accrued Revenues	2,650	2,650	2,650	2,650	2,650
Total financial assets	161,319	153,055	171,179	179,585	192,170
Non-financial assets					
Land and buildings	63,178	65,806	69,153	68,306	61,949
Infrastructure, plant and equipment	8,856	7,852	8,604	8,119	7,933
Heritage and cultural assets	82	82	82	82	82
Intangibles	64,433	64,640	66,520	61,549	60,653
Other	10,516	24,927	10,516	10,516	10,516
Total non-financial assets	147,065	163,307	154,875	148,572	141,133
Total assets	308,384	316,362	326,054	328,157	333,303
LIABILITIES					
Interest bearing liabilities					
Loans	13,662	13,662	13,662	13,662	13,662
Total interest bearing liabilities	13,662	13,662	13,662	13,662	13,662
Provisions					
Employees	90,771	90,991	86,802	90,761	96,186
Other	4,558	4,558	4,558	4,558	4,558
Total provisions	95,329	95,549	91,360	95,319	100,744
Payables					
Suppliers	66,202	65,045	66,948	68,087	70,803
Other	1,177	593	12,571	9,576	6,581
Total payables	67,379	65,638	79,519	77,663	77,384
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	176,370	174,849	184,541	186,644	191,790
EQUITY*					
Parent entity interest					
Contributed equity	145,175	154,674	154,674	154,674	154,674
Reserves	24	24	24	24	24
Retained surpluses or accumulated deficits	(13,185)	(13,185)	(13,185)	(13,185)	(13,185)
Total parent entity interest	132,014	141,513	141,513	141,513	141,513
Total equity	132,014	141,513	141,513	141,513	141,513
Current assets	171,835	177,982	181,695	190,101	202,686
Non-current assets	136,549	138,380	144,359	138,056	130,617
Current liabilities	145,798	144,541	152,553	154,292	158,546
Non-current liabilities	30,572	30,308	31,988	32,352	33,244

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	81,822	82,901	81,666	57,755	54,931
Appropriations	598,068	617,234	595,377	636,065	668,891
Net GST Received	15,326	15,326	15,326	15,326	15,326
Other	800	800	800	800	800
Total cash received	696,016	716,261	693,169	709,946	739,948
Cash used					
Employees	367,658	374,605	361,881	370,085	391,257
Suppliers	275,033	269,306	277,209	286,792	297,909
Net GST Paid	15,326	15,326	15,326	15,326	15,326
Total cash used	658,017	659,237	654,416	672,203	704,492
Net cash from or (used by) operating activities	37,999	57,024	38,753	37,743	35,456
INVESTING ACTIVITIES					
Cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	50,211	64,012	38,753	37,743	35,456
Total cash used	50,211	64,012	38,753	37,743	35,456
Net cash from or (used by) investing activities	(50,211)	(64,012)	(38,753)	(37,743)	(35,456)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	9,701	9,499	-	-	-
Total cash received	9,701	9,499	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	9,701	9,499	-	-	-
Net increase or (decrease) in cash held	(2,511)	2,511	-	-	-
Cash at the beginning of the reporting period	5,115	2,604	5,115	5,115	5,115
Cash at the end of the reporting period	2,604	5,115	5,115	5,115	5,115

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	(13,185)	24	-	145,175	132,014
Adjusted opening balance	(13,185)	24	-	145,175	132,014
Surplus (deficit) for the period					
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					-
Contribution by owners					-
Appropriation (equity injection)	-	-	-	9,499	9,499
Other: Previous years' outputs	-	-	-	-	-
Sub-total transactions with owners	-	-	-	9,499	9,499
Estimated closing balance as at 30 June 2009	(13,185)	24	-	154,674	141,513

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
<i>Total taxation</i>	-	-	-	-	-
Non-taxation					
<i>Total non-taxation</i>	-	-	-	-	-
Total revenues administered on behalf of Government	-	-	-	-	-
Gains					
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	1,401	5,442	3,742	-	-
Total expenses administered on behalf of Government	1,401	5,442	3,742	-	-

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	873	1,266	501	-	-
Total financial assets	873	1,266	501	-	-
Total assets administered on behalf of Government	873	1,266	501	-	-
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	873	1,266	501	-	-
Total payables	873	1,266	501	-	-
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of Government	873	1,266	501	-	-

**Table 3.2.7: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Total cash received	-	-	-	-	-
Cash used					
Grant payments	528	5,049	4,507	501	-
Total cash used	528	5,049	4,507	501	-
Net cash from or (used by) operating activities	(528)	(5,049)	(4,507)	(501)	-
Net increase or (decrease) in cash held	(528)	(5,049)	(4,507)	(501)	-
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for: - appropriations	528	5,049	4,507	501	-
Cash at end of reporting period	-	-	-	-	-

3.2.4 Notes to the financial statements

The financial statements reflect the entries to the Central Budget Management System (CBMS) as at April 2008.

Basis of accounting

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

Assets and liabilities are recognised in the 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.

PORTFOLIO GLOSSARY

Term	Meaning
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.

Glossary

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 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.

Glossary

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 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)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations— the amount appropriated will depend on circumstances specified in the legislation.</p>