

**PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS 2010-11**

HUMAN SERVICES PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2010-11

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The document must be attributed as the Portfolio Additional Estimates Statements 2010-11 Human Services Portfolio.

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**The Hon Tanya Plibersek MP  
Minister for Human Services  
Minister for Social Inclusion**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2010-11 Additional Estimates for the Human Services Portfolio.

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

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

Yours sincerely

A handwritten signature in black ink that reads "Tanya Plibersek". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Tanya Plibersek**

### **Abbreviations and conventions**

(a) The following notations may be used:

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nfp	not for publication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

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

### **ENQUIRIES**

Should you have any enquiries regarding this publication please contact Darren Box, Chief Financial Officer in the Department of Human Services on (02) 62234433.

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 ADDITIONAL  
ESTIMATES STATEMENTS**



# USER GUIDE

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Agency Resource Statement to inform Parliament of the revised estimate of the total resources available to an agency, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2010-11. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2010-11* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

## STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

### User guide

Provides a brief introduction explaining the purpose of the PAES.

### Portfolio overview

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

### Agency additional estimates statements

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

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<b>Section 1: Agency overview and resources</b>	This section details the total resources available to an agency, the impact of any measures since Budget, and impact on Appropriation Bills No. 3 and No. 4.
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<b>Section 2: Revisions to outcomes and planned performance</b>	This section details <b>changes</b> to Government outcomes and/or <b>changes</b> to the planned performance of agency programs.
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<b>Section 3: Explanatory tables and budgeted financial statements</b>	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.
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<b>Glossary</b>	Explains key terms relevant to the Portfolio.
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<b>Index (Optional)</b>	Alphabetical guide to the Statements
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# **PORTFOLIO OVERVIEW**



# HUMAN SERVICES PORTFOLIO OVERVIEW

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 Order (AAO) 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 provides a central policy and coordination role for the delivery of services across the portfolio as well as being the delivery agency for child support and vocational rehabilitation services. The Department works with other departments and agencies to develop policy on service delivery, as clarified by the AAO 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.

On 16 December 2009 the former Minister for Human Services announced the start of the reform to government service delivery to develop a modern, flexible, whole-of-government service delivery system. This will enable the Australian Government to better meet the needs and expectations of the Australian people, and to achieve policy outcomes, while delivering services more efficiently. Service Delivery Reform represents a fundamental transformation of government services delivered through the Human Services portfolio.

## HUMAN SERVICES AGENCIES

### AGENCIES WITHIN THE HUMAN SERVICES PORTFOLIO

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

#### *General Government Sector entities*

- The **Department of Human Services** consists of the central Department, the Child Support Program and CRS Australia. The central Department's role is to direct, co-ordinate and broker improvements to service delivery, provide policy advice on service delivery matters to government and ensure efficient implementation of Government service delivery. Child Support Program provides support to separated parents to provide the financial and emotional support necessary for their children's wellbeing. CRS Australia assists people with an injury or disability to get a job or return to work by providing individual vocational rehabilitation, and helping employers to keep workplaces safe.

## *Portfolio Overview*

- **Centrelink** delivers a range of government payments and services for retirees, the unemployed, families, carers, parents, people with disabilities, Indigenous people, and people from diverse cultural and linguistic backgrounds, and provides services at times of major change.
- **Medicare Australia** looks after the health of Australians through efficient services and payments such as Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register and the Australian Organ Donor Register.

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

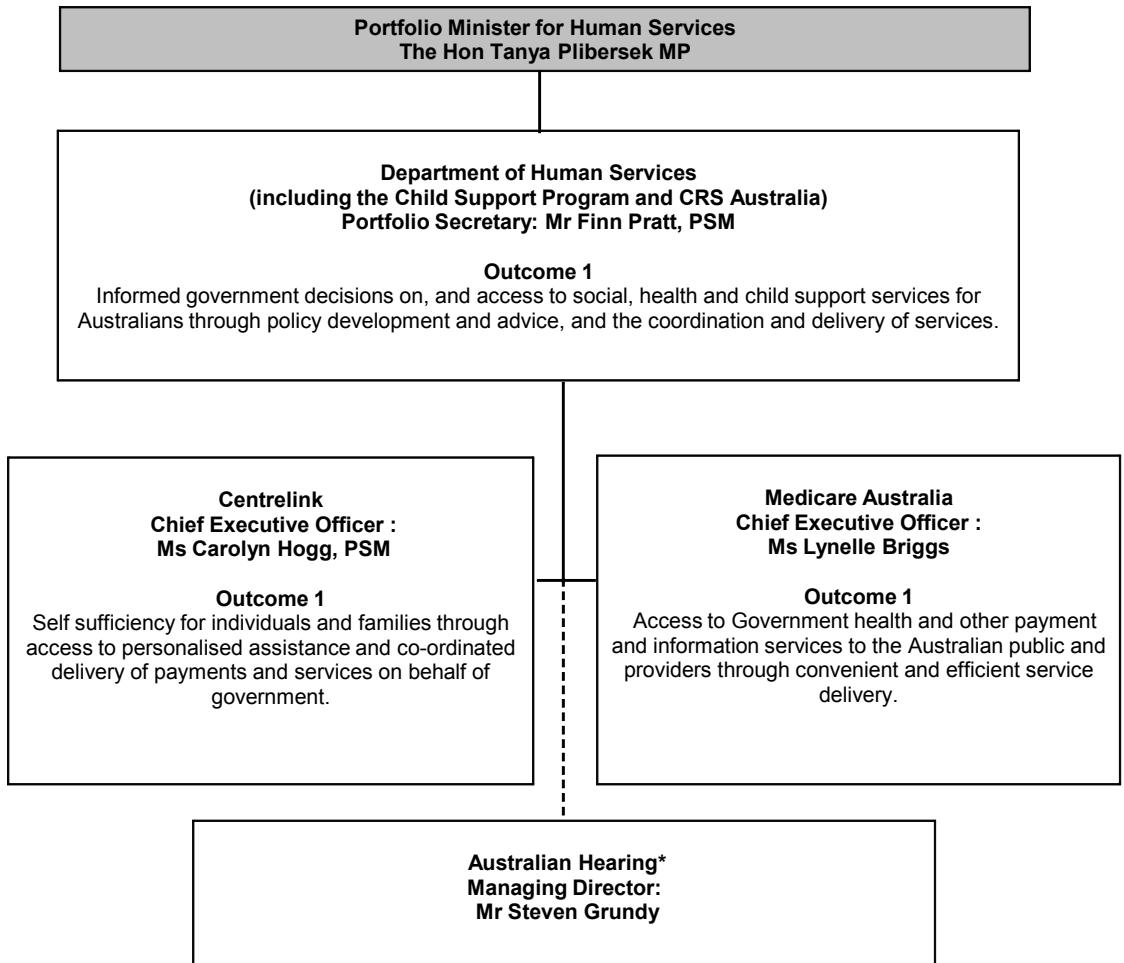
- **Australian Hearing** is one of the largest hearing service providers in the world and is dedicated to helping people manage their hearing impairment so they have a better quality of life. Australian Hearing provides a full range of hearing services for children and young people up to the age of 21,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

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 or Portfolio Additional Estimates Statements.

More comprehensive information on activities undertaken within the Department of Human Services and other Human Services portfolio agencies is available on the following web site:

[www.humanservices.gov.au](http://www.humanservices.gov.au)

**Figure 1: Human Services portfolio structure and outcomes**



\* This agency is a Non-General Government Sector entity and is not consolidated into the Commonwealth general government sector fiscal estimates. Therefore it is not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements.

Figure 1

## PORTFOLIO RESOURCES

Table 1 shows for those agencies reporting in the Portfolio Additional Estimates Statements the additional resources provided to the portfolio in the 2010-11 budget year, by agency.

**Table 1: Portfolio resources 2010-11**

	Appropriation			Receipts	Total
	Bill No. 3 \$m	Bill No. 4 \$m	Special \$m	\$m	\$m
<b>Centrelink</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	22	6	-	59	87
<b>Total:</b>	<b>22</b>	<b>6</b>	-	<b>59</b>	<b>87</b>
<b>Medicare Australia</b>					
Administered appropriations	-	-	-	60	60
Departmental appropriations	-	1	-	42	43
<b>Total:</b>	-	<b>1</b>	-	<b>102</b>	<b>103</b>
<b>Portfolio total</b>					<b>190</b>
Less amounts transferred within portfolio	-	-	-	-	-
				<b>Resources available within portfolio:</b>	<b>190</b>



# AGENCY ADDITIONAL ESTIMATES STATEMENTS

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# **Centrelink**

## **Agency resources and planned performance**

# CENTRELINK

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# CENTRELINK

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

Centrelink's 2010-11 Outcome Statement provides the basis for our Strategic Plan:

*Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government.*

Centrelink is committed to working collaboratively across the Human Services Portfolio to build partnerships for the delivery of quality outcomes for the Government and the Australian community.

The Strategic Priorities reflect the direction given by the Government to the portfolio. The Minister for Human Services confirms the expectations of Centrelink in contributing to the broader portfolio direction.

Our current Strategic Priorities are to:

- continue to progress and implement the service delivery reform agenda;
- continue to provide high-quality services to the Australian community;
- contribute to the development and delivery of relevant government priorities, such as Social Inclusion, Closing the Gap, Welfare Reform and Council Of Australian Government Emergency Management;
- support our people in effectively transitioning to new portfolio arrangements;
- improve the integration of new technology in accordance with government's ICT reform agenda;
- build purposeful relationships across government and the Australian community; and
- ensure our service delivery is convenient, accessible and meets the diverse needs of the Australian community.

## 1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for Centrelink at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2010-11 Budget year, including variations through Appropriation Bills No.3 and No.4 and special accounts.

**Table 1.1: Centrelink resource statement — Additional estimates for 2010-11 as at Additional Estimates February 2011**

	Estimate as at Budget <sup>+</sup>	Proposed Additional <sup>=</sup> Estimate	Total estimate at Additional Estimates	Total available appropriation
	2010-11 \$'000	2010-11 \$'000	2010-11 \$'000	2009-10 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	444,810	-	444,810	362,604
Departmental appropriation <sup>3</sup>	2,621,496	22,121	2,643,617	2,775,399
s31 Relevant agency receipts <sup>4</sup>	89,043	59,083	148,126	223,942
<b>Total</b>	<b>3,155,349</b>	<b>81,204</b>	<b>3,236,553</b>	<b>3,361,945</b>
<b>Total ordinary annual services</b>	<b>A 3,155,349</b>	<b>81,204</b>	<b>3,236,553</b>	<b>3,361,945</b>
<b>Other services<sup>5</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	54,961	6,229	61,190	17,341
Departmental Supplementation	-	-	-	1,903
<b>Total other services</b>	<b>B 54,961</b>	<b>6,229</b>	<b>61,190</b>	<b>19,244</b>
<b>Total available annual appropriations</b>	<b>3,210,310</b>	<b>87,433</b>	<b>3,297,743</b>	<b>3,381,189</b>
<b>Special Accounts</b>				
Opening balance <sup>6</sup>	-	-	-	362,604
Appropriation receipts	-	-	-	541,382
Non-appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Account</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>903,986</b>
<b>Total resourcing</b>				
A+B+C	<b>3,210,310</b>	<b>87,433</b>	<b>3,297,743</b>	<b>4,285,175</b>
Less appropriations drawn from annual appropriations above and credited to special accounts through annual appropriations	-	-	-	(903,986)
<b>Total net resourcing for Centrelink</b>	<b>3,210,310</b>	<b>87,433</b>	<b>3,297,743</b>	<b>3,381,189</b>

<sup>1</sup> Appropriation Bill (No.1 & 3) 2010-11.

<sup>2</sup> Appropriation receivable and cash and equivalent adjusted for 2009-10 supplementary appropriation disclosed under Departmental appropriation.

<sup>3</sup> Includes an amount of \$144.9m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

<sup>4</sup> s31 Relevant Agency receipts – estimate.

<sup>5</sup> Appropriation Bill (No.2 & 4) 2010-11.

<sup>6</sup> The Commonwealth Social Services Special Account was abolished on 31 March in accordance with Determination 2009/26.

Reader note: All figures are GST exclusive

**Table 1.1: Centrelink resource statement — Additional estimates for 2010-11 as at Additional Estimates February 2011 (continued)****Third Party Payments from and on behalf of other agencies**

	Estimate at Budget 2010-11 \$'000	Estimate at Additional Estimates 2010-11 \$'000
Centrelink has authority to make the following estimated payments on behalf of other agencies: <sup>1,2,3,4</sup> (disclosed in the respective agency's Resource Statement)		
<b>Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)</b>		
Special Appropriations - A New Tax System ( <i>Family Assistance (Administration)</i> ) Act 1999	19,002,663	19,098,443
Special Appropriations - Social Security ( <i>Administration</i> ) Act 1999	50,316,250	50,552,316
Special Appropriation - Paid Parental Leave Act 2010	441,152	445,925
Annual Appropriations - Ex Gratia and Act of Grace Payments	3,630	3,837
<b>Department of Education, Employment and Workplace Relations (DEEWR)</b>		
Special Appropriations - A New Tax System ( <i>Family Assistance (Administration)</i> ) Act 1999 <sup>5</sup>	3,333,271	3,443,385
Special Appropriations - Social Security ( <i>Administration</i> ) Act 1999	13,384,456	13,586,356
Special Appropriations - Social Security Act 1991	3,123,242	3,089,962
Special Appropriations - Student Assistance Act 1973	264,704	269,428
Annual Appropriation - Job Education Training Child Care Fees Assistance	52,675	52,675
Annual Appropriation - Compensation & Debt Relief (Act of Grace)	-	198
<b>Department of Agriculture, Fisheries and Forestry (DAFF)</b>		
Special Appropriation - Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)	134,847	139,681
Annual Appropriation - Interim Income Support	-	1,094
Annual Appropriation - Exceptional Circumstances	39,500	39,500
Annual Appropriation - Climate Change Adjustment Program	17,950	17,950
Annual Appropriation - WA Pilot	2,863	2,863
	<b>90,117,203</b>	<b>90,743,613</b>
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)	<b>76,066</b>	<b>129,508</b>

**Notes:**

<sup>1</sup> Centrelink arrangements with the above agencies (i.e. FaHCSIA, DEEWR, DAFF) include the delivery of payments to customers.

<sup>2</sup> Centrelink has no drawdown access to the above agencies' administered appropriations that are required to be drawn and paid to customers.

<sup>3</sup> The respective agencies are responsible for the policy, estimates and reporting of these administered appropriations.

<sup>4</sup> The figures disclosed above are based on the estimates as provided to Centrelink by the respective agencies.

<sup>5</sup> The figures disclosed above includes Child Care Benefit program appropriation amounting to \$2,052.4m which both Centrelink and DEEWR deliver to the customers on behalf of DEEWR.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2010-11 Budget. The table is split into expense and capital measures, with the affected program identified.

**Table 1.2: Agency 2010-11 Measures since Budget**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Expense measures</b>					
<b>Department of Families, Housing, Community Services and Indigenous Affairs</b>					
Community Development Employment Projects (CDEP)	1.1				
Departmental expenses <sup>1</sup>		-	(2,238)	-	-
Age Pension - new work bonus	1.1				
Departmental expenses		108	2,542	1,111	833
Paid Paternity Leave	1.1				
Departmental expenses		58	692	3,675	3,477
More Flexible Family Tax Benefit Advances	1.1				
Departmental expenses <sup>1</sup>		3,478	22,042	11,580	11,247
Healthy Start for School	1.1				
Departmental expenses <sup>1</sup>		4,736	3,513	1,216	1,202
Supporting Families with Teenagers	1.1				
Departmental expenses <sup>1</sup>		1,004	(3,415)	(19,201)	(24,862)
<b>Department of Education, Employment and Workplace Relations</b>					
Welfare reform - tougher rules for job seekers	1.1				
Departmental expenses		-	-	-	-
Job seeker engagement - increased support	1.1				
Departmental expenses		-	-	-	-
Child Care Rebate – fortnightly payments	1.1				
Departmental expenses		2,795	4,651	3,876	564
Child Care Rebate – additional payment option	1.1				
Departmental expenses <sup>1</sup>		10,701	2,346	2,109	4,498
<b>Department of Agriculture, Fisheries and Forestry</b>					
Drought Assistance - Exceptional Circumstances assistance for primary producers	1.1				
Departmental expenses		393	102	-	-
Drought Assistance - Exceptional Circumstances assistance for small businesses	1.1				
Departmental expenses		13	2	-	-

Prepared on a Government Financial Statistics (fiscal) basis



**Table 1.2: Agency 2010-11 Measures since Budget (continued)**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Expense measures</b>					
Drought Assistance - Interim Income Support for primary producers	1.1				
Departmental expenses <sup>1</sup>		120	-	-	-
Drought Assistance - Interim Income Support for small businesses	1.1				
Departmental expenses <sup>1</sup>		14	-	-	-
<b>Department of the Treasury</b>					
Personal income tax - 50 per cent tax discount for interest income - revised policy	1.1				
Departmental expenses		(369)	(482)	1,496	752
<b>Department of Immigration and Citizenship</b>					
Migration Program - allocation of places for 2010-11	1.1				
Departmental expenses		(622)	(708)	(1,109)	(1,409)
<b>Total expense measures</b>		<b>22,429</b>	<b>29,047</b>	<b>4,753</b>	<b>(3,698)</b>
<b>Capital measures</b>					
<b>Department of Families, Housing, Community Services and Indigenous Affairs</b>					
Age Pension - new work bonus	1.1				
Departmental capital		2,500	-	-	-
More Flexible Family Tax Benefit Advances	1.1				
Departmental capital <sup>1</sup>		1,588	1,288	-	-
Supporting Families with Teenagers	1.1				
Departmental capital <sup>1</sup>		438	5,526	-	-
<b>Department of Education, Employment and Workplace Relations</b>					
Child Care Rebate – additional payment option	1.1				
Departmental capital <sup>1</sup>		1,703	959	775	-
<b>Total capital measures</b>		<b>6,229</b>	<b>7,773</b>	<b>775</b>	<b>-</b>

Prepared on a Government Financial Statistics (fiscal) basis.

**Note:** The lead agency for each measure is included in the Table above. The full measure description and package details appear in the Mid-Year Economic and Fiscal Outlook (MYEFO) under the relevant portfolio except for measures decided post MYEFO.

<sup>1</sup> Measure relates to a decision made post MYEFO.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Centrelink at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2010-11 Budget in Appropriation Bills No.3 and No.4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2010-11 Budget.**

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Age Pension - new work bonus - expense	1.1	108	2,542	1,111	833
Age Pension - new work bonus - capital	1.1	2,500	-	-	-
Paid Paternity Leave	1.1	58	692	3,675	3,477
Welfare reform - tougher rules for job seekers	1.1	-	-	-	-
Job seeker engagement - increased support	1.1	10,778	11,116	11,223	11,308
More Flexible Family Tax Benefit Advances - expense	1.1	3,478	22,042	11,580	11,247
More Flexible Family Tax Benefit Advances - capital	1.1	1,588	1,288	-	-
Healthy Start for School	1.1	4,736	3,513	1,216	1,202
Supporting Families with Teenagers - expense	1.1	1,004	-	-	-
Supporting Families with Teenagers - capital	1.1	438	5,526	-	-
Child Care Rebate – fortnightly payments	1.1	2,795	4,651	3,876	564
Child Care Rebate – additional payment option - expense	1.1	10,701	2,346	2,109	4,498
Child Care Rebate – additional payment option - capital	1.1	1,703	959	775	-
Drought Assistance - Exceptional Circumstances assistance for primary producers	1.1	393	102	-	-
Drought Assistance - Exceptional Circumstances assistance for small businesses	1.1	13	2	-	-

**Table 1.3: Additional estimates and variations to outcomes from measures since 2010-11 Budget (continued)**

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Drought Assistance - Interim Income Support for primary producers	1.1	120	-	-	-
Drought Assistance - Interim Income Support for small businesses	1.1	14	-	-	-
Personal income tax - 50 per cent tax discount for interest income - revised policy	1.1	-	-	1,496	752
Decrease in estimates (departmental)					
Community Development Employment Projects (CDEP)	1.1	-	(2,238)	-	-
Supporting Families with Teenagers		-	(3,415)	(19,201)	(24,862)
Migration Program - allocation of places for 2010-11	1.1	(622)	(708)	(1,109)	(1,409)
Job seeker engagement - increased support	1.1	(10,778)	(11,116)	(11,223)	(11,308)
Personal income tax - 50 per cent tax discount for interest income - revised policy	1.1	(369)	(482)	-	-
<b>Net impact on estimates</b>					
<b>for Outcome 1 (departmental)</b>		<b>28,658</b>	<b>36,820</b>	<b>5,528</b>	<b>(3,698)</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Changes in price and wage indices	1.1	-	13,232	18,082	20,527
Decrease in estimates (departmental)					
Application of efficiency dividend	1.1	-	(1,900)	(1,998)	(1,887)
Property Lease Savings	1.1	(308)	(498)	(508)	(572)
<b>Net impact on estimates</b>					
<b>for Outcome 1 (departmental)</b>		<b>(308)</b>	<b>10,834</b>	<b>15,576</b>	<b>18,068</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Centrelink through Appropriation Bills No.3 and No.4.

**Table 1.5: Appropriation Bill (No. 3) 2010-11**

	2009-10 Available \$'000	2010-11 Budget \$'000	2010-11 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1</b>					
Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government	2,775,399	2,621,496	2,643,617	34,198	(12,077)
<b>Total</b>	<b>2,775,399</b>	<b>2,621,496</b>	<b>2,643,617</b>	<b>34,198</b>	<b>(12,077)</b>
<b>Total departmental</b>	<b>2,775,399</b>	<b>2,621,496</b>	<b>2,643,617</b>	<b>34,198</b>	<b>(12,077)</b>

**Note 1:** 2009-10 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

**Note 2:** The net addition in Centrelink's direct appropriation of \$22.12 m is made up of:

- Job seeker engagement – increased support: \$10.78m
- Child Care Rebate – additional payment option: \$10.70m
- Healthy Start for School: \$4.74m
- More Flexible Family Tax Benefit Advances: \$3.48m
- Child Care Rebate – fortnightly payments: \$2.80m
- Supporting Families with Teenagers: \$1.00m
- Drought assistance - Exceptional Circumstances assistance: \$0.41m
- Drought assistance - Interim Income Support: \$0.13m
- Age Pension - new work bonus: \$0.11m
- Paid Paternity Leave: \$0.05m
- Job seeker engagement – increased support: -\$10.78m
- Migration Program – allocation of places for 2010-11: -\$0.62m
- Personal Income tax - 50 per cent tax discount for interest income – revised policy: -\$0.37m
- Property Lease Savings: -\$0.31m.

**Table 1.6: Appropriation Bill (No. 4) 2010-11**

	2009-10 Available \$'000	2010-11 Budget \$'000	2010-11 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Non-operating</b>					
Equity injections	17,341	54,961	61,190	6,229	-
Departmental Supplementation	1,903	-	-	-	-
<b>Total non-operating</b>	<b>19,244</b>	<b>54,961</b>	<b>61,190</b>	<b>6,229</b>	-
<b>Total</b>	<b>19,244</b>	<b>54,961</b>	<b>61,190</b>	<b>6,229</b>	-

**Note 1:** 2009-10 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

**Note 2:** The addition in Centrelink's equity injection of \$6.23m is made up of:

- *Age Pension - new work bonus*: \$2.50m
- *Child Care Rebate - additional payment option*: \$1.70m
- *More Flexible Family Tax Benefit Advances*: \$1.59m
- *Supporting Families with Teenagers*: \$0.44m.

## Section 2: Revisions to agency resources and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

No changes have been made to Centrelink’s Outcome Statement and Program. Complete details of Centrelink’s Outcome and Performance Information can be found in the 2010-11 Human Services Portfolio Budget Statements.

**Table 2.1 Budgeted Expenses and Resources for Outcome 1**

<b>Outcome 1: Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government</b>	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
<b>Program 1.1: Service Delivery</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	2,786,100	2,463,950
Revenues from independent sources (s31)	166,655	152,887
Expenses not requiring appropriation in the Budget year	2,684	238,441
<b>Total for Program 1.1</b>	<b>2,955,439</b>	<b>2,855,278</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	2,786,100	2,463,950
Revenues from independent sources (s31)	166,655	152,887
Expenses not requiring appropriation in the Budget year	2,684	238,441
<b>Total expenses for Outcome 1</b>	<b>2,955,439</b>	<b>2,855,278</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	<b>25,206</b>	<b>24,130</b>

**Program 1.1 Service Delivery**

**Program Expenses 1.1**

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses:					
Ordinary annual services	2,786,100	2,463,950	2,440,077	2,433,335	2,486,634
Revenues from independent sources (s31)	166,655	152,887	23,590	23,590	23,588
Expenses not requiring appropriation in the Budget year	2,684	238,441	169,345	170,427	170,811
<b>Total program expenses</b>	<b>2,955,439</b>	<b>2,855,278</b>	<b>2,633,012</b>	<b>2,627,352</b>	<b>2,681,033</b>

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by Centrelink. The corresponding table in the 2010-11 PB Statements is Table 3.1.2.

**Table 3.1.1: Estimates of special account flows**

	Opening balance <b>2010-11</b> <i>2009-10</i>	Receipts <b>2010-11</b> <i>2009-10</i>	Payments <b>2010-11</b> <i>2009-10</i>	Closing balance <b>2010-11</b> <i>2009-10</i>
Outcome	\$'000	\$'000	\$'000	\$'000
Commonwealth Social Services Special Account (D)	1 -	-	-	-
	362,604	541,382	(903,986)	-
Commonwealth Services Delivery Agency Other Trust Moneys Account (T)	123 370	2,652 1,401	(2,775) (1,648)	- 123
<b>Total Special Accounts 2010-11 Budget estimate</b>	<b>123</b>	<b>2,652</b>	<b>(2,775)</b>	<b>-</b>
<i>Total Special Accounts 2009-10 estimate actual</i>	<i>362,974</i>	<i>542,783</i>	<i>(905,634)</i>	<i>123</i>

(T) = Asset held in Trust

(D) = Departmental

**Note 1:** Total Special Accounts 2009-10 estimate actual is updated with 2009-10 Actual figures.

**Note 2:** The Commonwealth Social Services Special Account was abolished on 31 March 2010 in accordance with Determination 2009/26.

**Note 3:** The Commonwealth Service Delivery Agency Other Trust Moneys Account will be abolished on 30 June 2011.



## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

#### **Departmental financial statements**

##### **Budgeted departmental comprehensive income statement**

Centrelink is budgeting for an operating loss of \$70.0 million for 2010-11 and break-even operating results for the forward years.

The budgeted operating loss for 2010-11 is due to a number of significant financial pressures.

The total income for 2010-11 is estimated to decrease by \$360.0 million from the 2009-10 actual income of \$2,979.6 million. The main reasons for the significant income reduction include removal of \$142.5 million for depreciation (under Operation Sunlight reform), lower levels of outyear funding for prior year Budget and Additional Estimates measures, lower levels of new funding for 2010-11 Budget measures and reduced funding under the Centrelink Funding Model in line with Government's revised estimates of customer numbers.

Expenses for 2010-11 will be an estimated \$100.2 million less than 2009-10 expenses and is consistent with reduced income levels. That is, staffing levels, and expenses, will decline in line with reduced income and lower forecast workloads. Depreciation expenses of \$165.7 million are included, without matching income, and is subsequently reported as a result attributable to the Australian Government under Operation Sunlight.

##### **Budgeted departmental balance sheet**

Centrelink's budgeted net asset position of \$308.2 million represents a decrease of \$42.8 million from the 30 June 2010 actual position. The decrease is mainly due to capital injections of \$48.0 million and Departmental Capital Budget funding of \$144.9 million to be received in 2010-11, offset by operating deficit of \$235.7 million attributable to the Australian Government.

The 2010-11 total assets are expected to decrease by \$7.3 million to \$1,139.8 million, mainly reflecting an anticipated decrease in trade and other receivables by \$26.3 million and decrease in cash at bank of \$17.5 million and net increases in fixed assets of \$36.6 million.

Centrelink's total liabilities are estimated to increase by approximately \$35.6 million in 2010-11 and the primary liability continues to be accrued employee leave entitlements.

### 3.2.2 Budgeted financial statements

**Table 3.2.1: Budgeted departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	1,885,372	1,795,613	1,596,584	1,581,736	1,634,007
Supplier expenses	898,029	889,444	865,357	873,520	874,602
Depreciation and amortisation	166,332	165,721	166,571	167,596	167,924
Write-down and impairment of assets	5,532	4,500	4,500	4,500	4,500
Other	174	-	-	-	-
<b>Total expenses</b>	<b>2,955,439</b>	<b>2,855,278</b>	<b>2,633,012</b>	<b>2,627,352</b>	<b>2,681,033</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	164,999	152,887	23,590	23,590	23,588
<b>Total revenue</b>	<b>164,999</b>	<b>152,887</b>	<b>23,590</b>	<b>23,590</b>	<b>23,588</b>
<b>Gains</b>					
Sale of assets	1,656	-	-	-	-
Other	2,684	2,720	2,774	2,831	2,887
<b>Total gains</b>	<b>4,340</b>	<b>2,720</b>	<b>2,774</b>	<b>2,831</b>	<b>2,887</b>
<b>Total own-source income</b>	<b>169,339</b>	<b>155,607</b>	<b>26,364</b>	<b>26,421</b>	<b>26,475</b>
<b>Net cost of services</b>	<b>2,786,100</b>	<b>2,699,671</b>	<b>2,606,648</b>	<b>2,600,931</b>	<b>2,654,558</b>
Revenue from Government	2,810,212	2,463,950	2,440,077	2,433,335	2,486,634
<b>Surplus (Deficit)</b>	<b>24,112</b>	<b>(235,721)</b>	<b>(166,571)</b>	<b>(167,596)</b>	<b>(167,924)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>24,112</b>	<b>(235,721)</b>	<b>(166,571)</b>	<b>(167,596)</b>	<b>(167,924)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>24,112</b>	<b>(235,721)</b>	<b>(166,571)</b>	<b>(167,596)</b>	<b>(167,924)</b>
<b>Note: Reconciliation of operating result attributable to the agency</b>					
	2009-10	2010-11	2011-12	2012-13	2012-13
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating result attributable to the Australian Government</b>	<b>24,112</b>	<b>(235,721)</b>	<b>(166,571)</b>	<b>(167,596)</b>	<b>(167,924)</b>
plus non-appropriated expenses					
depreciation and amortisation expenses	-	165,721	166,571	167,596	167,924
<b>Operating result attributable to Centrelink</b>	<b>24,112</b>	<b>(70,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	31,086	13,569	13,596	13,559	13,510
Trade and other receivables	479,857	453,556	469,544	483,492	463,337
<b>Total financial assets</b>	<b>510,943</b>	<b>467,125</b>	<b>483,140</b>	<b>497,051</b>	<b>476,847</b>
<b>Non-financial assets</b>					
Land and buildings	242,299	239,045	237,493	219,118	200,978
Property, plant and equipment	103,525	134,010	170,018	151,365	119,480
Intangibles	236,274	244,361	245,815	218,430	202,333
Other	53,971	55,208	56,784	58,440	60,145
<b>Total non-financial assets</b>	<b>636,069</b>	<b>672,624</b>	<b>710,110</b>	<b>647,353</b>	<b>582,936</b>
<b>Total assets</b>	<b>1,147,012</b>	<b>1,139,749</b>	<b>1,193,250</b>	<b>1,144,404</b>	<b>1,059,783</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	97,458	98,042	93,447	93,459	93,231
Other	138,222	140,599	146,266	150,293	156,366
<b>Total payables</b>	<b>235,680</b>	<b>238,641</b>	<b>239,713</b>	<b>243,752</b>	<b>249,597</b>
<b>Provisions</b>					
Employee provisions	529,488	558,381	575,316	592,322	609,686
Other	30,856	34,578	29,662	23,684	18,362
<b>Total provisions</b>	<b>560,344</b>	<b>592,959</b>	<b>604,978</b>	<b>616,006</b>	<b>628,048</b>
<b>Total liabilities</b>	<b>796,024</b>	<b>831,600</b>	<b>844,691</b>	<b>859,758</b>	<b>877,645</b>
<b>Net assets</b>	<b>350,988</b>	<b>308,149</b>	<b>348,559</b>	<b>284,646</b>	<b>182,138</b>
<b>EQUITY*</b>					
Contributed equity	289,984	482,866	689,847	793,528	858,944
Reserves	46,203	46,203	46,203	46,205	46,205
Retained surplus (accumulated deficit)	14,801	(220,920)	(387,491)	(555,087)	(723,011)
<b>Total equity</b>	<b>350,988</b>	<b>308,149</b>	<b>348,559</b>	<b>284,646</b>	<b>182,138</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2010</b>				
Balance carried forward from previous year	14,801	46,203	289,984	350,988
<b>Adjusted opening balance</b>	<b>14,801</b>	<b>46,203</b>	<b>289,984</b>	<b>350,988</b>
Deficit for the year	(235,721)	-	-	(235,721)
<b>Total comprehensive income recognised directly in equity</b>	<b>(235,721)</b>	<b>-</b>	<b>-</b>	<b>(235,721)</b>
<b>Transactions with owners</b>				
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	48,020	48,020
Appropriation (departmental capital budget)	-	-	144,862	144,862
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>192,882</b>	<b>192,882</b>
<b>Estimated closing balance as at 30 June 2011</b>	<b>(220,920)</b>	<b>46,203</b>	<b>482,866</b>	<b>308,149</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	238,828	153,711	28,738	28,734	28,727
Appropriations	2,363,586	2,502,462	2,424,319	2,419,621	2,507,028
Net GST received	90,261	99,707	79,721	81,802	82,457
Cash from the Official Public Account	314,513	-	-	-	-
<b>Total cash received</b>	<b>3,007,188</b>	<b>2,755,880</b>	<b>2,532,778</b>	<b>2,530,157</b>	<b>2,618,212</b>
<b>Cash used</b>					
Employees	1,864,981	1,779,826	1,575,852	1,560,666	1,609,832
Suppliers	985,473	963,181	956,899	965,528	967,543
<b>Total cash used</b>	<b>2,850,454</b>	<b>2,743,007</b>	<b>2,532,751</b>	<b>2,526,194</b>	<b>2,577,375</b>
<b>Net cash from (used by) operating activities</b>	<b>156,734</b>	<b>12,873</b>	<b>27</b>	<b>3,963</b>	<b>40,837</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	145	-	-	-	-
<b>Total cash received</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	108,315	162,708	147,769	76,450	63,623
Purchase of intangibles	49,423	73,734	59,212	31,231	42,679
<b>Total cash used</b>	<b>157,738</b>	<b>236,442</b>	<b>206,981</b>	<b>107,681</b>	<b>106,302</b>
<b>Net cash used by investing activities</b>	<b>(157,593)</b>	<b>(236,442)</b>	<b>(206,981)</b>	<b>(107,681)</b>	<b>(106,302)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	17,341	206,052	206,981	103,681	65,416
<b>Total cash received</b>	<b>17,341</b>	<b>206,052</b>	<b>206,981</b>	<b>103,681</b>	<b>65,416</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>17,341</b>	<b>206,052</b>	<b>206,981</b>	<b>103,681</b>	<b>65,416</b>
<b>Net increase (decrease) in cash held</b>	<b>16,482</b>	<b>(17,517)</b>	<b>27</b>	<b>(37)</b>	<b>(49)</b>
Cash and cash equivalents at the beginning of the reporting period	14,604	31,086	13,569	13,596	13,559
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>31,086</b>	<b>13,569</b>	<b>13,596</b>	<b>13,559</b>	<b>13,510</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement — Departmental**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	-	144,862	192,050	102,491	65,416
Equity injections - Bill 2 & 4	17,341	61,190	14,931	1,190	-
Previous years' outputs - Bill 2 & 4	1,903	-	-	-	-
<b>Total capital appropriations</b>	<b>19,244</b>	<b>206,052</b>	<b>206,981</b>	<b>103,681</b>	<b>65,416</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	17,341	196,501	206,981	103,681	65,416
Other Items	1,903	9,551	-	-	-
<b>Total Items</b>	<b>19,244</b>	<b>206,052</b>	<b>206,981</b>	<b>103,681</b>	<b>65,416</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	17,341	51,639	14,931	1,190	-
Funded by capital appropriation - DCB	-	144,862	192,050	102,491	65,416
Funded internally from departmental resources <sup>1</sup>	171,299	9,039	-	4,000	40,886
<b>TOTAL</b>	<b>188,640</b>	<b>205,540</b>	<b>206,981</b>	<b>107,681</b>	<b>106,302</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases <sup>2</sup>	157,738	236,442	206,981	107,681	106,302
<b>Total cash used to acquire assets</b>	<b>157,738</b>	<b>236,442</b>	<b>206,981</b>	<b>107,681</b>	<b>106,302</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup> Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- internally developed assets
- s31 relevant agency receipts
- proceeds from the sale of assets.

<sup>2</sup> The 2010-11 total purchases of \$236.4m, includes asset purchases received in 2009-10 of \$30.9m and paid for in 2010-11.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2010</b>					
Gross book value	3,975	304,068	158,639	529,534	996,216
Accumulated depreciation/amortisation and impairment	-	(65,744)	(55,114)	(293,260)	(414,118)
<b>Opening net book balance</b>	<b>3,975</b>	<b>238,324</b>	<b>103,525</b>	<b>236,274</b>	<b>582,098</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity	-	-	18,493	33,146	51,639
By purchase - appropriation ordinary annual services	-	55,693	66,191	22,978	144,862
By purchase - other	-	-	-	9,039	9,039
<b>Total additions</b>	<b>-</b>	<b>55,693</b>	<b>84,684</b>	<b>65,163</b>	<b>205,540</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(58,446)	(53,199)	(54,076)	(165,721)
Other	-	(500)	(1,000)	(3,000)	(4,500)
<b>As at 30 June 2011</b>					
Gross book value	3,975	359,260	242,323	591,697	1,197,255
Accumulated depreciation/amortisation and impairment	-	(124,190)	(108,313)	(347,336)	(579,839)
<b>Closing net book balance</b>	<b>3,975</b>	<b>235,070</b>	<b>134,010</b>	<b>244,361</b>	<b>617,416</b>

Prepared on Australian Accounting Standards basis.

## **Notes to the financial statements**

### **Departmental**

#### **1. Basis of Preparation of the Budgeted Financial Report**

The Budgeted Financial Statements have been prepared in accordance with:

- Finance Minister’s Orders (FMOs); and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

Centrelink’s Budgeted Financial Statements have been prepared on an accrual basis and are 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 Comprehensive Income Statement when and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

The presentation of the Comprehensive Income Statement has been amended to include the “Reconciliation of operating result attributable to the agency” note, whereby Centrelink net operating result is adjusted by the total depreciation and amortisation expenses (non-appropriated expenses). This change is the result of the net cash arrangement that has been implemented as part of the Operation Sunlight reform agenda.



# **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's 2010-11 Outcome Statement provides the basis of our Strategic Plan:

*Access to government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery.*

Service delivery reform is the Government's strategy to give Australians better access to social, health and welfare services. The Human Services portfolio is transforming to enhance flexibility and effectiveness in delivering easy, high quality services that work for all Australians.

As part of the reform, the Government will continue to better coordinate, tailor and target its services to people, based on their needs and circumstances, through avenues most accessible and suited to them.

Medicare Australia is committed to working collaboratively across the Human Services portfolio, to build partnerships for the delivery of quality outcomes, for Government and the Australian community.

Medicare Australia provides access to government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery. Almost all Australian residents, doctors, pharmacists, aged care providers and other health professionals have a connection with Medicare Australia.

Medicare Australia's stakeholders include the Australian public, health professionals, private health organisations, state and territory Governments and other Australian Government departments and agencies.

The key programs Medicare Australia delivers are Medicare, Veterans' Treatment Accounts, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register and the Australian Organ Donor Register, the Rebate on Private Health Insurance, the National Bowel Cancer Screening Register and Aged Care payments. Medicare Australia also provides payment and information services for Family Assistance.

In addition, Medicare Australia delivers a range of programs supporting general practice including the General Practice Immunisation Incentives Scheme, the Practice Incentives Program, the General Practice Rural Incentives Program and the Mental Health Nurse Incentive Program.

On 1 July 2010, the small business Superannuation Clearing House became fully operational. It allows registered small businesses to pay their employees superannuation in one simple electronic transaction.

From 1 July 2010, Medicare Australia also commenced processing applications and making payments to eligible people for the Continence Aids Payment Scheme.

On 24 November 2010 Medicare Australia commenced administration of the Aged Care Education and Training Incentive program for the Department of Health and Ageing (DoHA), to provide support to over 50,000 aged care workers over the next four years.

The Healthcare Identifier service was successfully deployed on 6 December 2010 and is now fully operational. Developed under contract for the National E-Health Transition Authority, this service represents a major milestone and lays the basis for personal electronic health records.

From January 2011 Medicare Australia will commence processing inquiries and claims for the Paid Paternity Leave scheme.

Medicare Australia is also implementing budget measures for Health and Hospital Reform and the Fifth Community Pharmacy Agreement.

Medicare Australia works to ensure the public and health care providers receive the correct benefits from the programs it delivers. Medicare Australia supports members of the community to meet their obligations when making claims for benefits or payments through the provision of high quality education and information services. Where non-compliance is identified, Medicare Australia takes compliance action commensurate with the level and nature of the non-compliance.

Medicare Australia will continue to enhance convenience, ease of access and cost effectiveness of services by increasing the availability and use of electronic channels for claiming and service provision, while ensuring that, where required, face to face service delivery is available.

Medicare Australia will seek to ensure that full advantage is taken of the public investment made in its infrastructure by working with other government agencies in identifying opportunities to leverage the existing capability for a broader range of government programs and to improve service delivery by the Government.

## 1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for Medicare Australia at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2010-11 Budget year, including variations through Appropriation Bills No.3 and No.4, special appropriations and special accounts.

**Table 1.1: Medicare Australia resource statement — Additional estimates for 2010-11 as at Additional Estimates February 2011**

	Estimate as at Budget <sup>+</sup>	Proposed Additional Estimates <sup>=</sup>	Total estimate at Additional Estimates	Total available appropriation
	2010-11 \$'000	2010-11 \$'000	2010-11 \$'000	2009-10 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	171,111	-	171,111	113,007
Departmental appropriation <sup>3</sup>	656,255	-	656,255	654,219
s31 Relevant agency receipts <sup>4</sup>	66,697	41,685	108,382	130,497
<b>Total</b>	<b>894,063</b>	<b>41,685</b>	<b>935,748</b>	<b>897,723</b>
<b>Administered expenses</b>				
Outcome 1 <sup>3</sup>	2	-	2	4,786
<b>Total</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>4,786</b>
<b>Total ordinary annual services</b>	<b>A 894,065</b>	<b>41,685</b>	<b>935,750</b>	<b>902,509</b>
<b>Other services<sup>5</sup></b>				
<b>Departmental non-operating</b>				
Equity injections <sup>6</sup>	47,434	664	48,098	55,674
<b>Total</b>	<b>47,434</b>	<b>664</b>	<b>48,098</b>	<b>55,674</b>
<b>Total other services</b>	<b>B 47,434</b>	<b>664</b>	<b>48,098</b>	<b>55,674</b>
<b>Total available annual appropriations</b>	<b>941,499</b>	<b>42,349</b>	<b>983,848</b>	<b>958,183</b>
<b>Special appropriations</b>				
<b>Total special appropriations</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total appropriations excluding special accounts</b>	<b>941,499</b>	<b>42,349</b>	<b>983,848</b>	<b>958,183</b>

**Table 1.1: Medicare Australia resource statement — Additional estimates for 2010-11 as at Additional Estimates February 2011 (continued)**

	Estimate as at Budget +	Proposed Additional = Estimates	Total estimate at Additional Estimates	Total available appropriation
	2010-11 \$'000	2010-11 \$'000	2010-11 \$'000	2009-10 \$'000
<b>Special accounts</b>				
Opening balance <sup>7</sup>	48,325	-	48,325	48,735
Non-appropriation receipts to Special Accounts	234,690	59,937	294,627	465,183
<b>Total special account</b>	<b>D 283,015</b>	<b>59,937</b>	<b>342,952</b>	<b>513,918</b>
<b>Total resourcing</b>				
A+B+C+D	<b>1,224,514</b>	<b>102,286</b>	<b>1,326,800</b>	<b>1,472,101</b>
<b>Total net resourcing for Medicare Australia</b>	<b>1,224,514</b>	<b>102,286</b>	<b>1,326,800</b>	<b>1,472,101</b>

<sup>1</sup> Appropriation Bill (No. 1 & 3) 2010-11.

<sup>2</sup> Estimated adjusted balance carried from previous year for annual appropriations.

<sup>3</sup> Includes an amount of \$36.687m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners.'

<sup>4</sup> s31 Relevant Agency receipts – estimate.

<sup>5</sup> Appropriation Bill (No. 2 & 4) 2010-11.

<sup>6</sup> Equity injection estimates as at budget included a reduction for the return of unspent appropriation of \$10.810m.

<sup>7</sup> Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies (OTM) and Services for other Government and Non-agency Bodies (SOG) accounts). For further information on special accounts see Table 3.1.1.

Reader note: All figures are GST exclusive.

**Table 1.1: Medicare Australia resource statement — Additional estimates for 2010-11 as at Additional Estimates February 2011 (continued)**

**Third Party Drawdowns from and on behalf of other agencies**

	<b>Estimate at Budget 2010-11 \$'000</b>	<b>Estimate at Additional Estimates 2010-11 \$'000</b>
Payments made on behalf of other agencies (disclosed in the respective agency Resource Statement)		
<b>Department of Veterans' Affairs</b>		
Veterans' Entitlements Act 1986	3,527,783	3,751,995
Military Rehabilitation and Compensation Act 2004	3,020	3,020
<b>Department of Health and Ageing</b>		
Health Insurance Act 1973 - Medical Benefits	16,239,979	16,396,829
Dental Benefits Act 2008	66,196	68,523
National Health Act 1953 - Pharmaceutical Benefits	7,190,859	8,924,662
National Health Act 1953 - Aids and Appliances	86,166	78,107
Private Health Insurance Act 2007	4,426,001	4,714,502
Medical Indemnity Agreement (Financial Assistance Binding Commonwealth Obligations) Act 2002	115,409	115,408
Aged Care Act 1997	7,431,202	7,678,000
Financial Management and Accountability Act 1987 - Australian Childhood Immunisation Register Special Account	9,517	9,104
<b>Department of Climate Change and Energy Efficiency</b>		
Appropriation (Water Entitlements and Home Insulation) Act 2009–2010	384,220	64,500
<b>Total Third party payments</b>	<b>39,480,351</b>	<b>41,804,650</b>
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)		
Centrelink	7,587	8,985
Department of Climate Change and Energy Efficiency		7,311
Department of Defence	609	609
Department of Education, Employment and Workplace Relations	153	153
Department of Families, Housing, Community Services and Indigenous Affairs	9,222	9,222
Department of Health and Ageing	21,929	31,655
Department of Veterans' Affairs	15,613	16,029
Other external entities	11,584	34,418
<b>Total s31 Relevant agency receipts</b>	<b>66,697</b>	<b>108,382</b>

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new government measures taken since the 2010-11 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

**Table 1.2: Agency 2010-11 measures since Budget**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Expense measures</b>					
<b>Department of Health and Ageing</b>					
Connecting health services to the future	1.1				
Departmental expenses		1,348	1,649	856	931
National Health and Hospitals Network – General Practice and Primary Care – coordinated diabetes care (reversal of 2010-11 Budget measure)	1.1				
Departmental expenses		(1,308)	(2,051)	(3,257)	(3,573)
Pharmaceutical Benefits Scheme:					
- minor new listings	1.2				
Departmental expenses		32	57	76	87
- new listings	1.1, 1.2				
Departmental expenses <sup>1</sup>		342	733	749	769
<b>Department of Families, Housing, Community Services and Indigenous Affairs</b>					
Paid Paternity Leave	1.3				
Departmental expenses		-	397	1,189	1,187
Healthy Start for School	1.3				
Departmental expenses <sup>1</sup>		87	-	-	-
<b>Department of Immigration and Citizenship</b>					
Migration Program					
- allocation of places in 2010-11	1.1,1.2				
Departmental expenses		(8)	(25)	(44)	(64)
<b>Total expense measures</b>					
Departmental		493	760	(431)	(663)
<b>Total</b>		<b>493</b>	<b>760</b>	<b>(431)</b>	<b>(663)</b>
<b>Capital measures</b>					
<b>Department of Health and Ageing</b>					
Connecting health services to the future	1.1				
Departmental capital		664	1,401	-	-
National Health and Hospitals Network – General Practice and Primary Care – coordinated diabetes care (reversal of 2010-11 Budget measure)	1.1				
Departmental capital		-	(1,319)	-	-
<b>Total capital measures</b>					
Departmental		664	82	-	-
<b>Total</b>		<b>664</b>	<b>82</b>	<b>-</b>	<b>-</b>

Prepared on a Government Financial Statistics (fiscal) basis.

**Note:** The lead agency for each measure is included in the table above. The full measure description and package details appear in the Mid-Year Economic and Fiscal Outlook (MYEFO) under the relevant portfolio except for measures decided post MYEFO.

<sup>1</sup> Measure relates to a decision made post MYEFO.



## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Medicare Australia at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2010-11 Budget in Appropriation Bills No.3 and No.4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2010-11 Budget**

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Connecting health services to the future	1.1	2,012	3,050	856	931
Pharmaceutical Benefits Scheme -					
- minor new listings	1.2	32	57	76	87
- new listings	1.1, 1.2	342	733	749	769
Paid Paternity Leave	1.3	-	397	1,189	1,187
Healthy Start for School	1.3	87	-	-	-
Decrease in estimates (departmental)					
National Health and Hospitals Network - General Practice and Primary Care - coordinated diabetes care (reversal of 2010-11 Budget measure)					
	1.1	(1,308)	(3,370)	(3,257)	(3,573)
Migration Program - allocation of places in 2010-11	1.1,1.2	(8)	(25)	(44)	(64)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>1,157</b>	<b>842</b>	<b>(431)</b>	<b>(663)</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program impacted	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)	2013-14 (\$'000)
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Changes in the wage and price indices	1.1, 1.2, 1.3	-	1,118	2,156	2,699
Decrease in estimates (departmental)					
Change in transaction volumes	1.1, 1.2	(871)	(4,448)	(8,588)	(11,348)
Application of Efficiency Dividend	1.1, 1.2, 1.3	-	(538)	(756)	(1,030)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>(871)</b>	<b>(3,868)</b>	<b>(7,188)</b>	<b>(9,679)</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Medicare Australia through Appropriation Bills No.3 and No.4.

**Table 1.5: Appropriation Bill (No. 3) 2010-11**

	2009-10 Available (\$'000)	2010-11 Budget (\$'000)	2010-11 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
Access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery	4,381	-	-	-	-
<b>Total</b>	<b>4,381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1</b>					
Access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery	655,768	656,255	655,877	3,065	(3,443)
<b>Total</b>	<b>655,768</b>	<b>656,255</b>	<b>655,877</b>	<b>3,065</b>	<b>(3,443)</b>
<b>Total administered and departmental</b>	<b>660,149</b>	<b>656,255</b>	<b>655,877</b>	<b>3,065</b>	<b>(3,443)</b>

**Note 1:** 2009-10 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

**Table 1.6: Appropriation Bill (No. 4) 2010-11**

	2009-10 Available (\$'000)	2010-11 Budget (\$'000)	2010-11 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
<b>Non-operating</b>					
Equity injections	33,954	15,623	16,287	664	-
Previous years' programs	6,550	-	-	-	-
Administered assets and liabilities					
<b>Total non-operating</b>	40,504	15,623	16,287	664	-
Medicare Australia					
<b>Total</b>	<b>40,504</b>	<b>15,623</b>	<b>16,287</b>	<b>664</b>	<b>-</b>

**Note 1:** 2009-10 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

## Section 2: Revisions to agency resources and planned performance

### **2.1 RESOURCES AND PERFORMANCE INFORMATION**

Since the 2010-11 Budget there have been no changes to Medicare Australia's outcome statement, and no reappropriation of administered items.

#### **OUTCOME 1**

##### **Outcome 1 strategy**

There have been no changes to the Outcome 1 Strategy since the 2010-11 Portfolio Budget Statements (PB Statements). A full outline of Medicare Australia's outcome strategy can be found in the 2010-11 PB Statements.

**Table 2.1 Budgeted Expenses and Resources for Outcome 1**

	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
<b>Outcome 1:</b>		
Access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery.		
<b>Program 1.1: Medical Benefits and Services</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	462,555	463,243
Revenues from independent sources (s31)	29,874	29,298
Expenses not requiring appropriation in the Budget year	-	32,759
<b>Total for Program 1.1</b>	<b>492,429</b>	<b>525,300</b>
<b>Program 1.2: Pharmaceutical Benefits and Services</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	151,209	148,042
Revenues from independent sources (s31)	1,017	3,980
Expenses not requiring appropriation in the Budget year	-	10,917
<b>Total for Program 1.2</b>	<b>152,226</b>	<b>162,939</b>
<b>Program 1.3: Other Benefits and Services</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	142	7,452
Revenues from independent sources (s31)	79,061	60,942
Expenses not requiring appropriation in the Budget year	390	1,527
<b>Total for Program 1.3</b>	<b>79,593</b>	<b>69,921</b>
<b>Program 1.4: Medicare Rebates - Electronic Claiming</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	3,614	-
<b>Total for Program 1.4</b>	<b>3,614</b>	<b>-</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	3,614	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	613,906	618,737
Revenues from independent sources (s31)	109,952	94,220
Expenses not requiring appropriation in the Budget year	390	45,203
<b>Total expenses for Outcome 1</b>	<b>727,862</b>	<b>758,160</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	<b>5,089</b>	<b>5,210</b>

## Program 1.1 Delivery of Medical Benefits and Services

### Program 1.1 Objective

There have been no changes to program objectives since the 2010-11 Budget. A full description of the program objectives can be found in the 2010-11 Portfolio Budget Statements.

### Program 1.1 Expenses

	2009-10 Actuals	2010-11 Revised budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(‘000)					
Annual departmental expenses:					
Ordinary annual services (Appropriation Bill No. 1 & 3)	462,555	463,243	471,392	477,523	498,791
Revenue from other sources (FMA Act s31)	29,874	29,298	14,448	10,277	9,416
Expenses not requiring appropriation in the Budget year		32,759	39,014	34,405	33,389
<b>Total program expenses</b>	<b>492,429</b>	<b>525,300</b>	<b>524,854</b>	<b>522,205</b>	<b>541,596</b>

### Program 1.1 Deliverables

Deliverables	2009-10 Actuals	2010-11 Revised budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Medicare - volume of services payments (million) <sup>1</sup>	367	385	401	416	437
Medicare - accuracy of processing (%)	97.9%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Medicare - prompt processing (%)	99.5%	≥ 90%	≥ 90%	≥ 90%	≥ 90%

<sup>1</sup> The Total Volume of Services includes processing of billable transactions for Medicare Claims, Private Health Fund rebates, Medical Indemnity, Hearing Services, Immunisation, GP and Practice Incentives, Organ Donor Register, and Compensation Recoveries.

**Program 1.1 Key Performance Indicators (KPIs)**

Key Performance Indicators	2009-10 Actuals	2010-11 Revised budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Minister is satisfied with the timeliness and relevance of advice	100%	95%	95%	95%	95%
Ministerial replies to correspondence are submitted within agreed timeframes	96%	95%	95%	95%	95%
The proportion of Medicare Bulk Bill claims processed electronically <sup>1</sup>	91%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
The proportion of Medicare Patient Claims processed electronically <sup>2</sup>	25%	≥ 30%	≥ 30%	≥ 30%	≥ 30%
Average appropriated expense per billable service <sup>3</sup>	1.26	1.20	1.18	1.15	1.14
Community satisfaction	96%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
Practice manager satisfaction	91%	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Practitioner satisfaction	85%	≥ 70%	≥ 70%	≥ 70%	≥ 70%
The portfolio will work together to deliver a Bill for introduction to Parliament (in the Autumn sitting 2011) for the portfolio to be established as one Department of State. <sup>4</sup>		100.00%			
By the end of 2010 the portfolio will have another 20 co-located offices around Australia. <sup>4</sup>		100.00%			
By the end of 2010 the portfolio will have a single phone number and a single website. <sup>4</sup>		100.00%			

<sup>1</sup> The 2010-11 KPI should have been ≥95%, not ≥ 90% as reported in the 2010-11 Portfolio Budget Statements.

<sup>2</sup> The 2010-11 KPI should have been ≥30%, not ≥ 25% as reported in the 2010-11 Portfolio Budget Statements.

<sup>3</sup> The "Average appropriated expense per billable service" reflects the appropriated cost of all billable services provided under program 1.1.

<sup>4</sup> Responsibility for achieving these KPIs is shared jointly across portfolio agencies.



## Program 1.2 Delivery of Pharmaceutical Benefits and Services

### Program 1.2 Objective

There have been no changes to program 1.2 objectives since the 2010-11 Budget. A full description of the program objectives can be found in the 2010-11 Portfolio Budget Statements.

### Program 1.2 Expenses

	2009-10 Actuals	2010-11 Revised budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(‘000)					
Annual departmental expenses:					
Ordinary annual services (Appropriation Bill No. 1 & 3)	151,209	148,042	148,706	144,599	148,714
Revenue from other sources (FMA Act s31)	1,017	3,980	678	688	164
Expenses not requiring appropriation in the Budget year		10,917	10,857	11,169	11,122
<b>Total program expenses</b>	<b>152,226</b>	<b>162,939</b>	<b>160,241</b>	<b>156,456</b>	<b>160,000</b>

### Program 1.2 Deliverables

The revised and forward year services volumes have been updated using statistical forecasts. Volumes are now forecast to increase by 2.8% per annum (pa) compared to 5.0% pa at Budget. There are no changes to accuracy or prompt processing targets.

	2009-10 Actuals	2010-11 Revised budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Deliverables					
Volume of services - prescriptions (million)	198	202	207	212	219
Volume of services prescription authorities (million)	10	11	11	12	13
Total Volumes (million)	207	212	218	224	232
Accuracy of processing (%)	98.4%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Prompt payment processing (%)	94.8%	100%	100%	100%	100%

### Program 1.2 Key Performance Indicators

	2009-10 Actuals	2010-11 Revised budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Key Performance Indicators					
% online prescription processing	96%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Average appropriated expense per billable service <sup>1</sup>	0.73	0.70	0.68	0.64	0.64
Pharmacist satisfaction	92%	≥ 90%	≥ 90%	≥ 90%	≥ 90%

<sup>1</sup> The "Average appropriated expense per billable service" reflects the appropriated cost of all billable services provided under program 1.2.

### Program 1.3 Delivery of Other Benefits and Services

#### Program 1.3 Objective

There have been no changes to Program 1.3 objectives since the 2010-11 Budget. A full description of the program objectives can be found in the 2010-11 Portfolio Budget Statements.

#### Program 1.3 Expenses

	2009-10 Actuals	2010-11 Revised budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(‘000)					
Annual departmental expenses:					
Ordinary annual services (Appropriation Bill No. 1 & 3)	142	7,452	8,517	3,240	2,552
Revenue from other sources (FMA Act s31)	79,061	60,942	33,605	33,456	33,215
Expenses not requiring appropriation in the Budget year	390	1,527	2,031	208	152
<b>Total program expenses</b>	<b>79,593</b>	<b>69,921</b>	<b>44,153</b>	<b>36,904</b>	<b>35,919</b>

#### Program 1.3 Deliverables

There have been no changes to Program 1.3 deliverables since the 2010-11 Budget. A full description of the program deliverables can be found in the 2010-11 Portfolio Budget Statements.

#### Program 1.3 Key Performance Indicators

Key Performance Indicators	2009-10 Actuals	2010-11 Revised budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<b>Aged Care <sup>1</sup>:</b>					
Residential Entry Record (RER) <i>Admissions Form</i>	44%	≥63%			
Residential Classification ( <i>Aged Care Funding Instrument</i> )	81%	≥82%			
Residential Care Claim	31%	≥63%			
Community Care Claim	7%	≥15%			
Aged Care Client Record (ACCR) <i>Aged Care Assessment Teams online</i>	38%	≥78%			

<sup>1</sup> The Aged Care service agreement with Department of Health and Ageing expires at 30 June 2011.

## Program 1.4: Medicare Rebates – Electronic Claiming

### Program 1.4 Objective

There have been no changes to program objectives since the 2010-11 Budget. A full description of the program objectives can be found in the 2010-11 Portfolio Budget Statements.

This program commenced on 1 September 2007 and ceased on 31 December 2009.

### Program 1.4 Expenses

	2009-10 Actuals	2010-11 Revised budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(’000)					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1 & 3)	3,614	-	-	-	-
<b>Total program expenses</b>	<b>3,614</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Program 1.4 Deliverables

	2009-10 Actuals	2010-11 Revised budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Deliverables					
Number of sites for which Software incentives are paid	1,790	-	-	-	-

### Program 1.4 Key Performance Indicators

	2009-10 Actuals	2010-11 Revised budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Key Performance Indicators					
Prompt payment of Software vendor incentive	90%	-	-	-	-

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by Medicare Australia. The corresponding table in the 2010-11 PB Statements is Table 3.1.2.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2010-11</b> 2009-10	Receipts <b>2010-11</b> 2009-10	Payments <b>2010-11</b> 2009-10	Adjustments <b>2010-11</b> 2009-10	Closing balance <b>2010-11</b> 2009-10
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Recovery of Compensation <sup>1</sup>	1	<b>48,325</b> 48,616	<b>241,073</b> 465,183	<b>240,873</b> 465,474	<b>8,061</b> -	<b>56,586</b> 48,325
Superannuation Clearing House <sup>2</sup>	1	- -	<b>53,554</b> -	<b>53,554</b> -	- -	- -
Services for Other Entities and Trust Moneys <sup>3</sup>	1	<b>99</b> 119	<b>1,470</b> 1,312	<b>1,470</b> 1,332	- -	<b>99</b> 99
<b>Total special accounts</b>						
<b>2010-11 Budget estimate</b>		<b>48,424</b>	<b>296,097</b>	<b>295,897</b>	<b>8,061</b>	<b>56,685</b>
Total special accounts 2009-10 actual		48,735	466,495	466,806	-	48,424

(A) = Administered  
(D) = Departmental

<sup>1</sup> Recovery of Compensation for Health Care and Other Services Special Account, s20 FMA Act Determination 2005/24 (Administered). Funds are held pending a determination of the amount recoverable in respect of Medicare benefits and Nursing Home or Residential Subsidies paid. The amount recovered is returned to the Official Public Account via DoHA. Funds held in special accounts are not available for use by Medicare Australia for departmental or administered purposes.

<sup>2</sup> Superannuation Clearing House Special Account, s20 FMA Act Determination 2010/05 (Administered). The purpose of this account is for the receipt of employer superannuation contributions by eligible employers and payment to the relevant superannuation funds by Medicare Australia. Funds held in special accounts are not available for use by Medicare Australia for departmental or administered purposes.

<sup>3</sup> Services for Other Entities and Trust Moneys - Medicare Australia Special Account, s20 FMA Act Determination 2009/18 (Departmental). The purpose of this account is for the expenditure of funds held on trust or otherwise for the benefit of a person other than the Commonwealth. Funds held in special accounts are not available for use by Medicare Australia for departmental or administered purposes.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

The inclusion of measures and other estimates variations, as presented in Tables 1.2 and 1.4, has resulted in a net reduction of \$0.4 million in appropriations for 2010-11.

Since budget, total revenue and expenses have decreased between 1% and 2% over the forward years, while service delivery volumes (refer Section 2), continue to increase for both the Medicare (4.4% pa average) and Pharmaceutical (2.84% pa average) benefit programs over the same period.

#### **Departmental financial statements**

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

Revenue from the sale of goods and rendering of services has increased by \$35.7 million to \$95.1 million since budget. The increase mainly reflects contract services agreements finalised since budget with the Department of Health and Ageing, Department of Climate Change and Energy Efficiency, and the National E-Health Transition Authority. Employee benefits expense has increased since budget by \$26.4 million and supplier expenses by \$8.8 million. This is offset by a reduction of \$4.6 million in depreciation expenses, mainly due to lower than expected asset additions in 2009-10, resulting in a lower asset base and expense in 2010-11. Medicare Australia is forecasting a small operating surplus across the forward years.

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

Medicare Australia's net asset position for 2010-11 has increased since budget by \$50.7 million to \$196.0 million. This mainly results from the 2009-10 balance for trade and other receivables being \$65.7 million higher than estimated. This was due to total expenses in 2009-10 being lower than budget (\$40.2 million) and purchases of property plant & equipment in 2009-10 being lower than budget (\$23.3 million). The total equity of \$196.0 million also reflects the return of capital totalling \$10.3 million which relates to unspent equity injections from prior years (\$9.8 million), and changes to budget measures (\$0.6 million). A formal determination to reduce available appropriations is being requested.

Total Liabilities have increased by 17.9 million, (9%) mainly due to increases in employee provisions, (\$7.2 million) and supplier provisions (\$7.9 million).

#### **Administered financial statements**

The Medicare Rebates – Electronic Claiming program ceased in December 2009. The liability for a small subsidy payable carried over from 2009-10 is expected to be resolved by 30 June 2011.

### 3.2.2 Budgeted financial statements

**Table 3.2.1: Budgeted departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES</b>					
Employee benefits	385,251	381,592	362,321	358,417	369,382
Supplier	295,338	329,778	314,111	311,262	323,917
Depreciation and amortisation	42,939	46,790	52,816	45,886	44,216
Write-down and impairment of assets	196	-	-	-	-
Finance costs	524	-	-	-	-
<b>Total expenses</b>	<b>724,248</b>	<b>758,160</b>	<b>729,248</b>	<b>715,565</b>	<b>737,515</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	108,563	95,070	50,014	48,065	46,728
Interest	510	-	-	-	-
Other	878	621	485	323	-
<b>Total revenue</b>	<b>109,951</b>	<b>95,691</b>	<b>50,499</b>	<b>48,388</b>	<b>46,728</b>
<b>Gains</b>					
Sale of assets	1	-	-	-	-
Other	390	250	250	250	250
<b>Total gains</b>	<b>391</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Total own-source income</b>	<b>110,342</b>	<b>95,941</b>	<b>50,749</b>	<b>48,638</b>	<b>46,978</b>
<b>Net cost of (contribution by) services</b>	<b>613,906</b>	<b>662,219</b>	<b>678,499</b>	<b>666,927</b>	<b>690,537</b>
Revenue from Government	652,041	618,737	628,615	625,362	650,057
<b>Surplus (Deficit)</b>	<b>38,135</b>	<b>(43,482)</b>	<b>(49,884)</b>	<b>(41,565)</b>	<b>(40,480)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>38,135</b>	<b>(43,482)</b>	<b>(49,884)</b>	<b>(41,565)</b>	<b>(40,480)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	17,633	-	-	-	-
<b>Total other comprehensive income</b>	<b>17,633</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>55,768</b>	<b>(43,482)</b>	<b>(49,884)</b>	<b>(41,565)</b>	<b>(40,480)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>55,768</b>	<b>(43,482)</b>	<b>(49,884)</b>	<b>(41,565)</b>	<b>(40,480)</b>

**Note: Reconciliation of operating result attributable to the agency**

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Operating result attributable to the Australian Government</b>	<b>55,768</b>	<b>(43,482)</b>	<b>(49,884)</b>	<b>(41,565)</b>	<b>(40,480)</b>
plus non-appropriated expenses depreciation and amortisation expenses		44,953	51,652	45,532	44,413
<b>Operating result attributable to the Agency</b>	<b>55,768</b>	<b>1,471</b>	<b>1,768</b>	<b>3,967</b>	<b>3,933</b>

Prepared on Australian Accounting Standards basis.

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	7,708	9,954	9,954	9,954	9,954
Trade and other receivables	216,499	168,730	162,731	158,023	156,790
Other	28,116	28,116	28,116	28,116	28,116
<b>Total financial assets</b>	<b>252,323</b>	<b>206,800</b>	<b>200,801</b>	<b>196,093</b>	<b>194,860</b>
<b>Non-financial assets</b>					
Land and buildings	84,569	84,657	86,909	91,323	96,204
Infrastructure, plant and equipment	679	598	683	754	894
Intangibles	59,735	104,701	117,267	111,080	103,019
Heritage and cultural assets	89	89	89	89	89
Other	9,929	9,929	9,929	9,929	9,929
<b>Total non-financial assets</b>	<b>155,001</b>	<b>199,974</b>	<b>214,877</b>	<b>213,175</b>	<b>210,135</b>
<b>Total assets</b>	<b>407,324</b>	<b>406,774</b>	<b>415,678</b>	<b>409,268</b>	<b>404,995</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	113,420	117,338	116,293	113,526	115,844
Other	15,210	15,210	15,210	15,210	15,210
<b>Total provisions</b>	<b>128,630</b>	<b>132,548</b>	<b>131,503</b>	<b>128,736</b>	<b>131,054</b>
<b>Payables</b>					
Suppliers	52,455	48,806	48,017	47,142	45,339
Other	29,410	29,410	29,410	29,410	29,410
<b>Total payables</b>	<b>81,865</b>	<b>78,216</b>	<b>77,427</b>	<b>76,552</b>	<b>74,749</b>
<b>Total liabilities</b>	<b>210,495</b>	<b>210,764</b>	<b>208,930</b>	<b>205,288</b>	<b>205,803</b>
<b>Net assets</b>	<b>196,829</b>	<b>196,010</b>	<b>206,748</b>	<b>203,980</b>	<b>199,192</b>
<b>EQUITY*</b>					
Contributed equity	162,236	204,899	265,521	304,318	340,010
Reserves	17,657	17,657	17,657	17,657	17,657
Retained surpluses (accumulated deficits)	16,936	(26,546)	(76,430)	(117,995)	(158,475)
<b>Total equity</b>	<b>196,829</b>	<b>196,010</b>	<b>206,748</b>	<b>203,980</b>	<b>199,192</b>

Prepared on Australian Accounting Standards basis.

\* 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)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	130,187	96,182	52,539	48,052	46,685
Appropriations	626,138	703,494	632,089	630,083	651,333
Interest	510	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	23,834	31,291	29,244	28,901	30,131
Other	-	621	485	323	-
<b>Total cash received</b>	<b>780,669</b>	<b>831,588</b>	<b>714,357</b>	<b>707,359</b>	<b>728,149</b>
<b>Cash used</b>					
Employees	381,072	404,774	363,366	361,184	367,064
Suppliers	283,367	344,177	314,650	311,887	325,470
Borrowing costs	-	-	-	-	-
Net GST paid	33,584	31,291	29,244	28,901	30,131
<b>Total cash used</b>	<b>698,023</b>	<b>780,242</b>	<b>707,260</b>	<b>701,972</b>	<b>722,665</b>
<b>Net cash from or (used by) operating activities</b>	<b>82,646</b>	<b>51,346</b>	<b>7,097</b>	<b>5,387</b>	<b>5,484</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	5	-	-	-	-
<b>Total cash received</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	65,666	91,763	67,719	44,184	41,176
<b>Total cash used</b>	<b>65,666</b>	<b>91,763</b>	<b>67,719</b>	<b>44,184</b>	<b>41,176</b>
<b>Net cash from or (used by) investing activities</b>	<b>(65,661)</b>	<b>(91,763)</b>	<b>(67,719)</b>	<b>(44,184)</b>	<b>(41,176)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	(15,150)	42,663	60,622	38,797	35,692
<b>Total cash received</b>	<b>(15,150)</b>	<b>42,663</b>	<b>60,622</b>	<b>38,797</b>	<b>35,692</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>(15,150)</b>	<b>42,663</b>	<b>60,622</b>	<b>38,797</b>	<b>35,692</b>
<b>Net increase or (decrease) in cash held</b>	<b>1,835</b>	<b>2,246</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	5,873	7,708	9,954	9,954	9,954
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>7,708</b>	<b>9,954</b>	<b>9,954</b>	<b>9,954</b>	<b>9,954</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2009</b>					
Balance carried forward from previous period	16,936	17,657	-	162,236	196,829
<b>Adjusted opening balance</b>	<b>16,936</b>	<b>17,657</b>	<b>-</b>	<b>162,236</b>	<b>196,829</b>
Surplus (deficit) for the period	(43,482)				(43,482)
<b>Total comprehensive income recognised directly in equity</b>	<b>(43,482)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,482)</b>
<b>Transactions with owners</b>					
<i>Distribution to owners</i>					
Returns of capital					
Other				(10,311)	(10,311)
<i>Contribution by owners</i>					
Appropriation (equity injection)				16,287	16,287
Appropriation (departmental capital budget)				36,687	36,687
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,663</b>	<b>42,663</b>
<b>Estimated closing balance as at 30 June 2011</b>	<b>(26,546)</b>	<b>17,657</b>	<b>-</b>	<b>204,899</b>	<b>196,010</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement — Departmental**

	Actual	Revised	Forward	Forward	Forward
	2009-10	budget	estimate	estimate	estimate
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)		36,687	54,367	38,797	35,692
Equity injections - Bill 2	34,962	16,287	6,255	-	-
Previous years' outputs - Bill 2	6,550	-	-	-	-
<b>Total capital appropriations</b>	<b>41,512</b>	<b>52,974</b>	<b>60,622</b>	<b>38,797</b>	<b>35,692</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	34,962	52,974	60,622	38,797	35,692
Annual finance lease costs	-	-	-	-	-
Other Items	6,550	-	-	-	-
<b>Total Items</b>	<b>41,512</b>	<b>52,974</b>	<b>60,622</b>	<b>38,797</b>	<b>35,692</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	11,866	48,450	6,255	-	-
Funded by capital appropriation - DCB <sup>1</sup>	-	36,687	54,367	38,797	35,692
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources <sup>2</sup>	53,800	6,626	7,097	5,387	5,484
<b>TOTAL</b>	<b>65,666</b>	<b>91,763</b>	<b>67,719</b>	<b>44,184</b>	<b>41,176</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	65,666	91,763	67,719	44,184	41,176
<b>Total cash used to acquire assets</b>	<b>65,666</b>	<b>91,763</b>	<b>67,719</b>	<b>44,184</b>	<b>41,176</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup> Does not include annual finance lease costs. Include purchase from current and previous years Departmental Capital Budgets.

<sup>2</sup> Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)
- proceeds from the sale of assets.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

	Buildings	Other property, plant and equipment	Heritage and cultural assets	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2010</b>					
Gross book value	94,573	796	89	163,474	258,932
Accumulated depreciation/amortisation and impairment	(10,004)	(117)	-	(103,739)	(113,860)
<b>Opening net book balance</b>	<b>84,569</b>	<b>679</b>	<b>89</b>	<b>59,735</b>	<b>145,072</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity	-	-	-	48,450	48,450
By purchase - appropriation ordinary annual services	24,852	123	-	11,712	36,687
By purchase - other	2,673	17	-	3,936	6,626
By finance lease	-	-	-	-	-
<b>Total additions</b>	<b>27,525</b>	<b>140</b>	<b>-</b>	<b>64,098</b>	<b>91,763</b>
<b>Other movements</b>					
Depreciation/amortisation expense	(27,437)	(221)	-	(19,132)	(46,790)
<b>As at 30 June 2011</b>					
Gross book value	122,098	936	89	227,572	350,695
Accumulated depreciation/amortisation and impairment	(37,441)	(338)	-	(122,871)	(160,650)
<b>Closing net book balance</b>	<b>84,657</b>	<b>598</b>	<b>89</b>	<b>104,701</b>	<b>190,045</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Capital Budget Statement — Reconciliation of Heritage and Cultural Asset Funding**

Medicare Australia receives no funding for heritage and cultural assets.

**Schedule of administered activity**

Administered items relate to program 1.4 Medicare Rebates – Electronic Claiming which ceased on 31 December 2009.

**Table 3.2.8: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Total revenues administered on behalf of government</b>	-	-	-	-	-
<b>Gains</b>					
<b>Total gains administered on behalf of government</b>	-	-	-	-	-
<b>Total income administered on behalf of government</b>	-	-	-	-	-
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Subsidies	3,614	-	-	-	-
<b>Total expenses administered on behalf of government</b>	<b>3,614</b>	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
<i>Total financial assets</i>	-	-	-	-	-
<b>Non-financial assets</b>					
<i>Total non-financial assets</i>	-	-	-	-	-
<b>Total assets administered on behalf of government</b>	-	-	-	-	-
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
<i>Total interest bearing liabilities</i>	-	-	-	-	-
<b>Provisions</b>					
<i>Total provisions</i>	-	-	-	-	-
<b>Payables</b>					
Suppliers					
Subsidies	2	-	-	-	-
<i>Total payables</i>	<b>2</b>	-	-	-	-
<b>Total liabilities administered on behalf of government</b>	<b>2</b>	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
Cash received					
<b>Total cash received</b>	-	-	-	-	-
Cash used					
Subsidies paid	4,017	2	-	-	-
<b>Total cash used</b>	<b>4,017</b>	<b>2</b>	-	-	-
<b>Net cash from or (used by) operating activities</b>	<b>(4,017)</b>	<b>(2)</b>	-	-	-
<b>INVESTING ACTIVITIES</b>					
Cash received					
<b>Total cash received</b>	-	-	-	-	-
Cash used					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) investing activities</b>	-	-	-	-	-
<b>FINANCING ACTIVITIES</b>					
Cash received					
<b>Total cash received</b>	-	-	-	-	-
Cash used					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>	<b>(4,017)</b>	<b>(2)</b>	-	-	-
Cash at beginning of reporting period					
Cash from Official Public Account for:					
- appropriations	4,017	2	-	-	-
<b>Cash at end of reporting period</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.11: Schedule of Administered Capital Budget**

Medicare Australia does not have a Capital Budget for Administered items.

**Table 3.2.12: Statement of Administered Asset Movements (2010-11)**

Medicare Australia does not manage any Administered assets.

**Notes to the financial statements**

The financial statements reflect the entries to the Central Budget Management System as at February 2011.

**Basis of accounting**

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

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
Activities	The actions/functions performed by agencies to deliver government policies.
Actual Available Appropriation	The Actual Available Appropriation indicates the total appropriations available to the agency for 2009-10 as at the 2010-11 Budget. It includes all appropriations made available to the agency in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movements of funds). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Administered Item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the agency and any unspent appropriation is returned to the Consolidated Revenue Fund (CRF) at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.
Agency	Generic term for Australian Government General Government Sector entities, including those governed by the FMA Act or CAC Act and the High Court of Australia.
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
Appropriations and Cash Management Module (ACM)	A module of the Central Budget Management System from which agencies draw down funds from the Consolidated Revenue Fund.

Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole of government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories.
Budget Paper 4 (BP4)	Agency Resourcing. Details total resourcing available to agencies.
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administered by the Department of Finance and Deregulation. It contains the Commonwealth program list and produces the Annual Appropriation Bills.
Clear Read Principle	Under the Outcomes arrangements there is an essential clear link between the Appropriation Bills, the Portfolio Budget Statements (PB Statements), the Portfolio Additional Estimates Statements (PAES), and annual reports of agencies. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PB Statements should be avoided. This is called the "clear read" between the different documents. Under this Principle the planned performance in PB Statements is to be provided on the same basis as actual performance in the annual reports covering the same period, to permit a clear read across planning and actual performance reporting documents. Agencies should take this into account in designing their performance reporting arrangements.

## *Glossary*

Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Item	Resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: e.g. ANAO audit services – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Forward Estimates Period	The three years following the budget year. For example if 2009-10 is the budget year, 2010-11 is forward year 1, 2011-12 is forward year 2 and 2012-13 is forward year 3. This period does not include the current or budget year.

General Government Sector (GGS)	A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Intended Result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.
Measure	A new policy or savings decision of the Government with financial impacts on the Government's: underlying cash balance, fiscal balance, operating balance, headline cash balance, net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Official Public Account (OPA)	The OPA is the Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community.

## *Glossary*

Outcome Statement	An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework: 1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; 2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and 3. to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives.
Output	The goods and services produced by agencies on behalf of the Government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.
Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program Support	The agency running costs allocated to a program. This is funded as part of the agency's departmental appropriations.
Target Group	A specific group being targeted for assistance by government policy.
Transfer	Cash paid to recipients of the applicable program. This includes welfare payments and tax rebates.

