

CENTRELINK

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CENTRELINK

Section 1: Agency overview and resources; variations and measures

OVERVIEW

Centrelink's Purpose is:

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

Centrelink delivers information, payments and services detailed in business partnership agreements on behalf of the following Purchasing Departments:

- Australian Government Department of Families, Community Services and Indigenous Affairs;
- Australian Government Department of Employment and Workplace Relations (DEWR);
- Australian Government Department of Education, Science and Training (DEST);
- Australian Government Department of Agriculture, Fisheries and Forestry (DAFF);
- Australian Government Department of Communications, Information Technology and the Arts (DoCITA);
- Australian Government Department of Finance and Administration (Finance);
- Australian Government Department of Foreign Affairs and Trade (DFAT);
- Australian Government Department of Health and Ageing (DoHA), including the Office of Hearing Services;
- Australian Government Department of Immigration and Multicultural and Indigenous Affairs (DIMIA);
- Australian Government Department of Transport and Regional Services (DoTARS);
- Australian Government Department of Veterans' Affairs (DVA);
- Australian Government Attorney General's Department (AGD);
- Australian Taxation Office (ATO);
- Child Support Agency (CSA);
- Dairy Australia;
- Dairy Adjustment Authority;
- Australian Electoral Commission;
- New South Wales State Government; and

- all state and territory housing authorities.

Centrelink acts in partnership with other levels of government and the broader Australian community and distributes payments to Australian families, communities and individuals. These payments include income support and family assistance payments and payments under a range of rural assistance measures. The outcomes relate to government welfare priorities.

Table 1.1: Agency outcomes and output groups

| Outcome | Description | Output groups |
|--|---|--|
| Outcome 1 | | Output Group 1.1 |
| Effective delivery of Australian Government services to eligible customers | The outcome and output reflect Centrelink's role of delivering specified outputs on behalf of client agencies | Efficient delivery of Australian Government services to eligible customers |

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Variations — Measures

Table 1.2: Additional estimates and variations to outcomes – measures

| | 2005-06 (\$'000) | 2006-07 (\$'000) | 2007-08 (\$'000) | 2008-09 (\$'000) |
|---|---------------------|---------------------|---------------------|---------------------|
| Outcome 1 | | | | |
| Variations in departmental appropriations | | | | |
| Department of Employment and Workplace Relations | | | | |
| Welfare to Work - revised costings | 1,384 | 420 | -12,732 | -12,254 |

Other variations to appropriations

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

Centrelink does not have other variations to outcomes.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2005-06 Budget

| Measure Title | Output groups affected | 2005-06 (\$'000) | | | 2006-07 (\$'000) | | | 2007-08 (\$'000) | | | 2008-09 (\$'000) | | |
|---|------------------------|------------------|--------------|-------|------------------|--------------|-------|------------------|--------------|-------|------------------|--------------|-------|
| | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| Department of Family and Community Services | | | | | | | | | | | | | |
| Expense Measures | | | | | | | | | | | | | |
| <u>Outcome 1</u> | | | | | | | | | | | | | |
| Family Assistance - changes to arrangements for separated couples | 1 | | 1,654 | 1,654 | | 188 | 188 | | 190 | 190 | | 193 | 193 |
| Family Tax Benefit - preventing duplicate Rent Assistance payments | 1 | | 3,724 | 3,724 | | 2,808 | 2,808 | | 756 | 756 | | 716 | 716 |
| Superannuation - modification of market linked and other life expectancy income streams | 1 | | 1,678 | 1,678 | | 145 | 145 | | 146 | 146 | | 147 | 147 |
| Superannuation - modification of allocated pension drawdown factors | 1 | | 839 | 839 | | 72 | 72 | | 73 | 73 | | 74 | 74 |
| Welfare to Work - expanded eligibility for Carer Payment | 1 | | 371 | 371 | | -159 | -159 | | -422 | -422 | | -470 | -470 |

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

| Measure Title | Output groups affected | 2005-06 (\$'000) | | | 2006-07 (\$'000) | | | 2007-08 (\$'000) | | | 2008-09 (\$'000) | | |
|--|------------------------|------------------|--------------|-------|------------------|--------------|-------|------------------|--------------|-------|------------------|--------------|-------|
| | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| <u>Outcome 1</u> | | | | | | | | | | | | | |
| Child Care Tax Rebate - improved service delivery | 1 | | 3,734 | 3,734 | | 1,382 | 1,382 | | 1,089 | 1,089 | | 1,102 | 1,102 |
| Assurance of Support - additional funding | 1 | | 8,470 | 8,470 | | - | - | | - | - | | - | - |
| Disability Support - trusts and gifting exemption from assets test | 1 | | - | - | | 5,431 | 5,431 | | 2,359 | 2,359 | | 2,560 | 2,560 |
| London Bombings - ex gratia assistance | 1 | | 292 | 292 | | - | - | | - | - | | - | - |
| Reconnecting People - assistance package for those adversely affected by inappropriate immigration detention | 1 | | 650 | 650 | | 130 | 130 | | - | - | | - | - |
| Floods - ex-gratia assistance to affected households | 1 | | 85 | 85 | | - | - | | - | - | | - | - |

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

| Measure Title | Output groups affected | 2005-06 (\$'000) | | | 2006-07 (\$'000) | | | 2007-08 (\$'000) | | | 2008-09 (\$'000) | | |
|--|------------------------|------------------|--------------|-------|------------------|--------------|--------|------------------|--------------|--------|------------------|--------------|--------|
| | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| Department of Employment and Workplace Relations | | | | | | | | | | | | | |
| Expense Measures | | | | | | | | | | | | | |
| <u>Outcome 1</u> | | | | | | | | | | | | | |
| Welfare to Work - expanded eligibility for Employment Entry Payment | 1 | | 1,892 | 1,892 | | 715 | 715 | | 548 | 548 | | 521 | 521 |
| <u>Outcome 1</u> | | | | | | | | | | | | | |
| Welfare to Work - Work for the Dole supplement-extension to Disability Support Pensioners | 1 | | 104 | 104 | | - | - | | - | - | | - | - |
| Welfare to Work - Modification to compliance regime | 1 | | - | - | | -4,858 | -4,858 | | -7,450 | -7,450 | | -7,017 | -7,017 |
| Welfare to Work - higher rate of Newstart and Youth Allowance (Other) for certain sole parents | 1 | | 448 | 448 | | 836 | 836 | | -641 | -641 | | -31 | -31 |
| Parenting Payment (Partnered) - extended eligibility for certain step-parents | 1 | | 162 | 162 | | 63 | 63 | | 32 | 32 | | 36 | 36 |
| South Australian automotive workers - labour adjustment fund | 1 | | 15 | 15 | | 10 | 10 | | - | - | | - | - |

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

| Measure Title | Output groups affected | 2005-06 (\$'000) | | | 2006-07 (\$'000) | | | 2007-08 (\$'000) | | | 2008-09 (\$'000) | | |
|---|------------------------|------------------|--------------|--------|------------------|--------------|-------|------------------|--------------|--------|------------------|--------------|--------|
| | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| Department of Agriculture, Fisheries and Forestry | | | | | | | | | | | | | |
| Expense Measures | | | | | | | | | | | | | |
| <u>Outcome 1</u> | | | | | | | | | | | | | |
| Drought Assistance - Exceptional Circumstances Assistance | 1 | | 9,375 | 9,375 | | 726 | 726 | | - | - | | - | - |
| Drought Assistance - Interim Income Support | 1 | | 51 | 51 | | - | - | | - | - | | - | - |
| Citrus Canker | 1 | | 52 | 52 | | 26 | 26 | | 7 | 7 | | 7 | 7 |
| Total Expense Measures | | | 33,596 | 33,596 | | 7,515 | 7,515 | | -3,313 | -3,313 | | -2,162 | -2,162 |

Table 1.4: Summary of measures since the 2005-06 Budget (continued)

| Measure Title | Output groups affected | 2005-06 (\$'000) | | | 2006-07 (\$'000) | | | 2007-08 (\$'000) | | | 2008-09 (\$'000) | | |
|--|------------------------|------------------|--------------|--------|------------------|--------------|-------|------------------|--------------|--------|------------------|--------------|-------|
| | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| Department of Family and Community Services | | | | | | | | | | | | | |
| Capital Measures | | | | | | | | | | | | | |
| <u>Outcome 1</u> | | | | | | | | | | | | | |
| Family Tax Benefit - preventing duplicate Rent Assistance payments | 1 | | 1,518 | 1,518 | | - | - | | - | - | | - | |
| Department of Employment and Workplace Relations | | | | | | | | | | | | | |
| <u>Outcome 1</u> | | | | | | | | | | | | | |
| Welfare to Work - Higher rate of Newstart and Youth Allowance (other) for certain sole parents | 1 | | 553 | 553 | | - | - | | - | - | | - | |
| Total Capital Measures | | | 2,071 | 2,071 | | - | - | | - | - | | - | |
| Total of All Measures | | | 35,667 | 35,667 | | 7,515 | 7,515 | | -3,313 | -3,313 | | -2,162 | |

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

There is no variation from the information supplied in the 2005-06 Portfolio Budget Statements.

Table 1.6: Appropriation Bill (No. 4) 2005-06

| | 2004-05 available \$'000 | 2005-06 budget \$'000 | 2005-06 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|----------------------|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| Non-operating | | | | | |
| Equity injections | 37,785 | 54,453 | 56,524 | 2,071 | - |
| Total capital | 37,785 | 54,453 | 56,524 | 2,071 | - |
| Total | 37,785 | 54,453 | 56,524 | 2,071 | - |

Note 1: Centrelink receives direct appropriations for funding relating to equity injections. In 2005-06, Centrelink has \$56.5m appropriated as an equity injection as reported in Table 1.6. The implementation of previous budget measures will cost \$54.5m. The additional equity injection of \$2.0m is attributed to the following:

- Duplicate Payment of Rent Assistance with FTB initiative: \$1.5m
- Increase Workforce Participation for Parents - Adjustment: \$0.5m

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

| | 2005-06 Budget | 2005-06 Revised | Variation |
|--|-------------------|--------------------|------------|
| Outcome 1 | | | |
| Effective delivery of Australian Government services to eligible customers | 22,950 | 23,100 | 150 |
| Total | 22,950 | 23,100 | 150 |

SUMMARY OF AGENCY SAVINGS

Centrelink does not have any agency savings.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.9: Other receipts available to be used

| Outcome | Budget estimate 2005-06 \$'000 | Revised estimate 2005-06 \$'000 |
|--|---|--|
| Departmental other receipts | | |
| Revenue from Ordinary activities excluding Approp Bill (No. 3) | 2,306,331 | 2,350,079 |
| Total departmental other receipts available to be used | 2,306,331 | 2,350,079 |

Note: Section 20 of the Financial Management and Accountability Act 1997 authorises the collection of the above revenue.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Centrelink does not receive special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

| | Opening Balance | Receipts | Payments | Closing Balance |
|---|------------------------|------------------|-------------------|--------------------|
| | 2005-06 | 2005-06 | 2005-06 | 2005-06 |
| | 2004-05 ⁽¹⁾ | 2004-05 | 2004-05 | 2004-05 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Centrelink Special Account - s20 FMA Act 1997 (D) | 304,832 | 2,426,576 | -2,456,332 | 275,076 |
| | 194,897 | 2,359,984 | -2,250,049 | 304,832 |
| Other Trust Monies - CSDA - s20 FMA Act 1997 (A) | 429 | 2,218 | -1,950 | 697 |
| | 508 | 1,927 | -2,006 | 429 |
| Total special accounts | 305,261 | 2,428,794 | -2,458,282 | 275,773 |

D = Departmental; A = Administered

FMA Act = *Financial Management and Accountability Act, 1997*

Note 1: The actuals for 2004-05 have been updated to reflect the final budget outcome for that year.

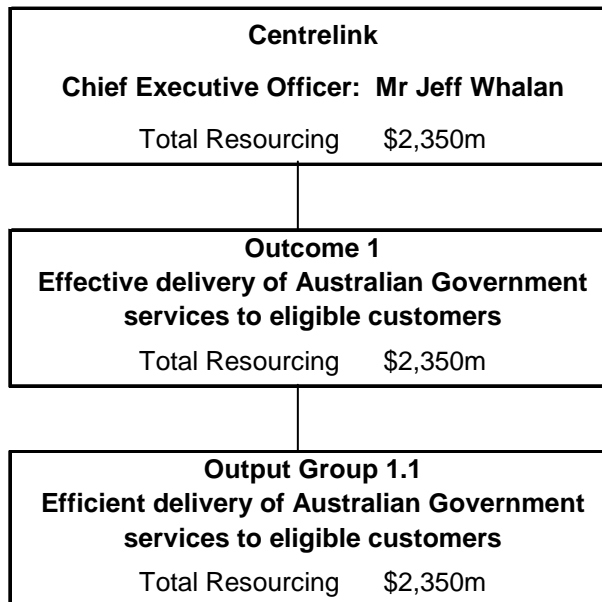
Note 2: The opening and closing balances in Table 1.11 for the Centrelink Special Account reflect cash at bank and cash receivable from the Official Public Account. Details of the estimated cash transactions of this account can be found at Table 1.11 - Estimates of special account flows and balances.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

The relationship between activities of Centrelink and the outcome is summarised in Figure 2.

Figure 2: Outcome and output structure for Centrelink



Outcome 1

Revised performance information — 2005-06

Table 2.1 below lists the performance information that Centrelink will use to assess the achievement of its Outcome during 2005-06. Achievement against planned performance will be reported in the Centrelink Annual Report.

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

| Strategic Themes | Top Level Key Performance Indicators |
|---|--|
| 1. Building capability for Government | Respond to Government direction |
| 2. Building confidence in Centrelink | Protect the integrity of outlays Be valued by the Australian People |
| 3. Strengthen our customer focus in line with Government direction. | Deliver the Welfare to Work agenda Respond to customers' needs and expectations consistent with Government policy |
| 4. Developing a networked organisation | Connect with service partners and human services agencies so customers get the right help Make it easy for business and the community sector to do business with Centrelink |
| 5. Demonstrating value for money | Ensure the best service offer at the best price Manage resources effectively and efficiently |

Table 2.2: Centrelink Summary of Future Revenue

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

| | 2005-06 \$'000 | 2006-07 \$'000 | 2007-08 \$'000 | 2008-09 \$'000 |
|---|-------------------|-------------------|-------------------|-------------------|
| FaCS | 1,245,417 | 1,172,885 | 1,160,567 | 1,162,760 |
| DEWR | 911,001 | 1,000,160 | 1,089,185 | 1,130,398 |
| DEST | 125,263 | 124,104 | 127,459 | 129,132 |
| DoHA | 12,589 | 10,882 | 10,981 | 11,102 |
| DAFF | 19,240 | 6,359 | 4,136 | 272 |
| Subtotal Service Delivery | 2,313,510 | 2,314,390 | 2,392,328 | 2,433,664 |
| Revenue from other sources ¹ | 36,819 | 20,002 | 20,470 | 21,272 |
| Total | 2,350,329 | 2,334,392 | 2,412,798 | 2,454,936 |

1. Revenue from other sources includes amounts directly appropriated to Centrelink and anticipated revenue from new business outside existing business partnership agreements or service level agreements with Purchasing Departments.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management System (AIMS) as at January 2006 and Centrelink's 2004-05 unaudited Australian Equivalents to International Financial Reporting Standards (AEIFRS) compliant statements.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Centrelink estimates a nil operating surplus for 2005-06 and forward years.

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

Budgeted departmental balance sheet

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

Centrelink's receivables for 2005-06 have increased by \$20m due to a shift in the draw down of capital in relation to IT Refresh from 2005-06 to 2006-07.

Budgeted departmental statement of cash flows

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

Positive cash positions have been forecast for 2005-06 and each of the forward years. It is anticipated that Centrelink will have a cash holding of approximately \$25.0m as at 30 June 2006, with \$250.1m cash receivable from the Official Public Account.

Departmental statement of changes in equity — summary of movement

This statement shows the expected closing balance and movement in equity for Centrelink. Movements have been due to changes based on Centrelink's audited 2004-05 AEIFRS compliant statements and as a result of equity injections relating to Internally Developed Software.

Departmental capital budget statement

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

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

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

| | Actual 2004-05 \$'000 | Revised budget 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|--|-----------------------------|--|--|--|--|
| INCOME | | | | | |
| Revenue | | | | | |
| Revenues from Government | 250 | 250 | 250 | 250 | 250 |
| Goods and services | 2,222,256 | 2,330,999 | 2,329,862 | 2,408,268 | 2,450,406 |
| Other | 24,922 | 14,800 | - | - | - |
| Total revenue | 2,247,428 | 2,346,049 | 2,330,112 | 2,408,518 | 2,450,656 |
| Gains | | | | | |
| Net foreign exchange gains | 25 | - | - | - | - |
| Net gains from sale of assets | 591 | - | - | - | - |
| Other | 4,281 | 4,280 | 4,280 | 4,280 | 4,280 |
| Total gains | 4,897 | 4,280 | 4,280 | 4,280 | 4,280 |
| Total income | 2,252,325 | 2,350,329 | 2,334,392 | 2,412,798 | 2,454,936 |
| EXPENSE | | | | | |
| Employees | 1,486,730 | 1,577,296 | 1,566,152 | 1,642,102 | 1,690,875 |
| Suppliers | 644,921 | 675,725 | 666,372 | 657,472 | 671,687 |
| Depreciation and amortisation | 88,555 | 95,208 | 101,268 | 112,624 | 91,774 |
| Write-down of assets and impairment of assets | 4,610 | 2,100 | 600 | 600 | 600 |
| Net losses from sale of assets | 1,332 | - | - | - | - |
| Total expenses | 2,226,148 | 2,350,329 | 2,334,392 | 2,412,798 | 2,454,936 |
| Operating result | 26,177 | - | - | - | - |

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

| | Actual 2004-05 \$'000 | Revised budget 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash | 74,832 | 25,021 | 22,240 | 17,214 | 21,883 |
| Receivables | 277,323 | 285,805 | 283,805 | 327,805 | 342,805 |
| Total financial assets | 352,155 | 310,826 | 306,045 | 345,019 | 364,688 |
| Non-financial assets | | | | | |
| Land and buildings | 86,818 | 89,178 | 88,057 | 88,071 | 92,031 |
| Infrastructure, plant and equipment | 53,578 | 76,557 | 100,863 | 75,273 | 48,281 |
| Intangibles | 180,333 | 191,627 | 212,091 | 230,892 | 241,663 |
| Other | 35,531 | 26,223 | 26,226 | 26,225 | 26,227 |
| Total non-financial assets | 356,260 | 383,585 | 427,237 | 420,461 | 408,202 |
| Total assets | 708,415 | 694,411 | 733,282 | 765,480 | 772,890 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Leases | 1,271 | 2,371 | 1,491 | 1,263 | 1,073 |
| Total interest bearing liabilities | 1,271 | 2,371 | 1,491 | 1,263 | 1,073 |
| Provisions | | | | | |
| Employees | 413,098 | 414,843 | 428,414 | 445,838 | 453,438 |
| Other | 5,000 | 7,998 | 7,998 | 7,998 | 7,998 |
| Total provisions | 418,098 | 422,841 | 436,412 | 453,836 | 461,436 |
| Payables | | | | | |
| Suppliers | 54,772 | 55,316 | 55,406 | 55,406 | 55,406 |
| Other | 77,735 | - | - | - | - |
| Total payables | 132,507 | 55,316 | 55,406 | 55,406 | 55,406 |
| Total liabilities | 551,876 | 480,528 | 493,309 | 510,505 | 517,915 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 162,748 | 219,272 | 245,362 | 260,364 | 260,364 |
| Reserves | 13,876 | 13,876 | 13,876 | 13,876 | 13,876 |
| Accumulated deficits | -20,085 | -19,265 | -19,265 | -19,265 | -19,265 |
| Total parent entity interest | 156,539 | 213,883 | 239,973 | 254,975 | 254,975 |
| Total equity | 156,539 | 213,883 | 239,973 | 254,975 | 254,975 |
| Current assets | 387,686 | 337,050 | 332,272 | 371,245 | 390,916 |
| Non-current assets | 320,729 | 357,361 | 401,010 | 394,235 | 381,974 |
| Current liabilities | 294,600 | 210,199 | 214,754 | 224,214 | 220,204 |
| Non-current liabilities | 257,276 | 270,329 | 278,555 | 286,291 | 297,711 |

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

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

| | Actual 2004-05 \$'000 | Revised budget 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 2,272,505 | 2,290,089 | 2,329,143 | 2,409,433 | 2,384,504 |
| Appropriations | 250 | 250 | 250 | 250 | 250 |
| GST - Receipts | 59,875 | 70,034 | 70,473 | 64,561 | 64,000 |
| Other | 3,034 | 1,569 | 1,695 | 1,911 | 1,900 |
| Total cash received | 2,335,664 | 2,361,942 | 2,401,561 | 2,476,155 | 2,450,654 |
| Cash used | | | | | |
| Employees | 1,477,274 | 1,581,646 | 1,589,835 | 1,657,796 | 1,681,541 |
| Suppliers | 633,697 | 637,115 | 625,683 | 621,713 | 604,433 |
| Cash Transferred to the Official Public Account | 61,900 | 6,000 | 18,000 | 44,000 | 15,000 |
| Other | 65,943 | 122,385 | 71,396 | 66,225 | 64,900 |
| Total cash used | 2,238,814 | 2,347,146 | 2,304,914 | 2,389,734 | 2,365,874 |
| Net cash from or (used by) operating activities | 96,850 | 14,796 | 96,647 | 86,421 | 84,780 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 590 | - | - | - | - |
| Total cash received | 590 | - | - | - | - |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 36,915 | 85,867 | 93,734 | 49,780 | 45,361 |
| Other | 36,220 | 29,319 | 51,784 | 56,669 | 34,750 |
| Total cash used | 73,135 | 115,186 | 145,518 | 106,449 | 80,111 |
| Net cash from or (used by) investing activities | -72,545 | -115,186 | -145,518 | -106,449 | -80,111 |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 23,730 | 50,579 | 46,090 | 15,002 | - |
| Total cash received | 23,730 | 50,579 | 46,090 | 15,002 | - |
| Cash used | | | | | |
| Repayments of debt | - | - | - | - | - |
| Total cash used | - | - | - | - | - |
| Net cash from or (used by) financing activities | 23,730 | 50,579 | 46,090 | 15,002 | - |
| Net increase or (decrease) in cash held | | | | | |
| Cash at the beginning of the reporting period | 26,797 | 74,832 | 25,021 | 22,240 | 17,214 |
| Cash at the end of the reporting period | 74,832 | 25,021 | 22,240 | 17,214 | 21,883 |

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

| | Accumulated results \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|----------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2005 | | | | |
| Balance carried forward from previous period | -20,085 | 13,876 | 162,748 | 156,539 |
| Adjustment for changes in accounting policies | 820 | - | - | 820 |
| Adjusted opening balance | -19,265 | 13,876 | 162,748 | 157,359 |
| Net operating result | - | - | - | - |
| Total income and expenses recognised directly in equity | - | - | - | - |
| Transactions with owners | | | | |
| <i>Contribution by owners</i> | | | | |
| Appropriation (equity injection) | - | - | 56,524 | 56,524 |
| Sub-total transactions with owners | - | - | 56,524 | 56,524 |
| Closing balance as at 30 June 2006 | -19,265 | 13,876 | 219,272 | 213,883 |

Table 3.5: Departmental capital budget statement

| | Actual 2004-05 \$'000 | Revised budget 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|---|-----------------------------|--|--|--|--|
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 37,785 | 56,524 | 26,090 | 15,002 | - |
| Total capital appropriations | 37,785 | 56,524 | 26,090 | 15,002 | - |
| Represented by: | | | | | |
| Purchase of non-financial assets | 37,785 | 56,524 | 26,090 | 15,002 | - |
| Total represented by | 37,785 | 56,524 | 26,090 | 15,002 | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriation | 37,785 | 56,524 | 26,090 | 15,002 | - |
| Funded internally by | | | | | |
| Departmental resources | 35,350 | 58,662 | 119,428 | 91,447 | 80,111 |
| Total | 73,135 | 115,186 | 145,518 | 106,449 | 80,111 |

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

| | Land | Buildings | Other infrastructure plant and equipment | Computer software | Total |
|--|--------------|---------------|---|----------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2005 | | | | | |
| Gross book value | 1,956 | 113,633 | 122,840 | 331,637 | 570,066 |
| Accumulated depreciation | - | -28,771 | -69,262 | -151,304 | -249,337 |
| Opening net book value | 1,956 | 84,862 | 53,578 | 180,333 | 320,729 |
| Additions: | | | | | |
| by purchase | - | 23,375 | 66,447 | 27,233 | 117,055 |
| internally developed | - | - | - | 16,886 | 16,886 |
| Depreciation/amortisation expense | - | -20,815 | -43,168 | -31,225 | -95,208 |
| Impairments recognised in operating result | - | - | - | -1,600 | -1,600 |
| Disposals: | | | | | |
| other disposals | - | -200 | -300 | - | -500 |
| As at 30 June 2006 | | | | | |
| Gross book value | 1,956 | 136,808 | 188,987 | 374,156 | 701,907 |
| Accumulated depreciation | - | -49,586 | -112,430 | -182,529 | -344,545 |
| Closing net book value | 1,956 | 87,222 | 76,557 | 191,627 | 357,362 |

NOTES TO THE FINANCIAL STATEMENTS

The financial statements reflect the entries to the Accrual Information Management system (AIMS) as at January 2006 and Centrelink's 2004-05 unaudited Australian Equivalents to International Financial Reporting Standards (AEIFRS) compliant statements.

Basis of accounting

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

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

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

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