

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2007-08**

HUMAN SERVICES PORTFOLIO

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SENATOR THE HON JOE LUDWIG

Minister for Human Services

Manager of Government Business in the Senate

Senator for Queensland

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2007-08 Additional Estimates for the Human Services Portfolio.

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

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

Yours sincerely


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Minister for Human Services

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

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new Measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account. The 2007-08 PAES also cover any significant changes to the portfolio which may have arisen from the change in government and the subsequent Administrative Arrangements Order of 3 December 2007.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2007-08. 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 2007-08* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

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

Portfolio overview

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

Agency additional estimates statements

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

Section 1: Agency overview, variations and measures

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

Section 2: Revisions to outcomes, administered items and outputs

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

Section 3: Budgeted financial statements

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

Glossary

Explains key terms.

Index (Optional)

Alphabetical guide to the Statements

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

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

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

ENQUIRIES

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

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

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

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

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

The Department of Human Services is the central policy and coordination department of the portfolio. The department is working with other departments and agencies to ensure the effective and efficient implementation of Government policy. The core function of the department is to ensure early consideration of service delivery issues in the policy development process and improve the quality and cost effectiveness of services within and across the Human Services agencies

HUMAN SERVICES AGENCIES

AGENCIES WITHIN HUMAN SERVICES PORTFOLIO

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

General Government Sector Entities

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

Portfolio Overview

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

- **Australian Hearing** is one of the largest hearing service providers in the world and is dedicated to helping people manage their hearing impairment so they have a better quality of life. Australian Hearing provides a full range of hearing services for children and young people up to the age of 21, eligible adults and aged pensioners, and most war veterans.
- **Health Services Australia** is a government business enterprise established in 1997 focusing primarily on occupational health and safety and medical assessments.

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

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

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

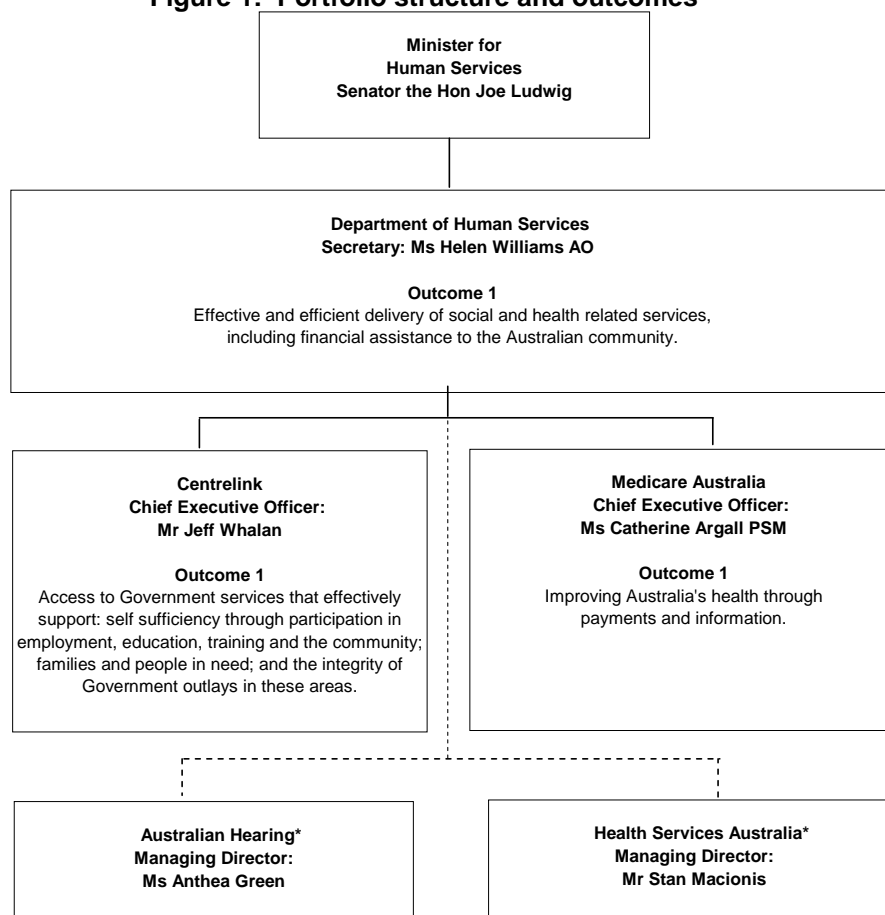
ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

For 2007-08, additional estimates and variations are being sought for the following agencies within the Human Services Portfolio:

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

Details of variations are outlined in Section 1 in the Portfolio Additional Estimates Statements for each agency. Details of revenue and expense are provided at Section 3.

Figure 1: Portfolio structure and outcomes



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

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DEPARTMENT OF HUMAN SERVICES

(INCLUDING THE CHILD SUPPORT AGENCY AND CRS AUSTRALIA)

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DEPARTMENT OF HUMAN SERVICES

Section 1: Agency overview and resources; variations and measures

OVERVIEW

The activities of the Department of Human Services remain unchanged from that specified in the 2007-08 Portfolio Budget Statements, although a major project, the Health and Social Services Access Card, has been terminated.

The total resourcing to be received by the Department in 2007-08 is \$2,096.7 million, comprising:

- \$524.8 million from departmental expense appropriations;
- \$0.8 million from departmental Northern Territory Emergency Response (NTER) appropriation;
- \$15.3 million from departmental capital appropriations;
- \$198.8 million from revenue from departmental independent sources;
- \$145.5 million from administered appropriations;
- \$7.8 million from administered NTER appropriation;
- \$1,128.0 million from revenue from administered independent sources; and
- \$75.7 million for administered special appropriations.

The Department's administered, departmental and other appropriations increased by \$8.6 million following the Appropriation (Northern Territory National Emergency Response) bills earlier in 2007-08, but have now decreased by \$126.6 million in the Additional Estimates process.

The decrease in appropriations is predominantly attributable to the return of appropriations relating to the abolition of the Health and Social Services Access Card (\$132.7 million). Details of variations are provided at Tables 1.2 and 1.3 and measures are provided at Table 1.4.

This has been partially offset by an expected increase in child support collections as identified in Table 1.8.

Core Department

The Department of Human Services was established to improve the development, delivery and coordination of the Government's social and health related services to the Australian people. The department is working with other departments and agencies to

ensure the effective and efficient implementation of Government policy. The core function of the department is to ensure early consideration of service delivery issues in the policy development process and improve the quality and cost effectiveness of services within and across the Human Services agencies.

Child Support Agency

The Child Support Agency (CSA) supports separated parents to resolve their child support issues by providing assessment, registration, collection and disbursement services taking into account their individual circumstances. CSA also offers assistance to parents to connect to support services when they need assistance with broader issues affecting their lives and their children. The Child Support Scheme is designed to ensure that both parents contribute to the cost of their children, according to their capacity. The scheme is expected to transfer almost \$2.8 billion between parents for the benefit of just over 1.1 million children in 2007-08.

CRS Australia

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

It is the largest provider of Government funded vocational rehabilitation services provided under the *Disability Services Act 1986*. These services are purchased from CRS Australia by the Department of Education, Employment and Workplace Relations (DEEWR).

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

Table 1.1: Agency outcomes and output groups

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

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Decrease in estimates (departmental)				
Savings for Labor's Better Priorities - Abolition of the Access Card	(80,900)	(186,792)	(134,217)	(65,596)
Savings for Labor's Better Priorities - Human Services Additional Funding	(1,500)	(3,000)	(3,000)	(3,000)
Savings for Labor's Better Priorities - Liaison Officers	(4)	(7)	(7)	(7)
Election Commitment Savings: 2 per cent Efficiency Dividend	(2,423)	(9,225)	(8,591)	(8,705)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	(385)	(2,191)	(4,067)	(4,581)
Drought Assistance Campaign - return of unspent campaign funding to the Budget	(880)	-	-	-
Child Support Reforms - revised communication campaign	(4,870)	-	-	-
Total departmental measures	(90,962)	(201,215)	(149,882)	(81,889)
Increase in estimates (administered)				
Cape York Institute Trial - Indigenous Employment Servicing	55	21	-	-
Total administered measures	55	21	-	-

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

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Variations (departmental expense appropriations)				
Core Department				
Reinforcing the role of JCAs	108	524	535	546
Adjustment for revised WCI	-	329	275	386
	108	853	810	932
Child Support Agency				
Funding agreement - caseload adjustment	5,992	6,845	8,280	9,767
Adjustment for revised WCI	616	928	644	1,519
	6,608	7,773	8,924	11,286
	6,716	8,626	9,734	12,218
Variations (departmental capital appropriations)				
Core Department				
Savings for Labor's Better Priorities - Abolition of the Access Card	(51,761)	(2,405)	(2,510)	-
Child Support Agency				
Previous years' outputs - funding agreement	5,429	-	-	-
	(46,332)	(2,405)	(2,510)	-
Variations (administered appropriations)				
Core Department				
Reinforcing the role of JCAs	766	1,115	1,137	1,160
Child Support Agency				
Child Support Agency - annual appropriation	140	152	163	176
	906	1,267	1,300	1,336
Variations (special appropriations)				
Child Support Agency				
Child Support Agency - caseload adjustment - s76 - shortfalls in CSA Trust	3,004	3,248	3,502	3,766
	3,004	3,248	3,502	3,766

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Cape York Institute Trial - Indigenous Employment Servicing	1	1	55	-	55	21	-	21	-	-	-	-	-	-
Savings for Labor's Better Priorities - Abolition of the Access Card	1	1	-	(80,900)	(80,900)	-	(186,792)	(186,792)	-	(134,217)	(134,217)	-	(65,596)	(65,596)
Savings for Labor's Better Priorities - Human Service Additional Funding	1	1	-	(1,500)	(1,500)	-	(3,000)	(3,000)	-	(3,000)	(3,000)	-	(3,000)	(3,000)
Savings for Labor's Better Priorities - Liaison Officers	1	1, 2	-	(4)	(4)	-	(7)	(7)	-	(7)	(7)	-	(7)	(7)
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1, 2	-	(2,423)	(2,423)	-	(9,225)	(9,225)	-	(8,591)	(8,591)	-	(8,705)	(8,705)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1,2	-	(385)	(385)	-	(2,191)	(2,191)	-	(4,067)	(4,067)	-	(4,581)	(4,581)

Table 1.4: Summary of measures since the 2007-08 Budget (continued)

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Drought Assistance Campaign - return of unspent campaign funding to the Budget	1	1	-	(880)	(880)	-	-	-	-	-	-	-	-	-
Child Support Reforms - revised communication campaign	1	2	-	(4,870)	(4,870)	-	-	-	-	-	-	-	-	-
Total Expense Measures			55	(90,962)	(90,907)	21	(201,215)	(201,194)	-	(149,882)	(149,882)	-	(81,889)	(81,889)
Capital Measures														
Savings for Labor's Better Priorities - Abolition of the Access Card														
- 2007-08 capital injection			-	(51,761)	(51,761)	-	(2,405)	(2,405)	-	(2,510)	(2,510)	-	-	-
- previous years' appropriation			-	(31,439)	(31,439)	-	-	-	-	-	-	-	-	-
Total Capital Measures			-	(83,200)	(83,200)	-	(2,405)	(2,405)	-	(2,510)	(2,510)	-	-	-
Total of All Measures			55	(174,162)	(174,107)	21	(203,620)	(203,599)	-	(152,392)	(152,392)	-	(81,889)	(81,889)

Notes:

- The Government is not proceeding with the following measure announced by the previous government in the 2007-08 Mid Year Economic and Fiscal Outlook (MYEFO) and in the 2007 Pre-Election and Fiscal Outlook (PEFO):
 - Access Card - Review Mechanism

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
Effective and efficient delivery of social and health related services, including financial assistance to the Australian community.	117,723	144,521	145,482	961	-
Total	117,723	144,521	145,482	961	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Effective and efficient delivery of social and health related services, including financial assistance to the Australian community.	448,887	609,054	524,808	-	(84,246)
Total	448,887	609,054	524,808	-	(84,246)
Total administered and departmental	566,610	753,575	670,290	961	(84,246)

Note 1: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

Note 2: No appropriation is provided in Appropriation Bill 3 for the agency where the total funding change across outcomes for departmental outputs is negative.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections					
- Health and Social Access Card	34,926	51,761	-	-	(51,761)
- Child Support Reforms	20,130	9,877	9,877	-	-
Previous years' outputs					
- Child Support Agency	3,797	-	5,429	5,429	-
Total	58,853	61,638	15,306	5,429	(51,761)

Note 1: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Output 1			
DHS Core Department	230	220	(10)
Output 2			
Child Support Agency	4,390	3,937	(453)
Output 3			
CRS Australia	1,889	1,708	(181)
Total	6,509	5,865	(644)

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts available to be used and include FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other receipts		
CRS Australia	218,238	196,845
Child Support Agency	1,940	1,940
Total departmental other receipts available to be used	220,178	198,785
Administered other receipts		
Child Support Agency <i>Child Support (Registration and Collections) Act 1988</i>	999,012	1,110,880
Australian Hearing	6,830	7,769
Health Services Australia	8,000	8,000
CRS Australia	1,323	1,323
Total administered other receipts available to be used	1,015,165	1,127,972

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

	Outcome No	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Estimated expenses			
<i>Child Support s77-Short falls in CSA Trust (A)</i>	1	72,615	75,619
<i>Child Support s78 - Unexplained Remittances (A)</i>	1	50	50
Total estimated expenses		72,665	75,669

A = Administered

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08⁽¹⁾ <i>2006-07⁽¹⁾</i> (\$'000)	Receipts 2007-08 <i>2006-07</i> (\$'000)	Payments 2007-08 <i>2006-07</i> (\$'000)	Closing Balance 2007-08 <i>2006-07</i> (\$'000)
Child Support Trust - <i>Child Support Act 1988 (A)</i>	1	40,282 38,504	1,014,533 1,027,619	1,009,330 1,025,841	45,485 40,282
Other Trust Monies (D)	1	46 46	- 130	- 130	46 46
Total special accounts		40,328	1,014,533	1,009,330	45,531

A = Administered

D = Departmental

Note 1 The Opening Balance for 2007-08 is the same as the final closing balance for 2006-07. This balance may have changed from that shown in the 2007-08 PB Statements as the actual for 2006-07 may have been updated to reflect the final budget outcome for that year.

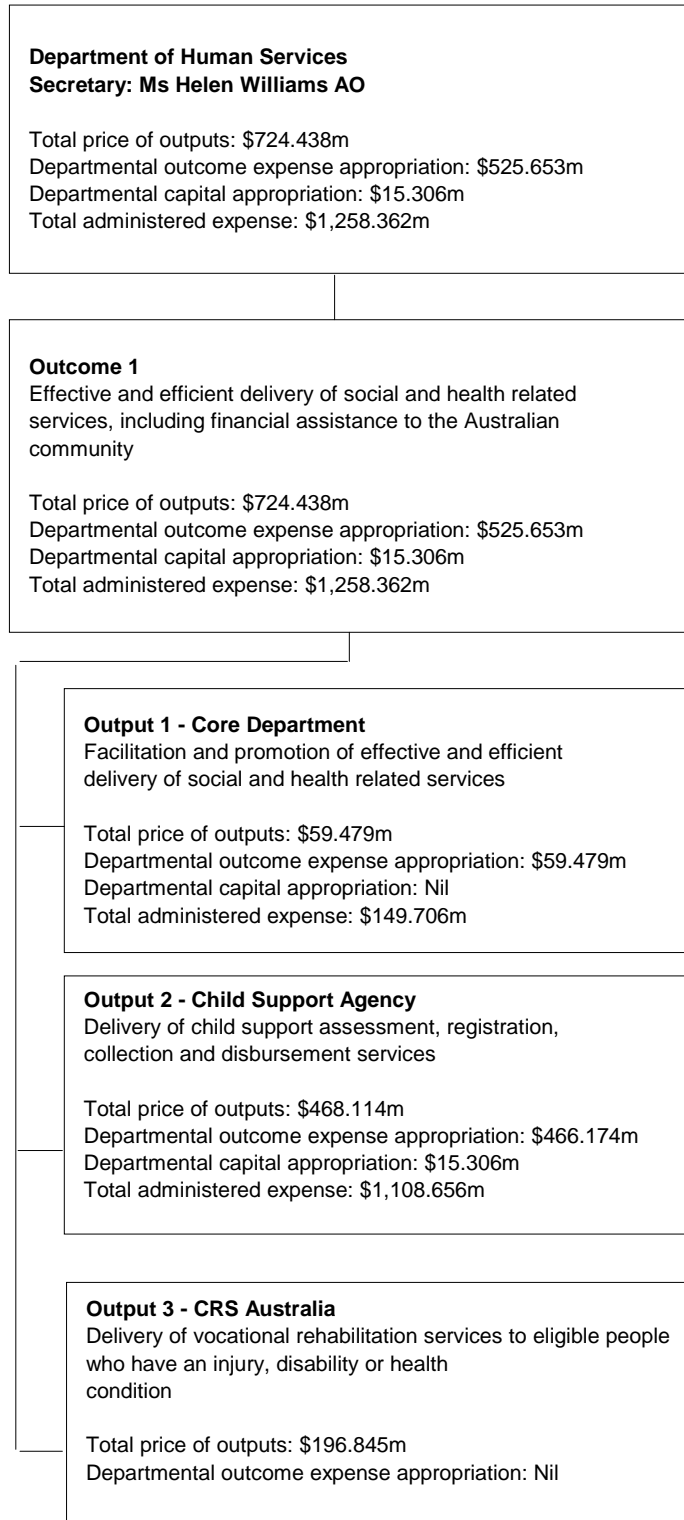
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

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

The outcomes and outputs framework for the Department of Human Services remains unchanged to that reported in the 2007-08 Portfolio Budget Statements. However, decreased funding from a number of new Measures since the 2007-08 Budget and variations to estimates has changed the price of outputs.

Figure 2: Outcome and output structure



Outcome 1

Explanation of variations

The additional estimates appropriation changes are predominantly for the purposes of:

- Output 1 – return of resources for the development and implementation of the Health and Social Services Access Card, and the application of the one off two per cent efficiency dividend.
- Output 2 – additional resources for CSA’s caseload adjustments, and the application of the one off two per cent efficiency dividend.

Revised performance information — 2007-08

Table 2.1 below provides the revised performance information for each output since Budget.

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

Output	Performance information 2007-08 budget	Performance information 2007-08 revised
Output 1		
Core Department		
	Quality The degree of satisfaction of the Minister and his office with the quality and timeliness of advice and the achievement of key tasks as expressed through formal and informal feedback.	Quality The degree of satisfaction of the Minister and his office with the quality and timeliness of advice and the achievement of key tasks as expressed through formal and informal feedback.
	Quantity On the basis of experience since the establishment of the department in October 2004, the department expects annually to: * process approximately 7,000 pieces of Ministerial correspondence; * provide approximately 1,800 briefings to the Minister and his office; and * prepare draft answers to approximately 300 Parliamentary Questions on Notice.	Quantity On the basis of experience since the establishment of the department in October 2004, the department expects annually to: * process approximately 6,000 pieces of Ministerial correspondence; * provide approximately 1,500 briefings to the Minister and his office; and * prepare draft answers to approximately 210 Parliamentary Questions on Notice.
	Price The price of the core department's outputs in 2007-08 is \$142.083 million.	Price The price of the core department's outputs in 2007-08 is \$59.479 million.

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

Output	Performance information 2007-08 budget	Performance information 2007-08 revised
Output 2		
Child Support Agency		
	Quality	Quality
	Increased customer satisfaction with CSA's service.	Increased customer satisfaction with CSA's service.
	Cost	Cost
	Cost per case (estimate: \$472)	Cost per case (estimate: \$536)
	Cost per dollar transferred (estimate: 14 cents)	Cost per dollar transferred (estimate: 16 cents)
	Effectiveness (Adequacy)	Effectiveness (Adequacy)
	Total amount of child support transferred between parents (estimate \$2.7 billion)	Total amount of child support transferred between parents (estimate \$2.8 billion)
	Effectiveness (Independence)	Effectiveness (Independence)
	Child support transfer rate (CSA collect and Private collect) (estimate: 96.5 per cent)	Child support transfer rate (CSA collect and Private collect) (estimate: 96.0 per cent)
	Percentage of Private collect cases to total cases (CSA collect and Private collect cases) (estimate: 52.6 per cent)	Percentage of Private collect cases to total cases (CSA collect and Private collect cases) (estimate: 52.6 per cent)
	Price	Price
	The price of CSA's outputs in 2007-08 is \$468.911 million.	The price of CSA's outputs in 2007-08 is \$468.114 million.
Output 3		
CRS Australia		
	Quality	Quality
	Certification against Disability Services Standards.	Certification against Disability Services Standards.
	Quantity	Quantity
	* Number of new job seekers assisted on a rehabilitation program.	* Number of new job seekers assisted on a rehabilitation program.
	* Number of rehabilitation clients achieving durable employment outcomes.	* Number of rehabilitation job seekers achieving durable employment outcomes.
	Effectiveness and Efficiency	Effectiveness and Efficiency
	* Proportion of job seekers achieving durable employment outcomes.	* Proportion of job seekers achieving durable employment outcomes.
	* Efficiency - CRS Australia must deliver effective rehabilitation programmes within the funding provided as a viable business unit.	* Efficiency - CRS Australia must deliver effective rehabilitation programmes within the funding provided as a viable business unit.
	* CRS Australia undertakes a range of other services for government and private agencies with each agreement requiring certain performance indicators to be met.	* CRS Australia undertakes a range of other services for government and private agencies with each agreement requiring certain performance indicators to be met.
	Price	Price
	The price of CRS's outputs in 2007-08 is \$218.238 million.	The price of CRS's outputs in 2007-08 is \$196.845 million.

Section 3: Budgeted financial statements

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

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS - DEPARTMENTAL

Budgeted departmental income statement

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

The Department is budgeting for an overall break even result in 2007-08, compared to a budgeted surplus of \$1.2 million at Budget. The operating result is due to CRS Australia's revised budgeted operating surplus of \$1.1 million, offset by an operating deficit for the Core Department of \$1.1 million and a forecasted break even result for the Child Support Agency (CSA).

Total departmental revenue budgeted for 2007-08 is \$724.4 million, which represents a \$104.8 million decrease from \$829.2 million at Budget. The revenue decrease was due to the following, \$80.9 million of appropriations reduction due to the abolition of the Health and Social Services Access Card in the Core Department, \$9.1 million reduction in appropriation in the Core Department and CSA for new measures, and a \$21.4 million reduction in revenue for the provision of services by CRS Australia. This was offset by a \$6.6 million net increase in appropriation for CSA relating to caseload adjustments.

Total departmental expenses budgeted for 2007-08 is \$724.4 million (including \$1.3 million income tax), this represents a \$103.6 million decrease from \$828.0 million at Budget. The decrease is in response to reduced expenses requirement for the Health and Social Services Access Card due to its termination.

Budgeted departmental balance sheet

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

The Department's estimated net asset position as at 30 June 2008 has decreased by \$86.9 million at Budget to \$125.2 million. Overall, many variations across the balance sheet categories are due to the flow on effect of actual results for 2006-07 impacting the budgeted balance sheet. However, noteworthy major variations outside of the 2006-07 actuals include:

- **Assets** (- \$53.4m) – this has decreased from \$340.5 million at budget to \$287.1 million. The decrease is predominantly due to the planned purchases of intangibles for the Health and Social Services Access Card are no longer required due to the abolition.

- **Liabilities** (+ \$33.4m) – this has increased from \$128.4 million at Budget to \$161.8 million. The increase is predominantly due to the flow on effect of 2006-07 actual results.
- **Equity** (- \$86.9m) – this has decreased from \$212.1 million at Budget to \$125.2 million and is predominantly due to:
 - Flow on effect of operating surplus compared to budget for 2006-07 (-\$9.5m);
 - Capital appropriation reduction and the return of previous years' appropriation as result of the abolition of the Health and Social Services Access Card (-\$83.2m); and
 - Caseload reconciliation by the Child Support Agency resulting in adjustment to funding for 2006-07 via an equity injection (\$5.4m).

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS - ADMINISTERED

Schedule of budgeted income and expenses administered on behalf of government

Revenues administered on behalf of the government have increased since Budget by \$64.2 million to \$1,128.0 million. The increase is due to the revision in child support revenue based on forecasted caseload.

Expenses have increased by a total of \$76.8 million since the Budget. This increase is predominantly due to Child Support activity.

Schedule of budgeted assets and liabilities administered on behalf of government

Total budgeted assets administered on behalf of government is estimated at \$574.6 million as at 30 June 2008, which represents a \$6.0 million decrease from \$580.6 million at Budget.

Total budgeted liabilities administered on behalf of government is estimated at \$538.3 million as at 30 June 2008, which represents a \$36.5 million increase from \$501.8 million at Budget.

The significant movements on the assets and liabilities administered on behalf of government are mostly due to the revision of CSA's budget estimates due to revisions to forecasted caseload and flow on effect from 2006-07 actual results.

BUDGETED FINANCIAL STATEMENTS - CONSOLIDATED

Departmental financial statements

Budgeted departmental income statement (see Table 3.1)

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

Budgeted departmental balance sheet (see Table 3.2)

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

Budgeted departmental statement of cash flows (see Table 3.3)

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

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

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

Departmental capital budget statement (see Table 3.5)

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

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

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

Schedule of administered activity

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

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

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

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

Schedule of budgeted administered cash flows (see Table 3.9)

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

Departmental financial statements

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	448,887	525,653	459,323	427,770	438,175
Goods and services	199,418	198,285	207,193	194,738	194,710
Other	553	500	500	500	500
Total revenue	648,858	724,438	667,016	623,008	633,385
Total income	648,858	724,438	667,016	623,008	633,385
EXPENSE					
Employees	363,885	419,760	396,882	367,457	375,254
Suppliers	245,588	277,865	240,411	224,572	229,360
Depreciation and amortisation	15,565	25,209	26,098	28,069	25,238
Finance costs	450	226	237	249	225
Write-down of assets and impairment of assets	2,861	55	58	58	58
Net losses from sale of assets	62	-	-	-	-
Other	-	-	-	-	-
Total expenses	628,411	723,115	663,686	620,405	630,135
Operating result before Income Tax	20,447	1,323	3,330	2,603	3,250
Income Tax expense	1,818	1,323	1,389	1,389	1,389
Net surplus or (deficit) attributable to the Australian Government	18,629	-	1,941	1,214	1,861

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,351	15,856	15,759	12,218	12,159
Receivables	210,637	178,447	195,383	203,999	210,969
Accrued revenues	1,618	2,029	2,129	2,129	2,629
Other Receivables	-	-	-	-	-
Total financial assets	225,606	196,332	213,271	218,346	225,757
Non-financial assets					
Land and buildings	36,450	50,139	43,757	44,132	36,893
Infrastructure, plant and equipment	2,310	2,110	1,948	1,988	1,882
Intangibles	23,530	31,728	27,569	22,226	19,854
Other	6,767	6,765	6,766	6,766	6,766
Total non-financial assets	69,057	90,742	80,040	75,112	65,395
Total assets	294,663	287,074	293,311	293,458	291,152
LIABILITIES					
Payables					
Suppliers	40,793	45,465	46,614	45,533	40,267
Tax liabilities	499	250	250	250	250
Other payables	7,316	7,511	7,711	7,511	7,511
Total payables	48,608	53,226	54,575	53,294	48,028
Interest bearing liabilities					
Leases	10,234	9,073	7,912	6,750	5,589
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	10,234	9,073	7,912	6,750	5,589
Provisions					
Employees	86,748	91,611	93,644	95,497	97,533
Other provisions	7,707	7,932	8,170	7,693	7,918
Total provisions	94,455	99,543	101,814	103,190	105,451
Total liabilities	153,297	161,842	164,301	163,234	159,068
Net assets	141,366	125,232	129,010	130,224	132,084
EQUITY*					
Contributed equity	106,672	90,538	92,373	92,373	92,373
Reserves	2,326	2,326	2,326	2,326	2,326
Retained surpluses or accumulated deficits	32,368	32,368	34,311	35,525	37,385
Total equity	141,366	125,232	129,010	130,224	132,084
Current assets	232,244	203,098	220,037	225,112	232,524
Non-current assets	62,419	83,976	73,274	68,346	58,628
Current liabilities	122,970	121,313	123,905	124,601	120,371
Non-current liabilities	30,327	40,529	40,405	38,642	38,706

*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 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	196,311	195,934	206,893	194,738	194,210
Appropriations	422,206	504,669	438,591	419,156	431,205
Net GST received	19,189	50,814	45,040	43,367	43,141
Other cash received	2,733	4,924	500	500	500
Total cash received	640,439	756,341	691,024	657,761	669,056
Cash used					
Employees	346,845	416,398	395,048	367,602	373,418
Suppliers	236,382	275,233	241,247	226,793	237,365
Competitive neutrality payments	1,319	1,323	1,189	1,189	1,189
Cash to the OPA	25,600	-	-	-	-
Net GST paid	22,091	49,875	45,038	43,366	43,139
Other cash used	-	-	-	-	-
Total cash used	632,237	742,829	682,522	638,950	655,111
Net cash from or (used by) operating activities	8,202	13,512	8,502	18,811	13,945
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	134	-	-	-	-
Total cash received	134	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	21,477	46,443	14,230	21,626	14,002
Other cash used	-	-	-	724	-
Total cash used	21,477	46,443	14,230	22,350	14,002
Net cash from or (used by) investing activities	(21,343)	(46,443)	(14,230)	(22,350)	(14,002)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,037	35,436	5,632	-	-
Total cash received	1,037	35,436	5,632	-	-
Net cash from or (used by) financing activities	1,037	35,436	5,632	-	-
Net increase or (decrease) in cash held	(12,104)	2,505	(96)	(3,539)	(57)
Cash at the beginning of the reporting period	25,455	13,351	15,855	15,757	12,216
Cash at the end of the reporting period	13,351	15,856	15,759	12,218	12,159

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	32,368	2,326	-	106,671	141,365
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	32,368	2,326	-	106,671	141,365
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Transactions with owners					
<i>Distributions to owners</i>					
Return on Capital: Previous Years' Appropriation	-	-	-	(31,439)	(31,439)
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	9,877	9,877
Other: Previous Years' Outputs - funding agreement	-	-	-	5,429	5,429
Sub-total transactions with owners	-	-	-	(16,133)	(16,133)
Estimated closing balance as at 30 June 2008	32,368	2,326	-	90,538	125,232

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	55,056	9,877	1,835	-	-
Previous Years Outputs	3,797	5,429	-	-	-
Total capital appropriations	58,853	15,306	1,835	-	-
Represented by:					
Purchase of non-financial assets	55,056	9,877	1,835	-	-
Other	3,797	5,429	-	-	-
Total represented by	58,853	15,306	1,835	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,037	35,436	5,632	-	-
Funded internally by Departmental resources	20,440	11,008	8,598	21,626	14,002
Total	21,477	46,444	14,230	21,626	14,002

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007					
Gross book value	558	45,506	5,496	58,358	109,918
Accumulated depreciation	-	(9,614)	(3,186)	(34,828)	(47,628)
Opening net book value	558	35,892	2,310	23,530	62,290
Additions:					
by purchase	-	23,382	2,509	2,826	28,717
internally developed	-	-	-	18,235	18,235
Disposals for non-cash consideration	-	-	-	(55)	(55)
Depreciation/amortisation expense	-	(9,693)	(2,709)	(12,808)	(25,210)
As at 30 June 2008					
Gross book value	558	68,888	8,005	79,364	156,815
Accumulated depreciation	-	(19,307)	(5,895)	(47,636)	(72,838)
Estimated closing net book value	558	49,581	2,110	31,728	83,977

Schedule of administered activity

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	68,606	70,208	76,075	79,455	82,952
Total taxation	68,606	70,208	76,075	79,455	82,952
Non-taxation					
Dividends	19,812	12,894	12,560	14,079	14,079
Competitive Neutrality Revenue	11,649	4,198	3,890	4,056	4,056
Other sources of non-taxation revenues	1,006,216	1,040,672	1,087,390	1,135,734	1,185,753
Total non-taxation	1,037,677	1,057,764	1,103,840	1,153,869	1,203,888
Total revenues administered on behalf of Government	1,106,283	1,127,972	1,179,915	1,233,324	1,286,840
Total income administered on behalf of Government	1,106,283	1,127,972	1,179,915	1,233,324	1,286,840
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	571	-	-	-	-
Suppliers	103,539	149,706	128,744	128,745	128,768
Write down and impairment of assets	125,157	83,170	85,338	89,130	93,053
Child support Payments	984,302	1,025,486	1,071,499	1,119,128	1,168,407
Total expenses administered on behalf of Government	1,213,569	1,258,362	1,285,582	1,337,003	1,390,228

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	44	20	20	20	20
Receivables	506,154	518,606	537,020	556,251	576,329
Investments (s.39 FMA Act)	55,941	55,941	55,941	55,941	55,941
Total financial assets	562,139	574,567	592,981	612,212	632,290
Total assets administered on behalf of Government	562,139	574,567	592,981	612,212	632,290
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Accrued child support payments	477,625	492,664	508,992	526,026	548,516
Other payables	45,246	45,614	46,704	47,828	44,262
Total payables	522,871	538,278	555,696	573,854	592,778
Total liabilities administered on behalf of Government	522,871	538,278	555,696	573,854	592,778

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	4,390	5,616	6,086	6,357	6,636
Net GST received	8,995	14,971	12,874	12,874	12,876
Cash from the OPA	1,060,026	1,159,036	1,183,380	1,230,260	1,278,788
Dividends	12,283	12,894	12,560	14,079	14,079
Competitive neutrality revenue	10,041	4,198	3,890	4,056	4,056
Other	950,273	1,009,641	1,053,627	1,100,471	1,148,938
Total cash received	2,046,008	2,206,355	2,272,417	2,368,097	2,465,373
Cash used					
Personal benefits	693	-	-	-	-
Suppliers	100,336	149,706	128,744	128,745	128,768
Net GST paid	10,010	14,971	12,874	12,874	12,876
Cash to the OPA	985,957	1,031,625	1,076,718	1,125,510	1,174,245
Other	948,988	1,010,078	1,054,081	1,100,968	1,149,484
Total cash used	2,045,984	2,206,379	2,272,417	2,368,097	2,465,373
Net cash from operating activities	24	(24)	-	-	-
Net increase or (decrease) in cash held	24	(24)	-	-	-
Cash at beginning of reporting period	20	44	20	20	20
Cash at end of reporting period	44	20	20	20	20

BUDGETED FINANCIAL STATEMENTS – CORE DEPARTMENT

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	79,158	59,479	19,455	17,688	18,530
Goods and services	120	-	-	-	-
Other	61	-	-	-	-
Total revenue	79,339	59,479	19,455	17,688	18,530
Total income	79,339	59,479	19,455	17,688	18,530
EXPENSE					
Employees	19,587	26,062	11,431	11,734	12,784
Suppliers	53,347	33,990	7,504	5,509	5,426
Depreciation and amortisation	417	520	520	445	320
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	439	-	-	-	-
Net losses from sale of assets	57	-	-	-	-
Other	-	-	-	-	-
Total expenses	73,847	60,572	19,455	17,688	18,530
Operating result before Income Tax	5,492	(1,093)	-	-	-
Income Tax expense	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	5,492	(1,093)	-	-	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	191	669	728	1,056	284
Receivables	58,172	23,098	24,340	25,313	21,880
Accrued revenues	-	-	-	-	-
Other Receivables	-	-	-	-	-
Total financial assets	58,363	23,767	25,068	26,369	22,164
Non-financial assets					
Land and buildings	460	1,570	1,179	901	680
Infrastructure, plant and equipment	1,007	1,021	893	940	841
Intangibles	131	1,950	1,948	1,947	1,947
Other	6	4	5	5	5
Total non-financial assets	1,604	4,545	4,025	3,793	3,473
Total assets	59,967	28,312	29,093	30,162	25,637
LIABILITIES					
Payables					
Suppliers	11,193	15,116	15,381	16,007	10,649
Total payables	11,193	15,116	15,381	16,007	10,649
Interest bearing liabilities					
Leases	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	7,156	4,110	4,624	5,067	5,900
Other provisions	140	140	140	140	140
Total provisions	7,296	4,250	4,764	5,207	6,040
Total liabilities	18,489	19,366	20,145	21,214	16,689
Net assets	41,478	8,946	8,948	8,948	8,948
EQUITY*					
Contributed equity	34,925	3,486	3,486	3,486	3,486
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	6,553	5,460	5,462	5,462	5,462
Total equity	41,478	8,946	8,948	8,948	8,948
Current assets	58,369	23,771	25,073	26,374	22,169
Non-current assets	1,598	4,541	4,020	3,788	3,468
Current liabilities	17,719	17,093	17,863	18,930	14,277
Non-current liabilities	770	2,273	2,291	2,293	2,421

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	3,273	-	-	-	-
Appropriations	61,306	63,995	18,214	16,716	21,963
Net GST received	3,846	3,488	750	551	543
Other cash received	-	-	-	-	-
Total cash received	68,425	67,483	18,964	17,267	22,506
Cash used					
Employees	17,404	29,109	10,915	11,290	11,952
Suppliers	45,890	30,945	7,240	4,883	10,784
Cash to the OPA	-	-	-	-	-
Net GST paid	4,588	3,488	750	551	542
Other cash used	-	-	-	-	-
Total cash used	67,882	63,542	18,905	16,724	23,278
Net cash from or (used by) operating activities	543	3,941	59	543	(772)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	33	-	-	-	-
Total cash received	33	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	1,554	3,463	-	215	-
Other cash used	-	-	-	-	-
Total cash used	1,554	3,463	-	215	-
Net cash from or (used by) investing activities	(1,521)	(3,463)	-	(215)	-
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,037	-	-	-	-
Total cash received	1,037	-	-	-	-
Net cash from or (used by) financing activities	1,037	-	-	-	-
Net increase or (decrease) in cash held	59	478	59	328	(772)
Cash at the beginning of the reporting period	132	191	669	728	1,056
Cash at the end of the reporting period	191	669	728	1,056	284

Table 3.13: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	6,553	-	-	34,925	41,478
Adjusted opening balance	6,553	-	-	34,925	41,478
Income and expense					
Net operating result	(1,093)	-	-	-	(1,093)
Total income and expenses	(1,093)	-	-	-	(1,093)
Transactions with owners					
<i>Distributions to owners</i>					
Return on Capital: Previous Years' Appropriation	-	-	-	(31,439)	(31,439)
Transactions with owners	-	-	-	(31,439)	(31,439)
Estimated closing balance as at 30 June 2008	5,460	-	-	3,486	8,946

Table 3.14: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	34,925	-	-	-	-
Previous Years Outputs	-	-	-	-	-
Total capital appropriations	34,925	-	-	-	-
Represented by:					
Purchase of non-financial assets	34,925	-	-	-	-
Other	-	-	-	-	-
Total represented by	34,925	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,037	-	-	-	-
Funded internally by					
Departmental resources	517	3,463	-	215	-
Total	1,554	3,463	-	215	-

Table 3.15: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007					
Gross book value	-	604	1,329	140	2,073
Accumulated depreciation	-	(144)	(322)	(9)	(475)
Opening net book value	-	460	1,007	131	1,598
Additions:					
by purchase	-	1,500	144	1,819	3,463
Depreciation/amortisation expense	-	(390)	(130)	-	(520)
As at 30 June 2008					
Gross book value	-	2,104	1,473	1,959	5,536
Accumulated depreciation	-	(534)	(452)	(9)	(995)
Estimated closing net book value	-	1,570	1,021	1,950	4,541

Schedule of administered activity

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Dividends	19,812	12,894	12,560	14,079	14,079
Competitive Neutrality Revenue	11,649	4,198	3,890	4,056	4,056
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	31,461	17,092	16,450	18,135	18,135
Total revenues administered on behalf of Government	31,461	17,092	16,450	18,135	18,135
Total income administered on behalf of Government	31,461	17,092	16,450	18,135	18,135
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	103,539	149,706	128,744	128,745	128,768
Total expenses administered on behalf of Government	103,539	149,706	128,744	128,745	128,768

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	13,356	13,356	13,356	13,356	13,356
Investments (s.39 FMA Act)	55,941	55,941	55,941	55,941	55,941
Total financial assets	69,297	69,297	69,297	69,297	69,297
Total assets administered on behalf of Government	69,297	69,297	69,297	69,297	69,297
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Accrued child support payments	-	-	-	-	-
Other payables	13,356	13,356	13,356	13,356	13,356
Total payables	13,356	13,356	13,356	13,356	13,356
Total liabilities administered on behalf of Government	13,356	13,356	13,356	13,356	13,356

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	-	-	-	-	-
Net GST received	8,995	14,971	12,874	12,874	12,876
Cash from the OPA	110,346	149,706	128,744	128,745	128,768
Dividends	12,283	12,894	12,560	14,079	14,079
Competitive neutrality revenue	10,041	4,198	3,890	4,056	4,056
Other	-	-	-	-	-
Total cash received	141,665	181,768	158,068	159,754	159,779
Cash used					
Suppliers	100,336	149,706	128,744	128,745	128,768
GST Payments to Suppliers	10,010	14,971	12,874	12,874	12,876
Cash to the OPA	31,319	17,092	16,450	18,135	18,135
Total cash used	141,665	181,768	158,068	159,754	159,779
Net cash from operating activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	369,729	466,174	439,868	410,082	419,645
Goods and services	1,773	1,940	-	-	-
Other	287	-	-	-	-
Total revenue	371,789	468,114	439,868	410,082	419,645
Total income	371,789	468,114	439,868	410,082	419,645
EXPENSE					
Employees	223,586	275,971	261,571	239,276	245,817
Suppliers	136,068	173,011	159,382	149,833	155,585
Depreciation and amortisation	10,127	18,906	18,678	20,724	18,018
Finance costs	415	226	237	249	225
Write-down of assets and impairment of assets	(60)	-	-	-	-
Net losses from sale of assets	5	-	-	-	-
Other	-	-	-	-	-
Total expenses	370,141	468,114	439,868	410,082	419,645
Operating result before Income Tax	1,648	-	-	-	-
Income Tax expense	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	1,648	-	-	-	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,444	3,500	3,500	3,500	3,500
Receivables	72,143	75,029	90,723	98,364	108,767
Total financial assets	75,587	78,529	94,223	101,864	112,267
Non-financial assets					
Land and buildings	27,263	39,748	33,519	33,934	26,678
Infrastructure, plant and equipment	430	353	303	280	258
Intangibles	21,754	27,405	23,603	18,261	15,889
Other	5,220	5,220	5,220	5,220	5,220
Total non-financial assets	54,667	72,726	62,645	57,695	48,045
Total assets	130,254	151,255	156,868	159,559	160,312
LIABILITIES					
Payables					
Suppliers	21,688	22,187	22,653	23,128	23,614
Total payables	21,688	22,187	22,653	23,128	23,614
Interest bearing liabilities					
Leases	9,365	8,204	7,043	5,881	4,720
Total interest bearing liabilities	9,365	8,204	7,043	5,881	4,720
Provisions					
Employees	54,206	60,338	64,573	68,428	69,631
Other provisions	6,071	6,296	6,534	6,057	6,282
Total provisions	60,277	66,634	71,107	74,485	75,913
Total liabilities	91,330	97,025	100,803	103,494	104,247
Net assets	38,924	54,230	56,065	56,065	56,065
EQUITY*					
Contributed equity	28,199	43,505	45,340	45,340	45,340
Reserves	35	35	35	35	35
Retained surpluses or accumulated deficits	10,690	10,690	10,690	10,690	10,690
Total equity	38,924	54,230	56,065	56,065	56,065
Current assets	80,807	83,750	99,443	107,084	117,488
Non-current assets	49,447	67,505	57,425	52,475	42,824
Current liabilities	67,817	69,979	73,578	76,828	77,546
Non-current liabilities	23,513	27,046	27,225	26,666	26,701

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

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	360,900	440,674	420,377	402,440	409,242
Net GST received	13,178	21,064	16,867	16,629	16,463
Other cash received	1,997	4,424	-	-	-
Total cash received	376,075	466,162	437,244	419,069	425,705
Cash used					
Employees	212,421	269,839	257,337	235,421	244,613
Suppliers	135,036	173,674	160,077	150,519	156,262
Net GST paid	12,481	21,064	16,867	16,629	16,463
Other cash used					
Total cash used	359,938	464,577	434,281	402,569	417,338
Net cash from or (used by) operating activities	16,137	1,585	2,963	16,500	8,367
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	16,334	36,965	8,595	15,776	8,367
Other cash used	-	-	-	724	-
Total cash used	16,334	36,965	8,595	16,500	8,367
Net cash from or (used by) investing activities	(16,334)	(36,965)	(8,595)	(16,500)	(8,367)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	35,436	5,632	-	-
Total cash received	-	35,436	5,632	-	-
Net cash from or (used by) financing activities	-	35,436	5,632	-	-
Net increase or (decrease) in cash held	(197)	56	-	-	-
Cash at the beginning of the reporting period	3,641	3,444	3,500	3,500	3,500
Cash at the end of the reporting period	3,444	3,500	3,500	3,500	3,500

Table 3.22: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	10,690	35	-	28,199	38,924
Adjustment for changes in accounting policies					
Adjusted opening balance	10,690	35	-	28,199	38,924
Income and expense					
Net operating result	-				
Total income and expenses	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	9,877	9,877
Other: Previous Years' Outputs - funding agreement	-	-	-	5,429	5,429
Sub-total transactions with owners	-	-	-	15,306	15,306
Estimated closing balance as at 30 June 2008	10,690	35	-	43,505	54,230

Table 3.23: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	20,131	9,877	1,835	-	-
Previous Years Outputs	3,797	5,429			
Total capital appropriations	23,928	15,306	1,835	-	-
Represented by:					
Purchase of non-financial assets	20,131	9,877	1,835	-	-
Other	3,797	5,429			
Total represented by	23,928	15,306	1,835	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	35,436	5,632	-	-
Funded internally by Departmental resources	16,334	1,530	2,963	15,776	8,367
Total	16,334	36,965	8,595	15,776	8,367

Table 3.24: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007					
Gross book value	-	34,979	665	54,410	90,054
Accumulated depreciation	-	(7,716)	(235)	(32,656)	(40,607)
Opening net book value	-	27,263	430	21,754	49,447
Additions:					
by purchase	-	19,229	10	-	19,239
internally developed	-	-	-	17,727	17,727
Depreciation/amortisation expense	-	(6,744)	(87)	(12,076)	(18,907)
As at 30 June 2008					
Gross book value	-	54,208	675	72,137	127,020
Accumulated depreciation	-	(14,460)	(322)	(44,732)	(59,514)
Estimated closing net book value	-	39,748	353	27,405	67,506

Schedule of administered activity

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	68,606	70,208	76,075	79,455	82,952
Total taxation	68,606	70,208	76,075	79,455	82,952
Non-taxation					
Other sources of non-taxation revenues	1,006,216	1,040,672	1,087,390	1,135,734	1,185,753
Total non-taxation	1,006,216	1,040,672	1,087,390	1,135,734	1,185,753
Total revenues administered on behalf of Government	1,074,822	1,110,880	1,163,465	1,215,189	1,268,705
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Personal benefits	571	-	-	-	-
Write down and impairment of assets	125,157	83,170	85,338	89,130	93,053
Child support Payments	984,302	1,025,486	1,071,499	1,119,128	1,168,407
Total expenses administered on behalf of Government	1,110,030	1,108,656	1,156,837	1,208,258	1,261,460

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	44	20	20	20	20
Receivables	492,798	505,250	523,664	542,895	562,973
Total financial assets	492,842	505,270	523,684	542,915	562,993
Total assets administered on behalf of Government	492,842	505,270	523,684	542,915	562,993
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Accrued child support payments	477,625	492,664	508,992	526,026	548,516
Other payables	31,890	32,258	33,348	34,472	30,906
Total payables	509,515	524,922	542,340	560,498	579,422
Total liabilities administered on behalf of Government	509,515	524,922	542,340	560,498	579,422

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	4,390	5,616	6,086	6,357	6,636
Cash from the OPA	949,680	1,009,330	1,054,636	1,101,515	1,150,020
Other	950,273	1,009,641	1,053,627	1,100,471	1,148,938
Total cash received	1,904,343	2,024,587	2,114,349	2,208,343	2,305,594
Cash used					
Personal benefits	693	-	-	-	-
Other	948,988	1,010,078	1,054,081	1,100,968	1,149,484
Cash to the OPA	954,638	1,014,533	1,060,268	1,107,375	1,156,110
Total cash used	1,904,319	2,024,611	2,114,349	2,208,343	2,305,594
Net cash from operating activities	24	(24)	-	-	-
Net increase or (decrease) in cash held	24	(24)	-	-	-
Cash at beginning of reporting period	20	44	20	20	20
Cash at end of reporting period	44	20	20	20	20

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	-	-	-	-	-
Goods and services	197,621	196,345	207,193	194,738	194,710
Other	205	500	500	500	500
Total revenue	197,826	196,845	207,693	195,238	195,210
Total income	197,826	196,845	207,693	195,238	195,210
EXPENSE					
Employees	120,712	117,727	123,880	116,447	116,653
Suppliers	56,268	70,864	73,525	69,230	68,349
Depreciation and amortisation	5,021	5,783	6,900	6,900	6,900
Finance costs	35	-	-	-	-
Write-down of assets and impairment of assets	2,482	55	58	58	58
Net losses from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	184,518	194,429	204,363	192,635	191,960
Operating result before Income Tax	13,308	2,416	3,330	2,603	3,250
Income Tax expense	1,818	1,323	1,389	1,389	1,389
Net surplus or (deficit) attributable to the Australian Government	11,490	1,093	1,941	1,214	1,861

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	9,716	11,687	11,531	7,662	8,375
Receivables	80,525	80,524	80,524	80,526	80,526
Accrued revenues	1,618	2,029	2,129	2,129	2,629
Other Receivables	-	-	-	-	-
Total financial assets	91,859	94,240	94,184	90,317	91,530
Non-financial assets					
Land and buildings	8,727	8,821	9,059	9,297	9,535
Infrastructure, plant and equipment	873	736	752	768	783
Intangibles	1,645	2,373	2,018	2,018	2,018
Other	1,541	1,541	1,541	1,541	1,541
Total non-financial assets	12,786	13,471	13,370	13,624	13,877
Total assets	104,645	107,711	107,554	103,941	105,407
LIABILITIES					
Payables					
Suppliers	8,116	8,366	8,784	6,602	6,208
Tax liabilities	499	250	250	250	250
Other payables	7,316	7,511	7,711	7,511	7,511
Total payables	15,931	16,127	16,745	14,363	13,969
Interest bearing liabilities					
Leases	869	869	869	869	869
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	869	869	869	869	869
Provisions					
Employees	25,386	27,163	24,447	22,002	22,002
Other provisions	1,496	1,496	1,496	1,496	1,496
Total provisions	26,882	28,659	25,943	23,498	23,498
Total liabilities	43,682	45,655	43,557	38,730	38,336
Net assets	60,963	62,056	63,997	65,211	67,071
EQUITY*					
Contributed equity	43,547	43,547	43,547	43,547	43,547
Reserves	2,291	2,291	2,291	2,291	2,291
Retained surpluses or accumulated deficits	15,125	16,218	18,159	19,373	21,233
Total equity	60,963	62,056	63,997	65,211	67,071
Current assets	93,271	95,781	95,725	91,858	93,071
Non-current assets	11,374	11,930	11,829	12,083	12,336
Current liabilities	37,445	34,241	32,668	29,047	28,752
Non-current liabilities	6,237	11,414	10,889	9,683	9,584

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

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	193,038	195,934	206,893	194,738	194,210
Net GST received	2,165	26,262	27,423	26,187	26,135
Other cash received	736	500	500	500	500
Total cash received	195,939	222,696	234,816	221,425	220,845
Cash used					
Employees	117,020	117,450	126,796	120,891	116,853
Suppliers	55,456	70,614	73,930	71,391	70,319
Competitive neutrality payments	1,319	1,323	1,189	1,189	1,189
Cash to the OPA	25,600	-	-	-	-
Net GST paid	5,022	25,323	27,421	26,186	26,134
Total cash used	204,417	214,710	229,336	219,657	214,495
Net cash from or (used by) operating activities	(8,478)	7,986	5,480	1,768	6,350
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	101	-	-	-	-
Total cash received	101	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	3,589	6,015	5,635	5,635	5,635
Other cash used	-	-	-	-	-
Total cash used	3,589	6,015	5,635	5,635	5,635
Net cash from or (used by) investing activities	(3,488)	(6,015)	(5,635)	(5,635)	(5,635)
Net increase or (decrease) in cash held	(11,966)	1,971	(155)	(3,867)	715
Cash at the beginning of the reporting period	21,682	9,716	11,686	11,529	7,660
Cash at the end of the reporting period	9,716	11,687	11,531	7,662	8,375

Table 3.31: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	15,125	2,291	-	43,547	60,963
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	15,125	2,291	-	43,547	60,963
Income and expense					
Net operating result	1,093	-	-	-	1,093
Total income and expenses	1,093	-	-	-	1,093
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other: Previous Years' Outputs - funding agreement	-	-	-	-	-
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components					
Estimated closing balance as at 30 June 2008	16,218	2,291	-	43,547	62,056

Table 3.32: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	3,589	6,015	5,635	5,635	5,635
Total	3,589	6,015	5,635	5,635	5,635

Table 3.33: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Buildings	Other infrastructure plant and equipment	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007					
Gross book value	558	9,923	3,502	3,808	17,791
Accumulated depreciation	-	(1,754)	(2,629)	(2,163)	(6,546)
Opening net book value	558	8,169	873	1,645	11,245
Additions:					
by purchase	-	2,653	2,355	1,007	6,015
internally developed	-	-	-	508	508
Disposals for non-cash consideration	-	-	-	(55)	(55)
Depreciation/amortisation expense	-	(2,559)	(2,492)	(732)	(5,783)
As at 30 June 2008					
Gross book value	558	12,576	5,857	5,268	24,259
Accumulated depreciation	-	(4,313)	(5,121)	(2,895)	(12,329)
Estimated closing net book value	558	8,263	736	2,373	11,930

CENTRELINK

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CENTRELINK

Section 1: Agency overview and resources; variations and measures

OVERVIEW

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

Centrelink's Purpose is:

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

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

- Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA);
- Australian Government Department of Education, Employment and Workplace Relations (DEEWR);¹
- Australian Government Department of Agriculture, Fisheries and Forestry (DAFF); and
- Australian Government Department of Health and Ageing (DoHA);

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

¹ Although DEEWR is a new Department created following the Administrative Arrangement Orders (AAO) on 3 December 2007, the services Centrelink provides to DEEWR are covered by Business Partnership Agreements with the previous DEST and DEWR. These BPAs are current in relation to the DEEWR services Centrelink provides until a replacement agreement is negotiated.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas	The outcome and output reflect Centrelink's role of delivering specified outputs on behalf of Policy Departments.	Output Group 1.1 Effective and Efficient delivery of Government services.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Increase in estimates (departmental)				
Department of Families, Housing, Community Services and Indigenous Affairs				
Seniors Concession Allowance - increase	1,117	112	112	113
Utilities Allowance - increase and extend eligibility to include all recipients of Disability Support Pension, Service Pension and Carer Payment	10,725	112	112	113
Decrease in estimates (departmental)				
Department of Families, Housing, Community Services and Indigenous Affairs				
Election Commitment Savings: 2 per cent Efficiency Dividend	(3,661)	(14,047)	(14,141)	(14,189)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(1,786)	(3,573)	(5,357)
Department of Education, Employment and Workplace Relations				
Election Commitment Savings: 2 per cent Efficiency Dividend	(4,968)	(21,056)	(21,703)	(21,954)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(2,662)	(5,391)	(8,138)
Department of Agriculture, Fisheries and Forestry				
Election Commitment Savings: 2 per cent Efficiency Dividend	(52)	(91)	(70)	(68)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(25)	(40)	(48)
Department of Health and Ageing				
Election Commitment Savings: 2 per cent Efficiency Dividend	(60)	(241)	(244)	(247)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(30)	(61)	(92)
Department of Immigration and Citizenship				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(1)	-	-
Department of Innovation, Industry, Science and Research				
Election Commitment Savings: 2 per cent Efficiency Dividend	(16)	(101)	(83)	(65)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(13)	(21)	(26)
Direct Appropriation				
Election Commitment Savings: 2 per cent Efficiency Dividend	(199)	(319)	111	161
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(282)	(474)	(751)
Savings for Labor's Better Priorities - Parliament Liason Officers	(212)	(428)	(433)	(437)
Savings for Labor's Better Priorities - Abolition of Access Card	(57,761)	(86,970)	(73,275)	(113,034)
Savings for Labor's Better Priorities - Abolition of Access Card - Capital	(18,294)	-	-	-
Infrastructure				
Election Commitment Savings: 2 per cent Efficiency Dividend	(2,557)	(11,209)	(11,332)	(11,444)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(1,415)	(2,839)	(4,269)
Total of All Variations to Outcomes - Measures	(75,938)	(140,452)	(133,345)	(179,732)

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

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Variations (departmental)				
Department of Families, Housing, Community Services and Indigenous Affairs				
Wage Cost Indices	-	1,384	1,389	2,086
Carer Bonus	1,610	-	-	-
Seniors bonus payment	261	-	-	-
Department of Education, Employment and Workplace Relations				
Wage Cost Indices	-	2,064	2,121	3,211
Drought Package 2007 - assistance for isolated children	764	462	-	-
Department of Agriculture, Fisheries and Forestry				
Wage Cost Indices	-	20	11	10
Drought Package 2007 - additional professional advice and planning	2,628	2,280	741	-
Drought Package 2007 - support for irrigators in the Murray Darling Basin	1,943	1,155	511	-
Drought Package 2007 - re-establishment assistance	2,782	1,465	857	37
Drought assistance - Exceptional Circumstances assistance for primary producers	2,155	527	245	-
Department of Health and Ageing				
Wage Cost Indices	-	24	24	36
Department of Immigration and Citizenship				
Wage Cost Indices	-	-	-	-
Department of Innovation, Industry, Science and Research				
Rephasing for LPG Centrelink Funding	3,853	-	(963)	(963)
Wage Cost Indices	-	10	6	7
Direct Appropriation				
Wage Cost Indices	-	219	149	325
Child Care Management System - Capital	5,430	-	-	-
Regulation reform agenda - electronic forms for general practitioners and reducing red tape for doctors	274	-	-	-
Reinforcing the role of JCAs	134	195	186	188
Infrastructure				
Wage Cost Indices	-	1,097	1,106	1,673
Total of All Variations to Outcomes - Other Variations	21,834	10,902	6,383	6,610

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Families, Housing, Community Services and Indigenous Affairs														
Expense Measures														
Disability assistance - support for people with disabilities, their families and carers ²	1	1	-	6,705	6,705	-	1,278	1,278	-	1,007	1,007	-	878	878
Welfare reform - Cape York trial	1	1	-	1,231	1,231	-	461	461	-	423	423	-	393	393
Equine Influenza - assistance	1	1	-	3,253	3,253	-	-	-	-	-	-	-	-	-
Disaster Relief Funding - Hunter, Central Coast and Gippsland Regions	1	1	-	5,664	5,664	-	156	156	-	-	-	-	-	-
Other Resource Variations														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1	-	(3,661)	(3,661)	-	(14,047)	(14,047)	-	(14,141)	(14,141)	-	(14,189)	(14,189)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(1,786)	(1,786)	-	(3,573)	(3,573)	-	(5,357)	(5,357)

Table 1.4: Summary of measures since the 2007-08 Budget - continued

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Education, Employment and Workplace Relations														
Other Resource Variations														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1	-	(4,968)	(4,968)	-	(21,056)	(21,056)	-	(21,703)	(21,703)	-	(21,954)	(21,954)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(2,662)	(2,662)	-	(5,391)	(5,391)	-	(8,138)	(8,138)
Department of Agriculture, Fisheries and Forestry														
Expense Measures														
Drought Assistance - Exceptional Circumstances assistance for Primary Producers	1	1	-	4,371	4,371	-	3,130	3,130	-	-	-	-	-	-
Drought Assistance - Exceptional Circumstances assistance for Small Businesses	1	1	-	1,537	1,537	-	613	613	-	-	-	-	-	-
Drought Assistance - Interim Income Support for Primary Producers	1	1	-	7,597	7,597	-	948	948	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2007-08 Budget - continued

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Drought Assistance - Interim Income Support for Small Businesses	1	1	-	1,071	1,071	-	128	128	-	-	-	-	-	-
Equine Influenza - assistance	1	1	-	2,272	2,272	-	-	-	-	-	-	-	-	-
Other Resource Variations														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1	-	(52)	(52)	-	(91)	(91)	-	(70)	(70)	-	(68)	(68)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(25)	(25)	-	(40)	(40)	-	(48)	(48)
Department of Health and Ageing														
Other Resource Variations														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1	-	(60)	(60)	-	(241)	(241)	-	(244)	(244)	-	(247)	(247)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(30)	(30)	-	(61)	(61)	-	(92)	(92)
Department of Immigration and Citizenship														
Expense Measures														
Citizenship Test - Administration	1	1	-	947	947	-	233	233	-	-	-	-	-	-
Other Resource Variations														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(1)	(1)	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2007-08 Budget - continued

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Innovation, Industry, Science and Research														
Other Resource Variations														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1	-	(16)	(16)	-	(101)	(101)	-	(83)	(83)	-	(65)	(65)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(13)	(13)	-	(21)	(21)	-	(26)	(26)
Direct Appropriation														
Expense Measures														
Drought Package 2007 - Additional Financial, Social and Emotional Counselling	1	1	-	1,521	1,521	-	1,984	1,984	-	-	-	-	-	-
Other Resource Variations														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1	-	(199)	(199)	-	(319)	(319)	-	111	111	-	161	161
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(282)	(282)	-	(474)	(474)	-	(751)	(751)
Infrastructure														
Other Resource Variations														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1	-	(2,557)	(2,557)	-	(11,209)	(11,209)	-	(11,332)	(11,332)	-	(11,444)	(11,444)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	-	-	-	(1,415)	(1,415)	-	(2,839)	(2,839)	-	(4,269)	(4,269)

Table 1.4: Summary of measures since the 2007-08 Budget - continued

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Infrastructure, Transport, Regional Development and Local Government														
Expense Measures														
Tasmanian freight subsidy arrangements - improved administration	1	1	-	901	901	-	72	72	-	73	73	-	74	74
Total Expense Measures			-	25,557	25,557	-	(44,275)	(44,275)	-	(58,358)	(58,358)	-	(65,142)	(65,142)
Department of Immigration and Citizenship														
Capital Measures														
Citizenship Test - Administration	1	1	-	149	149	-	-	-	-	-	-	-	-	-
Total Capital Measures			-	149	149	-	-	-	-	-	-	-	-	-
Total of All Measures			-	25,706	25,706	-	(44,275)	(44,275)	-	(58,358)	(58,358)	-	(65,142)	(65,142)

Notes:

1. The Government is not proceeding with the following measures announced by the previous government in the 2007 Pre-Election and Fiscal Outlook (PEFO)

Centrelink Call Centre Supplementation

2. The Government has varied this measure announced by the previous government in the 2007 Pre-Election and Fiscal Outlook (PEFO)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas	561,467	657,519	598,719	1,929	(60,729)
Total departmental	561,467	657,519	598,719	1,929	(60,729)
Total	561,467	657,519	598,719	1,929	(60,729)

Note: Centrelink receives direct appropriation for Infrastructure costs and Centrelink coordinated Budget measures. In 2007-08, Centrelink has \$598.72m directly appropriated as reported in Table 1.5. Previous direct appropriations were costed at \$657.52m. The net reduction in direct appropriation of \$58.80m is attributed to the following:

- Regulation Reform Agenda -electronic forms for general practitioners and reducing red tape for doctors: \$0.27m. This relates to 2006-07 Additional Estimates direct appropriation which was excluded in the Appropriation Bill (No 3) 2006-07.
- Drought Package 2007 - additional financial, social and emotional counselling: \$1.52m
- Job Capacity Assessment - Reinforcing the role: \$0.13m
- Savings for Labor's Better Priorities - Abolition of Access Card: (\$57.76m)
- Savings for Labor's Better Priorities - Parliament Liason Officers: (\$0.21m)
- Election Commitment Savings: 2 per cent Efficiency Dividend: (\$2.75m)

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	40,309	39,864	27,149	5,649	(18,364)
Previous years' outputs	-	2,232	2,232	-	-
Total non-operating	40,309	42,096	29,381	5,649	(18,364)
Total	40,309	42,096	29,381	5,649	(18,364)

Note: Centrelink receives direct appropriations for funding relating to equity injections. In 2007-08, Centrelink has \$29.38m appropriated as an equity injection as reported in Table 1.6. The implementation of previous budget measures were costed at \$42.10m. The net reduction in equity injection of \$12.72m is attributed to the following:

- Child Care Management System: \$5.43m. This relates to 2006-07 Additional Estimates direct appropriation which was excluded in the Appropriation Bill (No 4) 2006-07.
- Commonwealth Disability Package: \$0.07m
- Citizenship test - administration: \$0.15m
- Reversal of Commonwealth Disability Package: (\$0.07m)
- Savings for Labor's Better Priorities - Abolition of Access Card: (\$18.29m)

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Outcome 1			
Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas	25,230	24,900	(330)
Total	25,230	24,900	(330)

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of resources obtained by Centrelink for provision of services. These resources are approved for collection and for use by Centrelink under Section 20 of the *Financial Management and Accountability Act 1997*.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other receipts		
Revenue from Ordinary activities	1,995,495	2,134,267
Total	1,995,495	2,134,267

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

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

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

Australian Government Department of Families, Housing, Community Services and Indigenous Affairs

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

Australian Government Department of Education, Employment and Workplace Relations

- *Social Security (Administration) Act 1999*
- *Social Security Act 1991*
- *The Student Assistance Act 1973*

Australian Government Department of Agriculture, Fisheries and Forestry

- *Farm Household Support Act 1992*

Details of legislation and policy contexts are included in Table 1.9 of respective Policy Departments 2007 - 08 Portfolio Additional Estimates Statements.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 ⁽¹⁾ 2006-07 ⁽¹⁾ (\$'000)	Receipts 2007-08 2006-07 (\$'000)	Payments 2007-08 2006-07 (\$'000)	Closing Balance 2007-08 2006-07 (\$'000)
Centrelink Special Account - s20 FMA Act 1997 (D) ⁽²⁾	1	223,894	2,887,192	(2,857,980)	253,106
		217,473	2,686,885	(2,680,464)	223,894
Assets held in Trust - COMCARE (T)		3,590	7,000	(7,200)	3,390
		3,391	6,908	(6,709)	3,590
Other Trust Monies - CSDA - s20 FMA Act 1997 (T)		454	2,354	(2,134)	674
		331	1,078	(955)	454
Total special accounts		227,938	2,896,546	(2,867,314)	257,170

D = Departmental;
T = Assets held in Trust

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

Note 1: The actuals for 2006-07 have been updated to reflect the final budget outcome for that year.

Note 2: The opening and closing balances in Table 1.10 for the Centrelink Special Account reflect cash at bank and cash receivable from the Official Public Account.

Section 2: Revisions to agency outcomes

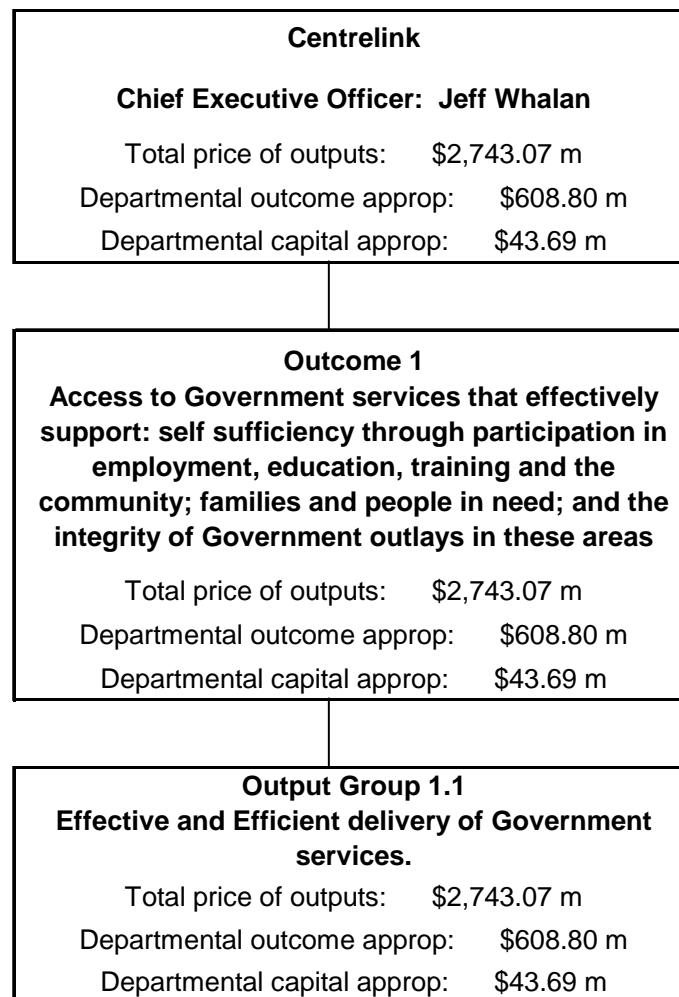
OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

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

Table 1.1 ‘Agency outcomes and outputs groups’ lists the outcome statement and output group for Centrelink.

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

Figure 3: Outcome and output structure for Centrelink



Revised performance information — 2007-08

Table 2.1 below lists the performance information that Centrelink will use to assess the achievement of its Outcome during 2007-08. Achievement against planned performance will be reported in the Centrelink Annual Report.

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

Performance indicators for administered items including third party outputs	
N/A	N/A
Performance indicators for individual outputs	
N/A	N/A
Output group 1: Effective and Efficient Delivery of Government services.	
Output group 1.1 Effective and Efficient Delivery of Government services.	
Strategic Theme	Top Level Key Performance Indicator
Building confidence in Centrelink	The extent to which Policy Departments' Key Performance Indicators are achieved
Strengthening our customer focus in line with Government direction	The extent to which service delivery contributes to Government outcomes and improves customer service
Developing a networked organisation	Partnerships with other agencies to deliver services
Building capability for Government	Level of workforce and systems capability
Demonstrating value for money	Cost of services delivered

Summary of Future Revenue

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
FaCS	889,199	699,715	702,237	702,750
DEEWR	1,083,224	1,032,523	1,061,153	1,071,759
DoHA	13,188	11,807	11,926	12,028
DAFF	38,093	14,698	5,773	3,306
DITR	8,074	4,928	3,083	2,189
DIAC	1,206	495	-	-
Subtotal Service Delivery	2,032,984	1,764,166	1,784,172	1,792,032
Departmental Appropriations ¹	608,799	566,879	548,215	550,304
Revenue from other sources ²	101,283	84,715	79,148	79,527
Total	2,743,066	2,415,760	2,411,535	2,421,863

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

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

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

At this stage based on current information and prior end of year Centrelink Funding Model (CFM) reconciliation Centrelink is budgeting for break-even operating results for 2007-08 and for the forward years.

Total revenue for 2007-08 has increased primarily due to 2007-08 Additional Estimates initiatives offset by the termination of Budget measure relating to the Health and Social Services Access Card to the Department of Human Services.

Revenue movements are detailed in Table 1.2, Table 1.3 and Table 1.4.

Budgeted departmental balance sheet

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

Budgeted departmental statement of cash flows

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

Positive cash positions have been forecast for 2007-08 and each of the forward years. It is anticipated that Centrelink will have cash holding of approximately \$19.37 million as at 30 June 2008 with \$233.74 million cash receivable from the Official Public Account.

Departmental statement of changes in equity – summary of movement

This statement shows the expected closing balance and movement in equity for Centrelink. Movements are due to changes in equity injections as per Table 1.6 – Appropriation Bill (No 4) 2007-08.

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 2006-07 \$'000	Revised Budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	563,699	608,799	566,879	548,215	550,304
Goods and services	1,939,350	2,130,921	1,845,400	1,859,697	1,867,791
Other	542	-	-	-	-
Total revenue	2,503,591	2,739,720	2,412,279	2,407,912	2,418,095
Gains					
Net gains from sale of assets	574	-	-	-	-
Other	6,866	3,346	3,481	3,623	3,768
Total gains	7,440	3,346	3,481	3,623	3,768
Total income	2,511,031	2,743,066	2,415,760	2,411,535	2,421,863
EXPENSE					
Employees	1,586,289	1,767,094	1,389,538	1,360,345	1,330,909
Suppliers	783,767	812,678	862,752	889,446	930,271
Depreciation and amortisation	116,519	147,294	162,470	160,744	159,683
Write-down of assets and impairment of assets	16,669	16,000	1,000	1,000	1,000
Total expenses	2,503,244	2,743,066	2,415,760	2,411,535	2,421,863
Net operating result	7,787	-	-	-	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	19,894	19,369	21,650	20,853	21,677
Receivables	256,883	250,140	270,406	303,011	347,623
Total financial assets	276,777	269,509	292,056	323,864	369,300
Non-financial assets					
Land and buildings	117,954	190,888	206,048	201,238	195,714
Infrastructure, plant and equipment	114,701	154,020	149,465	163,372	156,508
Intangibles	249,463	234,191	236,915	232,101	239,137
Assets held for sale	98	98	98	98	98
Other	80,418	44,892	44,646	44,646	44,646
Total non-financial assets	562,634	624,089	637,172	641,455	636,103
Total assets	839,411	893,598	929,228	965,319	1,005,403
LIABILITIES					
Payables					
Suppliers	46,555	47,705	49,149	51,604	53,951
Other payables	71,428	52,998	54,023	56,024	59,157
Total payables	117,983	100,703	103,172	107,628	113,108
Provisions					
Employees	421,768	454,326	489,293	522,390	558,285
Other provisions	16,875	14,324	12,418	10,956	9,665
Total provisions	438,643	468,650	501,711	533,346	567,950
Total liabilities	556,626	569,353	604,883	640,974	681,058
EQUITY					
Parent entity interest					
Contributed equity	259,581	301,041	301,141	301,141	301,141
Reserves	23,505	23,505	23,505	23,505	23,505
Accumulated deficits	(301)	(301)	(301)	(301)	(301)
Total parent entity interest	282,785	324,245	324,345	324,345	324,345
Total equity	282,785	324,245	324,345	324,345	324,345
Current assets	346,680	303,886	326,187	379,025	424,461
Non-current assets	492,731	589,713	603,041	586,294	580,942
Current liabilities	481,193	485,117	518,283	551,969	589,113
Non-current liabilities	75,433	84,236	86,600	89,005	91,945

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,983,710	2,147,662	1,850,717	1,866,285	1,875,111
Appropriations	561,467	608,799	566,879	548,215	550,304
Net GST received	78,073	87,039	69,482	77,995	79,790
Total cash received	2,623,250	2,843,500	2,487,078	2,492,495	2,505,205
Cash used					
Employees	1,607,621	1,767,157	1,387,071	1,359,798	1,327,614
Suppliers	857,431	830,548	900,867	934,976	976,941
Cash Transferred to the Official Public Account	34,000	29,737	20,160	32,489	44,495
Total cash used	2,499,052	2,627,442	2,308,098	2,327,263	2,349,050
Net cash from operating activities	124,198	216,058	178,980	165,232	156,155
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,255	-	-	-	-
Total cash received	1,255	-	-	-	-
Cash used					
Purchase of property, plant and equipment	146,958	198,353	111,407	108,732	87,487
Other cash used	68,454	61,922	65,392	57,297	67,844
Total cash used	215,412	260,275	176,799	166,029	155,331
Net cash used by investing activities	(214,157)	(260,275)	(176,799)	(166,029)	(155,331)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	62,380	43,692	100	-	-
Total cash received	62,380	43,692	100	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	62,380	43,692	100	-	-
Net increase or (decrease) in cash held	(27,579)	(525)	2,281	(797)	824
Cash at the beginning of the reporting period	47,473	19,894	19,369	21,650	20,853
Cash at the end of the reporting period	19,894	19,369	21,650	20,853	21,677

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007				
Balance carried forward from previous period	(301)	23,505	259,581	282,785
Adjusted opening balance	(301)	23,505	259,581	282,785
Income and expense				
Net operating result	-	-	-	-
Total income and expenses	-	-	-	-
Transactions with owners				
<i>Contribution by owners</i>				
Appropriation (equity injection)	-	-	44,832	44,832
Other: adjustment to Equity due to Abolition of Access Card ⁽¹⁾	-	-	(3,372)	(3,372)
Total transactions with owners	-	-	41,460	41,460
Estimated closing balance as at 30 June 2008	(301)	23,505	301,041	324,245

Note 1: Centrelink recognised \$3.37 profit in 2006-07 in relation to the Appropriation revenue relating to the Access Card Budget measure, which was terminated on 30 December 2007.

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	40,309	41,460	100	-	-
Appropriation of Previous Year					
Accrued Revenue	-	2,232	-	-	-
Total capital appropriations	40,309	43,692	100	-	-
Represented by:					
Purchase of non-financial assets	40,309	41,460	100	-	-
Other	-	2,232	-	-	-
Total represented by	40,309	43,692	100	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	40,309	41,460	100	-	-
Funded internally by					
Departmental resources	178,782	218,815	176,699	166,029	155,331
Total	219,091	260,275	176,799	166,029	155,331

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007					
Gross book value	2,490	198,179	253,367	456,230	910,266
Accumulated depreciation	-	(82,715)	(138,666)	(206,767)	(428,148)
Opening net book value	2,490	115,464	114,701	249,463	482,118
Additions:					
by purchase	-	109,467	88,886	18,987	217,340
internally developed	-	-	-	42,935	42,935
Depreciation/amortisation expense	-	(36,333)	(49,267)	(61,694)	(147,294)
Disposals:					
other disposals	-	(200)	(300)	(15,500)	(16,000)
As at 30 June 2008					
Gross book value	2,490	307,446	341,953	502,652	1,154,541
Accumulated depreciation	-	(119,048)	(187,933)	(268,461)	(575,442)
Estimated closing net book value	2,490	188,398	154,020	234,191	579,099

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

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

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

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

MEDICARE AUSTRALIA

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MEDICARE AUSTRALIA

Section 1: Agency overview and resources; variations and measures

OVERVIEW

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

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

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

Medicare Australia is developing the Unique Healthcare Identifier (UHI) System under contract to the National E-Health Transition Authority. The UHI system, which will generate healthcare identifiers for patients, healthcare providers and healthcare locations, is aimed at facilitating the development of electronic health records in Australia.

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

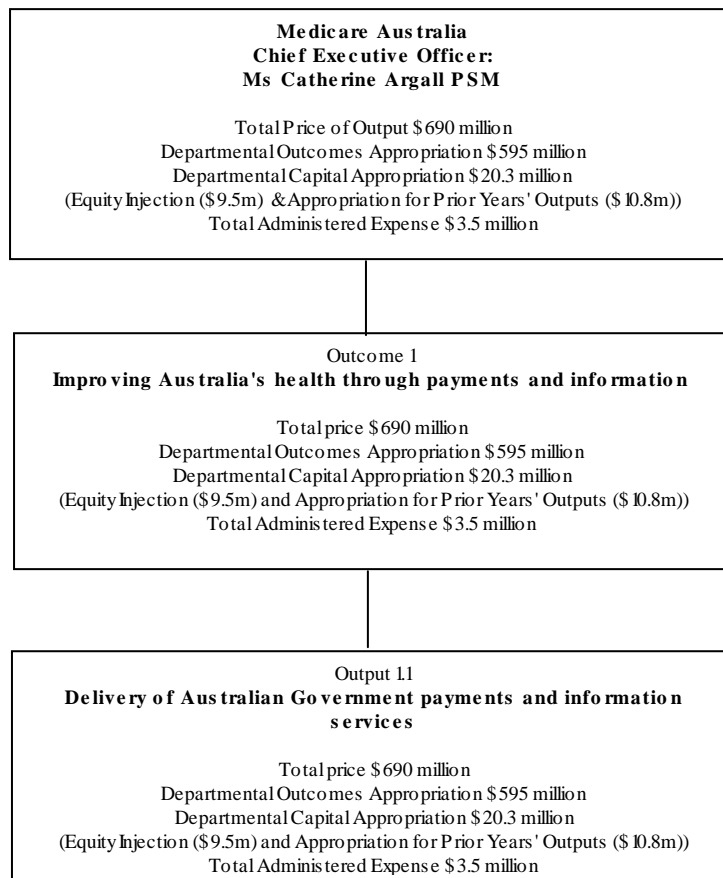
Medicare Australia administers community rebate and reimbursement schemes, such as the Higher Education Contribution Scheme Reimbursement Scheme, the Private Health Insurance Rebate and the LPG Vehicle Scheme.

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

Agency Additional Estimates Statements – Medicare Australia

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

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



Medicare Australia's departmental appropriations fund the management and infrastructure supporting the delivery of services. Payments to the community are funded within the appropriations of relevant portfolio departments.

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

Revenue for services provided is also received from the Department of Veterans' Affairs, the Department of Families, Housing, Community Services and Indigenous Affairs, Centrelink, the Health Department of Western Australia, and for rent of facilities and sale of statistics.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Improving Australia's health through payments and information.	Medicare Australia administers Medicare and delivers a comprehensive range of health information and payment services, increasing consumers' access to government programs. Medicare Australia uses the national Medicare Office network, its State offices and, increasingly, electronic services to facilitate access to its payment and information services.	Delivery of Australian Government payments and information services.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Increase in estimates (departmental)				
Medicare Benefit Schedule - changes to referral arrangements to allow General Practitioners to refer for Medicare eligible Knee and Brain Magnetic Resonance Imaging Services	9	28	29	30
Extension to the listing of Remicade® (Infliximab)	8	1	1	1
Listing of Topamax® (Topiramate)	15	26	27	28
Listing of Renagel® (Sevelamer)	5	12	16	18
Decrease in estimates (departmental)				
Election Commitment Savings: 2 per cent Efficiency Dividend	(2,667)	(11,374)	(11,706)	(12,169)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(1,615)	(3,280)	(5,068)
Total of all variations to outcomes - Measures	(2,630)	(12,922)	(14,913)	(17,160)

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

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Variations - departmental				
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package	7,830	3,835	1,944	365
Energy Initiatives - liquified petroleum gas vehicle purchase and conversion rebate	749	-	-	-
Reinstate capital funding for new measures allocated at the 2006-07 Additional Estimates	2,220	-	-	-
WCI Adjustment	-	1,192	1,258	2,082
Resources available at Additional Estimates	10,799	5,027	3,202	2,447

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Department of Human Services														
Expense Measures														
Medicare rebates - electronic claiming incentive package	1	1	3,492	4,188	7,680	5,064	3,129	8,193	2,004	2,092	4,096	-	1,152	1,152
Savings for Labor's Better Priorities - Abolition of Access Card	1	1	-	(5,588)	(5,588)	-	(62,632)	(62,632)	-	(68,703)	(68,703)	-	(97,414)	(97,414)
Savings for Labor's Better Priorities - Parliamentary Liaison Officers	1	1	-	(5)	(5)	-	(10)	(10)	-	(10)	(10)	-	(10)	(10)
Cross Portfolio														
Expense Measures														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1		(2,667)	(2,667)		(11,374)	(11,374)		(11,706)	(11,706)		(12,169)	(12,169)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1		-			(1,615)	(1,615)		(3,280)	(3,280)		(5,068)	(5,068)
Department of Health & Ageing														
Expense Measures														
Children with autism spectrum disorders - Support for families and carers	1	1	-	163	163	-	234	234	-	252	252	-	165	165
Medicare Benefit Schedule - changes to referral arrangements to allow General Practitioners to refer for Medicare eligible Knee and Brain Magnetic Resonance Imaging Services	1	1	-	9	9	-	28	28	-	29	29	-	30	30
Medicare Benefits Schedule - new and revised listings	1	1	-	168	168	-	120	120	-	200	200	-	228	228
Better Dental Care - Medicare Teen Dental Plan	1	1	-	1,132	1,132	-	769	769	-	814	814	-	902	902

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Table 1.4: Summary of measures since the 2007-08 Budget (continued)

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Pharmaceutical Benefits Scheme														
Extension to the listing of Remicade® (Infliximab)	1	1	-	217	217	-	279	279	-	279	279	-	280	280
Extension to the listing of Remicade® (Infliximab)	1	1	-	8	8	-	1	1	-	1	1	-	1	1
Extension to the listing of Taxotere® (Docataxel)	1	1	-	14	14	-	23	23	-	28	28	-	33	33
Listing of Lucentis and Visudyne	1	1	-	963	963	-	1,123	1,123	-	1,154	1,154	-	1,272	1,272
Listing of Topamax® (Topiramate)	1	1	-	15	15	-	26	26	-	27	27	-	28	28
Listing of Renagel® (Sevelamer)	1	1	-	5	5	-	12	12	-	16	16	-	18	18
Minor new listings	1	1	-	272	272	-	439	439	-	394	394	-	400	400
Department of Immigration & Citizenship														
Expense Measures														
Citizenship Testing - administration	1	1	-	927	927	-	378	378	-	-	-	-	-	-
Total Expense Measures			3,492	(179)	3,313	5,064	(69,070)	(64,006)	2,004	(78,413)	(76,409)	-	(110,152)	(110,152)
Department of Human Services														
Capital Measures														
Medicare rebates - electronic claiming incentive package	1	1	-	632	632	-	-	-	-	-	-	-	-	-
Savings for Labor's Better Priorities - Abolition of Access Card	1	1	-	(5,197)	(5,197)	-	(148)	(148)	-	(148)	(148)	-	(300)	(300)
Total Capital Measures			-	(4,565)	(4,565)	-	(148)	(148)	-	(148)	(148)	-	(300)	(300)
Total of All Measures			3,492	(4,744)	(1,252)	5,064	(69,218)	(64,154)	2,004	(78,561)	(76,557)	-	(110,452)	(110,452)

Notes:

1. The Government is not proceeding with the following measures announced by the previous government in the 2007-08 Mid Year

Economic and Fiscal Outlook (MYEFO) and in the 2007 Pre-Election and Fiscal Outlook (PEFO):

- Magnetic Resonance Imaging - improved access. (Introduction of 11 new MRI units.)

- Dental treatment - enhanced Medicare items for patients with chronic and complex conditions. (500 new items on the Medicare Benefits Schedule.)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Improving Australia's health through payments and information.	543,631	586,176	595,241	19,406	10,341
Total	543,631	586,176	595,241	19,406	10,341
Total administered and departmental	543,631	586,176	595,241	19,406	10,341

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
OTHER ADMINISTERED ITEMS					
Outcome 1					
Medicare rebates electronic claiming incentive package - Software Incentive Payment	-	-	3,492	3,492	-
Total	-	-	3,492	3,492	-
DEPARTMENTAL OUTPUTS					
Non-operating					
Equity injections					
Health and Social Services Access Card - introduction	8,367	6,644	1,447	-	5,197
COAG Mental Health - better access to psychiatrists, psychologists and general practitioners through the Medicare Benefits schedule	201	-	-	-	-
Private Health Insurance - e-commerce partnerships	2,099	1,495	1,495	-	-
Medicare rebates - electronic claiming via EFTPOS	-	209	1,878	1,669	-
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package	-	350	901	551	-
Community Pharmacy Agreement - implementation of programmes	-	1,473	1,473	-	-
Medications management	-	713	713	-	-
Pharmaceutical Benefits Scheme - prescribing rights for optometrists	-	375	375	-	-
Rural Retention Programme - continued and increased funding	-	385	385	-	-
National Immunisation Programme - rotavirus vaccine	-	133	133	-	-
Dental Treatment - enhanced Medicare items for patients with chronic and complex conditions	-	53	51	-	2
Medicare rebates electronic claiming incentive package - 90 Day Chq - Specialists, Pathologists & Radiologists	-	-	146	146	-
Medicare rebates electronic claiming incentive package - Per transaction incentive payment	-	-	259	259	-
Medicare rebates electronic claiming incentive package - One off incentive payment - no upgrade	-	-	227	227	-
Previous years' outputs	-	10,784	10,784	-	-
Total non-operating	10,667	22,614	20,267	2,852	5,199
Medicare Australia					
Total	10,667	22,614	23,759	6,344	5,199

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Outcome 1			
Improving Australia's health through payments and information.	5,146	5,236	90
Total	5,146	5,236	90

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts available to be used and includes FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other receipts		
Department of Veterans' Affairs	17,609	17,609
Department of Health and Ageing	17,632	23,396
Department of Families, Housing, Community Services and Indigenous Affairs	8,000	8,834
Centrelink	14,000	14,000
Health Department of Western Australia	1,183	1,183
National E-Health Transition Authority (NEHTA)	-	22,315
Other	7,533	7,533
Gains	350	350
Total departmental other receipts available to be used	66,307	95,220
Administered other receipts		
	-	-
Total administered other receipts available to be used	-	-

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

Medicare Australia has no expenses from special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance	Receipts	Payments	Adjustments ⁽²⁾	Closing Balance
		2007-08⁽¹⁾ 2006-07 ⁽¹⁾ (\$'000)	2007-08 2006-07 (\$'000)	2007-08 2006-07 (\$'000)	2007-08 2006-07 (\$'000)	2007-08 2006-07 (\$'000)
Recovery of Compensation for Health Care and other Services Special Account - s20 FMA Act, 1997 (A)	1	33,403	202,607	196,611	0	39,399
		31,545	191,557	189,698	0	33,403
Other Trust Monies Special Account - s20 FMA Act, 1997 (D)	1	230	959	884	0	305
		177	1,213	1,161	0	230
Total special accounts		33,633	203,566	197,495	0	39,704
		31,722	192,770	190,859	-	33,633

D = Departmental

A = Administered

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

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

Medicare Australia has a single outcome and output.

Outcome: Improving Australia's health through payments and information

Output: Delivery of Australian Government payments and information services.

Revised performance information — 2007-08

The performance information for the Agency remains unchanged from that specified in the 2007-08 Portfolio Budget Statements.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

BUDGETED FINANCIAL STATEMENTS

Budgeted departmental income statement

The income estimate for the current budget year is \$690.5m which represents a \$38.2m increase from \$652.3m at Budget. This is mainly attributable to additional contract revenue of \$22.3m as a result of the partnership with the National E-Health Transition Authority (NEHTA), additional appropriations of \$9.1m for new measures and additional revenue of \$5.8m from the Department of Health and Ageing (DoHA) for the delivery of services. The increase in appropriations of \$9.1m is a net figure combining new measures and measures removed – predominantly Access Card.

The total departmental expenditure estimate for the Agency has increased to reflect expenses associated with the delivery of additional services mentioned above.

There is a general decrease in revenue and expenditure across the forward years resulting from the removal of Access Card funding.

Budgeted departmental balance sheet

Medicare Australia's budgeted net asset position is \$149.3m. Assets have increased due to investment in property fitout and internally developed software. Liabilities have increased due mainly to increases in payables to suppliers and provisions for employees.

Departmental financial statements

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	554,415	595,241	567,291	578,818	598,155
Goods and services	71,075	94,070	91,753	84,145	82,025
Other	-	800	800	800	800
Total revenue	625,490	690,111	659,844	663,763	680,980
Gains					
Other	511	350	350	350	350
Total gains	511	350	350	350	350
Total income	626,001	690,461	660,194	664,113	681,330
EXPENSE					
Employees	360,260	356,074	330,386	319,261	332,127
Suppliers	210,667	285,660	281,334	296,266	305,205
Grants					
Subsidies					
Depreciation and amortisation	48,247	48,727	48,474	48,586	43,998
Finance costs					
Write-down of assets and impairment of assets	2,569	-	-	-	-
Net losses from sale of assets	1,720	-	-	-	-
Net foreign exchange losses	16	-	-	-	-
Other	186	-	-	-	-
Total expenses	623,665	690,461	660,194	664,113	681,330
Share of operating results of associates and joint ventures accounted for using the equity method	-				
Operating result before Income Tax					
Income Tax expense	-				
Net operating result	2,336	-	-	-	-
Operating result					
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	2,336	-	-	-	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,115	5,115	5,115	5,115	5,115
Receivables	148,324	159,788	156,869	166,403	177,062
Accrued revenues	2,650	2,650	2,650	2,650	2,650
Total financial assets	156,089	167,553	164,634	174,168	184,827
Non-financial assets					
Land and buildings	56,174	65,314	68,410	68,122	67,098
Infrastructure, plant and equipment	590	10,523	9,375	8,118	7,438
Heritage and cultural assets	82	82	82	82	82
Intangibles	68,539	69,544	63,389	55,216	50,665
Other	10,516	10,516	10,516	10,516	10,516
Total non-financial assets	135,901	155,979	151,772	142,054	135,799
Total assets	291,990	323,532	316,406	316,222	320,626
LIABILITIES					
Payables					
Suppliers	58,236	68,414	67,457	70,038	71,198
Other payables	851	627	593	593	593
Total payables	59,087	69,041	68,050	70,631	71,791
Interest bearing liabilities					
Loans	13,662	13,662	13,662	13,662	13,662
Total interest bearing liabilities	13,662	13,662	13,662	13,662	13,662
Provisions					
Employees	85,670	86,991	80,856	78,091	81,335
Other provisions	4,558	4,558	4,558	4,558	4,558
Total provisions	90,228	91,549	85,414	82,649	85,893
Liabilities included in disposal groups held for sale					
Total liabilities	162,977	174,252	167,126	166,942	171,346
EQUITY*					
Parent entity interest					
Contributed equity	135,474	155,741	155,741	155,741	155,741
Reserves	24	24	24	24	24
Statutory funds					
Retained surpluses or accumulated deficits	(6,485)	(6,485)	(6,485)	(6,485)	(6,485)
Total parent entity interest	129,013	149,280	149,280	149,280	149,280
Total equity	129,013	149,280	149,280	149,280	149,280
Current assets	166,605	178,069	175,150	184,684	195,343
Non-current assets	125,385	145,463	141,256	131,538	125,283
Current liabilities	145,795	139,629	139,878	143,775	-
Non-current liabilities	28,457	27,497	27,064	27,571	-

*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 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	64,764	86,770	92,908	86,229	82,755
Appropriations	543,121	590,853	569,021	567,200	586,766
Net GST received	27,329	15,326	15,326	15,326	15,326
Other cash received	-	800	800	800	800
Total cash received	635,214	693,749	678,055	669,555	685,647
Cash used					
Employees	344,907	354,753	336,521	322,026	328,883
Suppliers	212,859	284,862	281,941	293,335	303,695
Net GST paid	28,211	15,326	15,326	15,326	15,326
Total cash used	585,977	654,941	633,788	630,687	647,904
Net cash from or (used by) operating activities	49,237	38,808	44,267	38,868	37,743
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	50,230	59,075	44,267	38,868	37,743
Total cash used	50,230	59,075	44,267	38,868	37,743
Net cash from or (used by) investing activities	(50,230)	(59,075)	(44,267)	(38,868)	(37,743)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,327	20,267	-	-	-
Total cash received	1,327	20,267	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	1,327	20,267	-	-	-
Net increase or (decrease) in cash held	334	-	-	-	-
Cash at the beginning of the reporting period	4,781	5,115	5,115	5,115	5,115
Effect of exchange rate movements on cash at the beginning of reporting period					
Cash at the end of the reporting period	5,115	5,115	5,115	5,115	5,115

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	(6,485)	24	-	135,474	129,013
Adjusted opening balance	(6,485)	24	-	135,474	129,013
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Sub-total income and expense attributable to Australian Government	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	9,483	9,483
Other:					
Appropriation of Previous Year Accrued Revenue	-	-	-	10,784	10,784
Sub-total transactions with owners	-	-	-	20,267	20,267
Estimated closing balance as at 30 June 2008	(6,485)	24	-	155,741	149,280

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	10,667	9,483			
Appropriation of Previous Year Accrued		10,784			
Total capital appropriations	10,667	20,267	-	-	-
Represented by:					
Purchase of non-financial assets	10,667	9,483			
Other		10,784			
Total represented by	10,667	20,267	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	10,667	9,483			
Funded internally by					
Departmental resources	46,892	48,512	40,046	38,191	37,743
Total	57,559	57,995	40,046	38,191	37,743

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value			116,897		1,588	82	117,973		236,540
Accumulated depreciation			(60,723)		(998)	-	(49,434)		(111,155)
Opening net book value	-	-	56,174	-	590	82	68,539	-	125,385
Additions:									
by purchase			27,855		11,099	-	29,851		68,805
by finance lease									-
internally developed									-
from acquisitions of entities or operations (including restructuring)									-
Revaluations and impairment through equity									-
Reclassifications									-
Depreciation/amortisation expense			(18,715)		(1,166)	-	(28,846)		(48,727)
Impairments recognised in operating result									
Other movements									
Disposals:									
from disposal of entities or operations (including restructuring)									
other disposals									
As at 30 June 2008									
Gross book value	-	-	144,752	-	12,687	82	147,824	-	305,345
Accumulated depreciation	-	-	(79,438)	-	(2,164)	-	(78,280)	-	(159,882)
Estimated closing net book value	-	-	65,314	-	10,523	82	69,544	-	145,463

Schedule of administered activity

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
	-	-	-	-	-
Total non-taxation	-	-	-	-	-
Total revenues administered on behalf of Government	-	-	-	-	-
Gains					
	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants		3,492	5,074	2,008	-
Total expenses administered on behalf of Government	-	3,492	5,074	2,008	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents [this can include investments including s.39 FMA Act]					
Receivables		873	1,266	501	-
Investments (s.39 FMA Act)					
Accrued revenues					
Other financial assets					
Total financial assets	-	873	1,266	501	-
Total assets administered on behalf of Government	-	873	1,266	501	-
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers					
Grants and subsidies		873	1,266	501	-
Dividends					
Borrowing costs					
Personal benefits payable					
Taxation refunds due					
Other payables					
Total payables	-	873	1,266	501	-
Liabilities included in disposal groups held for sale					
Total liabilities administered on behalf of Government	-	873	1,266	501	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Grant payments		2,619	4,681	2,773	501
Total cash used	-	2,619	4,681	2,773	501
Net cash from operating activities	-	(2,619)	(4,681)	(2,773)	(501)
Net increase or (decrease) in cash held	-	(2,619)	(4,681)	(2,773)	(501)
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- appropriations		2,619	4,681	2,773	501
- special accounts					
Transfers from other entities (Finance - Whole of Government)					
Cash to Official Public Account for:					
- appropriations					
- special accounts					
Transfers to other entities (Finance - Whole of Government)					
Effect of exchange rate movements on cash at beginning of reporting period					
Cash at end of reporting period	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

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

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

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

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include

Glossary

	computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Intermediate outcomes	More specific medium-term impacts (for example, trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. (<i>see outcomes</i>)
Operating result	Equals revenue less expense.

Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (<i>Financial Management and Accountability (FMA) Act 1997</i> , subsection 20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the

Glossary

Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 of the FMA Act).

Special Appropriations
(including Standing
Appropriations)

An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations are a sub-category consisting of ongoing special appropriations— the amount appropriated will depend on circumstances specified in the legislation.