

**PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS 2012-13**

HUMAN SERVICES PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2012-13



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**SENATOR THE HON KIM CARR**  
**MINISTER FOR HUMAN SERVICES**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President,  
Dear Madam Speaker,

I hereby submit Portfolio Additional Estimates Statements in support of the 2012-13 Additional Estimates for the Human Services portfolio.

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kim Carr', with a long horizontal line extending from the end of the signature.

**Kim Carr**

## **Abbreviations and conventions**

The following notations may be used:

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nfp	not for publication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

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

## **ENQUIRIES**

Should you have any enquiries regarding this publication please contact Darren Box, Chief Financial Officer in the Department of Human Services on (02) 6223 4433.

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

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



# USER GUIDE

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

The PAES facilitates understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2012-13. 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 2012-13* 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 updates the most recent budget appropriations for agencies within the portfolio.

# Structure of the Portfolio Additional Estimates Statements

The PAES is presented in three parts with subsections.

## User guide

Provides a brief introduction explaining the purpose of the PAES.

## Portfolio overview

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

## Agency additional estimates statements

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

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



# PORTFOLIO OVERVIEW

## Minister and portfolio responsibilities

On 1 July 2011 the *Human Services Legislation Amendment Act 2011* integrated the services of Medicare Australia and Centrelink into the Department of Human Services (the Department).

The Department provides policy advice on service delivery matters to government to ensure effective, innovative and efficient implementation of government service delivery. The Department delivers a range of government and other payments and services to Australians, including through its three main programs:

- **Medicare** 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.
- **Centrelink** delivers a range of government payments and services for retirees, the unemployed, families, carers, parents, people with disabilities, Indigenous Australians, and people from diverse cultural and linguistic backgrounds, and provides services at times of major change.
- **Child Support** provides support to separated parents to provide the financial and emotional support necessary for their children's wellbeing.

The Department also delivers other programs including CRS Australia, the Healthcare Identifiers Service, the Small Business Superannuation Clearing House and Early Release of Superannuation.

## Human Services Agencies

The Human Services Portfolio comprises the Department of Human Services which is a General Government Sector entity and Australian Hearing which is a non-General Government Sector entity, as shown in Figure 1.

**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 young Australians up to the age of 26, eligible adults and aged pensioners, and most war veterans.

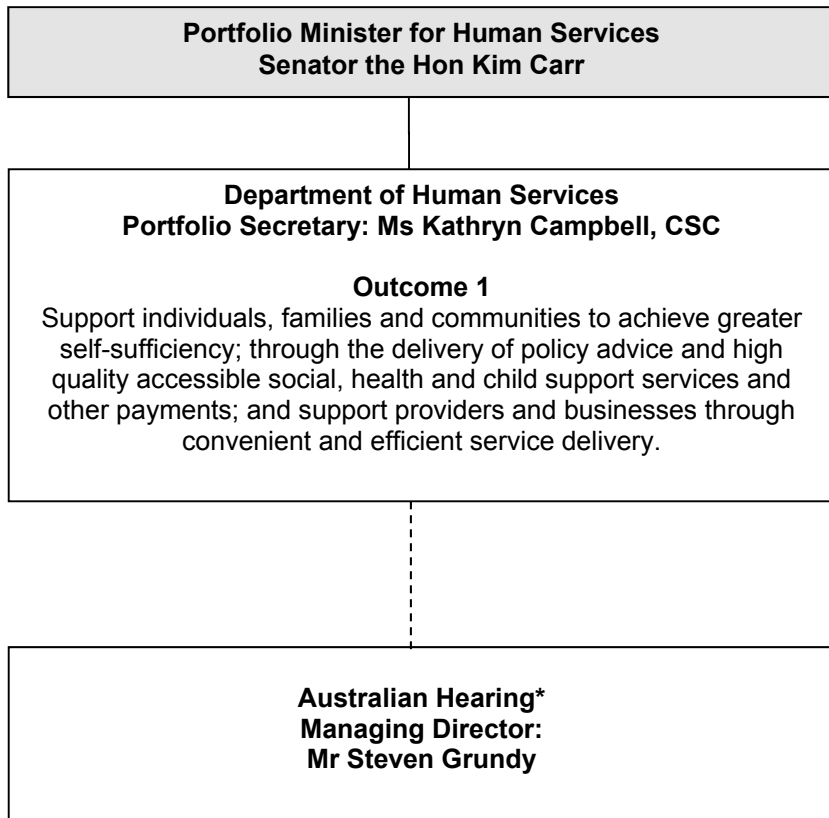
As required under Section 12 of the *Charter of Budget Honesty Act 1998*, non-General Government Sector entities are not consolidated into the Commonwealth General Government Sector fiscal estimates. These entities are not reported in the Portfolio Budget Statements or Portfolio Additional Estimates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

*Portfolio Overview*

More comprehensive information on activities undertaken within the Department is available on the following web site:

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

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



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

## Portfolio resources

Table 1 shows the additional resources provided to the portfolio in the 2012-13 budget year, by agency for those agencies reporting in the Portfolio Additional Estimates Statements.

**Table 1: Portfolio resources 2012-13**

	Appropriation			Receipts	Total
	Bill No. 3 \$m	Bill No. 4 \$m	Special \$m	\$m	\$m
<b>Department of Human Services</b>					
Administered appropriations	-	-	-	96.8	96.8
Departmental appropriations	31.4	5.2	-	-	36.6
<b>Total:</b>	<b>31.4</b>	<b>5.2</b>	<b>-</b>	<b>96.8</b>	<b>133.4</b>
<b>Portfolio total</b>					<b>133.4</b>
	<b>Additional resources available within portfolio:</b>				<b>133.4</b>



# **AGENCY ADDITIONAL ESTIMATES STATEMENTS**

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# DEPARTMENT OF HUMAN SERVICES

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# DEPARTMENT OF HUMAN SERVICES

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Department's Strategic Direction is outlined in full in the 2012-13 Portfolio Budget Statements.

The Department is seeking an additional \$31.4 million in departmental funding through Appropriation Bill (No. 3) 2012-13.

The Department is seeking additional equity injections of \$5.2 million for capital measures through Appropriation Bill (No. 4) 2012-13.

### 1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the Department of Human Services at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2012-13 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations, special accounts and receipts from external sources.

**Table 1.1: Department of Human Services resource statement — Additional estimates for 2012-13 as at Additional Estimates February 2013**

	Estimate as at Budget +	Proposed Additional = Estimates	Total Estimate at Additional Estimates	Total available appropriation
	2012-13 \$'000	2012-13 \$'000	2012-13 \$'000	2011-12 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	770,267	-	770,267	576,231
Departmental appropriation <sup>3</sup>	4,007,694	31,438	4,039,132	4,267,616
s31 Relevant agency receipts <sup>4</sup>	303,085	(14,267)	288,818	487,588
<b>Total</b>	<b>5,081,046</b>	<b>17,171</b>	<b>5,098,217</b>	<b>5,331,435</b>
<b>Administered expenses</b>				
Outcome 1	18,084	-	18,084	7,117
<b>Total</b>	<b>18,084</b>	<b>-</b>	<b>18,084</b>	<b>7,117</b>
<b>Total ordinary annual services</b>	<b>A 5,099,130</b>	<b>17,171</b>	<b>5,116,301</b>	<b>5,338,552</b>
<b>Other services<sup>5</sup></b>				
<b>Departmental non-operating</b>				
Prior year departmental appropriation <sup>2</sup>	7,515		7,515	41,198
Equity injections	41,071	5,174	46,245	31,994
<b>Total</b>	<b>48,586</b>	<b>5,174</b>	<b>53,760</b>	<b>73,192</b>
<b>Total other services</b>	<b>B 48,586</b>	<b>5,174</b>	<b>53,760</b>	<b>73,192</b>
<b>Total available annual appropriations</b>	<b>5,147,716</b>	<b>22,345</b>	<b>5,170,061</b>	<b>5,411,744</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
<i>Child Support (Registration and Collection) Act 1988 -</i>				
<i>Section 77 - unremitted deductions</i>	89,023	(2,764)	86,259	90,588
<i>Section 78 - unexplained remittances</i>	50	-	50	-
<b>Total Special appropriations</b>	<b>C 89,073</b>	<b>(2,764)</b>	<b>86,309</b>	<b>90,588</b>
<b>Total appropriations excluding Special accounts</b>	<b>5,236,789</b>	<b>19,581</b>	<b>5,256,370</b>	<b>5,502,332</b>
<b>Special Accounts</b>				
Opening balance <sup>6</sup>	58,838	-	58,838	54,683
Appropriation receipts <sup>7</sup>	91,363	(2,884)	88,479	93,785
Non-appropriation receipts to Special Accounts <sup>8</sup>	1,272,471	96,819	1,369,290	1,168,491
<b>Total Special Account</b>	<b>D 1,422,672</b>	<b>93,935</b>	<b>1,516,607</b>	<b>1,410,744</b>
<b>Total resourcing</b>				
A+B+C+D	<b>6,659,461</b>	<b>113,516</b>	<b>6,772,977</b>	<b>6,913,076</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts	91,363	(2,884)	88,479	93,785
<b>Total net resourcing for the Department of Human Services</b>	<b>6,568,098</b>	<b>116,400</b>	<b>6,684,498</b>	<b>6,819,291</b>

**Table 1.1: Department of Human Services resource statement — Additional estimates for 2012-13 as at Additional Estimates February 2013** *(continued)*

1. Appropriation Act (No. 1) 2012-13 & Appropriation Bill (No. 3) 2012-13.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$131.8 million in 2012-13 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount is designated as 'contributions by owners'.
4. Section 31 Relevant agency receipts - estimate.
5. Appropriation Act (No. 2) 2012-13 & Appropriation Bill (No. 4) 2012-13.
6. Actual opening balance for special accounts (excluding 'Special Public Money' held in accounts such as Services for other Government and Non-agency Bodies). For further information on special accounts see Table 3.1.1.
7. Appropriation receipts from Department of Human Services annual and special appropriations for 2012-13 included above.
8. Includes receipts from non-custodial parents for the Child Support Account.

Reader note: All figures are GST exclusive.

**Table 1.1: Department of Human Services resource statement — Additional estimates for 2012-13 as at Additional Estimates February 2013 (continued)**

**Third Party Payments on behalf of and receipts from other agencies**

	Estimate at Budget	Estimate at Additional Estimates
	2012-13 \$'000	2012-13 \$'000
<b>Payments made on behalf of other agencies</b> (disclosed in the respective Agency Resource Statement)		
<b>Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)</b>		
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	58,452,239	58,600,666
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	20,173,888	20,349,832
Special Appropriation - <i>Paid Parental Leave Act 2010</i>	1,426,951	1,426,951
Annual Appropriation - Ex Gratia and Act of Grace Payments	3,762	7,027
Total FaHCSIA	<u>80,056,840</u>	<u>80,384,476</u>
<b>Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE)</b>		
Annual Appropriation - Liquefied Petroleum Gas Vehicle Scheme	26,100	26,100
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	2,884,000	3,304,692
Total DIISRTE	<u>2,910,100</u>	<u>3,330,792</u>
<b>Attorney-General's Department (AG)</b>		
Special Appropriation - <i>Social Security (Administration) Act 1999 - National Security and Criminal Justice</i>	55,500	212,258
Annual Appropriation - Ex Gratia assistance - New Zealand citizens	-	10,784
Total AG	<u>55,500</u>	<u>223,042</u>
<b>Department of Infrastructure and Transport (DIT)</b>		
Annual Appropriation - Bass Strait Passenger Vehicle Equalisation Scheme	41,200	41,100
Annual Appropriation - Tasmanian Freight Equalisation Scheme	101,900	110,200
Annual Appropriation - Tasmanian Wheat Freight Scheme	1,050	1,050
Total DIT	<u>144,150</u>	<u>152,350</u>
<b>Department of Education, Employment and Workplace Relations (DEEWR)</b>		
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	4,437,338	4,596,630
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	14,761,161	14,321,749
Special Appropriation - <i>Student Assistance Act 1973</i>	279,842	281,659
Annual Appropriation - Compensation and Debt Relief	198	198
Annual Appropriation - Child Care For Eligible Parents Undergoing Training	81,919	110,900
Total DEEWR	<u>19,560,458</u>	<u>19,311,136</u>
<b>Department of Agriculture, Fisheries and Forestry (DAFF)</b>		
Annual Appropriation - Transitional Farm Family Payment	12,047	11,949
Total DAFF	<u>12,047</u>	<u>11,949</u>



**Table 1.1: Department of Human Services resource statement — Additional estimates for 2012-13 as at Additional Estimates February 2013 (continued)**

**Third Party Payments on behalf of and receipts from other agencies (continued)**

	Estimate at Budget	Estimate at Additional Estimates
	2012-13 \$'000	2012-13 \$'000
<b>Payments made on behalf of other agencies (continued)</b>		
<b>Department of Veterans' Affairs (DVA)</b>		
Special Appropriation - <i>Veterans' Entitlements Act 1986</i> & Related Acts	4,007,247	4,019,830
Special Appropriation - <i>Military Rehabilitation and Compensation Act 2004</i>	9,981	9,991
Special Appropriation - <i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	375	309
Total DVA	<u>4,017,603</u>	<u>4,030,130</u>
<b>Department of Health and Ageing (DoHA)</b>		
Special Appropriation - <i>Health Insurance Act 1973</i> - Medical Benefits	17,762,805	18,109,858
Special Appropriation - <i>Dental Benefits Act 2008</i>	83,087	83,087
Special Appropriation - <i>National Health Act 1953</i> - Pharmaceutical Benefits	9,734,204	9,614,456
Special Appropriation - <i>National Health Act 1953</i> - Aids and Appliances	284,682	284,682
Special Appropriation - <i>Private Health Insurance Act 2007</i>	4,158,297	4,470,801
Special Appropriation - <i>Medical Indemnity Agreement Act 2002</i>	112,300	109,089
Special Appropriation - <i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	1,302	1,302
Special Appropriation - <i>Aged Care Act 1997</i> (Total)	9,168,304	9,260,937
Special Account - Australian Childhood Immunisation Register	8,317	8,317
Special Appropriation - <i>National Health Act 1953</i> - Contingence Aids Payment	63,326	63,326
Total DoHA	<u>41,376,624</u>	<u>42,005,855</u>
<b>Total Third party payments</b>	<b><u>148,133,322</u></b>	<b><u>149,449,730</u></b>
<b>Receipts received from other agencies for the provision of services</b>		
Attorney-General's Department (AG)	1,073	1,943
Australian Taxation Office (ATO)	116	330
Department of Broadband, Communications and the Digital Economy (DBCDE)	-	1,034
Department of Education, Employment and Workplace Relations (DEEWR)	160,668	158,318
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)	22,507	8,521
Department of Foreign Affairs and Trade (DFAT)	5,947	5,458
Department of Health and Ageing (DoHA)	31,700	15,268
Department of Immigration and Citizenship (DIAC)	-	689
Department of Veterans' Affairs (DVA)	33,374	27,844
<b>Total s31 Relevant agency receipts received for the provision of services</b>	<b><u>255,385</u></b>	<b><u>219,405</u></b>

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2012-13 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

**Table 1.2: Agency 2012-13 Measures since Budget**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures <sup>1</sup></b>					
Building Australia's Future Workforce					
- Change to eligibility criteria for Connections Interviews					
Departmental expenses	1.1	-	-	-	-
More convenient access to online government services					
Departmental expenses	1.1	-	-	-	-
<b>Department of Education, Employment and Workplace Relations</b>					
Jobs, Education and Training Child Care Fee Assistance					
- Reinstatement of Year 12 Certificate Courses					
Departmental expenses	1.1	533	67	-	-
Liquid assets waiting period - amendment <sup>2</sup>					
Departmental expenses	1.1	541	84	46	47
Spreading the Benefits of the Boom - new income support supplement <sup>2</sup>					
Departmental expenses	1.1	1,395	680	621	627
<b>Department of Families, Housing, Community Services and Indigenous Affairs</b>					
Baby bonus – reduce to \$3,000 for second and subsequent children					
Departmental expenses	1.1	5,973	1,790	495	313
Bali memorial service - assistance to victims and their families					
Departmental expenses	1.1	-	-	-	-
Better Start for Children with Disability - extension of eligibility					
Departmental expenses	1.1	32	2	1	1
Income Management - Anangu Pitjantjatjara Yankunytjatjara Lands					
Departmental expenses	1.1	(54)	(6)	-	-
Replacing the Education Tax Refund with a Schoolkids Bonus <sup>3</sup>					
Departmental expenses	1.1	^	^	^	^

Prepared on a Government Financial Statistics (fiscal) basis

**Table 1.2: Agency 2012-13 Measures since Budget (continued)**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures <sup>1</sup></b>					
<b>Department of Health and Ageing</b>					
Dental health reform					
- Child Dental Benefits Schedule					
Departmental expenses	1.1	470	12,069	15,481	16,321
- Medicare Teen Dental Plan					
- redirection of funding					
Departmental expenses	1.1	-	(1,245)	(5,947)	(6,038)
Medicare Benefits Schedule					
- amending telehealth geographical eligibility					
Departmental expenses	1.1	1,261	(180)	(282)	(309)
- new and amended listings					
Departmental expenses	1.1	168	113	(27)	(32)
- telehealth – new items					
Departmental Expenses	1.1	561	58	58	58
Pharmaceutical Benefits Scheme					
- new and amended listings					
Departmental expenses	1.1	405	399	357	331
Private Health Insurance Rebate					
- indexing the Government's contribution					
Departmental expenses	1.1	165	291	5	-
- removal of rebate on lifetime health cover loading					
Departmental expenses	1.1	1,321	1,238	683	685
<b>Department of Industry, Innovation, Science, Research and Tertiary Education</b>					
Student income support					
- general interest charge on student income support debt					
Departmental expenses	1.1	7	3,209	1,475	380
- Student Start-up Scholarships - pause indexation					
Departmental expenses	1.1	14	-	-	-
<b>Treasury</b>					
Personal income tax					
- do not proceed with 50 per cent tax discount for interest income <sup>2</sup>					
Departmental expenses	1.1	(900)	(2,600)	(1,200)	(1,000)
- do not proceed with standard deduction <sup>2</sup>					
Departmental expenses	1.1	(700)	(600)	(1,400)	(1,400)

Prepared on a Government Financial Statistics (fiscal) basis

**Table 1.2: Agency 2012-13 Measures since Budget (continued)**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Cross Portfolio</b>					
Targeted savings – public service efficiencies					
Departmental expenses	1.1	(17,666)	(17,172)	(17,172)	(17,172)
Whole of Government Savings from Paused Grant Programs					
Administered expenses	1.1	(3,210)	-	-	-
<b>Total expense measures</b>					
Administered		(3,210)	-	-	-
Departmental		(6,474)	(1,803)	(6,806)	(7,188)
<b>Total</b>		<b>(9,684)</b>	<b>(1,803)</b>	<b>(6,806)</b>	<b>(7,188)</b>
<b>Capital measures <sup>1</sup></b>					
<b>Department of Families, Housing, Community Services and Indigenous Affairs</b>					
Income Management – Anangu Pitjantjatjara Yankunytjatjara Lands					
Departmental capital	1.1	60	-	-	-
Replacing the Education Tax Refund with a Schoolkids Bonus <sup>3</sup>					
Departmental capital	1.1	^	^	^	^
<b>Department of Health and Ageing</b>					
Dental health reform					
- Child Dental Benefits Schedule					
Departmental capital	1.1	19	1,428	204	46
- Medicare Teen Dental Plan - redirection of funding					
Departmental capital	1.1	-	20	-	-
Private Health Insurance Rebate					
- removal of rebate on lifetime health cover loading					
Departmental capital	1.1	2,199	756	2	1
<b>Department of Industry, Innovation, Science, Research and Tertiary Education</b>					
Student income support					
- general interest charge on student income support debt					
Departmental capital	1.1	6	780	-	-
<b>Total capital measures</b>					
Administered		-	-	-	-
Departmental		2,284	2,984	206	47
<b>Total</b>		<b>2,284</b>	<b>2,984</b>	<b>206</b>	<b>47</b>

Prepared on a Government Financial Statistics (fiscal) basis

**Table 1.2: Agency 2012-13 Measures since Budget (continued)**

1. Measures are listed by lead Portfolio agency where applicable.
2. These late measures were included in the 2012-13 Budget (Budget Paper No. 2), but were not published in the 2012-13 Human Services Portfolio Budget Statements.
3. This was a late 2012-13 Budget measure that was published in Budget Paper No. 2 against various agencies, but was not specifically attributed to the Department of Human Services. Expense funding provided to the Department at Budget was: 2012-13 \$8.855 million; 2013-14 \$2.737 million; 2014-15 \$2.525 million; 2015-16 \$2.713 million. Capital funding provided to the Department at Budget was as follows: 2012-13 \$1.955 million; 2013-14 \$0.080 million; 2014-15 \$0.025 million.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Department of Human Services at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2012-13 Budget in Appropriation Bills No. 3 and No. 4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2012-13 Budget**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
Decrease in estimates (administered)					
Whole of Government Savings from Paused Grant Programs	1.1	(3,210)	-	-	-
<b>Net impact on estimates for Outcome 1 (administered)</b>		<b>(3,210)</b>	-	-	-
Increase in estimates (departmental)					
Building Australia's Future Workforce					
- Change to eligibility criteria for Connections Interviews	1.1	-	-	-	-
More convenient access to online government services	1.1	-	-	-	-
Jobs, Education and Training Child Care Fee Assistance					
- Reinstatement of Year 12 Certificate Courses	1.1	533	67	-	-
Baby bonus - reduce to \$3,000 for second and subsequent children	1.1	5,973	1,790	495	313
Bali memorial service - assistance to victims and their families	1.1	-	-	-	-
Better Start for Children with Disability - extension of eligibility	1.1	32	2	1	1
Liquid assets waiting period - amendment	1.1	541	84	46	47
Replacing the Education Tax Refund with a Schoolkids Bonus <sup>1</sup>	1.1	^	^	^	^
Spreading the Benefits of the Boom					
- new income support supplement	1.1	1,395	680	621	627
Dental health reform					
- Child Dental Benefits Schedule	1.1	489	13,497	15,685	16,367
Medicare Benefits Schedule					
- amending telehealth geographical eligibility	1.1	1,261	(180)	(282)	(309)
- new and amended listings	1.1	168	113	(27)	(32)
- telehealth - new items	1.1	561	58	58	58

**Table 1.3: Additional estimates and variations to outcomes from measures since 2012-13 Budget (continued)**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Increases in estimates (departmental) <i>continued</i>					
Pharmaceutical Benefits Scheme - new and amended listings	1.1	405	399	357	331
Private Health Insurance Rebate - indexing the Government's contribution	1.1	165	291	5	-
- removal of rebate on lifetime health cover loading	1.1	3,520	1,994	685	686
Student income support - general interest charge on student income support debt	1.1	13	3,989	1,475	380
- Student Start-up Scholarships - pause indexation	1.1	14	-	-	-
Decrease in estimates (departmental)					
Targeted savings – public service efficiencies	1.1	(17,666)	(17,172)	(17,172)	(17,172)
Income Management – Anangu Pitjantjatjara Yankunytjatjara Lands	1.1	6	(6)	-	-
Dental health reform - Medicare Teen Dental Plan - redirection of funding	1.1	-	(1,225)	(5,947)	(6,038)
Personal income tax - do not proceed with 50 per cent tax discount for interest income	1.1	(900)	(2,600)	(1,200)	(1,000)
- do not proceed with standard deduction	1.1	(700)	(600)	(1,400)	(1,400)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>(4,190)</b>	<b>1,181</b>	<b>(6,600)</b>	<b>(7,141)</b>

1. This was a late 2012-13 Budget measure that was published in Budget Paper No. 2 against various agencies, but was not specifically attributed to the Department of Human Services. Expense and capital funding provided to the Department at Budget was: 2012-13 \$10.810 million; 2013-14 \$2.817 million; 2014-15 \$2.550 million; 2015-16 \$2.713 million.

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

	Program impacted	2012-13 (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)
<b>Outcome 1</b>					
<b>Decrease in estimates (administered)</b>					
Economic parameter update					
- Administered Expenses	1.1	-	(9)	(13)	-
Other changes in program specific parameters	1.2	(120)	(137)	(140)	(144)
<b>Net impact on estimates for Outcome 1 (administered)</b>					
		<b>(120)</b>	<b>(146)</b>	<b>(153)</b>	<b>(144)</b>
<b>Increase in estimates (departmental)</b>					
Pharmaceutical Benefits Scheme - funding to implement legislative changes	1.1	3,387	-	-	-
More convenient access to online government services	1.1	-	-	(3,578)	3,578
Response to the expert panel					
- Permanent migration program - additional family stream places from 2012-13	1.1	268	782	1,065	1,428
- Humanitarian migration program - additional places from 2012-13	1.1	2,903	5,624	7,479	9,233
Replacing the Education Tax Refund with a Schoolkids Bonus <sup>1</sup>	1.1	11,068	2,451	2,177	1,914
Spreading the Benefits of the Boom					
- increasing the rate of Family Tax Benefit Part A	1.1	7,846	3,185	2,443	1,473
Dental health – reallocation of Chronic Disease Dental Scheme	1.1	3,816	98	-	-
Family Assistance Office transfer of funding from FaHCSIA	1.1	9,114	9,144	9,201	9,283
Medicare Benefit Schedule - removing out of hospital benefits for complex medical procedures	1.1	31	-	-	-
<b>Decrease in estimates (departmental)</b>					
Comcover reduction	1.1	(375)	(391)	(409)	(409)
Early release of superannuation - adjustment to match levy determination	1.1	(15)	-	-	-
Economic parameter update					
- Departmental expenses	1.1	-	(18,064)	(24,350)	(27,567)
- Departmental Capital Budget	1.1	-	(502)	(1,324)	(1,519)
Change in workload volumes	1.1	2,759	(6,659)	(6,467)	(6,671)
<b>Net impact on estimates for Outcome 1 (departmental)</b>					
		<b>40,802</b>	<b>(4,332)</b>	<b>(13,763)</b>	<b>(9,257)</b>

1. Reflects subsequent adjustment to funding following the government measure shown in table 1.3.



## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Department of Human Services through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2012-13**

	2011-12 Available (\$'000)	2012-13 Budget (\$'000)	2012-13 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.	7,117	18,084	14,754	-	(3,330)
<b>Total</b>	<b>7,117</b>	<b>18,084</b>	<b>14,754</b>	<b>-</b>	<b>(3,330)</b>
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1</b>					
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.	4,267,616	4,007,694	4,039,132	59,252	(27,814)
<b>Total</b>	<b>4,267,616</b>	<b>4,007,694</b>	<b>4,039,132</b>	<b>59,252</b>	<b>(27,814)</b>
<b>Total administered and departmental</b>	<b>4,274,733</b>	<b>4,025,778</b>	<b>4,053,886</b>	<b>59,252</b>	<b>(31,144)</b>

**Table 1.6: Appropriation Bill (No. 4) 2012-13**

	2011-12 Available (\$'000)	2012-13 Budget (\$'000)	2012-13 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
<b>Non-operating</b>					
Equity injections	31,994	41,071	46,245	5,174	-
<b>Total non-operating</b>					
Department of Human Services	31,994	41,071	46,245	5,174	-
<b>Total</b>	<b>31,994</b>	<b>41,071</b>	<b>46,245</b>	<b>5,174</b>	<b>-</b>

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

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

There have been no changes to the Department of Human Services outcome and program structure since the 2012-13 Budget. Full details can be found in the 2012-13 Portfolio Budget Statements.

#### **OUTCOME 1**

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

There have been no changes to the Department of Human Services outcome strategy since the 2012-13 Budget. Full details can be found in the 2012-13 Portfolio Budget Statements.

## OUTCOME 1

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

<b>Outcome 1:</b> Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.	2011-12 Actual expenses \$'000	2012-13 Revised estimated expenses \$'000
<b>Program 1.1: Services to the Community</b>		
Administered expenses		
Ordinary annual services (Appropriation Act No. 1 & Bill No. 3)	5,311	12,584
Special accounts	18,279	-
Expenses not requiring appropriation in the Budget year <sup>1</sup>	2,006	2,006
Departmental expenses		
Departmental Appropriation <sup>2</sup>	4,271,793	4,176,468
Expenses not requiring appropriation in the Budget year <sup>1</sup>	301,044	261,061
<b>Total for Program 1.1</b>	<b>4,598,433</b>	<b>4,452,119</b>
<b>Program 1.1 Expenses by subfunction</b>		
Health - General Administration	760,277	654,949
Assistance to People with Disabilities	193,581	179,000
Social Security and Welfare - General Administration	3,644,575	3,618,170
<b>Total</b>	<b>4,598,433</b>	<b>4,452,119</b>
<b>Program 1.2: Child Support</b>		
Administered expenses		
Ordinary annual services (Appropriation Act No. 1 & Bill No. 3)	3,197	2,170
Special appropriations	90,588	86,309
Special accounts	1,254,523	1,296,188
Expenses not requiring appropriation in the Budget year <sup>1</sup>	24,140	70,046
<b>Total for Program 1.2 <sup>3</sup></b>	<b>1,372,448</b>	<b>1,454,713</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Act No. 1 & Bill No. 3)	8,508	14,754
Special appropriations	90,588	86,309
Special accounts	1,272,802	1,296,188
Expenses not requiring appropriation in the Budget year <sup>1</sup>	26,146	72,052
Departmental expenses		
Departmental Appropriation <sup>2</sup>	4,271,793	4,176,468
Expenses not requiring appropriation in the Budget year <sup>1</sup>	301,044	261,061
<b>Total expenses for Outcome 1</b>	<b>5,970,881</b>	<b>5,906,832</b>
	2011-12	2012-13
<b>Average Staffing Level (number)</b>	32,592	32,260

1. Departmental expenses not requiring appropriation in the Budget year comprise unfunded depreciation expense, amortisation expense, resources received free of charge and operating results. Administered expenses not requiring appropriation in the Budget year comprise depreciation expense and net write-down of assets.
2. Departmental Appropriation combines expenses funded by 'Ordinary annual services' ('Appropriation Act No. 1', 'Appropriation Bill No. 3' and 'Revenue from independent sources' (s31).
3. Program 1.2 expenses are classified against the Assistance to Families with Children subfunction.

### Program 1.1 Objective

There have been no changes to Program 1.1 Objective since the 2012-13 Budget. Full details can be found in the 2012-13 Portfolio Budget Statements.

### Program 1.1 Expenses

	2011-12 Actual \$'000	2012-13 Revised budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Income Management Card	2,552	5,006	5,006	3,000	-
Future Workforce	2,759	7,578	9,812	8,838	-
Administered expenses not requiring appropriation in the Budget year <sup>1</sup>	2,006	2,006	2,006	2,005	1,970
Special Account Expenses:					
Compensation Recoveries	18,279	-	-	-	-
Annual departmental expenses funded by:					
Ordinary annual services (Appropriation Bills No. 1 & 3)	3,938,277	3,895,456	3,797,682	3,652,071	3,613,819
Revenues from other sources	333,516	281,012	280,402	276,757	277,972
Departmental expenses not requiring appropriation in the Budget year <sup>2</sup>	301,044	261,061	212,097	206,545	214,935
<b>Total program expenses</b>	<b>4,598,433</b>	<b>4,452,119</b>	<b>4,307,005</b>	<b>4,149,216</b>	<b>4,108,696</b>
<b>Expenses by subfunction</b>					
<b>Departmental</b>					
Health - General Administration	760,277	654,949	652,063	635,539	634,604
Assistance to People with Disabilities	193,581	179,000	178,765	178,531	178,531
Social Security and Welfare - General Administration	3,618,979	3,603,580	3,459,353	3,321,303	3,293,591
<b>Total Departmental</b>	<b>4,572,837</b>	<b>4,437,529</b>	<b>4,290,181</b>	<b>4,135,373</b>	<b>4,106,726</b>
<b>Administered</b>					
Social Security and Welfare - General Administration	25,596	14,590	16,824	13,843	1,970
<b>Total Administered</b>	<b>25,596</b>	<b>14,590</b>	<b>16,824</b>	<b>13,843</b>	<b>1,970</b>
<b>Total Expenses by Sub Function</b>	<b>4,598,433</b>	<b>4,452,119</b>	<b>4,307,005</b>	<b>4,149,216</b>	<b>4,108,696</b>

1. Administered expenses not requiring appropriation in the Budget year comprise depreciation expense and net write-down of assets.
2. Departmental expenses not requiring appropriation in the Budget year comprise unfunded depreciation expense, amortisation expense, resources received free of charge and operating results.

### Program 1.1 Deliverables

There have been no changes to Program 1.1 Deliverables since the 2012-13 Budget. Full details appear in the 2012-13 Portfolio Budget Statements.

### Program 1.1 Key Performance Indicators

There have been no changes to Program 1.1 Key Performance Indicators since the 2012-13 Budget. Full details can be found in the 2012-13 Portfolio Budget Statements.

### Program 1.2 Objective

There have been no changes to Program 1.2 Objective since the 2012-13 Budget. Full details can be found in the 2012-13 Portfolio Budget Statements.

### Program 1.2 Expenses

	2011-12 Actual \$'000	2012-13 Revised budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Child Support dishonoured cheques and other shortfalls	3,197	2,170	2,181	2,236	2,291
Special Appropriations:					
Child Support Act <sup>1</sup>					
- s77 - unremitted deductions	90,588	86,259	86,686	86,879	89,053
- s78 - unexplained remittances	-	50	50	50	50
Special Account Expenses:					
Child Support Account	1,254,523	1,296,188	1,309,832	1,345,083	1,379,242
Administered expenses not requiring appropriation in the Budget year <sup>2</sup>	24,140	70,046	97,075	98,967	100,906
<b>Total program expenses <sup>3</sup></b>	<b>1,372,448</b>	<b>1,454,713</b>	<b>1,495,824</b>	<b>1,533,215</b>	<b>1,571,542</b>

1. Child Support (Registration and Collection) Act 1988.

2. Expenses not requiring appropriation in the budget year comprise net write-down of Child Support receivables.

3. Program 1.2 expenses are classified against the Assistance to Families with Children subfunction.

### Program 1.2 Deliverables

There have been no changes to Program 1.2 Deliverables since the 2012-13 Budget. Full details appear in the 2012-13 Portfolio Budget Statements.

### Program 1.2 Key Performance Indicators

There have been no changes to Program 1.2 Key Performance Indicators since the 2012-13 Budget. Full details can be found in the 2012-13 Portfolio Budget Statements.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Human Services. The corresponding table in the 2012-13 Portfolio Budget Statements is Table 3.1.2.

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

		Opening balance <b>2012-13</b> 2011-12	Receipts <b>2012-13</b> 2011-12	Payments <b>2012-13</b> 2011-12	Adjustments <b>2012-13</b> 2011-12	Closing balance <b>2012-13</b> 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Account <sup>1</sup> (A)	1	58,838	1,457,769	(1,457,769)	-	58,838
		54,683	1,262,276	(1,258,121)	-	58,838
Recovery of Compensation for Health Care & Other Services Special Account <sup>2</sup> (A)	1	75,029	285,245	(275,760)	-	84,514
		57,099	273,703	(255,773)	-	75,029
Superannuation Clearing House Special Account <sup>3</sup> (A)	1	8,948	748,042	(740,946)	-	16,044
		1,967	325,495	(318,514)	-	8,948
Services for Other Entities and Trust Moneys – Department of Human Services Special Account <sup>4</sup> (A) & (D)	1	-	-	-	-	-
		101	387	(488)	-	-
<b>Total special accounts</b>						
<b>2012-13 Budget Estimate</b>		<b>142,815</b>	<b>2,491,056</b>	<b>(2,474,475)</b>	<b>-</b>	<b>159,396</b>
<i>Total special accounts</i>						
<i>2011-12 Actual</i>		<i>113,850</i>	<i>1,861,861</i>	<i>(1,832,896)</i>	<i>-</i>	<i>142,815</i>

(A) = Administered

(D) = Departmental

- Child Support Account - s73 *Child Support (Registration and Collection) Act 1988*. Purpose: For the receipt of maintenance payments and the making of regular and timely payments to custodial parents.
- Recovery of Compensation for Health Care and Other Services Special Account - s20 *FMA Act Determination 2005/24*. Purpose: To credit monies for the purpose of recovery of compensation following a judgement or settlement under the Health and Other Services (Compensation) Act 1995 and;
  - to pay the claimant, or the claimant's authorised representative, amounts credited to the Special Account; and
  - to reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment; and
  - to repay amounts where an Act or other law requires or permits the repayment of an amount received.

**Table 3.1.1: Estimates of special account flows (continued)**

3. Superannuation Clearing House Special Account - s20 *FMA Act* Determination 2010/05. Purpose: To receive amounts for the purpose of the Superannuation Clearing House and:
  - (a) make payments to superannuation funds on behalf of small business employers in performance of the functions of the Superannuation Clearing House;
  - (b) repay to an original payer amounts credited to the Special Account, including the residual after any necessary payments are made for the purpose mentioned in paragraph (a);
  - (c) reduce the balance of the Special Account (and, therefore the available appropriation for the Special Account) without making a real or notional payment; and
  - (d) repay amounts where an Act or other law requires or permits the repayment of an amount received.
4. Services for Other Entities and Trust Moneys Department of Human Services Special Account - s20(1) *FMA Act* Determination 2011/13. Purpose: To credit and debit monies for the purpose of:
  - (a) disbursing amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;
  - (b) disbursing amounts in connection with services performed on behalf of other governments and bodies that are not *FMA Act* agencies;
  - (c) repaying amounts where an Act or other law requires or permits the repayment of an amount received; and
  - (d) reducing the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.



## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

#### **Departmental comprehensive income statement (Table 3.2.1)**

Since the 2012-13 Budget, revenue from government in 2012-13 has increased by \$21.5 million, mainly due to an increase in appropriation for variations other than measures of \$33.1 million, offset by:

- a decrease of \$6.5 million in appropriation revenue for new measures as per Table 1.2; and
- a \$5.2 million reduction in appropriation revenue due to a transfer of operating funding to Departmental Capital Budget as part of the measure 'More convenient access to online government services'.

Own-source revenue has decreased by \$19.1 million since the 2012-13 Budget comprising reductions in revenue (\$36.0 million) from service agreements with other agencies including the Department of Families, Housing, Community Services and Indigenous Affairs decreasing by \$14.0 million; Department of Health and Ageing decreasing by \$16.4 million; and Department of Veterans' Affairs decreasing by \$5.5 million. This is offset by an increase of \$16.9 million for services provided to external entities.

Expenses in 2012-13 have increased by \$14.5 million since the 2012-13 Budget, mainly due to increased depreciation expense.

#### **Departmental balance sheet (Table 3.2.2)**

Movements in balances since the 2012-13 Budget are mainly due to differences between the estimated actual 2011-12 balances as at Budget and actual 2011-12 balances as at 30 June 2012.

#### **Departmental statement of changes in equity (Table 3.2.3)**

Total equity has decreased by \$33.0 million since the 2012-13 Budget estimate mainly due to differences between the estimated actual for equity items at Budget (in May 2012) and the actual 2011-12 balances as at 30 June 2012.

#### **Departmental cash flow (Table 3.2.4)**

Since Budget, cash flows have been affected by new measures, changes in expenses and changes in own-source revenue. Overall, net cash held has decreased by \$1.7 million since Budget.

### **3.2.1 Analysis of budgeted financial statements (continued)**

#### **Departmental capital budget statement (Table 3.2.5)**

Since Budget, the 2012-13 Departmental Capital Budget has increased by \$5.2 million, with variations in the forward years mainly due to reallocation of operating funding to the Departmental Capital Budget as part of the measure 'More convenient access to online government services'. Equity injection appropriations in 2012-13 have increased by \$5.2 million due to new measures.

#### **Statement of departmental asset movements (Table 3.2.6)**

Total land, buildings, property, plant & equipment and intangible assets have increased by \$55.1 million since Budget, mainly due to the opening balance being \$50.4 million more than estimated at Budget, and an overall increase of \$10.3 million in asset purchases for 2012-13 as a result of new measures.

### 3.2.2 Budgeted financial statements

#### Departmental financial statements

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	2,878,876	2,875,509	2,744,447	2,644,410	2,619,085
Supplier expenses	1,412,042	1,280,807	1,314,069	1,265,347	1,254,339
Depreciation and amortisation	266,024	268,110	218,561	212,433	220,033
Write-down and impairment of assets	7,453	6,781	6,781	6,781	6,781
Losses from asset sales	1,547	-	-	-	-
Finance costs	1,482	934	862	862	862
Other expenses	5,413	5,388	5,461	5,540	5,626
<b>Total expenses</b>	<b>4,572,837</b>	<b>4,437,529</b>	<b>4,290,181</b>	<b>4,135,373</b>	<b>4,106,726</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	331,431	279,043	278,433	274,788	276,003
Rental income	2,085	969	969	969	969
Other	-	1,000	1,000	1,000	1,000
<b>Total own-source revenue</b>	<b>333,516</b>	<b>281,012</b>	<b>280,402</b>	<b>276,757</b>	<b>277,972</b>
<b>Gains</b>					
Other	2,350	2,240	2,240	2,239	2,239
<b>Total gains</b>	<b>2,350</b>	<b>2,240</b>	<b>2,240</b>	<b>2,239</b>	<b>2,239</b>
<b>Total own-source income</b>	<b>335,866</b>	<b>283,252</b>	<b>282,642</b>	<b>278,996</b>	<b>280,211</b>
<b>Net cost of (contribution by) services</b>	<b>4,236,971</b>	<b>4,154,277</b>	<b>4,007,539</b>	<b>3,856,377</b>	<b>3,826,515</b>
Revenue from Government	3,938,277	3,895,456	3,797,682	3,652,071	3,613,819
<b>Surplus (Deficit)</b>	<b>(298,694)</b>	<b>(258,821)</b>	<b>(209,857)</b>	<b>(204,306)</b>	<b>(212,696)</b>
Income tax expense	707	-	-	-	-
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(299,401)</b>	<b>(258,821)</b>	<b>(209,857)</b>	<b>(204,306)</b>	<b>(212,696)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	18,531	-	-	-	-
<b>Total other comprehensive income</b>	<b>18,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>(280,870)</b>	<b>(258,821)</b>	<b>(209,857)</b>	<b>(204,306)</b>	<b>(212,696)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(280,870)</b>	<b>(258,821)</b>	<b>(209,857)</b>	<b>(204,306)</b>	<b>(212,696)</b>

Prepared on Australian Accounting Standards basis.

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

**Note: Impact of Net Cash Appropriation Arrangements**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>Total Comprehensive Income</b>					
<b>(loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(20,111)</b>	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	(260,759)	(258,821)	(209,857)	(204,306)	(212,696)
<b>Total comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(280,870)</b>	<b>(258,821)</b>	<b>(209,857)</b>	<b>(204,306)</b>	<b>(212,696)</b>

Prepared on Australian Accounting Standards basis.

1. From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	24,065	24,343	24,665	24,909	24,924
Trade and other receivables	857,150	839,235	799,481	776,651	710,479
Other financial assets	113	113	113	113	113
<b>Total financial assets</b>	<b>881,328</b>	<b>863,691</b>	<b>824,259</b>	<b>801,673</b>	<b>735,516</b>
<b>Non-financial assets</b>					
Land and buildings	387,229	322,904	298,799	303,462	309,638
Property, plant and equipment	190,633	188,443	150,131	148,100	141,787
Intangibles	412,702	396,236	366,646	344,411	316,834
Other non-financial assets	148,480	71,280	72,492	73,869	75,273
<b>Total non-financial assets</b>	<b>1,139,044</b>	<b>978,863</b>	<b>888,068</b>	<b>869,842</b>	<b>843,532</b>
<b>Total assets</b>	<b>2,020,372</b>	<b>1,842,554</b>	<b>1,712,327</b>	<b>1,671,515</b>	<b>1,579,048</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	393,633	289,434	287,293	280,265	278,539
Other payables	103,255	98,309	103,208	109,653	45,822
<b>Total payables</b>	<b>496,888</b>	<b>387,743</b>	<b>390,501</b>	<b>389,918</b>	<b>324,361</b>
<b>Interest bearing liabilities</b>					
Leases	238	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employee provisions	848,270	858,163	815,116	785,894	778,892
Other	54,728	59,646	59,646	59,646	59,646
<b>Total provisions</b>	<b>902,998</b>	<b>917,809</b>	<b>874,762</b>	<b>845,540</b>	<b>838,538</b>
<b>Total liabilities</b>	<b>1,400,124</b>	<b>1,305,552</b>	<b>1,265,263</b>	<b>1,235,458</b>	<b>1,162,899</b>
<b>Net assets</b>	<b>620,248</b>	<b>537,002</b>	<b>447,064</b>	<b>436,057</b>	<b>416,149</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	904,339	1,079,912	1,199,831	1,393,130	1,585,918
Reserves	34,289	34,291	34,291	34,291	34,291
Retained surplus (accumulated deficit)	(318,380)	(577,201)	(787,058)	(991,364)	(1,204,060)
<b>Total parent entity interest</b>	<b>620,248</b>	<b>537,002</b>	<b>447,064</b>	<b>436,057</b>	<b>416,149</b>
<b>Total equity</b>	<b>620,248</b>	<b>537,002</b>	<b>447,064</b>	<b>436,057</b>	<b>416,149</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget Year 2012-13)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2012</b>				
Balance carried forward from previous period	<b>(318,380)</b>	<b>34,289</b>	<b>904,339</b>	<b>620,248</b>
<b>Comprehensive income</b>				
Net asset revaluation - non-financial assets	-	2	-	2
Surplus (deficit) for the period	(258,821)			(258,821)
<b>Total comprehensive income</b>	<b>(258,821)</b>	<b>2</b>	<b>-</b>	<b>(258,819)</b>
of which:				
Attributable to the Australian Government	(258,821)	2	-	(258,819)
<b>Transactions with owners</b>				
<b>Contribution by owners</b>				
Equity Injection - Appropriation	-	-	43,747	43,747
Departmental Capital Budget (DCB)	-	-	131,826	131,826
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>175,573</b>	<b>175,573</b>
<b>Estimated closing balance as at 30 June 2013</b>	<b>(577,201)</b>	<b>34,291</b>	<b>1,079,912</b>	<b>537,002</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(577,201)</b>	<b>34,291</b>	<b>1,079,912</b>	<b>537,002</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	402,597	316,406	306,454	303,574	304,266
Appropriations	3,885,674	3,899,826	3,837,559	3,674,501	3,680,173
Section 31 receipts redrawn from OPA	402,597	317,405	307,455	304,574	305,266
Net GST received	142,664	113,944	111,243	112,582	110,916
Other	-	1,000	1,000	1,000	1,000
<b>Total cash received</b>	<b>4,833,532</b>	<b>4,648,581</b>	<b>4,563,711</b>	<b>4,396,231</b>	<b>4,401,621</b>
<b>Cash used</b>					
Employees	2,746,239	2,865,060	2,782,668	2,667,266	2,690,004
Suppliers	1,657,462	1,395,964	1,454,969	1,412,380	1,394,490
Section 31 receipts transferred to OPA	419,937	317,406	307,454	304,574	305,266
Other	316	5,440	5,388	5,461	5,540
<b>Total cash used</b>	<b>4,823,954</b>	<b>4,583,870</b>	<b>4,550,479</b>	<b>4,389,681</b>	<b>4,395,300</b>
<b>Net cash from (used by) operating activities</b>	<b>9,578</b>	<b>64,711</b>	<b>13,232</b>	<b>6,550</b>	<b>6,321</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant, equipment and intangibles	39	-	-	-	-
<b>Total cash received</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	361,705	245,502	133,329	199,605	199,094
<b>Total cash used</b>	<b>361,705</b>	<b>245,502</b>	<b>133,329</b>	<b>199,605</b>	<b>199,094</b>
<b>Net cash from (used by) investing activities</b>	<b>(361,666)</b>	<b>(245,502)</b>	<b>(133,329)</b>	<b>(199,605)</b>	<b>(199,094)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	365,228	181,307	120,419	193,299	192,788
<b>Total cash received</b>	<b>365,228</b>	<b>181,307</b>	<b>120,419</b>	<b>193,299</b>	<b>192,788</b>
<b>Cash used</b>					
Finance leases	775	238	-	-	-
<b>Total cash used</b>	<b>775</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>364,453</b>	<b>181,069</b>	<b>120,419</b>	<b>193,299</b>	<b>192,788</b>
<b>Net increase or (decrease) in cash held</b>	<b>12,365</b>	<b>278</b>	<b>322</b>	<b>244</b>	<b>15</b>
Cash and cash equivalents at the beginning of the reporting period	11,700	24,065	24,343	24,665	24,909
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>24,065</b>	<b>24,343</b>	<b>24,665</b>	<b>24,909</b>	<b>24,924</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement — Departmental (for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Act No. 1 (DCB)	285,001	131,826	102,048	192,069	192,741
Equity injections - Act No. 2	31,994	46,245	17,871	1,230	47
<b>Total new capital appropriations</b>	<b>316,995</b>	<b>178,071</b>	<b>119,919</b>	<b>193,299</b>	<b>192,788</b>
<b>Represented by:</b>					
Purchase of non-financial assets	316,995	175,573	119,919	193,299	192,788
Other Items	-	2,498	-	-	-
<b>Total Items</b>	<b>316,995</b>	<b>178,071</b>	<b>119,919</b>	<b>193,299</b>	<b>192,788</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	52,825	44,481	17,871	1,230	47
Funded by capital appropriation - DCB	285,445	136,826	102,548	192,069	192,741
Funded by finance leases	193	-	-	-	-
Funded internally from departmental resources	82,300	10,595	12,910	6,306	6,306
<b>TOTAL AMOUNT SPENT</b>	<b>420,763</b>	<b>191,902</b>	<b>133,329</b>	<b>199,605</b>	<b>199,094</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total accrual purchases	420,763	191,902	133,329	199,605	199,094
less payables	(59,058)	53,600	-	-	-
<b>Total cash used to acquire assets</b>	<b>361,705</b>	<b>245,502</b>	<b>133,329</b>	<b>199,605</b>	<b>199,094</b>

Information in this table is consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.



**Table 3.2.6: Statement of Departmental Asset Movements (Budget Year 2012-13)**

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>					
Gross book value	6,438	419,248	237,796	547,238	1,210,720
Accumulated depreciation/amortisation and impairment	-	(38,457)	(47,163)	(134,536)	(220,156)
<b>Opening net book balance</b>	<b>6,438</b>	<b>380,791</b>	<b>190,633</b>	<b>412,702</b>	<b>990,564</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>1</sup>	-	-	2,675	41,806	44,481
By purchase - appropriation ordinary annual services <sup>2</sup>	-	48,859	61,461	26,506	136,826
By purchase - other	-	3,475	1,773	5,347	10,595
<b>Total additions</b>	<b>-</b>	<b>52,334</b>	<b>65,909</b>	<b>73,659</b>	<b>191,902</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(116,660)	(67,037)	(84,413)	(268,110)
Other	-	1	(1,062)	(5,712)	(6,773)
<b>As at 30 June 2013</b>					
Gross book value	6,438	471,583	302,643	615,185	1,395,849
Accumulated depreciation/amortisation and impairment	-	(155,117)	(114,200)	(218,949)	(488,266)
<b>Closing net book balance</b>	<b>6,438</b>	<b>316,466</b>	<b>188,443</b>	<b>396,236</b>	<b>907,583</b>

Prepared on Australian Accounting Standards basis.

1. "Appropriation equity" refers to equity injections provided through Appropriation Bills (No. 2 & 4) 2012-13.
2. "Appropriation ordinary annual services" refers to funding provided through Appropriation Bills (No. 1 & 3) 2012-13 for Departmental Capital Budget.

**Schedule of administered activity**

**Administered income and expenses (Table 3.2.7)**

Administered expenses have increased by \$96.2 million since Budget due to an increase in child support maintenance payments.

**Administered assets and liabilities (Table 3.2.8)**

Net receivables have increased by \$129.6 million since Budget mainly due to a decrease in the provision for doubtful debts for the child support program resulting from the advice of an actuarial review in 2011-12.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual	Revised	Forward	Forward	Forward
	2011-12	budget	estimate	estimate	estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Supplier expenses	2,552	5,006	5,006	3,000	-
Grants	2,759	7,578	9,812	8,838	-
Depreciation and amortisation	36	36	36	35	-
Write-down and impairment of assets	26,110	72,016	99,045	100,937	102,876
Other expenses	1,366,587	1,384,667	1,398,749	1,434,248	1,470,636
<b>Total expenses administered on behalf of Government</b>	<b>1,398,044</b>	<b>1,469,303</b>	<b>1,512,648</b>	<b>1,547,058</b>	<b>1,573,512</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Compensation Recoveries	18,279	-	-	-	-
Fees and fines	52,829	54,694	59,883	61,318	62,788
Dividends	3,993	644	-	-	-
Competitive Neutrality Revenue	8,889	4,498	3,713	3,857	4,011
Other revenue	1,271,417	1,411,639	1,448,488	1,484,700	1,521,817
<b>Total non-taxation revenue</b>	<b>1,355,407</b>	<b>1,471,475</b>	<b>1,512,084</b>	<b>1,549,875</b>	<b>1,588,616</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>1,355,407</b>	<b>1,471,475</b>	<b>1,512,084</b>	<b>1,549,875</b>	<b>1,588,616</b>
<b>Gains</b>					
Reversal of previous asset write-downs and impairments	57,707	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>57,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income administered on behalf of Government</b>	<b>1,413,114</b>	<b>1,471,475</b>	<b>1,512,084</b>	<b>1,549,875</b>	<b>1,588,616</b>
<b>Net Cost of (contribution by) services</b>	<b>15,070</b>	<b>2,172</b>	<b>(564)</b>	<b>2,817</b>	<b>15,104</b>
<b>Surplus (Deficit)</b>	<b>15,070</b>	<b>2,172</b>	<b>(564)</b>	<b>2,817</b>	<b>15,104</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>15,070</b>	<b>2,172</b>	<b>(564)</b>	<b>2,817</b>	<b>15,104</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	15	15	15	15	15
Receivables	710,222	721,240	744,170	768,532	794,030
Other investments	37,342	37,342	37,342	37,342	37,342
<b>Total financial assets</b>	<b>747,579</b>	<b>758,597</b>	<b>781,527</b>	<b>805,889</b>	<b>831,387</b>
<b>Non-financial assets</b>					
Property, plant and equipment	107	71	35	-	-
<b>Total non-financial assets</b>	<b>107</b>	<b>71</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of government</b>	<b>747,686</b>	<b>758,668</b>	<b>781,562</b>	<b>805,889</b>	<b>831,387</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers <sup>1</sup>	32,734	32,734	32,734	32,734	32,734
Other payables	17,389	17,389	17,389	17,389	17,389
<b>Total payables</b>	<b>50,123</b>	<b>50,123</b>	<b>50,123</b>	<b>50,123</b>	<b>50,123</b>
<b>Provisions</b>					
Other provisions	691,346	706,723	729,409	753,193	778,103
<b>Total provisions</b>	<b>691,346</b>	<b>706,723</b>	<b>729,409</b>	<b>753,193</b>	<b>778,103</b>
<b>Total liabilities administered on behalf of Government</b>	<b>741,469</b>	<b>756,846</b>	<b>779,532</b>	<b>803,316</b>	<b>828,226</b>
<b>Net assets/(liabilities)</b>	<b>6,217</b>	<b>1,822</b>	<b>2,030</b>	<b>2,573</b>	<b>3,161</b>

Prepared on Australian Accounting Standards basis.

1. Includes Child Support and Income Management Card payables.

**Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Dividends	4,628	2,519	322	-	-
Competitive Neutrality	7,443	6,267	3,713	3,857	4,011
Net GST received	303	1,259	1,482	1,184	-
Other	1,271,819	1,378,418	1,386,074	1,420,719	1,456,231
<b>Total cash received</b>	<b>1,284,193</b>	<b>1,388,463</b>	<b>1,391,591</b>	<b>1,425,760</b>	<b>1,460,242</b>
<b>Cash used</b>					
Grant	2,759	8,336	10,793	9,722	-
Suppliers	2,860	5,507	5,507	3,300	-
Other	1,259,550	1,369,290	1,376,063	1,410,464	1,445,726
<b>Total cash used</b>	<b>1,265,169</b>	<b>1,383,133</b>	<b>1,392,363</b>	<b>1,423,486</b>	<b>1,445,726</b>
<b>Net cash from (used by) operating activities</b>	<b>19,024</b>	<b>5,330</b>	<b>(772)</b>	<b>2,274</b>	<b>14,516</b>
<b>Net increase (decrease) in cash held</b>	<b>19,024</b>	<b>5,330</b>	<b>(772)</b>	<b>2,274</b>	<b>14,516</b>
Cash and cash equivalents at beginning of reporting period	15	15	15	15	15
Cash from Official Public Account for:					
- Appropriations	98,949	101,063	103,735	101,002	91,394
- Special Accounts	1,147,177	1,280,811	1,287,146	1,321,300	1,354,332
- s30A drawdowns	511	1,259	1,482	1,184	-
	<b>1,246,637</b>	<b>1,383,133</b>	<b>1,392,363</b>	<b>1,423,486</b>	<b>1,445,726</b>
Cash to Official Public Account for:					
- Appropriations	92,213	88,479	88,917	89,165	91,394
- Administered Revenue	21,004	17,914	14,046	14,112	14,516
- Special Accounts	1,152,141	1,280,811	1,287,146	1,321,299	1,354,332
- s30A repayment	303	1,259	1,482	1,184	-
	<b>1,265,661</b>	<b>1,388,463</b>	<b>1,391,591</b>	<b>1,425,760</b>	<b>1,460,242</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget**

The Department of Human Services does not have an Administered Capital Budget for 2012-13.

**Table 3.2.11: Statement of Administered Asset Movements (Budget Year 2012-13)**

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>					
Gross book value	-	-	161	-	161
Accumulated depreciation/amortisation and impairment	-	-	(54)	-	(54)
<b>Opening net book balance</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>107</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	-	(36)	-	(36)
<b>As at 30 June 2013</b>					
Gross book value	-	-	161	-	161
Accumulated depreciation/amortisation and impairment	-	-	(90)	-	(90)
<b>Closing net book balance</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>71</b>

Prepared on Australian Accounting Standards basis.

## Notes to the financial statements

### Basis of accounting

The Budgeted Financial Statements have been prepared in accordance with:

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

The Department's Budgeted Financial Statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities at fair value.

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

The *Human Services Legislation Amendment Act 2011* was enacted on 1 July 2011 to support the Government's agenda for service delivery reform. The Act integrates Medicare Australia and Centrelink into the Department of Human Services.

As part of the integration process, the net book value of assets and liabilities of Medicare Australia and Centrelink have been transferred to and reflected in the balances of the Department of Human Services for 2011-12.

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

The presentation of the Comprehensive Income Statement includes the "Impact of Net Cash Appropriation Arrangements" note, whereby the Department's net operating result is adjusted by unfunded depreciation and amortisation expense. This treatment is the result of the net cash arrangement that has been implemented as part of the Operation Sunlight reform agenda.



## **Departmental**

Departmental assets, liabilities, revenues and expenses are those items controlled by the Department that are used in producing outputs, and include:

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

## **Administered**

Administered items are those items controlled by the Government and managed, or overseen, by the Department on behalf of the Government.



## GLOSSARY

<b>Term</b>	<b>Meaning</b>
Activities	The actions/functions performed by agencies to deliver government policies.
Actual Available Appropriation	The <i>Actual Available Appropriation</i> indicates the total appropriations available to the agency for 2011-12. It includes all appropriations made available to the agency in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movements of funds).
Administered Item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the agency and any unspent appropriation is returned to the Consolidated Revenue Fund at the end of the financial year. An administered item is a component of an administered program.
Agency	Generic term for Australian Government General Government Sector entities, including those governed by the <i>Financial Management and Accountability Act 1997</i> .
Appropriation	An amount of public money Parliament authorises for spending (i.e. funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
Appropriations and Cash Management Module (ACM)	A module of the Central Budget Management System from which agencies draw down funds from the Consolidated Revenue Fund.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole of government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the states and territories.

<b>Term</b>	<b>Meaning</b>
Budget Paper 4 (BP4)	Agency Resourcing. Details total resourcing available to agencies.
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administered by the Department of Finance and Deregulation. It contains the Commonwealth program list, the Commonwealth's financial estimates and produces the Annual Appropriation Bills.
Clear Read Principle	Under the Outcomes arrangements there is an essential clear link between the Appropriation Bills, the Portfolio Budget Statements (PBS), the Portfolio Additional Estimates Statements (PAES), and annual reports of agencies. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PBS should be avoided. This is called the "clear read" between the different documents. Under this Principle the planned performance in PBS is to be provided on the same basis as actual performance in the annual reports covering the same period, to permit a clear read across planning and actual performance reporting documents. Agencies should take this into account in designing their performance reporting arrangements.
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Capital Budget (DCB)	Funds provided in Appropriation Bill 1/3/5 for the ongoing replacement of minor assets.
Departmental Item	Resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.

<b>Term</b>	<b>Meaning</b>
Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are generally not included within the calculation of an appropriation. Appropriation funding is not provided in respect of depreciation expense. Also no funding is required for goods or services received free of charge that are then expensed: e.g. ANAO audit services – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
<i>Financial Management and Accountability Act 1997 (FMA Act)</i>	The <i>FMA Act</i> sets out the financial management, accountability and audit obligations of agencies (including Departments) that are financially part of the Commonwealth (and form part of the General Government Sector).
Forward Estimates Period	The three years following the budget year. For example, if 2012-13 is the budget year, 2013-14 is forward year 1, 2014-15 is forward year 2 and 2015-16 is forward year 3. This period does not include the current or budget year.
General Government Sector (GGS)	A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Intended Result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.

<b>Term</b>	<b>Meaning</b>
Measure	A new policy or savings decision of the Government with financial impacts on the Government's: underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Official Public Account (OPA)	The OPA is the government's central bank account held within the Reserve Bank of Australia. The OPA is the central component of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community.
Outcome Statement	An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework: 1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; 2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and 3. to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives.
Output	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.
Portfolio Budget Statements (PBS)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Portfolio Additional Estimates Statements (PAES)	Budget related paper detailing the changes in resourcing by outcome(s) since the Budget which provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

<b>Term</b>	<b>Meaning</b>
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program Support	The agency running costs allocated to a program. This is funded as part of the agency's departmental appropriations.
s31	Section 31 of the <i>FMA Act 1997</i> .
Target Group	A specific group being targeted for assistance by government policy.
Transfer	Cash paid to recipients of the applicable program. This includes welfare payments and tax rebates.

