

MEDICARE AUSTRALIA

Section 1: Overview	91
Additional estimates and variations to outcomes.....	94
Measures — Agency summary	96
Breakdown of additional estimates by appropriation bill.....	98
Summary of staffing changes.....	100
Summary of agency savings	100
Other receipts available to be used.....	101
Estimates of special account flows	102
Section 2: Revisions to agency outcomes	103
Outcomes, administered items and outputs.....	103
Section 3: Budgeted financial statements.....	105
Analysis of budgeted financial statements.....	105
Budgeted financial statements	106
Notes to the financial statements.....	113

MEDICARE AUSTRALIA

Section 1: 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.
- 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 relating to general practice, including the General Practice Immunisation Incentives Scheme, the Practice Incentives Program, the Rural Retention Program, and the General Practice Registrars' Rural Incentive Payment Scheme.

In conjunction with DHS, Centrelink and DVA, Medicare Australia will also be involved in the delivery of Access Card initiative. The Access card is a single card that will replace the existing Medicare card and a wide range of other health and social services cards and vouchers, health care cards and Veteran's cards. The initiative includes the development of the Access Card itself and shared technical and policy infrastructure across agencies.

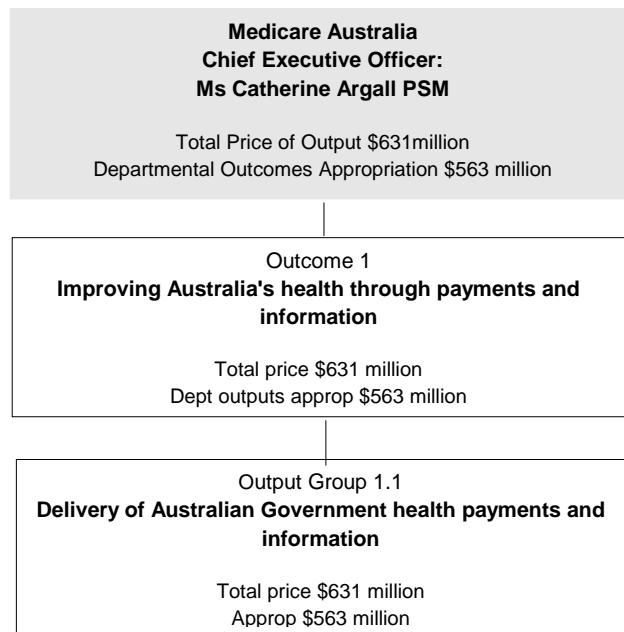
Medicare Australia administers community rebate and reimbursement schemes, such as the Higher Education Contribution Scheme Reimbursement Scheme and the Private Health Insurance Rebate. We also process claims for payment for Aged Care on behalf of the Department of Health and Ageing and accept applications for grants available under the LPG Vehicle Scheme on behalf of the Department of Industry, Tourism and Resources.

In addition, Medicare Australia administers the Medical Indemnity Scheme, the Herceptin Program, Broadband for Health Payment scheme for General Practitioners and Pharmacies, National Bowel Cancer Screening Register as well as the Special Assistance Programs for victims of the Bali bombings, Tsunami and London 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 appropriation for which the Department of Health & Ageing maintains responsibility.

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

Revenue for services provided are also received from the Department of Veterans' Affairs, the Department of Families, Community Services and Indigenous Affairs, and small amounts of revenue from other sources, including the Health Department of Western Australia, and for rent of facilities and sale of statistics. A few programs remain directly funded by the Department of Health & Ageing (mainly one-off smaller projects outside ongoing appropriation arrangements).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		Output Group 1.1
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 quality health care. Medicare Australia uses the National Medicare office network, its State offices and increasingly, electronic services to enable consumers to increase access to health and welfare entitlement information.	Delivery of Australian government health payments and information.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes - measures

	2006-07	2007-08	2008-09	2009-10
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Expense Measures				
Department of Human Services				
Medicare rebates - electronic claiming via EFTPOS	3,059	-918	-6,599	-15,370
Medicare rebates - electronic claiming via EFTPOS - Capital	1,669	209	-	-
Regulation reform agenda-electronic forms for General Practitioners and reducing red tape for doctors	757	578	512	468
Department of Industry, Tourism & Resources				
* Energy Initiatives - liquefied petroleum gas vehicle purchase and conversion rebate -establishment	658	933	1,170	1,051
Department of Health & Ageing				
COAG Health Workforce - New Medicare Item	139	427	500	709
Strengthening the health workforce in rural and remote areas and in Indigenous Communities	155	130	136	138
Pharmaceutical Benefits Scheme				
Broadened eligibility for the use of lipid-lowering drugs	96	255	380	452
Extension to the listing of Mabthera (Rituximab)	6	6	7	8
Extension to the listing of Pegasys (Peginterferon Alfa - 2a)	2	3	3	3
Extension to the listings of Enbrel (Etanercept), Humira (adalimumab) and Remicade (infliximab)	192	266	273	277
Extension to listing of Taxotere (docataxel) and Anzatax, Paclitaxel Ebewe and Taxol (paclitaxel)	2	3	4	5
Listing of Herceptin (trastuzumab)	307	415	408	415
Listing of Prexige (lumiracoxib)	68	143	189	248
Minor new listings	495	855	1,022	1,191
Extension to the listings of Fosamax Once Weekly and Alendronate Once Weekly	113	468	543	611
Pharmaceutical Benefits Scheme reform				
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package	3,578	14,152	13,361	14,613
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package - Capital	551	350	-	-
Pharmaceutical Benefits Scheme Reform - streamlining authority prescribing arrangements	678	1,374	1,028	1,042
Total Expense				
Measures	10,305	19,090	12,937	5,861
Total Capital				
Measures	2,220	559	-	-
Total of All Measures	12,525	19,649	12,937	5,861

Agency Additional Estimates Statements – Medicare Australia

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

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (departmental)				
Volume and WCI adjustment	629	5,472	4,404	5,496
Health and Social Services Access Card - introduction	-17,692	-	-	-
Health and Social Services Access Card - introduction - Capital	-3,094	-	-	-
COAG Health Services - promoting good health, prevention and early intervention	-150	-151	-313	-71
Total Departmental	-17,213	5,321	4,091	5,425
Total Capital	-3,094	-	-	-

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2006-07 Budget

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			items	outputs		items	outputs		items	outputs		items	outputs	
Expense Measures														
Department of Human Services														
Medicare rebates - electronic claiming via EFTPOS	1	1	-	3,059	3,059	-	-918	-918	-	-6,599	-6,599	-	-15,370	-15,370
Medicare rebates - electronic claiming via EFTPOS - Capital			-	1,669	1,669	-	209	209	-	-	-	-	-	-
Regulation reform agenda-electronic forms for General Practitioners and reducing red tape for doctors	1	1	-	757	757	-	578	578	-	512	512	-	468	468
Department of Industry, Tourism & Resources														
* Energy Initiatives - liquefied petroleum gas vehicle purchase and conversion rebate - establishment	1	1	-	658	658	-	933	933	-	1,170	1,170	-	1,051	1,051
Department of Health & Ageing														
COAG Health Workforce - New Medicare Item	1	1	-	139	139	-	427	427	-	500	500	-	709	709
Strengthening the health workforce in rural and remote areas and in Indigenous Communities	1	1	-	155	155	-	130	130	-	136	136	-	138	138
Sub Total Expense Measures			-	4,768	4,768	-	1,150	1,150	-	-4,281	-4,281	-	-13,004	-13,004
Sub Total Capital Measures			-	1,669	1,669	-	209	209	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2006-07 Budget Cont.

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
			Expense Measures											
Pharmaceutical Benefits Scheme														
Broadened eligibility for the use of lipid-lowering drugs	1	1	-	96	96	-	255	255	-	380	380	-	452	452
Extension to the listing of Mabthera (Rituximab)	1	1	-	6	6	-	6	6	-	7	7	-	8	8
Extension to the listing of Pegasys (Peginterferon Alfa - 2a)	1	1	-	2	2	-	3	3	-	3	3	-	3	3
Extension to the listings of Enbrel (Etanercept), Humira (adalimumab) and Remicade (infliximab)	1	1	-	192	192	-	266	266	-	273	273	-	277	277
Extension to listing of Taxotere (docataxel) and Anzatax Paclitaxel Ebewe (paclitaxel))	1	1	-	2	2	-	3	3	-	4	4	-	5	5
Listing of Herceptin (trastuzumab)	1	1	-	307	307	-	415	415	-	408	408	-	415	415
Listing of Prexige (lumiracoxib)	1	1	-	68	68	-	143	143	-	189	189	-	248	248
Minor new listings	1	1	-	495	495	-	855	855	-	1,022	1,022	-	1,191	1,191
Extension to the listings of Fosamax Once Weekly and Alendronate Once Weekly	1	1	-	113	113	-	468	468	-	543	543	-	611	611
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package	1	1	-	3,578	3,578	-	14,152	14,152	-	13,361	13,361	-	14,613	14,613
Pharmaceutical Benefits Scheme reform - Pharmacy and Pharmaceutical wholesaler structural adjustment package - Capital			-	551	551	-	350	350	-	-	-	-	-	-
Pharmaceutical Benefits Scheme Reform - streamlining authority prescribing arrangements	1	1	-	678	678	-	1,374	1,374	-	1,028	1,028	-	1,042	1,042
Sub Total Expense Measures			-	5,537	5,537	-	17,940	17,940	-	17,218	17,218	-	18,865	18,865
Sub Total Capital Measures			-	551	551	-	350	350	-	-	-	-	-	-
Total Expense Measures			-	10,305	10,305	-	19,090	19,090	-	12,937	12,937	-	5,861	5,861
Total Capital Measures			-	2,220	2,220	-	559	559	-	-	-	-	-	-
Total of All Measures			-	12,525	12,525	-	19,649	19,649	-	12,937	12,937	-	5,861	5,861

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 - Appropriation Bill (No 3) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Improving Australia's health through payments and information	523,523	569,937	563,029	10,934	17,842
Total	523,523	569,937	563,029	10,934	17,842
Total administered and departmental	523,523	569,937	563,029	10,934	17,842

The amount shown in reduced estimates relates to the transfer of appropriations for the Health and Social Services Access Card to the Department of Human Services (\$17.7m) and reduced appropriations related to Council of Australian Governments (COAG) Health Services (\$0.1m).

Table 1.6: Appropriation Bill (No. 4) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	4,830	2,300	2,300	-	-
Health and Social Services Access Card - introduction	-	11,461	8,367	-	3,094
Medicare rebates - electronic claiming via EFTPOS	-	-	1,669	1,669	-
Pharmaceutical Benefits Scheme reform - pharmacy and pharmaceutical wholesaler structural adjustment package	-	-	551	551	-
Total non-operating	4,830	13,761	12,887	2,220	3,094
Medicare Australia					
Total	4,830	13,761	12,887	2,220	3,094

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1			
Improving Australia's health through payments and information	4,797	5,129	332
Total	4,797	5,129	332

The increase in staffing levels from Budget is associated with an increase in the delivery of services that the agency expects to undertake.

SUMMARY OF AGENCY SAVINGS

Table 1.8: Summary of agency savings

R	Reclassification of appropriations	-
E	Estimates reductions	\$0.150 million
P	Policy decisions	\$20.786 million
M	Movement of estimates between years	-
Total agency savings		\$20.936 million

The savings for Medicare Australia reflected in the table below is associated with the transfer of appropriations related to the Health and Social Services Access Card to the Department of Human Services (\$20.8m) and reduced estimates related to Council of Australian Government (COAG) Health Services (\$0.1m).

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include FMA s.31 receipts and resources received free of charge.

The increase from Budget of approximately \$19.0m in receipts available to be used is mainly attributable to the additional funding from Centrelink of \$11.7m associated with the delivery of increased Family Assistance services in Medicare Offices. There are also variations in receipts from the Department of Veterans' Affairs, Department of Health and Ageing and Department of Families, Community Services and Indigenous Affairs to reflect increased service delivery and revised revenue estimates.

Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Departmental other receipts		
Department of Veterans' Affairs	15,448	18,035
Department of Health and Ageing	19,842	23,527
Department of Families, Community Services and Indigenous Affairs	7,900	8,605
Health Department of Western Australia	2,017	2,017
Centrelink	-	11,700
Other	3,801	4,076
Total departmental other receipts available to be used	49,008	67,960
Administered other receipts		
	-	-
Total administered other receipts available to be used	-	-

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Outcome No.	Opening Balance 2006-07⁽¹⁾ 2005-06 ⁽¹⁾ (\$'000)	Receipts 2006-07 2005-06 (\$'000)	Payments 2006-07 2005-06 (\$'000)	Adjustments ⁽²⁾ 2006-07 2005-06 (\$'000)	Closing Balance 2006-07 2005-06 (\$'000)
Recovery of Compensation for Health Care and other Services Special Account - s20 FMA Act, 1997 (A)	1	31,545 32,047	192,148 191,631	196,076 192,133	- -	27,617 31,545
Other Trust Monies Special Account - s20 FMA Act, 1997 (D)	1	177 160	900 948	925 931	- -	152 177
Total special accounts		31,722 32,207	193,048 192,579	197,001 193,064	- -	27,769 31,722

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statement and output group 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 health payments and information.

Outcome 1

Revised performance information — 2006-07

The performance information for the Agency remains unchanged from that specified in the 2006-07 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.

Departmental financial statements

Budgeted departmental income statement

Medicare Australia is estimating an operating surplus of \$10.3m in 2006-07 which is mainly attributable to changed arrangements relating to the Health and Social Services Access Card.

The income estimate for the current budget year is \$631.0m which represents a \$12.0m increase from \$618.9m at Budget. This is mainly attributable to additional appropriations of \$10.3m for new measures, \$11.7m from Centrelink for the provision of increased Family Assistance services, additional revenue of \$7.3m from other client agencies for the delivery of services and a reduction of \$17.7m mainly associated with the transfer of funding for the Health and Social Services Access Card to the Department of Human Services.

The total departmental expenditure estimate for the Agency has increased to reflect expenses associated with the delivery of additional services mentioned above, however, this is partially offset by the underspend associated with the Health and Social Services Access Card, resulting in a slight increase of \$1.7m from \$618.9m at Budget.

There is a general increase in revenue and expenditure across the forward years resulting from an expected increase in the provision of services to client agencies.

Budgeted departmental balance sheet

The majority of variations across the balance sheet categories from Budget are due to the flow on effects of actual results for 2005-06 which impact on the 2006-07 budgeted balance sheet. Major variations caused by other factors are explained below.

Medicare Australia's budgeted net asset position of \$139.2m represents a \$9.6m increase from \$129.6m at Budget. This increase is primarily due to the budgeted operating surplus of \$10.3m in the current year which is reflected in receivables and accumulated results. The increase in receivables is mainly attributable to the

underspend in operating and capital expenditure of \$16.9m for the Health and Social Services Access Card.

Employee provisions have increased by \$12.1m in comparison to Budget and is attributable to revised projections associated with the increase in employee expenses.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement (see Table 3.1)

This statement represents the expected financial results for the Agency by identifying total accrued revenues and expenses. It highlights whether Medicare Australia is operating at a sustainable level.

Budgeted departmental balance sheet (see Table 3.2)

This statement represents the end of year financial position for Medicare Australia and assists decision-makers in tracking the management of assets and liabilities.

Budgeted departmental statement of cash flows (see Table 3.3)

This statement represents the nature and extent of expected cash flows for Medicare Australia resulting from operating, investing and financing activities.

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

This statement represents movements in accumulated results, capital contributions and reserves during the budget year for Medicare Australia.

Departmental capital budget statement (see Table 3.5)

This statement represents planned capital expenditure (expenditure on non-current assets) for Medicare Australia, whether funded through capital appropriations or from internal sources.

Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07) (see Table 3.6)

The summary shows budgeted acquisitions and disposals of non-financial assets during the budget year for Medicare Australia.

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	524,575	563,029	666,384	703,897	695,754
Goods and services	52,311	66,455	51,054	44,634	43,936
Interest	123	-	-	-	-
Other	79	951	800	800	800
Total revenue	577,088	630,435	718,238	749,331	740,490
Gains					
Other	618	554	-	-	-
Total gains	618	554	-	-	-
Total income	577,706	630,989	718,238	749,331	740,490
EXPENSE					
Employees	319,726	348,400	357,402	352,961	345,571
Suppliers	217,624	226,689	312,985	352,623	352,055
Depreciation and amortisation	45,425	45,582	47,851	43,747	42,864
Finance costs	63	-	-	-	-
Write-down of assets and impairment of assets	773	-	-	-	-
Net losses from sale of assets	873	-	-	-	-
Net foreign exchange losses	2	-	-	-	-
Total expenses	584,486	620,671	718,238	749,331	740,490
Operating result before Income Tax	(6,780)	10,318	-	-	-
Income Tax expense	-	-	-	-	-
Net operating result	(6,780)	10,318	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(6,780)	10,318	-	-	-

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,781	4,717	4,717	4,717	4,717
Receivables	125,541	155,913	178,508	187,998	190,814
Accrued revenues	1,714	1,714	1,714	1,714	1,714
Total financial assets	132,036	162,344	184,939	194,429	197,245
Non-financial assets					
Land and buildings	42,804	48,211	54,255	56,192	55,813
Infrastructure, plant and equipment	769	769	769	769	769
Heritage and cultural assets	82	82	82	82	82
Intangibles	76,262	69,926	61,388	56,050	52,056
Other non-financial assets	10,409	10,409	10,409	10,409	10,409
Total non-financial assets	130,326	129,397	126,903	123,502	119,129
Total assets	262,362	291,741	311,842	317,931	316,374
LIABILITIES					
Payables					
Suppliers	53,170	54,776	70,065	77,086	76,986
Other payables	4,803	3,132	2,908	2,874	2,874
Total payables	57,973	57,908	72,973	79,960	79,860
Interest bearing liabilities					
Leases	7,380	7,380	7,380	7,380	7,380
Total interest bearing liabilities	7,380	7,380	7,380	7,380	7,380
Provisions					
Employees	77,102	83,341	85,073	83,875	82,118
Other provisions	3,921	3,921	3,921	3,921	3,921
Total provisions	81,023	87,262	88,994	87,796	86,039
Total liabilities	146,376	152,550	169,347	175,136	173,279
EQUITY*					
Parent entity interest					
Contributed equity	124,807	137,694	140,998	141,298	141,598
Retained surpluses or accumulated deficits	(8,821)	1,497	1,497	1,497	1,497
Total parent entity interest	115,986	139,191	142,495	142,795	143,095
Total equity	115,986	139,191	142,495	142,795	143,095
Current assets	142,445	172,753	195,348	204,838	207,654
Non-current assets	119,917	118,988	116,494	113,093	108,720
Current liabilities	127,681	127,331	143,769	149,807	148,315
Non-current liabilities	18,695	25,219	25,578	25,329	24,964

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	49,170	60,242	55,776	46,662	44,160
Appropriations	497,685	537,199	638,843	692,345	692,714
Interest	123	-	-	-	-
Net GST received	26,795	15,326	15,326	15,326	15,326
Other cash received	79	951	800	800	800
Total cash received	573,852	613,718	710,745	755,133	753,000
Cash used					
Employees	320,005	342,161	355,670	354,159	347,328
Suppliers	195,058	224,529	297,696	345,602	352,155
Net GST paid	23,836	15,326	15,326	15,326	15,326
Total cash used	538,899	582,016	668,692	715,087	714,809
Net cash from or (used by) operating activities	34,953	31,702	42,053	40,046	38,191
INVESTING ACTIVITIES					
Cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	41,012	44,653	45,357	40,346	38,491
Total cash used	41,012	44,653	45,357	40,346	38,491
Net cash from or (used by) investing activities	(41,012)	(44,653)	(45,357)	(40,346)	(38,491)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	3,962	12,887	3,304	300	300
Other cash received	6,284	-	-	-	-
Total cash received	10,246	12,887	3,304	300	300
Cash used					
Other cash used	6,284	-	-	-	-
Total cash used	6,284	-	-	-	-
Net cash from or (used by) financing activities	3,962	12,887	3,304	300	300
Net increase or (decrease) in cash held	(2,097)	(64)	-	-	-
Cash at the beginning of the reporting period	6,878	4,781	4,717	4,717	4,717
Cash at the end of the reporting period	4,781	4,717	4,717	4,717	4,717

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	(8,821)	-	-	124,807	115,986
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(8,821)	-	-	124,807	115,986
Income and expense					
Net operating result	10,318	-	-	-	10,318
Total income and expenses	10,318	-	-	-	10,318
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	12,887	12,887
Sub-total transactions with owners	-	-	-	12,887	12,887
Closing balance less minority interests	1,497	-	-	137,694	139,191
Estimated closing balance as at 30 June 2007	1,497	-	-	137,694	139,191

Table 3.5: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2005-06	budget	estimate	estimate	estimate
	\$'000	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	3,962	12,887	3,304	300	300
Total loans	-	-	-	-	-
Total capital appropriations	3,962	12,887	3,304	300	300
Represented by:					
Purchase of non-financial assets	3,962	12,887	3,304	300	300
Other	-	-	-	-	-
Total represented by	3,962	12,887	3,304	300	300
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	3,962	12,887	3,304	300	300
Funded internally by					
Departmental resources	37,050	31,766	42,053	40,046	38,191
Total	41,012	44,653	45,357	40,346	38,491

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	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 2006									
Gross book value	-	-	55,325	-	988	82	97,536	-	153,931
Accumulated depreciation	-	-	(12,521)	-	(219)	-	(21,274)	-	(34,014)
Opening net book value	-	-	42,804	-	769	82	76,262	-	119,917
Additions:									
by purchase	-	-	21,387	-	343	-	22,923	-	44,653
Depreciation/amortisation expense	-	-	(15,980)	-	(343)	-	(29,259)	-	(45,582)
As at 30 June 2007									
Gross book value	-	-	76,712	-	1,331	82	120,459	-	198,584
Accumulated depreciation	-	-	(28,501)	-	(562)	-	(50,533)	-	(79,596)
Estimated closing net book value	-	-	48,211	-	769	82	69,926	-	118,988

NOTES TO THE FINANCIAL STATEMENTS

Departmental

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.

