

# CENTRELINK

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# CENTRELINK

## Section 1: Overview

Centrelink's Purpose is:

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

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

- Australian Government Department of Families, Community Services and Indigenous Affairs (FaCSIA);
- Australian Government Department of Employment and Workplace Relations (DEWR);
- Australian Government Department of Education, Science and Training (DEST);
- Australian Government Department of Agriculture, Fisheries and Forestry (DAFF); and
- Australian Government Department of Health and Ageing (DoHA).

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

### **1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES**

The products and services delivered by the agency (outputs, products and services), which contribute to achievement of outcomes for Centrelink are summarised in Table 1.1.

**Table 1.1: Contribution to outcomes**

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

## Section 2: Resources for 2007-08

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome and departmental classification. Centrelink does not receive administered revenue.

The total appropriation for Centrelink in the 2007-08 Budget is \$699.62 million (including prior years' outputs) for infrastructure costs, equity injections and Centrelink coordinated Budget measures. Receipts from other sources relate to Centrelink's service delivery to Policy Department's receipts and amounts to \$2,068.37 million.

**Table 2.1: Appropriations and other resources 2007-08 ('000)**

Agency/Outcome/ Non-operating	Departmental		Receipts (b) \$'000	Total \$'000
	Appropriation Bill No. 1	Appropriation Bill No. 2		
	\$'000	(a) \$'000		
Outcome 1	657,519	-	2,068,367	2,725,886
Equity injections	-	39,864	-	39,864
Previous years' outputs (c)	-	2,232	-	2,232
<b>TOTAL</b>	657,519	42,096	2,068,367	2,767,982

## Notes:

- (a) The appropriation structure, Bill No. 2 includes departmental capital via departmental injections for specific Budget measures.
- (b) Departmental receipts represents receipts from other sources (i.e. other than appropriation amounts) that are available to be used.
- (c) The previous years' output in the table above comprises of appropriation received in relation to the Centrelink - drought assistance buses.
- (d) Refer to Budgeted Income Statement for application of agency revenue.

## 2.2 2007-08 BUDGET MEASURES

Budget measures relating to Centrelink as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcome and output associated with each measure.

There are also 18 measures that have 2006-07 revenue totalling \$15.08 million. These measures are:

- Anniversary of Bali and London bombings and Bali Trials - travel assistance to families;
- East Timor 2006 – medical evacuees;
- Migration Programme - 4,000 additional family stream places for 2006-07 (FaCSIA and DEST);
- Bushfire assistance - ex-gratia payments to victims of the bushfires in Tasmania, Victoria and Western Australia;
- Cyclones George and Jacob - assistance;
- A Better Future for Indigenous Australians - Indigenous employment services;
- A Better Future for Indigenous Australians - enhancing opportunities for employment and participation in remote communities;
- Securing the future of aged care for Australians - increased capital funding for residential care;
- Securing the future of aged care for Australians - simplified income-tested care fees;
- Agriculture – Advancing Australia - Farm Help;
- Drought assistance - Exceptional Circumstances assistance for primary producers;
- Drought assistance - Exceptional Circumstances assistance for small businesses;
- Drought assistance - interim income support for primary producers;
- Drought assistance - interim income support for small businesses;
- Centrelink – drought assistance buses;

- Child Care Tax Rebate – conversion to a direct payment;
- Child Care Benefit – increased rates; and
- Baby Bonus – introducing birth registration as a condition.

**Table 2.2 Centrelink measures**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
<b>Department of Families, Community Services and Indigenous Affairs</b>														
<b>Expense Measures</b>														
Efficiencies in service delivery agencies	1	1	-	(9,471)	(9,471)	-	(9,944)	(9,944)	-	(10,442)	(10,442)	-	(10,964)	(10,964)
Fraud and compliance - Age Pension - additional assessments of the value of real estate assets	1	1	-	650	650	-	507	507	-	(145)	(145)	-	-	-
Fraud and compliance - consistent assessment of Family Tax Benefit	1	1	-	2,254	2,254	-	4,812	4,812	-	4,591	4,591	-	1,234	1,234
Fraud and compliance - transfer of death registration information	1	1	-	803	803	-	24	24	-	22	22	-	23	23

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Fraud and compliance - Age Pension - data exchange with the United Kingdom	1	1	-	4,559	4,559	-	4,933	4,933	-	1,776	1,776	-	1,699	1,699
Social Security Agreement between Australia and Korea - establishment <sup>1</sup>	1	1	-	902	902	-	375	375	-	154	154	-	156	156
Migration Programme - 4,000 additional family stream places for 2006-07	1	1	-	84	84	-	97	97	-	98	98	-	99	99
A Better Future for Indigenous Australians - improved access to child care and early childhood services	1	1	-	89	89	-	65	65	-	79	79	-	128	128
Assurance of Support simplification package	1	1	-	5,191	5,191	-	2,063	2,063	-	2,037	2,037	-	2,059	2,059

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Fraud and compliance - rolling random sample survey programme - continuation and expansion	1	1	-	8,036	8,036	-	7,094	7,094	-	7,175	7,175	-	7,285	7,285
Health Care Card for ex-Carer Allowance (Child) students aged 16-25 years	1	1	-	1,328	1,328	-	464	464	-	471	471	-	478	478
Funeral bonds means test exemption - increased threshold	1	1	-	912	912	-	94	94	-	94	94	-	95	95
Assistance to Families at Risk of Overpayment - additional resourcing	1	1	-	3,438	3,438	-	137	137	-	-	-	-	-	-
Humanitarian settlement initiatives - extending Crisis Payment to newly arrived humanitarian entrants on arrival in Australia	1	1	-	658	658	-	323	323	-	304	304	-	308	308

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Pension Bonus Scheme - enhancements	1	1	-	3,645	3,645	-	716	716	-	701	701	-	708	708
Bushfire assistance - ex-gratia payments to victims of the bushfires in Tasmania, Victoria and Western Australia	1	1	-	85	85	-	-	-	-	-	-	-	-	-
Cyclones George and Jacob - assistance	1	1	-	59	59	-	-	-	-	-	-	-	-	-
Migration Programme - 8,800 place increase for 2007-08	1	1	-	316	316	-	372	372	-	582	582	-	798	798
Influenza pandemic - managing the social and community impacts	1	1	-	2,879	2,879	-	1,132	1,132	-	1,024	1,024	-	1,034	1,034

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Child Care Tax Rebate - conversion to a direct payment	1	1	-	3,378	3,378	-	866	866	-	876	876	-	886	886
Child Care Benefit - increased rates	1	1	-	1,915	1,915	-	609	609	-	317	317	-	19	19
Baby Bonus - introducing birth registration as a condition	1	1	-	173	173	-	130	130	-	96	96	-	97	97
Multiple Birth Allowance - extension of eligibility	1	1	-	942	942	-	124	124	-	125	125	-	127	127
<b>Department of Employment and Workplace Relations</b>														
<b>Expense Measures</b>														
Efficiencies in service delivery agencies	1	1	-	(13,330)	(13,330)	-	(13,997)	(13,997)	-	(14,697)	(14,697)	-	(15,432)	(15,432)
Centrelink Financial Information Service - improved advice on compensation payments	1	1	-	546	546	-	876	876	-	591	591	-	597	597

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Job Capacity Assessment - reinforcing the role	1	1	-	572	572	-	194	194	-	280	280	-	367	367
Parenting Payment - expanded access to supplementary concessions	1	1	-	1,492	1,492	-	247	247	-	243	243	-	246	246
A Better Future for Indigenous Australians - Indigenous employment services	1	1	-	2,293	2,293	-	1,987	1,987	-	2,008	2,008	-	2,031	2,031
Personal Support Programme - additional places	1	1	-	201	201	-	183	183	-	-	-	-	-	-
A Better Future for Indigenous Australians - enhancing opportunities for employment and participation in remote communities	1	1	-	2,417	2,417	-	2,171	2,171	-	2,171	2,171	-	2,424	2,424

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
A Better Future for Indigenous Australians - compliance and eligibility checks for Community Development Employment Projects (CDEP) programme participants	1	1	-	1,582	1,582	-	(548)	(548)	-	(554)	(554)	-	(560)	(560)
Youth Allowance - participation requirements for payment eligibility	1	1	-	498	498	-	94	94	-	89	89	-	90	90
Fraud and compliance - improved reporting of changes in income of people receiving Centrelink payments	1	1	-	1,254	1,254	-	756	756	-	672	672	-	679	679

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
			2007-08			2008-09			2009-10			2010-11		
			\$'000			\$'000			\$'000			\$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Fraud and compliance - verification of earnings to improve the accuracy of payments	1	1	-	2,250	2,250	-	(1,886)	(1,886)	-	(3,918)	(3,918)	-	(5,821)	(5,821)
Migration Programme - 4,000 additional family stream places for 2006-07	1	1	-	-	-	-	-	-	-	526	526	-	454	454
Mobility Allowance - expanding eligibility criteria	1	1	-	883	883	-	181	181	-	182	182	-	184	184
Migration Programme - 8,800 place increase for 2007-08	1	1	-	-	-	-	-	-	-	576	576	-	1,654	1,654

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
<b>Department of Education, Science and Training</b>														
<b>Expense Measures</b>														
Efficiencies in service delivery agencies	1	1	-	(2,209)	(2,209)	-	(2,319)	(2,319)	-	(2,435)	(2,435)	-	(2,557)	(2,557)
Fraud and compliance - consolidation and expansion of risk profile reviews for student payments	1	1	-	1,095	1,095	-	1,065	1,065	-	1,075	1,075	-	1,145	1,145
Migration Programme - 4,000 additional family stream places for 2006-07	1	1	-	26	26	-	34	34	-	24	24	-	5	5
A Better Future for Indigenous Australians - expanding employment pathways for Indigenous young people	1	1	-	1,257	1,257	-	271	271	-	264	264	-	268	268
Migration Programme - 8,800 place increase for 2007-08	1	1	-	11	11	-	42	42	-	76	76	-	84	84

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Realising Our Potential - extending Rent Assistance to Austudy recipients	1	1	-	1,682	1,682	-	332	332	-	321	321	-	325	325
Realising Our Potential - extending income support to Masters students	1	1	-	1,353	1,353	-	508	508	-	552	552	-	603	603
<b>Department of Health and Ageing</b>														
<b>Expense Measures</b>														
Securing the future of aged care for Australians - increased capital funding for residential care	1	1	-	194	194	-	-	-	-	-	-	-	-	-

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Securing the future of aged care for Australians - simplified income-tested care fees	1	1	-	1,218	1,218	-	164	164	-	118	118	-	119	119
<b>Department of Agriculture, Fisheries and Forestry</b>														
<b>Expense Measures</b>														
Agriculture - Advancing Australia - Farm Help	1	1	-	(256)	(256)	-	3,558	3,558	-	3,518	3,518	-	3,375	3,375
Drought assistance - Exceptional Circumstances assistance for primary producers	1	1	-	1,246	1,246	-	433	433	-	-	-	-	-	-
Drought assistance - Exceptional Circumstances assistance for small businesses <sup>2</sup>	1	1	-	1,153	1,153	-	24	24	-	-	-	-	-	-

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
			2007-08			2008-09			2009-10			2010-11		
			\$'000			\$'000			\$'000			\$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
<b>Direct Appropriation</b>														
<b>Expense Measures</b>														
Efficiencies in service delivery agencies	1	1	-	1,500	1,500	-	(13,300)	(13,300)	-	(13,500)	(13,500)	-	(13,600)	(13,600)
Fraud and compliance - residency eligibility validation system for payments and concessions	1	1	-	20,617	20,617	-	20,601	20,601	-	8,108	8,108	-	5,684	5,684
Centrelink - drought assistance buses	1	1	-	4,534	4,534	-	4,282	4,282	-	-	-	-	-	-
Murray-Darling Basin - additional servicing support for farmers	1	1	-	5,405	5,405	-	4,618	4,618	-	-	-	-	-	-
<b>Total Expense Measures<sup>3</sup></b>			-	72,309	72,309	-	25,564	25,564	-	(3,775)	(3,775)	-	(11,367)	(11,367)

**Table 2.2 Centrelink measures (continued)**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09			Appropriations forward estimate 2009-10			Appropriations forward estimate 2010-11		
			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
<b>Capital Injection Funding</b>														
<b>Capital Measures</b>														
Fraud and compliance - residency eligibility validation system for payments and concessions	1	1	-	180	180	-	100	100	-	-	-	-	-	-
Influenza pandemic - managing the social and community impacts	1	1	-	2,520	2,520	-	-	-	-	-	-	-	-	-
<b>Total Capital Measures</b>			-	2,700	2,700	-	100	100	-	-	-	-	-	-
<b>Total of All Measures</b>			-	75,009	75,009	-	25,664	25,664	-	(3,775)	(3,775)	-	(11,367)	(11,367)

1. This funding is not included in Budget Paper 2 as it was included in the MYEFO by FaCSIA although has not previously been reported by Centrelink.
2. \$1.02M of this amount is not included in Budget Paper 2 as it was included in the MYEFO by DAFF although has not previously been reported by Centrelink.
3. These figures are presented on the basis of resources the agency will have available to implement the measure (eg appropriations). This differs from the GFS accrual basis ("fiscal balance") in Budget Paper. 2.

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by Centrelink for provision of services. These resources are approved for use by Centrelink and are included in Table 2.1.

**Table 2.3: Other resources available to be used<sup>1</sup>**

	Estimated receipts 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental resources</b>		
Revenue from Ordinary activities excluding Appropriation Bill (No. 1)	1,980,072	1,995,495
<b>Total departmental other resources available to be used</b>	<b>1,980,072</b>	<b>1,995,495</b>

Notes:

1. This table replaces the former table 'Receipts from Other sources'. It represents own source receipts available for spending on departmental purposes.
2. Revenue from Ordinary activities differs from departmental receipts because:
  - Revenue is prepared on an accrual basis and receipts, on a cash basis; and
  - Receipts include GST input credit receipts and GST receipts from customers.

## 2.4 MOVEMENT OF ADMINISTERED FUNDS

Centrelink is a Service Delivery Agency and does not receive administered funds.

## 2.5 SPECIAL APPROPRIATIONS

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

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

Australian Government Department of Families and Community Services and Indigenous Affairs

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

Australian Government Department of Employment and Workplace Relations

- *Social Security (Administration) Act 1999*

Australian Government Department of Education, Science and Training

- *Social Security Act 1991*
- *The Student Assistance Act 1973*

Australian Government Department of Agriculture, Fisheries and Forestry

- *Farm Household Support Act 1992*

Details of legislation and policy contexts are included in Table 2.5 of respective department's 2007-08 Portfolio Budget Statements.

## 2.6 MOVEMENTS IN SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by Centrelink.

**Table 2.6: Estimates of Special Account cash flows and balances**

		Opening balance <b>2007-08</b> 2006-07	Receipts <b>2007-08</b> 2006-07	Payments <b>2007-08</b> 2006-07	Closing balance <b>2007-08</b> 2006-07
	Outcome	\$'000	\$'000	\$'000	\$'000
Other Trust Monies - Centrelink - s20 FMA Act 1997 (A)		<b>256</b> 331	<b>1,000</b> 1,100	<b>(1,061)</b> (1,175)	<b>195</b> 256
Centrelink Special Account - s20 FMA Act 1997 (D)	1	<b>213,965</b> 217,473	<b>2,767,982</b> 2,711,054	<b>(2,744,250)</b> (2,714,562)	<b>237,697</b> 213,965
<b>Total special accounts</b>					
<b>2007-08 Budget estimate</b>		<b>214,221</b>	<b>2,768,982</b>	<b>(2,745,311)</b>	<b>237,892</b>
Total special accounts 2006-07 estimate actual		217,804	2,712,154	(2,715,737)	214,221

(A) = Administered  
(D) = Departmental

Act Glossary:  
FMA Act - Financial Management and Accountability Act 1997

## Section 3: Outcomes

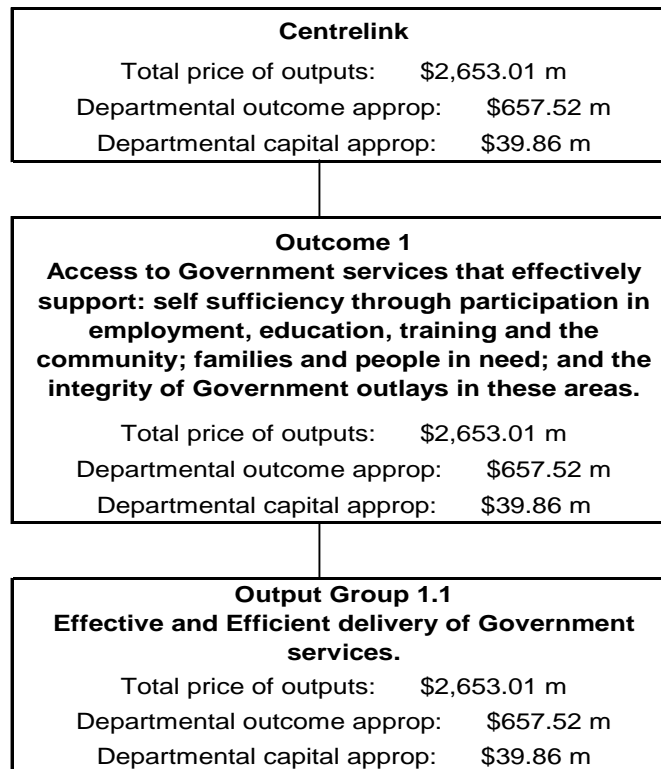
General Government Sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer items on behalf of the Government (administered items).

This section summarises how the resources identified in Section 2 will be used to contribute to the outcome for Centrelink. Emphasis is placed on estimating the contribution to outcome through outputs delivered by Centrelink. Key performance measures and performance evaluation activities are specified for each outcome. More detailed information on output is maintained by Centrelink for internal management purposes.

### 3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

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

**Figure 3: Contributions to outcomes**



## 3.2 Outcome resources and performance information

### 3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources and the total price of outputs.

**Table 3.1: Total resources for Outcome 1**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental appropriations</b>		
Output Group 1.1 - Effective and Efficient delivery of Government services	563,973	657,519
<b>Subtotal Output Group 1.1</b>	<b>563,973</b>	<b>657,519</b>
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>563,973</b>	<b>657,519</b>
<b>Revenue from other sources</b>		
Family and Community Services and Indigenous Affairs	795,002	809,981
Employment and Workplace Relations	916,251	945,973
Education, Science and Training	132,153	134,072
Health and Ageing	12,121	13,139
Agriculture, Fisheries and Forestry	27,312	7,534
Industry, Tourism and Resources	4,785	3,478
Other	92,448	81,318
<b>Total revenue from other sources</b>	<b>1,980,072</b>	<b>1,995,495</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>2,544,045</b>	<b>2,653,014</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>2,544,045</b>	<b>2,653,014</b>
	<b>2006-07</b>	<b>2007-08</b>
<b>Average staffing level (number)</b>	<b>24,860</b>	<b>25,230</b>

Notes:

1. The appropriation in 2006-2007 includes outputs delivered by Centrelink in 2006-2007 but not funded in that year. A corresponding appropriation receivable is recognised for 2006-2007 in Centrelink's estimated Budgeted Financial Statements at Table 5.1.

The following is a summary of Centrelink's future revenue by Policy Departments.

**Table 3.1.1: Supplementary Table - Centrelink Summary of Future Revenue**

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
FaCSIA	809,981	712,166	716,831	718,712
DEWR	945,973	926,028	957,061	968,988
DEST	134,072	126,753	128,121	128,725
DoHA	13,139	12,054	12,207	12,331
DAFF	7,534	4,172	3,518	3,375
DITR	3,478	5,032	4,144	3,236
<b>Subtotal Service Delivery</b>	<b>1,914,177</b>	<b>1,786,205</b>	<b>1,821,882</b>	<b>1,835,367</b>
Departmental Appropriations <sup>1</sup>	657,519	664,007	635,016	677,892
Revenue from other sources <sup>2</sup>	81,318	29,760	23,752	24,437
<b>Total</b>	<b>2,653,014</b>	<b>2,479,972</b>	<b>2,480,650</b>	<b>2,537,696</b>

Notes:

1. Departmental Appropriations include amounts directly appropriated to Centrelink for Infrastructure funding, Compensation for Detriment caused by Defective Administration (CDDA) and some specific Budget measures.
2. Revenue from other sources includes anticipated revenue from new business outside existing business partnership agreements or service level agreements with Policy Departments.

### 3.2.4 Performance information for Outcome 1

Performance information for individual outputs and output groups relating to Centrelink are summarised in Table 3.2. Centrelink does not have any administered items.

**Table 3.2: Performance information for Outcome 1**

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

### 3.2.5 Evaluations for Outcome 1

Centrelink has a comprehensive organisational performance framework which links evaluation throughout the organisation. Centrelink undertakes a range of evaluations including performance evaluations of outcomes and outputs, audit and risk reviews and business integrity compliance reviews.

## Section 4: Other reporting requirements

### 4.1 PURCHASER-PROVIDER ARRANGEMENTS

Agencies may need to provide resources to other GGS bodies, for example in payment for services rendered or as part of cross agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not equal total resourcing at the whole of government level (as reproduced in Budget Paper No. 1).

This section summarises significant transactions between GGS agencies that are not consolidated or reported at the whole of government level.

#### 4.1.1 Cross agency overview

Centrelink operates under purchaser-provider arrangements with services delivered on behalf of Policy Departments. These services make up Centrelink's Output Group and are referred to in the Portfolio Budget Statements of these Policy Departments.

#### Responsibility

The services Centrelink delivers on behalf of Policy Departments are the responsibility of the CEO. Centrelink is a statutory agency within the Human Services portfolio.

As part of the Department of Human Services Centrelink reports on its outcomes and provides a full set of financial statements in Section 5 of these Portfolio Budget Statements.

#### Control arrangements

Centrelink was established to provide Australian Government services in accordance with service arrangements under the *Commonwealth Services Delivery Agency Act 1997* (CSDA Act).

The CSDA Act was amended by the *Human Services Legislation Amendment Act 2005* which commenced on 1 October 2005.

Legislation applying to agencies within the Australian Government Budget sector, such as the *Financial Management and Accountability Act 1996* and the *Privacy Act 1998*, also apply to Centrelink.

The *Financial Management and Accountability Act 1997* sets out the CEO's functions and responsibilities relating to Centrelink's financial management.

### *Centrelink - Budget Statement - Other reporting requirements*

Centrelink's governance framework changed on 1 October 2005 with the commencement of the *Human Services Legislation Amendment Act 2005* and the abolition of the Centrelink Board of Management.

Until that date the Board was accountable to the Minister, through the Chair, for deciding Centrelink's goals, priorities, policies and strategies, and ensuring that Centrelink's functions were properly, efficiently and effectively performed. The Chief Executive Officer was accountable to the Chair for managing all strategic and functional aspects of Centrelink's operations.

Since 1 October 2005 the Chief Executive Officer has been accountable to the Minister, through the Departmental Secretary, for Centrelink's strategic, operational and financial management, and for ensuring Centrelink achieves its purpose: 'Serving Australia by assisting people to become self sufficient and supporting those in need'.

Centrelink's revenue is provided through Business Partnership Agreements or similar arrangements with Policy Departments. Funds are appropriated to the Policy Departments and paid to Centrelink in return for specified services.

Centrelink has one government outcome: Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas .

The outcome and output reflect Centrelink's role in delivering specified outputs on behalf of Policy Departments. The Government's priorities and Centrelink's Strategic Directions provide the framework for achieving our output and outcome.

The Balanced Scorecard gives the Centrelink CEO, Centrelink Executive and DHS an overview of Centrelink's business. It provides a regular health check for our business, helps forecast scenarios and take pre-emptive action to minimise any adverse impacts to the organisation that may affect its ability to consistently deliver high quality service. It is used as a performance-reporting tool and assists in making Centrelink staff accountable for their performance.

#### **Resourcing**

Refer to Section 2 for a summary of Centrelink revenue.

#### **Performance against outcomes of purchased outputs**

Centrelink's performance is measured by 'Key Performance Indicators' as outlined in Section 3.2 Outcome resources and performance information.

## **4.2 COST RECOVERY ARRANGEMENTS**

Centrelink does not undertake any activities subject to the Australian Government Cost Recovery Guidelines.

### **Summary of cost recovery impact statement**

Centrelink's Cost Recovery Impact Statement (CRIS) was completed in January 2006 and has not changed since it was reported in the 2006-07 PBS.

## **4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

Please refer to the Portfolio Overview, Table 1: Australian Government Indigenous Expenditure for a summary of expenditure.

## Section 5: Budgeted financial statements

### **5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Departmental**

#### **Income Statement (see table 5.1)**

Centrelink is budgeting for break even operating results for 2007-08 and for the forward years.

The 2007-08 revenue is estimated to increase by \$109.0m from the 2006-07 estimated revenue of \$2,544.0m. This increase is primarily as a result of the increase in appropriation funding for infrastructure (\$93.5m) and certain Budget Measures.

The 2007-08 expense is also estimated to increase correspondingly by \$109.0m from 2006-07.

#### **Balance Sheet (see table 5.2)**

Centrelink's budgeted net asset position of \$322.5m represents an increase of \$39.9m from the 2006-07 estimates. The increase is mainly due to capital injections received in 2007-08 to fund capital works relating to certain Budget measures.

The 2007-08 total assets are expected to increase by \$76.7m to \$901.2m, mainly reflecting an anticipated decrease in prepayments by \$21.2m and offset by anticipated increases in trade and other receivables by \$23.5m and net increase in fixed assets of \$76.3m mainly due to asset replacement program and capital for associated Budget initiatives.

Centrelink's primary liability continues to be accrued employee leave entitlements and the liability is estimated to increase by approximately \$22.6m in 2007-08.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement (for the period ended 30 June)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	563,973	657,519	664,007	635,016	677,892
Goods and services	1,974,027	1,992,149	1,812,484	1,842,011	1,856,036
<b>Total revenue</b>	<b>2,538,000</b>	<b>2,649,668</b>	<b>2,476,491</b>	<b>2,477,027</b>	<b>2,533,928</b>
<b>Gains</b>					
Other	6,045	3,346	3,481	3,623	3,768
<b>Total gains</b>	<b>6,045</b>	<b>3,346</b>	<b>3,481</b>	<b>3,623</b>	<b>3,768</b>
<b>Total income</b>	<b>2,544,045</b>	<b>2,653,014</b>	<b>2,479,972</b>	<b>2,480,650</b>	<b>2,537,696</b>
<b>EXPENSE</b>					
Employees	1,632,210	1,682,662	1,486,345	1,472,233	1,497,671
Suppliers	787,817	819,900	843,397	867,775	892,881
Depreciation and amortisation	115,518	149,452	149,230	139,642	146,144
Write-down of assets and impairment of assets	8,500	1,000	1,000	1,000	1,000
<b>Total expenses</b>	<b>2,544,045</b>	<b>2,653,014</b>	<b>2,479,972</b>	<b>2,480,650</b>	<b>2,537,696</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.2: Budgeted departmental balance sheet (as at 30 June)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	24,312	22,509	24,656	23,803	24,607
Trade and other Receivables	211,635	235,042	306,837	362,207	431,297
<b>Total financial assets</b>	<b>235,947</b>	<b>257,551</b>	<b>331,493</b>	<b>386,010</b>	<b>455,904</b>
<b>Non-financial assets</b>					
Land and buildings	129,170	187,362	183,389	177,079	170,664
Infrastructure, plant and equipment	126,260	157,493	128,981	115,810	87,999
Intangibles	266,957	253,862	251,862	256,029	261,803
Other	66,093	44,891	44,646	44,646	44,646
<b>Total non-financial assets</b>	<b>588,480</b>	<b>643,608</b>	<b>608,878</b>	<b>593,564</b>	<b>565,112</b>
<b>Total assets</b>	<b>824,427</b>	<b>901,159</b>	<b>940,371</b>	<b>979,574</b>	<b>1,021,016</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	439,145	475,556	515,021	552,134	591,485
Other	8,884	6,333	4,427	2,965	1,674
<b>Total provisions</b>	<b>448,029</b>	<b>481,889</b>	<b>519,448</b>	<b>555,099</b>	<b>593,159</b>
<b>Payables</b>					
Suppliers	41,871	43,020	44,171	46,319	48,301
Other	51,900	53,759	54,161	55,565	56,965
<b>Total payables</b>	<b>93,771</b>	<b>96,779</b>	<b>98,332</b>	<b>101,884</b>	<b>105,266</b>
<b>Total liabilities</b>	<b>541,800</b>	<b>578,668</b>	<b>617,780</b>	<b>656,983</b>	<b>698,425</b>
<b>Net assets</b>	<b>282,627</b>	<b>322,491</b>	<b>322,591</b>	<b>322,591</b>	<b>322,591</b>
<b>EQUITY</b>					
Contributed equity	265,011	304,875	304,975	304,975	304,975
Reserves	25,704	25,704	25,704	25,704	25,704
Accumulated deficits	(8,088)	(8,088)	(8,088)	(8,088)	(8,088)
<b>Total equity</b>	<b>282,627</b>	<b>322,491</b>	<b>322,591</b>	<b>322,591</b>	<b>322,591</b>
<b>Current assets</b>	<b>284,040</b>	<b>284,442</b>	<b>358,139</b>	<b>412,656</b>	<b>482,550</b>
<b>Non-current assets</b>	<b>540,387</b>	<b>616,717</b>	<b>582,232</b>	<b>566,918</b>	<b>538,466</b>
<b>Current liabilities</b>	<b>461,059</b>	<b>496,531</b>	<b>533,907</b>	<b>571,129</b>	<b>610,136</b>
<b>Non-current liabilities</b>	<b>80,741</b>	<b>82,137</b>	<b>83,873</b>	<b>85,854</b>	<b>88,289</b>

**Table 5.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	2,081,503	2,068,367	1,889,754	1,924,749	1,941,070
Appropriations	561,741	659,751	664,007	635,016	677,892
<b>Total cash received</b>	<b>2,643,244</b>	<b>2,728,118</b>	<b>2,553,761</b>	<b>2,559,765</b>	<b>2,618,962</b>
<b>Cash used</b>					
Employees	1,668,129	1,678,872	1,479,380	1,467,670	1,490,920
Suppliers	744,369	762,219	804,048	829,213	853,931
Cash to the Official Public Account	19,653	25,535	71,689	55,254	68,973
Other	74,821	76,377	80,852	83,151	85,642
<b>Total cash used</b>	<b>2,506,972</b>	<b>2,543,003</b>	<b>2,435,969</b>	<b>2,435,288</b>	<b>2,499,466</b>
<b>Net cash from operating activities</b>	<b>136,272</b>	<b>185,115</b>	<b>117,792</b>	<b>124,477</b>	<b>119,496</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	168,687	174,881	57,391	61,589	50,351
Other	58,556	51,901	58,354	63,741	68,341
<b>Total cash used</b>	<b>227,243</b>	<b>226,782</b>	<b>115,745</b>	<b>125,330</b>	<b>118,692</b>
<b>Net cash used by investing activities</b>	<b>(227,243)</b>	<b>(226,782)</b>	<b>(115,745)</b>	<b>(125,330)</b>	<b>(118,692)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	67,810	39,864	100	-	-
<b>Total cash received</b>	<b>67,810</b>	<b>39,864</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>67,810</b>	<b>39,864</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>					
	<b>(23,161)</b>	<b>(1,803)</b>	<b>2,147</b>	<b>(853)</b>	<b>804</b>
Cash at the beginning of the reporting period	47,473	24,312	22,509	24,656	23,803
<b>Cash at the end of the reporting period</b>	<b>24,312</b>	<b>22,509</b>	<b>24,656</b>	<b>23,803</b>	<b>24,607</b>

**Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2007</b>				
Balance carried forward from previous period	(8,088)	25,704	265,011	282,627
Adjustment for changes in accounting policies	-	-	-	-
<b>Adjusted opening balance</b>	<b>(8,088)</b>	<b>25,704</b>	<b>265,011</b>	<b>282,627</b>
<b>Income and expense</b>				
Surplus (deficit) for the period	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>				
<i>Contribution by owners</i>				
Appropriation (equity injection)	-	-	39,864	39,864
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>39,864</b>	<b>39,864</b>
<b>Estimated closing balance as at 30 June 2008</b>	<b>(8,088)</b>	<b>25,704</b>	<b>304,875</b>	<b>322,491</b>

**Table 5.5: Departmental capital budget statement**

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	45,739	39,864	100	-	-
Appropriation of Previous Year Accrued Revenue	-	2,232	-	-	-
<b>Total capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	45,739	39,864	100	-	-
Other items	-	2,232	-	-	-
<b>Total represented by</b>	45,739	42,096	100	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	45,739	39,864	100	-	-
Funded internally by					
Departmental resources	173,352	186,918	115,645	125,330	118,692
<b>Total</b>	219,091	226,782	115,745	125,330	118,692

**Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)**

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>					
Gross book value	2,840	185,919	217,862	453,879	860,500
Accumulated depreciation	-	(59,589)	(91,602)	(186,922)	(338,113)
<b>Opening net book value</b>	<b>2,840</b>	<b>126,330</b>	<b>126,260</b>	<b>266,957</b>	<b>522,387</b>
Additions:					
by purchase	-	89,215	85,666	12,041	186,922
internally developed	-	-	-	39,860	39,860
Depreciation/amortisation expense	-	(30,823)	(54,133)	(64,496)	(149,452)
Impairments recognised in operating result	-	(200)	(300)	(500)	(1,000)
<b>As at 30 June 2008</b>					
Gross book value	2,840	274,934	303,228	505,280	1,086,282
Accumulated depreciation	-	(90,412)	(145,735)	(251,418)	(487,565)
<b>Estimated closing net book value</b>	<b>2,840</b>	<b>184,522</b>	<b>157,493</b>	<b>253,862</b>	<b>598,717</b>