

Medicare Australia

Agency resources and planned performance

MEDICARE AUSTRALIA

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MEDICARE AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

Medicare Australia administers a range of health-related and other programs on behalf of the Australian Government, and plays an integral role in the Australian health sector in particular, by supporting the development of E-Health initiatives.

The objective of Medicare Australia is to work together with our strategic policy partners and stakeholders to improve the health and wellbeing of Australians by delivering information and payment services.

The key programs Medicare Australia delivers on behalf of the Department of Health and Ageing and the Department of Veteran's Affairs are:

- Medicare and Veterans' treatment accounts processing;
- Pharmaceutical Benefits Scheme (and Repatriation Pharmaceutical Benefits Scheme) including various payments under the Community Pharmacy Agreement;
- Residential Aged Care Subsidies;
- Australian Organ Donor Register;
- Australian Childhood Immunisation Register; and
- Dental Benefits Scheme.

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

Medicare Australia provides payments and information services for Family Assistance (with Centrelink and the Australian Taxation Office) to meet the needs of families.

Medicare Australia is developing the Unique Healthcare Identifier (UHI) Service under contract to the National E-Health Transition Authority. The UHI Service, which will generate healthcare identifiers for patients, healthcare providers and healthcare

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locations, is aimed at facilitating the development of electronic health records in Australia.

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

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

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

Medicare Australia also undertakes claims processing and payments on behalf of the Office of Hearing Services and the Health Department of Western Australia.

Medicare Australia's priorities for 2008-09 are to:

- (1) Deliver on Government and stakeholder expectations including:
 - Election and budget commitments including service delivery reform;
 - Maximise take-up of electronic Medicare claiming to enhance access, choice and convenience for the public and providers;
 - Design and develop the Unique Healthcare Identifier service;
 - Support voluntary compliance with the programs we administer;
 - Aged Care online claiming and the technology refresh of aged care payment systems; and
 - Our commitments in the Statement of Intent.
- (2) Continue to transform our business to become more flexible, agile and responsive by:
 - Developing consistent, adaptable capabilities and organisational re-alignment to meet the future needs of the Australian Government, the public and healthcare providers;
 - Improving and leveraging our information technology and communications infrastructure to maximise our organisational capability and public benefit. This will include the implementation of new IT services arrangements;

- Delivering services built on robust program management assuring cost effective, accurate and timely payments and information to providers and the public while increasing access to indigenous and disadvantaged persons; and
- Supporting our people through enhanced physical, human, procedural, and technology infrastructure.

(3) Enhance our relationships with providers and the public by:

- Ensuring we maintain a positive connection with providers and the public in an increasingly electronic service delivery world;
- Being proactive in offering support and assistance to providers to make full use of our online channels including marketing, education and compliance;
- Promoting the use of online services to the public; and
- Delivering on our Service Charter promises:
 - Make it easy for me;
 - Get it right;
 - Be genuinely interested in me;
 - Respect my Rights.

The delivery of these priorities will be achieved through our ongoing commitment to sound business practices and financial management, caring for our environment and a values based culture.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Medicare Australia resource statement — Budget estimates for 2008-09 as at Budget May 2008

	Estimate of prior ⁺ year amounts available in 2008-09 \$'000	Proposed at Budget ⁼ 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services				
Departmental outputs				
Departmental outputs	117,653 ⁴	608,360 ¹	726,013	600,663
s31 Relevant agency receipts	-	83,701 ³	83,701	83,746
Total	117,653	692,061	809,714 ⁵	684,409
Administered expenses				
Outcome 1	-	5,442 ¹	5,442	528
Total	-	5,442	5,442	528
Total ordinary annual services	A 117,653	697,503	815,156	684,937
Other services				
Departmental non-operating				
Equity injections	8,602	9,499 ²	18,101	9,701
Previous years' outputs	-	5,422 ²	5,422	10,784
Total	8,602	14,921	23,523	20,485
Total other services	B 8,602	14,921	23,523	20,485
Total Available Annual Appropriations	126,255	712,424	838,679	705,422
Special Appropriations	-	-	-	-
Total Special Appropriations	C -	-	-	-
Total Appropriations excluding Special Accounts	126,255	712,424	838,679	705,422

Table 1.1: Medicare Australia resource statement — Budget estimates for 2008-09 as at Budget May 2008 (continued)

	Estimate of prior ⁺ year amounts available in	Proposed at Budget ⁼	Total Estimate	Estimated Appropriation Available
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
Special Accounts⁶				
Opening balance	27,841	-	27,841	33,633
Non-Appropriation receipts to Special Accounts	-	195,069	195,069	194,980
Total Special Account D	27,841	195,069	222,910	228,613
Total resourcing	154,096	907,493	1,061,589	934,035
A+B+C+D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
Total net resourcing for Medicare Australia	154,096	907,493	1,061,589	934,035

1. Appropriation Bill (No.1) 2008-09.
 2. Appropriation Bill (No.2) 2008-09.
 3. s31 Relevant Agency receipts — estimate.
 4. Estimated adjusted balance carried from previous year for Annual Appropriations.
 5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Resource Statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.
 6. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.
- Reader note: All figures are GST exclusive.

Third Party Drawdowns from and on behalf of other agencies

Medicare Australia does not have any third party drawdown rights to draw against appropriations of other agencies.

	\$'000
Revenue received from other agencies for the provision of services (disclosed above within Departmental s31)	
Department of Veterans' Affairs	17,724
Department of Health and Ageing	13,173
Department of Families, Housing, Community Services and Indigenous Affairs	9,181
Centrelink	14,000
Department of Education, Employment and Workplace Relations	290
Australian National Audit Office	350
Other External Entities	28,983
Total s31 Relevant agency receipts	83,701

1.3 BUDGET MEASURES

Budget measures relating to Medicare Australia are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

Table 1.2: Agency 2008-09 Budget measures

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Departmental Outputs					
Department of Human Services					
Expense measures					
Medicare EasyClaim - increasing take-up	1.1	7,153	220	221	224
Medicare Office - Emerald	1.1	369	393	396	400
Responsible Economic Management - ECLIPSE System - discontinue development	1.1	(2,919)	(5,735)	(5,784)	(5,841)
Department of Health & Ageing					
Expense measures					
Responsible Economic Management - Adjusting the funding for specific health programs	1.1	697	274	283	290
- After-hours medical services - streamlining grants funding	1.1	(13)	(14)	(14)	(14)
- Chemotherapy Drugs - more efficient arrangements	1.1	575	109	34	35
- Medicare Benefits Schedule - funding for reversing elective sterilisation	1.1	4	4	4	4
- Medicare Benefits Schedule - increase compliance audits	1.1	14,237	18,666	18,817	19,001
- Medicare Benefits Schedule - reduction of repeat prescription requirements for patients with chronic conditions	1.1	98	(10)	(10)	(11)
- Pathology Services - reduced collection fees	1.1	19	-	-	-
- Practice Incentives Program - new e-Health incentive payment for General Practitioners	1.1	296	666	14	14
- Practice Incentives Program - removal of the General Practice Immunisation Service Incentive Payment	1.1	7	(178)	(187)	(198)

Table 1.2: Agency 2008-09 Budget measures (Continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Health & Ageing					
Expense measures (Continued)					
Pharmaceutical Benefits Scheme					
- listing of Sensipar® (cinacalcet)	1.1	4	2	2	4
- minor new listings ¹	1.1	742	783	903	774
Health and Hospitals Reform					
- Dental Health - Teen Dental Plan ²	1.1	8,145	6,482	6,429	6,484
- National Cancer Plan - National Bowel Cancer Screening Program	1.1	37	39	49	-
Attorney-General's Department					
Expense measures					
Removal of differential treatment of same-sex couples and their children – law reform	1.1	154	-	-	-
Department of Families, Housing, Community Services & Indigenous Affairs					
Expense measures					
Maternity Immunisation Allowance - eligibility change	1.1	103	107	65	22
Department of Immigration & Citizenship					
Expense measures					
Migration Program					
- 37,500 place increase for 2008-09	1.1	275	852	1,468	2,092
- additional 6,000 skill stream places for 2007-08	1.1	85	88	91	93
Humanitarian migration program					
- additional 500 places for Iraqis in 2008-09	1.1	4	9	10	10
- additional 750 Special Humanitarian Program places from 2009-10	1.1	-	21	37	52
Visa places for Iraqi locally engaged employees	1.1	5	12	12	12
Total expense measures	Total	30,077	22,790	22,840	23,447

Table 1.2: Agency 2008-09 Budget measures (Continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Department of Human Services					
Capital measures					
Medicare EasyClaim - increasing take-up	1.1	748	-	-	-
Department of Health & Ageing					
Capital measures					
Responsible Economic Management					
- Chemotherapy Drugs - more efficient arrangements	1.1	750	-	-	-
- Medicare Benefits Schedule - increase compliance audits	1.1	6,169	-	-	-
- Practice Incentives Program - new e-Health incentive payment for General Practitioners	1.1	355	-	-	-
- Practice Incentives Program - removal of the General Practice Immunisation Service Incentive Payment	1.1	350	-	-	-
Health and Hospitals Reform					
- Dental Health - Teen Dental Plan	1.1	942	-	-	-
Attorney-General's Department					
Capital measures					
Removal of differential treatment of same-sex couples and their children – law reform	1.1	62	-	-	-
Total capital measures	Total	9,376	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis.

1. This measure has a \$0.1m impact in 2007-08, and excludes Velcade as published in the 2007-08 PAES. For further details on the 2007-08 impact see Budget Paper No. 2.
2. This measure has a \$4.3m impact in 2007-08. For further details on the 2007-08 impact see Budget Paper No. 2.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of Medicare Australia in achieving government outcomes.

2.1.1 Outcome 1: Improving Australia's health through payments and information.

Outcome 1 Strategy

As detailed in Section 1.1, Medicare Australia will deliver on the Government's and stakeholders' expectations, continue to transform our business to become more flexible, agile and responsive and enhance relationships with our policy partners, providers and the public.

Medicare Australia's strategy for achieving these outcomes consists of:

- Maximising take-up of electronic payment and information services to improve convenience for the public and providers;
- Ensuring that processing of payments and information is undertaken efficiently and effectively by distributing the workload appropriately throughout the network
- Delivering services to the public and providers in accordance with our service charter promises:
 - Make it easy for me;
 - Get it right;
 - Be genuinely interested in me;
 - Respect my Rights.

Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

Table 2.1: Total resources for Outcome 1

Outcome 1:	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 1.1: Delivery of Australian Government payments and information services		
Administered Items:		
Medicare rebates electronic claiming incentive package - Software Incentive Payment B1	5,442	1,401
Departmental Outputs		
Improving Australia's health through payments and information.	608,360	600,663
Revenues from other sources (s.31)	82,384	87,442
Special Accounts		
Special Account A		
Opening balance	27,552	33,403
Appropriation receipts		
Non-Appropriation receipts to Special Accounts	193,856	193,856
Subtotal for Output Group 1.1	917,594	916,765
Total resources for Outcome 1	917,594	916,765

	2008-09	2007-08
Average staffing level (number)	5,286	5,457

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)

Contributions to Outcome 1

Output Group 1.1: Delivery of Australian Government payments and information services

Medicare Australia has one outcome – Improving Australia’s health through payments and information. The output under this outcome is - Delivery of Australian Government payments and information services.

Output Group 1.1: Delivery of Australian Government payments and information services	
<p>Components of Output Group 1.1:</p> <ul style="list-style-type: none"> • Administered Items • Departmental outputs • Special Accounts <p>Medicare Australia contributes to outcome 1.1 in the following ways:</p> <ul style="list-style-type: none"> • Providing accurate and reliable information and payments • Ensuring the integrity of the Government programs we deliver • Being a well run organisation • Delivering of great customer service to public and providers • Being a valued strategic partner in delivering agreed health and other Government initiatives • Being a great place to work 	
Key Performance Indicators	2008-09 Target
Payments and information services are accurate and timely.	<p>Australian public served within 10 minutes in Medicare offices (≥90%).</p> <p>Telephone calls answered within 30 seconds (≥90%).</p> <p>Payments made within minimum payment times (≥90%).</p> <p>Increasing claims processing accuracy.</p>
Education and compliance programs support voluntary compliance.	<p>Savings from compliance activities ≥ \$280m.</p> <p>Increase percentage of providers subject to compliance review.</p>
<p>Being a well run organisation:</p> <ul style="list-style-type: none"> • Minister’s satisfaction with the quality, timeliness and relevance of agency advice for decision making. • Availability of IT systems • Availability of staff 	<p>Briefs meet satisfactory standard or above. (≥95%).</p> <p>Briefs submitted within agreed timeframes (≥95%).</p> <p>System availability (≥99.9%).</p> <p>Reduction in unscheduled leave.</p>

Output Group 1.1: Delivery of Australian Government payments and information services (continued)	
Key Performance Indicators	2008-09 Target
<p>Being a well run organisation (continued):</p> <ul style="list-style-type: none"> • Financial performance • Environmental performance 	<p>Resources are managed in accordance with the requirements of the FMA Act.</p> <p>Actual operating result within +/-1% of approved budget.</p> <p>Office light and power ≤10,000 Mj per person</p>
<p>Enhancing public and provider access, choice and convenience through electronic services.</p> <p>Public and Provider satisfaction with the services provided by Medicare Australia.</p> <p>Responsiveness to customer feedback</p>	<p>Increased take up of electronic services by the public and providers.</p> <p>High satisfaction levels achieved:</p> <ul style="list-style-type: none"> • Community • Medical practitioners • Pharmacists • Practice managers • Aged care providers <p>Feedback acknowledged within 2 working days (≥95%)</p> <p>Feedback responded to within 10 working days (≥90%)</p>
<p>Strategic policy partners satisfaction with payment and information services provided by Medicare Australia.</p>	<p>KPI's within business performance agreements are met:</p> <ul style="list-style-type: none"> • Department of Health and Ageing • Department of Veterans' Affairs • Department of Families, Housing, Community Services and Indigenous Affairs • Department of Environment, Water, Heritage and the Arts • Department of Immigration and Citizenship.
<p>Our people are satisfied with Medicare Australia as an employer. Their feedback is acted upon.</p> <p>Indigenous employment levels</p>	<p>Maintaining or improving overall staff satisfaction rating with employment at Medicare Australia (≥ 70%).</p> <p>Percentage of indigenous Australian employees (≥ 2%).</p>

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	809,714
Less estimated payments in 2008-09	(690,744)
Estimated departmental outputs carried forward and available for 2009-10	118,970

3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

Table 3.1.2: Movement of administered funds between years

M	Movements of funding between years	\$'000
	Medicare Rebates electronic claiming incentive package – Software Incentive Payment ¹	363

1. Based on the latest provider take up rates for electronic claiming, actual expenditure is now expected to be \$1.401m for 2007-08, a reduction of \$2.091m; \$5.442m for 2008-09, an increase of \$0.363m and \$3.740m for 2009-10, an increase of \$1.728m. As a result, it is necessary to re-phase appropriations for the budget and forward years to reflect the revised take-up forecast.

3.1.3 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* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by Medicare Australia.

Table 3.1.3: Estimates of Special Account cash flows and balances

		Opening balance 2008-09 2007-08	Receipts 2008-09 2007-08	Payments 2008-09 2007-08	Adjustments 2008-09 2007-08	Closing balance 2008-09 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Recovery of Compensation for Health Care & Other Services Special Account. ¹ (A)	1	27,552	193,856	175,606	(24,101)	21,701
		33,403	193,856	175,606	(24,101)	27,552
Other Trust Monies Account. ² (D)	1	289	1,213	1,213	-	289
		230	1,124	1,065	-	289
Total special accounts						
2008-09 Budget estimate		27,841	195,069	176,819	(24,101)	21,990
Total special accounts 2007-08 estimate actual		33,633	194,980	176,671	(24,101)	27,841

(A) = Administered

(D) = Departmental

1. Legal Authority: FMA Act 1997 s20

Purpose – for the receipt of monies following a judgement or settlement under the Health and Other Services Compensation Act 1995

2. Legal Authority: FMA Act 1997 s20.

Purpose – for the expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth

3.1.4 Australian Government Indigenous Expenditure

Table 3.1.4: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total	Output Group
	Bill No. 1 \$'000 (A)	Bill No. 2 \$'000 (B)	Special Approp \$'000 (C)	Total Approp \$'000 (D)			
Outcome 1							
Medicare Australia							
Administered 2008-09							
<i>Administered 2007-08</i>							
Departmental 2008-09	2,007	-	-	2,007	1,000	3,007	1.1
<i>Departmental 2007-08</i>	1,930	-	-	1,930	1,000	2,930	1.1
Total Outcome 2008-09	2,007	-	-	2,007	1,000	3,007	
<i>Total Outcome 2007-08</i>	1,930	-	-	1,930	1,000	2,930	
Total Administered 2008-09	-	-	-	-	-	-	
<i>Total Administered 2007-08</i>	-	-	-	-	-	-	
Total Departmental 2008-09	2,007	-	-	2,007	1,000	3,007	
<i>Total Departmental 2007-08</i>	1,930	-	-	1,930	1,000	2,930	
Total AGIE 2008-09	2,007	-	-	2,007	1,000	3,007	
<i>Total AGIE 2007-08</i>	1,930	-	-	1,930	1,000	2,930	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no differences between Medicare Australia's agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

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

Income Statement

Consistent with government approval, Medicare Australia is estimating an operating loss of \$6.7m for 2007-08. The loss relates to lower than expected take up of electronic Medicare claiming. The revenue estimate for the current budget year is \$691m which is an increase of \$2.6m from 2007-08 estimated actuals. New Budget measures totalling \$30.2m have been offset by a \$5.1m reduction in contract revenue and a range of savings.

Employee expenses will increase slightly in 2008-09 followed by a reduction of \$17.1m in 2009-10 as electronic Medicare claiming take up increases and efficiencies are realised. Increases in the forward years relate mainly to indexation and implementation of measures.

Statement of Financial Position

Medicare Australia's budgeted net asset position of \$141.5m represents an increase of \$9.5m from the 2007-08 estimated actual, which is due to equity injections of \$9.5m.

Medicare Australia's primary liability continues to be accrued employee entitlements of \$90.1m.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	600,663	608,360	617,822	646,333	682,013
Goods and services	86,642	81,584	65,367	58,888	57,389
Rents	800	800	800	800	800
Other	-	-	-	-	-
Total revenue	688,105	690,744	683,989	706,021	740,202
Gains					
Other	350	350	350	350	350
Total gains	350	350	350	350	350
Total income	688,455	691,094	684,339	706,371	740,552
EXPENSE					
Employees	372,759	374,825	357,692	374,044	396,682
Suppliers	273,619	268,499	279,462	288,281	300,975
Grants	-	-	-	-	-
Depreciation and amortisation	48,777	47,770	47,185	44,046	42,895
Total expenses	695,155	691,094	684,339	706,371	740,552
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Surplus (Deficit) before income tax	(6,700)	-	-	-	-
Income tax expense	-	-	-	-	-
Surplus/(Deficit)					
Minority interest in surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(6,700)	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash	2,604	5,115	5,115	5,115	5,115
Receivables	156,065	145,290	163,414	171,820	184,405
Accrued Revenues	2,650	2,650	2,650	2,650	2,650
Total financial assets	161,319	153,055	171,179	179,585	192,170
Non-financial assets					
Land and buildings	63,178	65,806	69,153	68,306	61,949
Infrastructure, plant and equipment	8,856	7,852	8,604	8,119	7,933
Heritage and cultural assets	82	82	82	82	82
Intangibles	64,433	64,640	66,520	61,549	60,653
Other	10,516	24,927	10,516	10,516	10,516
Total non-financial assets	147,065	163,307	154,875	148,572	141,133
Total assets	308,384	316,362	326,054	328,157	333,303
LIABILITIES					
Interest bearing liabilities					
Loans	13,662	13,662	13,662	13,662	13,662
Total interest bearing liabilities	13,662	13,662	13,662	13,662	13,662
Provisions					
Employees	90,771	90,991	86,802	90,761	96,186
Other	4,558	4,558	4,558	4,558	4,558
Total provisions	95,329	95,549	91,360	95,319	100,744
Payables					
Suppliers	66,202	65,045	66,948	68,087	70,803
Other	1,177	593	12,571	9,576	6,581
Total payables	67,379	65,638	79,519	77,663	77,384
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	176,370	174,849	184,541	186,644	191,790
EQUITY*					
Parent entity interest					
Contributed equity	145,175	154,674	154,674	154,674	154,674
Reserves	24	24	24	24	24
Retained surpluses or accumulated deficits	(13,185)	(13,185)	(13,185)	(13,185)	(13,185)
Total parent entity interest	132,014	141,513	141,513	141,513	141,513
Total equity	132,014	141,513	141,513	141,513	141,513
Current assets	171,835	177,982	181,695	190,101	202,686
Non-current assets	136,549	138,380	144,359	138,056	130,617
Current liabilities	145,798	144,541	152,553	154,292	158,546
Non-current liabilities	30,572	30,308	31,988	32,352	33,244

* 'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	81,822	82,901	81,666	57,755	54,931
Appropriations	598,068	617,234	595,377	636,065	668,891
Net GST Received	15,326	15,326	15,326	15,326	15,326
Other	800	800	800	800	800
Total cash received	696,016	716,261	693,169	709,946	739,948
Cash used					
Employees	367,658	374,605	361,881	370,085	391,257
Suppliers	275,033	269,306	277,209	286,792	297,909
Net GST Paid	15,326	15,326	15,326	15,326	15,326
Total cash used	658,017	659,237	654,416	672,203	704,492
Net cash from or (used by) operating activities	37,999	57,024	38,753	37,743	35,456
INVESTING ACTIVITIES					
Cash received					
	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	50,211	64,012	38,753	37,743	35,456
Total cash used	50,211	64,012	38,753	37,743	35,456
Net cash from or (used by) investing activities	(50,211)	(64,012)	(38,753)	(37,743)	(35,456)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	9,701	9,499	-	-	-
Total cash received	9,701	9,499	-	-	-
Cash used					
	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	9,701	9,499	-	-	-
Net increase or (decrease) in cash held	(2,511)	2,511	-	-	-
Cash at the beginning of the reporting period	5,115	2,604	5,115	5,115	5,115
Cash at the end of the reporting period	2,604	5,115	5,115	5,115	5,115

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	(13,185)	24	-	145,175	132,014
Adjusted opening balance	(13,185)	24	-	145,175	132,014
Surplus (deficit) for the period					
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	9,499	9,499
Other: Previous years' outputs	-	-	-	-	-
Sub-total transactions with owners	-	-	-	9,499	9,499
Estimated closing balance as at 30 June 2009					
	(13,185)	24	-	154,674	141,513

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
<i>Total taxation</i>	-	-	-	-	-
Non-taxation					
<i>Total non-taxation</i>	-	-	-	-	-
Total revenues administered on behalf of Government	-	-	-	-	-
Gains					
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	1,401	5,442	3,742	-	-
Total expenses administered on behalf of Government	1,401	5,442	3,742	-	-

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	873	1,266	501	-	-
Total financial assets	873	1,266	501	-	-
Total assets administered on behalf of Government	873	1,266	501	-	-
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	873	1,266	501	-	-
Total payables	873	1,266	501	-	-
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of Government	873	1,266	501	-	-

**Table 3.2.7: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Total cash received	-	-	-	-	-
Cash used					
Grant payments	528	5,049	4,507	501	-
Total cash used	528	5,049	4,507	501	-
Net cash from or (used by) operating activities	(528)	(5,049)	(4,507)	(501)	-
Net increase or (decrease) in cash held	(528)	(5,049)	(4,507)	(501)	-
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- appropriations	528	5,049	4,507	501	-
Cash at end of reporting period	-	-	-	-	-

3.2.4 Notes to the financial statements

The financial statements reflect the entries to the Central Budget Management System (CBMS) as at April 2008.

Basis of accounting

Medicare Australia's 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 Balance Sheet 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 Income Statement when and only when the flow or consumption or loss of economic benefits can be reliably measured.