

# **Centrelink**

## **Agency resources and planned performance**



# CENTRELINK

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# CENTRELINK

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

Centrelink's 2009-10 Outcome Statement provides the basis for our Strategic Plan:

*Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of the government.*

Centrelink acts in partnership with other Commonwealth Agencies, other levels of government and the broader Australian community. Families and individuals are supported to participate economically, educationally and socially.

The Strategic Priorities reflect the direction given by the Government to the Portfolio. The Minister for Human Services, in his Statement of Expectations, articulates these priorities.

Our current Strategic Priorities are to:

- Support the Minister and the Department of Human Services to improve service delivery;
- Support our people to deliver the Government's Budget and other commitments;
- Contribute and implement proposals to reduce red tape for our customers and providers;
- Reduce fraud and non-compliance and increase payment accuracy;
- Support the development of Indigenous initiatives and ensure that service delivery is sensitive and effective for Indigenous Australians;
- Improve service delivery to rural and regional locations to better meet the needs of their communities;
- Ensure our service delivery is convenient, accessible and suits the diverse needs of individuals and providers; and

- Ensure Workforce and ITC systems capacity underpins Centrelink's ability to deliver integrated customer service in a complex and evolving environment with short and long term policy objectives.

## 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: Centrelink resource statement — Budget estimates for 2009-10 as at Budget May 2009**

|  | Estimate<br>of prior <sup>+</sup><br>year amounts<br>available in<br>2009-10<br>\$'000 | Proposed<br>at Budget <sup>=</sup><br>2009-10<br>\$'000 | Total<br>estimate<br>2009-10<br>\$'000 | Actual<br>available<br>appropriation<br>2008-09<br>\$'000 |
|--|--|---|--|---|
| <b>Ordinary Annual Services<sup>1</sup></b>  |  |   |  |   |
| <b>Departmental appropriation</b>  |  |   |  |   |
| Departmental appropriation   | -  | 2,861,143   | 2,861,143                              | 608,319   |
| <b>Total</b>   | -  | <b>2,861,143</b>  | <b>2,861,143</b>                       | <b>608,319</b>  |
| <b>Total ordinary annual services</b>  | <b>A</b>   | <b>2,861,143</b>  | <b>2,861,143</b>                       | <b>608,319</b>  |
| <b>Other services<sup>2</sup></b>  |  |   |  |   |
| <b>Departmental non-operating</b>  |  |   |  |   |
| Equity injections  | -  | 8,194   | 8,194                                  | 3,536   |
| Previous years' outputs  | 1,903  | -   | 1,903                                  | 106   |
| <b>Total</b>   | <b>1,903</b>   | <b>8,194</b>  | <b>10,097</b>                          | <b>3,642</b>  |
| <b>Total other services</b>  | <b>B</b>   | <b>8,194</b>  | <b>10,097</b>                          | <b>3,642</b>  |
| <b>Total Available Annual Appropriations</b>   | <b>1,903</b>   | <b>2,869,337</b>  | <b>2,871,240</b>                       | <b>611,961</b>  |
| <b>Special Accounts</b>  |  |   |  |   |
| Opening balance <sup>3</sup>   | 329,053  | -   | 329,053                                | 317,972   |
| Appropriation receipts   | 1,903  | 2,869,337   | 2,871,240                              | 599,367   |
| Non-appropriation receipts to Special Accounts   | -  | 172,339   | 172,339                                | 2,348,208   |
| <b>Total Special Account</b>   | <b>C</b>   | <b>3,041,676</b>  | <b>3,372,632</b>                       | <b>3,265,547</b>  |
| <b>Total resourcing</b>  |  |   |  |   |
| A+B+C  | <b>332,859</b>   | <b>5,911,013</b>  | <b>6,243,872</b>                       | <b>3,877,508</b>  |
| Less appropriations drawn from annual or special appropriations above and credited to special accounts | (1,903)  | (2,869,337)   | (2,871,240)                            | (599,367)   |
| <b>Total net resourcing for Centrelink</b>   | <b>330,956</b>   | <b>3,041,676</b>  | <b>3,372,632</b>                       | <b>3,278,141</b>  |

<sup>1</sup> Appropriation Bill (No.1) 2009-10

<sup>2</sup> Appropriation Bill (No.2) 2009-10

<sup>3</sup> Estimated opening balance for Commonwealth Social Services Special Accounts. For further information on special accounts see Table 3.1.2.

Reader note: All figures are GST exclusive.

**Table 1.1: Centrelink resource statement — Budget estimates for 2009-10 as at Budget May 2009 (continued)**

**Third Party Drawdowns from and on behalf of other agencies**

|  | 2009-10<br>\$'000 | 2008-09<br>\$'000 |
|--|-------------------|-------------------|
| Centrelink has authority to make the following estimated payments on behalf of other agencies: <sup>1,2,3,4,5</sup><br>(disclosed in the respective agency Resource Statement) |                   |                   |
| <b>Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)</b>  |                   |                   |
| A New Tax System ( <i>Family Assistance</i> ) ( <i>Administration</i> ) Act 1999   | 19,311,209        | 23,303,823        |
| Social Security ( <i>Administration</i> ) Act 1999   | 45,466,981        | 45,338,174        |
| Ex Gratia Payments (Annual Appropriations)   | 4,142             | 27,331            |
| <b>Department of Education, Employment and Workplace Relations (DEEWR)</b>   |                   |                   |
| A New Tax System ( <i>Family Assistance</i> ) ( <i>Administration</i> ) Act 1999 <sup>5</sup>  | 3,093,044         | 3,105,997         |
| Social Security ( <i>Administration</i> ) Act 1999   | 15,038,468        | 11,996,970        |
| Social Security Act 1991   | 2,380,398         | 2,091,651         |
| Student Assistance Act 1973  | 235,493           | 265,185           |
| Job Education Training Child Care Fees Assistance (Annual Appropriation)   | 53,158            | 54,332            |
| <b>Department of Agriculture, Fisheries and Forestry (DAFF)</b>  |                   |                   |
| Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)   | 202,040           | 352,673           |
| <b>Total</b>   | <b>85,784,933</b> | <b>86,536,136</b> |
| Receipts received from other agencies for the provision of services<br>(disclosed above within the Non-Appropriation Receipts)   | 106,459           | 2,245,705         |

NOTES:

- Centrelink's arrangements with the above agencies (i.e. FaHCSIA, DEEWR, DAFF) include the delivery of payments to customers.
- Centrelink has no drawdown access to the above agencies' Administered appropriations that are required to be drawn and paid to customers.
- The respective agencies are responsible for the policy, estimates and reporting of these Administered appropriations.
- The figures disclosed above are based on the estimates as provided to Centrelink by the respective agencies.
- The figures disclosed above includes Child Care Benefit program appropriation amounting to **\$1,983.92m** in 2008-09 and **\$2,021.23m** in 2009-10 that both Centrelink and DEEWR pays out to the customers on behalf of DEEWR.

### 1.3 BUDGET MEASURES

Budget measures relating to Centrelink are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2009-10 Budget measures**

| Program  | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Department of Families,<br/>Housing, Community<br/>Services and Indigenous<br/>Affairs</b>  |                   |                   |                   |                   |                   |
| <b>Expense measures</b>  |                   |                   |                   |                   |                   |
| South-East Queensland<br>storms - assistance<br>Departmental expenses  | 1.1<br>2,122      | -                 | -                 | -                 | -                 |
| Nation Building and Jobs<br>Plan - implementation costs<br>Departmental expenses   | 1.1<br>14,758     | -                 | -                 | -                 | -                 |
| <u>Closing the Gap</u><br>- Community Development<br>Employment Projects Program<br>(CDEP) and the Indigenous<br>Employment Program (IEP)<br>Reform<br>Departmental expenses | 1.1<br>3,171      | -                 | -                 | -                 | -                 |
| <u>Migration Program</u><br>- reduction in skill stream<br>places for 2008-09<br>Departmental expenses   | 1.1<br>(606)      | -                 | -                 | -                 | -                 |
| Maternity Immunisation<br>Allowance - alignment of<br>indexation with other family<br>payments<br>Departmental expenses  | 1.1<br>23         | -                 | -                 | -                 | -                 |
| Disability Support Pension -<br>better and fairer<br>assessments<br>Departmental expenses  | 1.1<br>51         | -                 | -                 | -                 | -                 |
| Income management in cases<br>of child neglect and by<br>voluntary choice -<br>continuation of trial<br>Departmental expenses  | 1.1<br>476        | -                 | -                 | -                 | -                 |

**Table 1.2: Agency 2009-10 Budget measures continued**

|  | Program | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>  |         |                   |                   |                   |                   |                   |
| Paid Parental Leave  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 454               | -                 | -                 | -                 | -                 |
| Reform of family payments -<br>pause to indexation of upper<br>income thresholds of FTB-A,<br>FTB-B and Baby Bonus | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 639               | -                 | -                 | -                 | -                 |
| Victorian bushfires -<br>assistance  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 16,132            | -                 | -                 | -                 | -                 |
| Superannuation -<br>account-based pensions -<br>drawdown relief for retirees<br>for 2008-09                        | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 2,158             | -                 | -                 | -                 | -                 |
| <u>Secure and sustainable<br/>pensions</u>   |         |                   |                   |                   |                   |                   |
| - increase to pension<br>payments  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 3,777             | -                 | -                 | -                 | -                 |
| - tighten the income test<br>taper   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 191               | -                 | -                 | -                 | -                 |
| - close the Pension Bonus<br>Scheme  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 190               | -                 | -                 | -                 | -                 |
| - increase in the<br>Age Pension age   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 46                | -                 | -                 | -                 | -                 |
| - new carer supplement   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 2,049             | -                 | -                 | -                 | -                 |
| Queensland floods -<br>assistance  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 3,782             | -                 | -                 | -                 | -                 |
| <b>Total FaHCSIA expense<br/>measures</b>  |         |                   |                   |                   |                   |                   |
| <b>Departmental Total</b>  |         | <b>49,413</b>     | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Department of Education,<br/>Employment and<br/>Workplace Relations</b>   |         |                   |                   |                   |                   |                   |
| <b>Expense measures</b>  |         |                   |                   |                   |                   |                   |
| Nation Building and Jobs Plan  | 1.1     |                   |                   |                   |                   |                   |
| - implementation costs   |         |                   |                   |                   |                   |                   |
| Departmental expenses  |         | 4,418             | -                 | -                 | -                 | -                 |

Table 1.2: Agency 2009-10 Budget measures continued

|   | Program | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>   |         |                   |                   |                   |                   |                   |
| <u>Jobs and Training Compact</u>  |         |                   |                   |                   |                   |                   |
| - liquid assets waiting period - temporary change   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 974               | -                 | -                 | -                 | -                 |
| - Training Supplement   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 176               | -                 | -                 | -                 | -                 |
| National Framework for Protecting Australia's Children - Special Child Care Benefit - increasing awareness and access | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 69                | -                 | -                 | -                 | -                 |
| <b>Total DEEWR expense measures</b>   |         |                   |                   |                   |                   |                   |
| <b>Departmental Total</b>   |         | <b>5,637</b>      | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Department of Agriculture, Fisheries and Forestry</b>  |         |                   |                   |                   |                   |                   |
| <b>Expense measures</b>   |         |                   |                   |                   |                   |                   |
| Nation Building and Jobs Plan - implementation costs  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 701               | -                 | -                 | -                 | -                 |
| <u>Drought assistance</u>   |         |                   |                   |                   |                   |                   |
| - Exceptional Circumstances assistance for primary producers  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 2,169             | -                 | -                 | -                 | -                 |
| - Exceptional Circumstances assistance for small businesses - extension   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 92                | -                 | -                 | -                 | -                 |
| - interim income support for primary producers  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 150               | -                 | -                 | -                 | -                 |
| - interim income support for small businesses   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | 6                 | -                 | -                 | -                 | -                 |
| <b>Total DAFF expense measures</b>  |         |                   |                   |                   |                   |                   |
| <b>Departmental Total</b>   |         | <b>3,118</b>      | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |

**Table 1.2: Agency 2009-10 Budget measures continued**

| Program  | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>  |                   |                   |                   |                   |                   |
| <b>Direct Appropriation</b>  |                   |                   |                   |                   |                   |
| <b>Expense measures</b>  |                   |                   |                   |                   |                   |
| <b>Department of Families,<br/>Housing, Community Services<br/>and Indigenous Affairs</b>        |                   |                   |                   |                   |                   |
| <u>Closing the Gap</u>   |                   |                   |                   |                   |                   |
| - Northern Territory - income management - additional funding                                    | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | 88,258            | 862               | 585               | 591               |
| Nation Building and Jobs Plan - implementation costs   | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | 546               | -                 | -                 | -                 |
| <u>Closing the Gap</u>   |                   |                   |                   |                   |                   |
| - Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | 1,593             | 604               | 929               | (79)              |
| <u>Migration Program</u>   |                   |                   |                   |                   |                   |
| - reduction in skill stream places for 2008-09   | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | (603)             | (1,241)           | (1,254)           | (1,266)           |
| - allocation of places for 2009-10   | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | (334)             | (1,207)           | (3,079)           | (4,836)           |
| Care determinations - alignment across Family Assistance Office and Child Support Program        | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | 5,454             | 1,017             | 290               | 285               |
| Maternity Immunisation Allowance - alignment of indexation with other family payments            | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | 151               | -                 | -                 | -                 |
| Disability Support Pension - better and fairer assessments                                       | 1.1               |                   |                   |                   |                   |
| Departmental expenses  | -                 | 11,374            | 14,363            | 15,024            | 17,453            |

**Table 1.2: Agency 2009-10 Budget measures continued**

|   | Program | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Direct Appropriation</b>   |         |                   |                   |                   |                   |                   |
| <b>Expense measures</b>   |         |                   |                   |                   |                   |                   |
| Income management in cases of child neglect and by voluntary choice - continuation of trial               | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 8,241             | -                 | -                 | -                 |
| Paid Parental Leave   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 5,695             | 21,771            | 18,122            | 17,323            |
| Reform of family payments - pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | (3,813)           | (3,512)           | (6,572)           | (6,919)           |
| Victorian bushfires - assistance  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 14,520            | -                 | -                 | -                 |
| Superannuation - account-based pensions - drawdown relief for retirees for 2008-09                        | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 20                | -                 | -                 | -                 |
| <b>Secure and Sustainable Pensions</b>  |         |                   |                   |                   |                   |                   |
| - increase to Pension payments  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 22,908            | 7,889             | 6,081             | 6,210             |
| - tighten the income test taper   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 11,622            | 6,924             | 5,353             | 3,122             |
| - close the Pension Bonus Scheme  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 1,057             | 878               | (207)             | (6)               |
| <b>Secure and Sustainable Pensions</b>  |         |                   |                   |                   |                   |                   |
| - new carer supplement of a Carer Supplement  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 7,211             | 2,561             | 2,588             | 2,613             |
| - increase in the Age Pension age   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 831               | 119               | 410               | 121               |
| - social security agreements with Latvia, the Czech Republic and the Slovak Republic                      | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 292               | 5,015             | 421               | 427               |

**Table 1.2: Agency 2009-10 Budget measures continued**

|  | Program | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Direct Appropriation</b>  |         |                   |                   |                   |                   |                   |
| <b>Expense measures</b>  |         |                   |                   |                   |                   |                   |
| <b>Department of Education,<br/>Employment and Workplace<br/>Relations</b>   |         |                   |                   |                   |                   |                   |
| Nation Building and Jobs Plan<br>- implementation costs<br>Departmental expenses   | 1.1     | -                 | 1,277             | -                 | -                 | -                 |
| <u>Closing the Gap</u>   |         |                   |                   |                   |                   |                   |
| - Northern Territory -<br>enhancing education - school<br>nutrition<br>Departmental expenses   | 1.1     | -                 | 1,433             | 374               | 342               | -                 |
| - Community Development<br>Employment Projects Program<br>(CDEP) and the Indigenous<br>Employment Program<br>Departmental expenses                         | 1.1     | -                 | 3,592             | 5,101             | 10,460            | 11,231            |
| <u>Jobs and Training Compact</u>   |         |                   |                   |                   |                   |                   |
| - liquid assets waiting<br>period - temporary change<br>Departmental expenses  | 1.1     | -                 | 30                | 19                | 16                | 16                |
| - Training Supplement<br>Departmental expenses   | 1.1     | -                 | 5,515             | 2,091             | 1,224             | -                 |
| Child Care Cost Estimator<br>- improvement<br>Departmental expenses  | 1.1     | -                 | 2,440             | -                 | -                 | -                 |
| Participation Taskforce<br>Review - more flexible<br>participation requirements for<br>parents<br>Departmental expenses                                    | 1.1     | -                 | 6,614             | 3,144             | 2,047             | 2,074             |
| Improving School Enrolment<br>and Attendance Trial -<br>continuation<br>Departmental expenses  | 1.1     | -                 | 3,125             | -                 | -                 | -                 |
| National Framework for<br>Protecting Australia's<br>Children - Special Child Care<br>Benefit - increasing<br>awareness and access<br>Departmental expenses | 1.1     | -                 | 462               | 191               | 193               | 195               |

Table 1.2: Agency 2009-10 Budget measures continued

|  | Program | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Direct Appropriation</b>  |         |                   |                   |                   |                   |                   |
| <b>Expense measures</b>  |         |                   |                   |                   |                   |                   |
| An Innovation and Higher Education System for 21st Century - Student Income Support - administrative costs | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 20,000            | 6,600             | 6,700             | 6,700             |
| Drought Assistance - Assistance for Isolated Children Scheme - extension                                   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 470               | -                 | -                 | -                 |
| Job capacity assessments additional assessments  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 3,076             | (1,900)           | (1,977)           | (1,997)           |
| <b>Department of Agriculture, Fisheries and Forestry</b>   |         |                   |                   |                   |                   |                   |
| <b>Drought assistance</b>  |         |                   |                   |                   |                   |                   |
| - Exceptional Circumstances assistance for primary producers   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 4,084             | 109               | -                 | -                 |
| - Exceptional Circumstances assistance for small businesses - extension                                    | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 348               | 163               | -                 | -                 |
| - interim income support for primary producers   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 34                | -                 | -                 | -                 |
| - interim income support for small businesses  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 1                 | -                 | -                 | -                 |
| - professional advice and planning   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 1,582             | 177               | -                 | -                 |
| - re-establishment assistance - continuation   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 629               | 969               | -                 | -                 |
| - continuation of rural support services   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses  |         | -                 | 11,817            | -                 | -                 | -                 |

**Table 1.2: Agency 2009-10 Budget measures continued**

|   | Program | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Direct Appropriation</b>   |         |                   |                   |                   |                   |                   |
| <b>Expense measures</b>   |         |                   |                   |                   |                   |                   |
| <b>Department of Broadband, Communications and the Digital Economy</b>  |         |                   |                   |                   |                   |                   |
| Digital Television Switchover   | 1.1     |                   |                   |                   |                   |                   |
| - regional South Australia, Victoria and Queensland                     |         |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 6,194             | 4,929             | 4,013             | -                 |
| <b>Department of Immigration and Citizenship</b>                        |         |                   |                   |                   |                   |                   |
| Improving English language learning outcomes for newly arrived migrants | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 1,057             | 152               | 154               | 155               |
| <b>Department of Human Services</b>                                     |         |                   |                   |                   |                   |                   |
| <b>Centrelink</b>   |         |                   |                   |                   |                   |                   |
| - call centre supplementation   | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 60,000            | 60,548            | -                 | -                 |
| - maintenance of online service infrastructure                          | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 5,701             | -                 | -                 | -                 |
| - appropriation arrangements  | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | (2,250)           | (2,250)           | (2,250)           | (2,250)           |
| <b>Direct Appropriation</b>   |         |                   |                   |                   |                   |                   |
| <b>Expense measures</b>   |         |                   |                   |                   |                   |                   |
| Fraud and compliance  | 1.1     |                   |                   |                   |                   |                   |
| - increased Centrelink compliance review activity                       |         |                   |                   |                   |                   |                   |
| Departmental expenses   |         |                   | 3,140             | 11,652            | 11,741            | 11,854            |
| - Centrelink debts - increase in repayment rate                         | 1.1     |                   |                   |                   |                   |                   |
| Departmental expenses   |         | -                 | 690               | -                 | -                 | -                 |
| <b>Total Direct Appropriation expense measures</b>                      |         |                   |                   |                   |                   |                   |
| <b>Departmental Total</b>   |         | <b>-</b>          | <b>316,084</b>    | <b>148,112</b>    | <b>71,354</b>     | <b>63,017</b>     |
| <b>Total ALL expense measures</b>                                       |         |                   |                   |                   |                   |                   |
| <b>Departmental Total</b>   |         | <b>58,168</b>     | <b>316,084</b>    | <b>148,112</b>    | <b>71,354</b>     | <b>63,017</b>     |

**Table 1.2: Agency 2009-10 Budget measures continued**

|   | Program | 2008-09<br>\$'000 | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Direct Appropriation</b>   |         |                   |                   |                   |                   |                   |
| <b>Capital measures</b>   |         |                   |                   |                   |                   |                   |
| Income management in cases of child neglect and by voluntary choice - continuation of trial | 1.1     |                   |                   |                   |                   |                   |
| Departmental capital  |         | -                 | 1,375             | -                 | -                 | -                 |
| Paid Parental Leave   | 1.1     |                   |                   |                   |                   |                   |
| Departmental capital  |         | -                 | 2,328             | 4,584             | -                 | -                 |
| Participation Taskforce Review - more flexible participation requirements for parents       | 1.1     |                   |                   |                   |                   |                   |
| Departmental capital  |         | -                 | 1,901             | -                 | -                 | -                 |
| <b>Total capital measures</b>   |         |                   |                   |                   |                   |                   |
| <b>Departmental Total</b>   |         | -                 | 5,604             | 4,584             | -                 | -                 |
| <b>Total of ALL measures</b>  |         |                   |                   |                   |                   |                   |
| <b>Departmental Total</b>   |         | 58,168            | 321,688           | 152,696           | 71,354            | 63,017            |

Prepared on a Government Financial Statistics (fiscal) basis

## 1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. The table below outlines the transition from the 2008-09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups to the program reporting framework used for the 2009-10 Budget. The table also captures revisions made to GGS outcome statements under the Operation Sunlight Outcome Statements Review.

**Figure 2: Transition table**

**2008-09 Budget year**

**Outcome 1:** Access to Government services that effectively support: self sufficiency through participation in employment education, training and the community; families and people in need; and the integrity of Government outlays in these areas

|   |
|---|
| Output Group 1.1: Effective and efficient delivery of Government Services               |
| Departmental Outputs:<br><i>Effective and efficient delivery of Government Services</i> |
| Special Accounts:<br><i>Commonwealth Social Services Special Account</i>                |

**2009-10 Budget year**

**Outcome 1:** Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government

|   |
|---|
| Program 1.1: Service Delivery   |
| Departmental Outputs:<br><i>Effective and efficient delivery of Government Services</i> |
| Special Accounts:<br><i>Commonwealth Social Services Special Account</i>                |

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Agencies deliver programs which are the Government actions taken to deliver the stated outcomes. Agencies are required to identify the programs that contribute to Government outcomes over the Budget and forward years.

The outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Centrelink in achieving government outcomes.

**Outcome Statement: Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government**

#### **Outcome Strategy –**

Our strategy is one of continual improvement for the way we deliver services. We do this by providing an integrated network for the Human Services portfolio and offering a variety of ways for customers to access assistance, payments and services.

Centrelink's customers include retired people; families; sole parents; people looking for work; people with disabilities; illnesses or injuries; carers; widows; primary producers; students; young people; Indigenous people; and people from diverse cultural and linguistic backgrounds.

The key Outcome milestones will be to achieve service delivery improvements and greater cross-agency integration and collaboration. The Key Performance Areas embodied in our service delivery include:

- Design and implement service delivery systems that maximise the ability to achieve Government objectives;
- Deliver ongoing services and respond to emerging needs; and
- Make it easy for customers to do business with Centrelink, respond in a timely manner, and match services and payments to customers' circumstances.

There are a number of environmental factors that will drive the activities Centrelink can undertake, the outcome to be achieved and the process by which we achieve that outcome. In summary these are:

- Our role in aligning with and contributing to whole of government social policy and connecting of services with State and community-based organisations;

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- The need to build on our collaboration and information sharing relationships with other Government agencies community groups and other third parties;
- Our position within the portfolio and our relationship with the Department of Human Services;
- The effect of the Global Financial Crisis on our customer numbers and the delivery of services and programs to citizens and communities;
- The key demographic trend of Australia's rapidly ageing population resulting in both increased customer numbers and a shortage of skilled working age people;
- The need to deliver services that improve our efficiency and more effectively meet customer needs through better use of technology and self service channels;
- The need to provide fast citizen access to Government services during emergencies and be prepared for these short term demands while continuing to deliver established Government programs and services; and
- The implementation of the Government's ICT Reform Agenda particularly the affect on IT capability development, procurement and workforce.

**Outcome 1 Budgeted Expenses and Resources**

Table 2.1 provides an overview of the total expenses for outcome 1, by program.

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

| <b>Outcome 1: Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government</b> | 2008-09                             | 2009-10                      |
|--|-------------------------------------|------------------------------|
|  | Estimated actual expenses<br>\$'000 | Estimated expenses<br>\$'000 |
| <b>Program 1.1: Service Delivery</b>   |                                     |                              |
| Departmental expenses  |                                     |                              |
| Ordinary annual services (Appropriation Bill No. 1)  | 608,319                             | 2,861,143                    |
| Special Accounts   | 2,245,589                           | 104,582                      |
| Expenses not requiring appropriation in the Budget year  | 5,500                               | 5,500                        |
| <b>Total for Program 1.1</b>   | <b>2,859,408</b>                    | <b>2,971,225</b>             |
| <b>Outcome 1 Totals by appropriation type</b>  |                                     |                              |
| Departmental expenses  |                                     |                              |
| Ordinary annual services (Appropriation Bill No. 1)  | 608,319                             | 2,861,143                    |
| Special Accounts   | 2,245,589                           | 104,582                      |
| Expenses not requiring appropriation in the Budget year  | 5,500                               | 5,500                        |
| <b>Total expenses for Outcome 1</b>  | <b>2,859,408</b>                    | <b>2,971,225</b>             |
|  | 2008-09                             | 2009-10                      |
| <b>Average Staffing Level (number)</b>   | 24,450                              | 25,400                       |

NOTES: Departmental Appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

## Contributions to Outcome

### Program 1.1: Service Delivery

#### Program objective

The program of Service Delivery facilitates transfers and benefits on behalf of other Commonwealth agencies. Centrelink aims to deliver the defined benefits in an efficient and effective manner to meet the broader objectives of the government.

#### Linked to:

Centrelink delivers a range of payments and services on behalf of a number of government departments and other entities, including:

- Department of Families, Housing, Community Services and Indigenous Affairs (including Family Assistance Office)
- Child Support Program
- Department of Infrastructure, Transport, Regional Development and Local Government
- Department of Veterans' Affairs
- Department of Health and Ageing, including the Office of Hearing
- Department of Education, Employment and Workplace Relations
- Department of Agriculture, Fisheries and Forestry
- Department of Foreign Affairs and Trade
- Department of Broadband, Communications and Digital Economy
- Department of Immigration and Citizenship
- Department of Innovation, Industry, Science and Research
- Australian Electoral Commission
- Attorney-General's Office
- Australian Taxation Office
- New South Wales State Government
- State and Territory Housing Authorities
- Countries with which Australia has an International Social Security Agreement
- Department of the Treasury.

**Program 1.1 Expenses**

| ('000)   | 2008-09<br>Revised<br>budget | 2009-10<br>Budget | 2010-11<br>Forward<br>year 1 | 2011-12<br>Forward<br>year 2 | 2012-13<br>Forward<br>year 3 |
|--|------------------------------|-------------------|------------------------------|------------------------------|------------------------------|
| Annual Departmental Expenses:  |                              |                   |                              |                              |                              |
| Other Departmental Item  | 2,859,408                    | 2,971,225         | 2,824,665                    | 2,739,645                    | 2,679,803                    |
| Special Account Expenses:  |                              |                   |                              |                              |                              |
| <i>Commonwealth Services Delivery Services<br/>    Special Account</i> |                              |                   |                              |                              |                              |
| Expenses not requiring Appropriation in the<br>Budget year             | -                            | -                 | -                            | -                            | -                            |
| <b>Total Departmental Expenses</b>                                     | <b>2,859,408</b>             | <b>2,971,225</b>  | <b>2,824,665</b>             | <b>2,739,645</b>             | <b>2,679,803</b>             |

**Program 1.1 deliverables**

Centrelink will report its effective achievement of this program against three key performance areas:

1. Design and implement service delivery systems that maximise the ability to achieve Government objectives;
2. Deliver ongoing services and respond to emerging needs; and
3. Make it easier for customers to do business with Centrelink, respond in a timely manner and match services and payments to customers' circumstances.

To support achievement in these performance areas Centrelink will:

- Work with the relevant Department to deliver the payments and/or services required,
- Develop reporting mechanisms to monitor our progress against the initiative; and
- Report our contribution to these initiatives in our Annual Report.

| <b>Program 1.1 Key Performance Indicators</b>  |   |
|--|---|
| <p>Nine key performance indicators will support the above Deliverables. The indicators:</p> <ul style="list-style-type: none"> <li>• Reflect key elements of organisational performance in service delivery;</li> <li>• Represent the primary service delivery priorities for our key stakeholders; and</li> <li>• Are recognised at all levels in the organisation.</li> </ul>  |   |
| <b>Key Performance Indicators</b>  | <b>2009-10 Targets</b>  |
| <p><b>KPI 1.1</b></p> <ul style="list-style-type: none"> <li>• Manage and achieve service delivery improvements as required by the Minister</li> </ul> <p><b>KPI 1.2</b></p> <ul style="list-style-type: none"> <li>• Implement Government decisions on time and budget</li> </ul> <p><b>KPI 1.3</b></p> <ul style="list-style-type: none"> <li>• Connecting individuals to programs that provide educational, social and economic opportunities</li> </ul> <p><b>KPI 1.4</b></p> <ul style="list-style-type: none"> <li>• Supporting social, economic, educational and community engagement for Indigenous and regional Australians</li> </ul> <p><b>KPI 1.5</b></p> <ul style="list-style-type: none"> <li>• Support individuals and families to participate economically and socially through payments and services</li> </ul> <p><b>KPI 1.6</b></p> <ul style="list-style-type: none"> <li>• Minister is satisfied with the quality, timeliness and relevance of advice for decision making</li> </ul> | <ul style="list-style-type: none"> <li>• Centrelink achieves the outcomes articulated in our Statement of Intent</li> </ul> <ul style="list-style-type: none"> <li>• Less than 5% of Budget initiatives are rated 'red' in a traffic light report structure</li> </ul> <ul style="list-style-type: none"> <li>• Centrelink meets all agreed referral standards to third party providers designed to support these elements</li> </ul> <ul style="list-style-type: none"> <li>• Centrelink supports the 'Closing the Gap' initiative</li> </ul> <ul style="list-style-type: none"> <li>• Positive response to this element in our Customer Satisfaction survey</li> </ul> <ul style="list-style-type: none"> <li>• 95% of briefs are submitted within agreed timeframes and meet a standard of satisfactory or above</li> <li>• 95% of Ministerial replies to correspondence are submitted within agreed timeframes</li> </ul> |

|   |  |
|---|--|
| <p><b>KPI 2.1</b></p> <ul style="list-style-type: none"> <li>• Achieve expected program outlay accuracy standards and minimise fraud</li> </ul> <p><b>KPI 2.2</b></p> <ul style="list-style-type: none"> <li>• Support delivery of Government's emergency response</li> </ul>   | <ul style="list-style-type: none"> <li>• Program accuracy standards are achieved</li> <li>• Provide service delivery support in the event of emergency/ disaster situations</li> </ul> |
| <p><b>KPI 3.1</b></p> <ul style="list-style-type: none"> <li>• Customers are satisfied with the ease of access to and quality of service provided by Centrelink</li> </ul> <p><b>KPI 3.2</b></p> <ul style="list-style-type: none"> <li>• Centrelink provides services and referrals that are timely and appropriate</li> </ul> | <ul style="list-style-type: none"> <li>• Overall Customer Satisfaction target is 88%</li> <li>• Positive response to this element in our Customer Satisfaction survey</li> </ul>       |

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of agency finances for the budget year 2009-10. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.2 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 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Centrelink.

**Table 3.1.2: Estimates of Special Account cash flows and balances**

|  | Opening<br>balance<br><b>2009-10</b><br>2008-09 | Receipts<br><b>2009-10</b><br>2008-09 | Payments<br><b>2009-10</b><br>2008-09 | Closing<br>balance<br><b>2009-10</b><br>2008-09 |
|--|---|---------------------------------------|---------------------------------------|---|
| Outcome  | \$'000  | \$'000                                | \$'000                                | \$'000  |
| Commonwealth Social<br>Services Special Account (D)                        | 1<br><b>329,053</b><br>317,972                  | <b>3,043,579</b><br>2,947,575         | <b>(2,981,345)</b><br>(2,936,494)     | <b>391,287</b><br>329,053                       |
| Commonwealth Services Delivery<br>Agency Other Trust Moneys<br>Account (T) | <b>545</b><br>433                               | <b>2,192</b><br>2,292                 | <b>(2,244)</b><br>(2,180)             | <b>493</b><br>545                               |
| <b>Total Special Accounts<br/>2009-10 Budget estimate</b>                  | <b>329,598</b>                                  | <b>3,045,771</b>                      | <b>(2,983,589)</b>                    | <b>391,780</b>                                  |
| <i>Total Special Accounts<br/>2008-09 estimate actual</i>                  | 318,405   | 2,949,867                             | (2,938,674)                           | 329,598   |

D = Departmental;

T= Assets held in Trust

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

| Outcome   | Appropriations          |                         |                             |                           | Other         | Total          | Program    |
|---|-------------------------|-------------------------|-----------------------------|---------------------------|---------------|----------------|------------|
|   | Bill<br>No. 1<br>\$'000 | Bill<br>No. 2<br>\$'000 | Special<br>Approp<br>\$'000 | Total<br>Approp<br>\$'000 |               |                |            |
| <b>Centrelink</b>   |                         |                         |                             |                           |               |                |            |
| <b>Outcome 1</b>  |                         |                         |                             |                           |               |                |            |
| <b>Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government</b> |                         |                         |                             |                           |               |                |            |
| Departmental 2009-10  | 90,780                  | -                       | -                           | 90,780                    | 66,499        | 157,279        | 1.1        |
| Departmental 2008-09  | 4,531                   | -                       | -                           | 4,531                     | 156,830       | 161,361        | 1.1        |
| Total Outcome 2009-10   | 90,780                  | -                       | -                           | 90,780                    | 66,499        | 157,279        |            |
| Total Outcome 2008-09   | 4,531                   | -                       | -                           | 4,531                     | 156,830       | 161,361        |            |
| <hr/>   |                         |                         |                             |                           |               |                |            |
| Total Departmental 2009-10  | 90,780                  | -                       | -                           | 90,780                    | 66,499        | 157,279        |            |
| Total Departmental 2008-09  | 4,531                   | -                       | -                           | 4,531                     | 156,830       | 161,361        |            |
| <b>Total AGIE 2009-10</b>   | <b>90,780</b>           | <b>-</b>                | <b>-</b>                    | <b>90,780</b>             | <b>66,499</b> | <b>157,279</b> | <b>1.1</b> |
| Total AGIE 2008-09  | 4,531                   | -                       | -                           | 4,531                     | 156,830       | 161,361        | 1.1        |

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

The significant differences between resource information presented in the Budget Papers and Portfolio Budget Statements (PBS) are the result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

These differences mainly comprise of:

- 2008-09 Unearned Revenue recognised in 2008-09 in the Comprehensive Income Statement (AAS);
- GST cash receipts included in the Agency Resource Statement (GFS); and
- Resources Received Free of Charge (AAS).

### **3.2.2 Analysis of budgeted financial statements**

#### **Departmental**

#### **Budgeted departmental comprehensive income statement (see table 3.2.1)**

Centrelink is estimating a break-even operating result for 2008-09 and for the forward years.

The total income for 2009-10 is estimated to increase by \$111.82m from the 2008-09 estimated actual income of \$2,859.41m, primarily due to increases in funding from the Centrelink Funding Model (CFM) and new Budget measures.

The 2009-10 expense is also estimated to increase proportionately by \$111.82m from the 2008-09 financial year.

#### **Budgeted departmental balance sheet (see table 3.2.2)**

Centrelink's budgeted net asset position of \$318.59m represents an increase of \$8.19m from the 2008-09 estimates. The increase is mainly due to capital injections to be received in 2009-10 to fund capital works relating to certain budget measures.

The 2009-10 total assets are expected to increase by \$1.23m, mainly reflecting an anticipated increase in trade and other receivables, cash and equivalents, and prepayments.

Centrelink's total liabilities are estimated to decrease by approximately \$6.97m in 2009-10 due to a decrease in Unearned Revenue (-\$19.75m) and other provisions (-\$6.29m) that are offset by increase in employee provisions (\$15.49m), supplier payables (\$1.41m), and other payables (\$2.17m). The primary liability continues to be accrued employee leave entitlements.

### 3.2.3 Budgeted financial statements tables

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

|   | Estimated<br>actual<br>2008-09<br>\$'000 | Budget<br>estimate<br>2009-10<br>\$'000 | Forward<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 |
|---|--|---|--|--|--|
| <b>EXPENSES</b>   |  |   |  |  |  |
| Employee benefits   | 1,826,055                                | 1,911,436                               | 1,849,144                                | 1,787,243                                | 1,735,349                                |
| Supplier  | 854,428                                  | 889,942                                 | 827,565                                  | 809,827                                  | 825,888                                  |
| Depreciation and amortisation   | 173,425                                  | 164,347                                 | 142,456                                  | 137,075                                  | 113,066                                  |
| Write-down and impairment of assets   | 5,500                                    | 5,500                                   | 5,500                                    | 5,500                                    | 5,500                                    |
| <b>Total expenses</b>   | <b>2,859,408</b>                         | <b>2,971,225</b>                        | <b>2,824,665</b>                         | <b>2,739,645</b>                         | <b>2,679,803</b>                         |
| <b>LESS:</b>  |  |   |  |  |  |
| <b>OWN-SOURCE INCOME</b>  |  |   |  |  |  |
| <b>Revenue</b>  |  |   |  |  |  |
| Sale of goods and rendering of services   | 2,245,705                                | 106,459                                 | 86,645                                   | 87,051                                   | 86,539                                   |
| <b>Total revenue</b>  | <b>2,245,705</b>                         | <b>106,459</b>                          | <b>86,645</b>                            | <b>87,051</b>                            | <b>86,539</b>                            |
| <b>Gains</b>  |  |   |  |  |  |
| Other gains   | 3,481                                    | 3,623                                   | 3,768                                    | 3,919                                    | 4,037                                    |
| <b>Total gains</b>  | <b>3,481</b>                             | <b>3,623</b>                            | <b>3,768</b>                             | <b>3,919</b>                             | <b>4,037</b>                             |
| <b>Total own-source income</b>  | <b>2,249,186</b>                         | <b>110,082</b>                          | <b>90,413</b>                            | <b>90,970</b>                            | <b>90,576</b>                            |
| <b>Net cost of (contribution by)<br/>services</b>                               | <b>610,222</b>                           | <b>2,861,143</b>                        | <b>2,734,252</b>                         | <b>2,648,675</b>                         | <b>2,589,227</b>                         |
| Appropriation revenue   | 610,222                                  | 2,861,143                               | 2,734,252                                | 2,648,675                                | 2,589,227                                |
| <b>Surplus (Deficit)</b>  | -  | -                                       | -  | -  | -  |
| <b>Surplus (Deficit) attributable to<br/>the Australian Government</b>          | -  | -                                       | -  | -  | -  |
| <b>Total comprehensive income</b>   | -  | -                                       | -  | -  | -  |
| <b>Total comprehensive income attributable<br/>to the Australian Government</b> | -  | -                                       | -  | -  | -  |

Prepared on Australian Accounting Standards basis

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

|   | Estimated<br>actual<br>2008-09<br>\$'000 | Budget<br>estimate<br>2009-10<br>\$'000 | Forward<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS</b>                                 |  |   |  |  |  |
| <b>Financial assets</b>                       |  |   |  |  |  |
| Cash and equivalents                          | 21,263                                   | 22,676                                  | 23,609                                   | 23,682                                   | 23,692                                   |
| Trade and other Receivables                   | 337,659                                  | 397,174                                 | 427,531                                  | 405,925                                  | 468,957                                  |
| <b>Total financial assets</b>                 | <b>358,922</b>                           | <b>419,850</b>                          | <b>451,140</b>                           | <b>429,607</b>                           | <b>492,649</b>                           |
| <b>Non-financial assets</b>                   |  |   |  |  |  |
| Land and buildings                            | 199,521                                  | 202,084                                 | 192,442                                  | 185,167                                  | 180,062                                  |
| Infrastructure, plant and equipment           | 143,827                                  | 112,695                                 | 114,942                                  | 112,049                                  | 86,288                                   |
| Intangibles                                   | 210,819                                  | 178,400                                 | 177,777                                  | 226,781                                  | 211,501                                  |
| Other (Prepayment)                            | 49,534                                   | 50,823                                  | 52,150                                   | 53,516                                   | 54,923                                   |
| <b>Total non-financial assets</b>             | <b>603,701</b>                           | <b>544,002</b>                          | <b>537,311</b>                           | <b>577,513</b>                           | <b>532,774</b>                           |
| <b>Total assets</b>                           | <b>962,623</b>                           | <b>963,852</b>                          | <b>988,451</b>                           | <b>1,007,120</b>                         | <b>1,025,423</b>                         |
| <b>LIABILITIES</b>                            |  |   |  |  |  |
| <b>Provisions</b>                             |  |   |  |  |  |
| Employees                                     | 499,569                                  | 515,062                                 | 535,156                                  | 555,143                                  | 576,197                                  |
| Other   | 21,697                                   | 15,400                                  | 11,272                                   | 8,288                                    | 4,067                                    |
| <b>Total provisions</b>                       | <b>521,266</b>                           | <b>530,462</b>                          | <b>546,428</b>                           | <b>563,431</b>                           | <b>580,264</b>                           |
| <b>Payables</b>                               |  |   |  |  |  |
| Suppliers                                     | 54,140                                   | 55,553                                  | 57,002                                   | 58,489                                   | 60,016                                   |
| Other   | 76,824                                   | 59,250                                  | 61,850                                   | 62,029                                   | 61,970                                   |
| <b>Total payables</b>                         | <b>130,964</b>                           | <b>114,803</b>                          | <b>118,852</b>                           | <b>120,518</b>                           | <b>121,986</b>                           |
| <b>Total liabilities</b>                      | <b>652,230</b>                           | <b>645,265</b>                          | <b>665,280</b>                           | <b>683,949</b>                           | <b>702,250</b>                           |
| <b>Net assets</b>                             | <b>310,393</b>                           | <b>318,587</b>                          | <b>323,171</b>                           | <b>323,171</b>                           | <b>323,173</b>                           |
| <b>EQUITY*</b>                                |  |   |  |  |  |
| <b>Parent entity interest</b>                 |  |   |  |  |  |
| Contributed equity                            | 291,983                                  | 300,177                                 | 304,761                                  | 304,761                                  | 304,761                                  |
| Reserves                                      | 32,394                                   | 32,394                                  | 32,394                                   | 32,394                                   | 32,396                                   |
| Retained surpluses or<br>accumulated deficits | (13,984)                                 | (13,984)                                | (13,984)                                 | (13,984)                                 | (13,984)                                 |
| <b>Total parent entity interest</b>           | <b>310,393</b>                           | <b>318,587</b>                          | <b>323,171</b>                           | <b>323,171</b>                           | <b>323,173</b>                           |
| <b>Total equity</b>                           | <b>310,393</b>                           | <b>318,587</b>                          | <b>323,171</b>                           | <b>323,171</b>                           | <b>323,173</b>                           |
| <b>Current assets</b>                         | <b>408,456</b>                           | <b>470,673</b>                          | <b>503,290</b>                           | <b>483,123</b>                           | <b>547,572</b>                           |
| <b>Non-current assets</b>                     | <b>554,167</b>                           | <b>493,179</b>                          | <b>485,161</b>                           | <b>523,997</b>                           | <b>477,851</b>                           |
| <b>Current liabilities</b>                    | <b>517,311</b>                           | <b>529,942</b>                          | <b>548,235</b>                           | <b>566,695</b>                           | <b>585,850</b>                           |
| <b>Non-current liabilities</b>                | <b>134,919</b>                           | <b>115,323</b>                          | <b>117,045</b>                           | <b>117,254</b>                           | <b>116,400</b>                           |

Prepared on Australian Accounting Standards basis

\* 'Equity' is the residual interest in assets after deduction of liabilities.

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

|  | Estimated<br>Actual<br>2008-09<br>\$'000 | Budget<br>estimate<br>2009-10<br>\$'000 | Forward<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 |
|--|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Goods and services   | 2,240,066                                | 89,704                                  | 89,619                                   | 90,146                                   | 89,474                                   |
| Appropriations   | 608,319                                  | 2,863,046                               | 2,734,252                                | 2,648,675                                | 2,589,227                                |
| Net GST received   | 94,224                                   | 82,635                                  | 85,446                                   | 78,794                                   | 77,273                                   |
| Cash from the Official Public Account                      | -  | -                                       | -  | 22,238                                   | -  |
| <b>Total cash received</b>                                 | <b>2,942,609</b>                         | <b>3,035,385</b>                        | <b>2,909,317</b>                         | <b>2,839,853</b>                         | <b>2,755,974</b>                         |
| <b>Cash used</b>   |  |   |  |  |  |
| Employees  | 1,799,863                                | 1,895,944                               | 1,829,050                                | 1,767,255                                | 1,714,295                                |
| Suppliers  | 960,857                                  | 976,542                                 | 914,234                                  | 891,114                                  | 906,870                                  |
| Cash to the Official Public Account                        | 19,790                                   | 60,821                                  | 29,745                                   | -  | 62,381                                   |
| <b>Total cash used</b>                                     | <b>2,780,510</b>                         | <b>2,933,307</b>                        | <b>2,773,029</b>                         | <b>2,658,369</b>                         | <b>2,683,546</b>                         |
| <b>Net cash from or (used by)<br/>operating activities</b> | <b>162,099</b>                           | <b>102,078</b>                          | <b>136,288</b>                           | <b>181,484</b>                           | <b>72,428</b>                            |
| <b>INVESTING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Proceeds from sales of property,<br>plant and equipment    | 177                                      | -                                       | -  | -  | -  |
| <b>Total cash received</b>                                 | <b>177</b>                               | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>   |  |   |  |  |  |
| Purchase of property, plant<br>and equipment               | 138,719                                  | 84,166                                  | 86,998                                   | 77,314                                   | 34,972                                   |
| Purchase of intangibles                                    | 37,055                                   | 24,693                                  | 52,941                                   | 104,097                                  | 37,446                                   |
| <b>Total cash used</b>                                     | <b>175,774</b>                           | <b>108,859</b>                          | <b>139,939</b>                           | <b>181,411</b>                           | <b>72,418</b>                            |
| <b>Net cash from or (used by)<br/>investing activities</b> | <b>(175,597)</b>                         | <b>(108,859)</b>                        | <b>(139,939)</b>                         | <b>(181,411)</b>                         | <b>(72,418)</b>                          |
| <b>FINANCING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Appropriations - contributed equity                        | (9,058)                                  | 8,194                                   | 4,584                                    | -  | -  |
| Other cash received  | 13,847                                   | -                                       | -  | -  | -  |
| <b>Total cash received</b>                                 | <b>4,789</b>                             | <b>8,194</b>                            | <b>4,584</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 or (used by)<br/>financing activities</b> | <b>4,789</b>                             | <b>8,194</b>                            | <b>4,584</b>                             | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net increase or (decrease)<br/>in cash held</b>         | <b>(8,709)</b>                           | <b>1,413</b>                            | <b>933</b>                               | <b>73</b>                                | <b>10</b>                                |
| Cash at the beginning of<br>the reporting period           | 29,972                                   | 21,263                                  | 22,676                                   | 23,609                                   | 23,682                                   |
| <b>Cash at the end of the<br/>reporting period</b>         | <b>21,263</b>                            | <b>22,676</b>                           | <b>23,609</b>                            | <b>23,682</b>                            | <b>23,692</b>                            |

Prepared on Australian Accounting Standards basis

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009-10)**

|  | Retained<br>earnings<br>\$'000 | Asset<br>revaluation<br>reserve<br>\$'000 | Contributed<br>equity/<br>capital<br>\$'000 | Total<br>equity<br>\$'000 |
|--|--------------------------------|---|---|---------------------------|
| <b>Opening balance as at 1 July 2009</b>                           |                                |   |   |                           |
| Balance carried forward from<br>previous period                    | (13,984)                       | 32,394                                    | 291,983                                     | 310,393                   |
| <b>Adjusted opening balance</b>                                    | <b>(13,984)</b>                | <b>32,394</b>                             | <b>291,983</b>                              | <b>310,393</b>            |
| Surplus (deficit) for the period                                   | -                              | -   | -   | -                         |
| <b>Total income and expenses<br/>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)                                   | -                              | -   | 8,194                                       | 8,194                     |
| <b>Sub-total transactions with owners</b>                          | <b>-</b>                       | <b>-</b>                                  | <b>8,194</b>                                | <b>8,194</b>              |
| <b>Estimated closing balance<br/>as at 30 June 2010</b>            | <b>(13,984)</b>                | <b>32,394</b>                             | <b>300,177</b>                              | <b>318,587</b>            |

Prepared on Australian Accounting Standards basis

**Table 3.2.5: Departmental capital budget statement**

|  | Estimated<br>actual<br>2008-09<br>\$'000 | Budget<br>estimate<br>2009-10<br>\$'000 | Forward<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 |
|--|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>                              |  |   |  |  |  |
| Total equity injections                                    | (9,058)                                  | 8,194                                   | 4,584                                    | -  | -  |
| Appropriation of Previous Year                             |  |   |  |  |  |
| Accrued Revenue  | 106                                      | 1,903                                   | -  | -  | -  |
| <b>Total capital appropriations</b>                        | <b>(8,952)</b>                           | <b>10,097</b>                           | <b>4,584</b>                             | <b>-</b>                                 | <b>-</b>                                 |
| <b>Represented by:</b>                                     |  |   |  |  |  |
| Purchase of non-financial assets                           | (8,187)                                  | 8,194                                   | 4,584                                    | -  | -  |
| Other  | (765)                                    | 1,903                                   | -  | -  | -  |
| <b>Total represented by</b>                                | <b>(8,952)</b>                           | <b>10,097</b>                           | <b>4,584</b>                             | <b>-</b>                                 | <b>-</b>                                 |
| <b>ACQUISITION OF NON-FINANCIAL ASSETS</b>                 |  |   |  |  |  |
| Funded by capital appropriations                           | (8,187)                                  | 8,194                                   | 4,584                                    | -  | -  |
| Funded internally from departmental resources <sup>1</sup> | 183,961                                  | 100,665                                 | 135,355                                  | 181,411                                  | 72,418                                   |
| <b>TOTAL</b>   | <b>175,774</b>                           | <b>108,859</b>                          | <b>139,939</b>                           | <b>181,411</b>                           | <b>72,418</b>                            |

<sup>1</sup> Includes the following sources of funding:

- prior year appropriations
- internally developed assets
- proceeds from the sale of assets

**Table 3.2.6: Statement of Asset Movements – Departmental**

|  | Asset Category (as appropriate) |                |  |                | Total          |
|--|---------------------------------|----------------|--|----------------|----------------|
|  | Land                            | Buildings      | Other<br>infrastructure,<br>plant and<br>equipment | Intangibles    |                |
|  | \$'000                          | \$'000         | \$'000   | \$'000         | \$'000         |
| <b>As at 1 July 2009</b>   |                                 |                |  |                |                |
| Gross book value   | 3,512                           | 365,609        | 370,675  | 523,659        | 1,263,455      |
| Accumulated depreciation/amortisation  | -                               | (169,600)      | (226,848)  | (312,840)      | (709,288)      |
| <b>Opening net book balance</b>  | <b>3,512</b>                    | <b>196,009</b> | <b>143,827</b>                                     | <b>210,819</b> | <b>554,167</b> |
| <b>CAPITAL ASSET ADDITIONS</b>   |                                 |                |  |                |                |
| <b>Estimated expenditure on<br/>new or replacement assets</b>                        |                                 |                |  |                |                |
| By purchase or internally developed  | -                               | 61,306         | 22,860   | 24,693         | 108,859        |
| <b>Acquisition of entities or operations<br/>(including restructuring) sub-total</b> | <b>-</b>                        | <b>61,306</b>  | <b>22,860</b>                                      | <b>24,693</b>  | <b>108,859</b> |
| <b>Other movements</b>   |                                 |                |  |                |                |
| Depreciation/amortisation expense  | -                               | (58,543)       | (53,692)   | (52,112)       | (164,347)      |
| Disposals <sup>#</sup>   | -                               | -              | -  | -              | -              |
| Other  | -                               | (200)          | (300)  | (5,000)        | (5,500)        |
| <b>As at 30 June 2010</b>  |                                 |                |  |                |                |
| Gross book value   | 3,512                           | 426,715        | 393,235  | 543,352        | 1,366,814      |
| Accumulated depreciation/amortisation  | -                               | (228,143)      | (280,540)  | (364,952)      | (873,635)      |
| <b>Closing net book balance</b>  | <b>3,512</b>                    | <b>198,572</b> | <b>112,695</b>                                     | <b>178,400</b> | <b>493,179</b> |

<sup>#</sup> Proceeds may be returned to the OPA

### **3.2.4 Notes to the financial statements**

#### **1. Basis of Preparation of the Budgeted Financial Report**

The Budgeted Financial Statements have been prepared in accordance with:

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

Centrelink's Budgeted Financial Statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

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

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