

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 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.

Centrelink's 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

The Agency Resource Statement details the resourcing for Centrelink at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009-10 Budget year, including variations through Appropriation Bills No.3 and No.4, special appropriations and special accounts.

Table 1.1: Centrelink resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009

	Estimate as at Budget ⁺	Proposed Additional ⁼ Estimates	Total estimate at Additional Estimates	Total available appropriation
	2009-10 \$'000	2009-10 \$'000	2009-10 \$'000	2008-09 \$'000
Ordinary annual services¹				
Departmental appropriation				
Departmental appropriation	2,861,143	40,180	2,901,323	608,319
Section 31 Relevant agency receipts ²	-	620,541	620,541	-
Total	2,861,143	660,721	3,521,864	608,319
Total ordinary annual services	A 2,861,143	660,721	3,521,864	608,319
Other services³				
Departmental non-operating				
Equity injections	8,194	9,147	17,341	3,536
Previous years' outputs	1,903	-	1,903	106
Total	10,097	9,147	19,244	3,642
Total other services	B 10,097	9,147	19,244	3,642
Total available annual appropriations	2,871,240	669,868	3,541,108	611,961
Special appropriations				
Total special appropriations	C -	-	-	-
Special accounts				
Opening balance ⁴	362,604	-	362,604	317,972
Appropriation receipts	2,871,240	(2,871,240)	-	600,238
Non-appropriation receipts to Special accounts ⁵	172,339	79,790	252,129	2,277,871
Total special account	D 3,406,183	(2,791,450)	614,733	3,196,081
Total resourcing	6,277,423	(2,121,582)	4,155,841	3,808,042
A+B+C+D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	(2,871,240)	2,871,240	-	(611,961)
Less special account funds transferred to appropriations	-	(614,733)	(614,733)	-
Total net resourcing for Centrelink	3,406,183	134,925	3,541,108	3,196,081

¹ Appropriation Bills (No.1 & 3) 2009-10

² s31 Relevant agency receipts - estimate. This includes the amount transferred from the CSS Special Account (\$614.73) and the proposed additional estimates (\$5.81).

³ Appropriation Bills (No.2 & 4) 2009-10

⁴ The opening balance for the Commonwealth Social Services (CSS) Special Account has been updated with the 2008-09 actual closing figure. For further information on special accounts, refer to Table 3.1.1.

⁵ The 'Estimate as at Budget' figure has been updated to reflect the flow on impact of the 2008-09 actual results.

Reader note: All figures are GST exclusive.

Table 1.1: Centrelink resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

Third Party Drawdowns from and on behalf of other agencies

	Estimate at Budget	Estimate at Additional Estimates
	2009-10 \$'000	2009-10 \$'000
Centrelink has authority to make the following estimated payments on behalf of other agencies: ^{1,2,3,4,5} (disclosed in the respective agency's Resource Statement)		
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)		
A New Tax System (<i>Family Assistance</i>) (<i>Administration</i>) Act 1999	19,311,209	19,585,819
Social Security (<i>Administration</i>) Act 1999	45,466,981	45,778,540
Ex Gratia Payments (Annual Appropriations)	4,142	9,498
Department of Education, Employment and Workplace Relations (DEEWR)		
A New Tax System (<i>Family Assistance</i>) (<i>Administration</i>) Act 1999 ⁵	3,093,044	3,079,221
Social Security (<i>Administration</i>) Act 1999	15,038,468	13,948,832
Social Security Act 1991	2,380,398	2,736,830
Student Assistance Act 1973	235,493	255,215
Job Education Training Child Care Fees Assistance (Annual Appropriation)	53,158	53,158
Department of Agriculture, Fisheries and Forestry (DAFF)		
Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)	202,040	214,361
Total	85,784,933	85,661,474
Revenue received from other agencies for the provision of services (disclosed above within the Non-Appropriation Receipts)	106,459	119,356

¹ Centrelink's arrangements with the above agencies (i.e. FaHCSIA, DEEWR, DAFF) include the delivery of payments to customers.

² Centrelink has no drawdown access to the above agencies' Administered appropriations that are required to be drawn and paid to customers.

³ The respective agencies are responsible for the policy, estimates and reporting of these Administered appropriations.

⁴ The figures disclosed above are based on the estimates provided to Centrelink by the respective agencies.

⁵ The figures disclosed above include Child Care Benefit program appropriation amounting to \$1,987.88m, which both Centrelink and DEEWR pay out to customers on behalf of DEEWR.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new government measures taken since the 2009-10 Budget. The table is split into expense and capital measures, with the affected program identified.

Table 1.2: Agency Measures since Budget

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expense measures					
Department of Families, Housing, Community Services and Indigenous Affairs					
Social Security Agreement - Australia and the Former Yugoslav Republic of Macedonia	1.1				
Departmental expenses		-	2,922	316	321
A New Scheme of Income Management	1.1				
Departmental expenses		5,229	82,804	76,012	69,738
Department of Education, Employment and Workplace Relations					
Economic Stimulus Plan Recalibration - Keep Australia Working - Job Expos for Priority Regions	1.1				
Departmental expenses		4,070	-	-	-
Jobs and Skills for a Low Pollution Future - National Green Jobs Corps	1.1				
Departmental expenses		1,987	469	363	-
Department of Agriculture, Fisheries and Forestry					
Drought assistance					
- Exceptional Circumstances assistance for primary producers	1.1				
Departmental expenses		526	58	-	-
- Exceptional Circumstances assistance for small businesses	1.1				
Departmental expenses		8	1	-	-

Prepared on a Government Financial Statistics (fiscal) basis

Table 1.2: Agency Measures since Budget (continued)

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expense measures					
Department of Human Services					
Centrelink efficiencies - reduction in paper-based claims and correspondence	1.1				
Departmental expenses		12,413	(42,980)	(50,135)	(57,247)
Fraud and compliance - increased compliance activity	1.1				
Departmental expenses		2,307	5,280	2,821	(308)
Human Services delivery research - reduction in scope	1.1				
Departmental expenses		(1,000)	(1,009)	(1,020)	-
Job seeker contacts with Centrelink - streamlined arrangements	1.1				
Departmental expenses		14,526	(36,073)	(36,631)	(36,986)
Total expense measures					
Departmental expenses		40,066	11,472	(8,274)	(24,482)
Capital measures					
Department of Families, Housing, Community Services and Indigenous Affairs					
A New Scheme of Income Management	1.1				
Departmental capital		2,547	1,870	-	-
Department of Human Services					
Centrelink efficiencies - reduction in paper-based claims and correspondence	1.1				
Departmental capital		6,600	-	-	-
Total capital measures					
Departmental capital		9,147	1,870	-	-

Prepared on a Government Financial Statistics (fiscal) basis

Note: The lead agency for each measure is included in the Table above. The full measure description and package details appear in the Mid-Year Economic and Fiscal Outlook under the relevant portfolio, with the exception of the measure "A New Scheme of Income Management".

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Centrelink at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2009-10 Budget in Appropriation Bills No.3 and No.4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

	Program impacted	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Outcome 1					
Increase in estimates (departmental)					
Social Security Agreement - Australia and the Former Yugoslav Republic of Macedonia	1.1	-	2,922	316	321
A New Scheme of Income Management	1.1	5,229	82,804	76,012	69,738
Economic Stimulus Plan Recalibration - Keep Australia Working - Job Expos for Priority Regions	1.1	4,070	-	-	-
Jobs and Skills for a Low Pollution Future - National Green Jobs Corps	1.1	1,987	469	363	-
Drought assistance					
- Exceptional Circumstances assistance for primary producers	1.1	526	58	-	-
- Exceptional Circumstances assistance for small businesses	1.1	8	1	-	-
Centrelink efficiencies - reduction in paper-based claims and correspondence	1.1	12,413	-	-	-
Fraud and compliance - increased compliance activity	1.1	2,307	5,280	2,821	-
Job seeker contacts with Centrelink - streamlined arrangements	1.1	14,526	-	-	-

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget (continued)

	Program impacted	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Decrease in estimates (departmental)					
Centrelink efficiencies - reduction in paper-based claims and correspondence	1.1	-	(42,980)	(50,135)	(57,247)
Fraud and compliance - increased compliance activity	1.1	-	-	-	(308)
Human Services delivery research - reduction in scope	1.1	(1,000)	(1,009)	(1,020)	-
Job seeker contacts with Centrelink - streamlined arrangements	1.1	-	(36,073)	(36,631)	(36,986)
Net impact on estimates for Outcome 1 (departmental)		40,066	11,472	(8,274)	(24,482)

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

	Program impacted	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Outcome 1					
Increase in estimates (departmental)					
Drought assistance					
- Exceptional Circumstances assistance for primary producers	1.1	113	-	-	-
- Exceptional Circumstances assistance for small businesses	1.1	1	-	-	-
Decrease in estimates (departmental)					
Gershon Review - Phase 2	1.1	-	(23,646)	(23,925)	(24,207)
Changes in the wage and price indices	1.1	-	(10,028)	(16,987)	(19,128)
Net impact on estimates for Outcome 1 (departmental)		114	(33,674)	(40,912)	(43,335)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Centrelink through Appropriation Bills No.3 and No.4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

	2008-09 Available (\$'000)	2009-10 Budget (\$'000)	2009-10 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
DEPARTMENTAL PROGRAMS					
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	608,319	2,861,143	2,901,323	40,180	-
Total	608,319	2,861,143	2,901,323	40,180	-
Total administered and departmental	608,319	2,861,143	2,901,323	40,180	-

NOTE: The net addition in Centrelink's direct appropriation of \$40.18m is made up of:

- *Job seeker contacts with Centrelink - streamlined arrangements:* \$14.52m
- *Centrelink efficiencies - reduction in paper based claims and correspondence:* \$12.41m
- *Economic Stimulus Plan Recalibration - Keep Australia Working - Job Expos for Priority Regions:* \$4.07m
- *Fraud and compliance - increased compliance activity:* \$2.31m
- *Jobs and Skills for a Low Pollution Future - National Green Jobs Corps:* \$1.99m
- *Drought assistance - Exceptional Circumstances assistance:* \$0.65m
- *Human Services delivery research - reduction in scope:* -\$1.0m

Agency Additional Estimates Statements - Centrelink

Table 1.6: Appropriation Bill (No. 4) 2009-10

	2008-09 Available (\$'000)	2009-10 Budget (\$'000)	2009-10 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
Non-operating					
Equity injections	3,536	8,194	17,341	9,147	-
Previous years' outputs	106	1,903	1,903	-	-
Total non-operating	3,642	10,097	19,244	9,147	-
Total	3,642	10,097	19,244	9,147	-

Note: The addition in Centrelink's equity injection of \$9.15m is made up of:

- *reduction in paper-based claims and correspondence:* \$6.60m
- *a new scheme of Income Management:* \$2.55m

Section 2: Revisions to agency resources and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

No changes have been made to Centrelink's Outcome Structure and Program. Complete details of Centrelink's Outcome and Performance Information can be found in 2009-10 Human Services Portfolio Budget Statements.

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

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	2008-09 Actual expenses \$'000	2009-10 Revised estimated expenses \$'000
Program 1.1: Service Delivery		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	608,319	2,901,323
Revenues from independent sources (section 31)	-	116,591
Special accounts	2,210,393	-
Expenses not requiring appropriation in the Budget year	5,530	5,500
Total for Program 1.1	2,824,242	3,023,414
Outcome 1 Totals by appropriation type		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	608,319	2,901,323
Revenues from independent sources (section 31)	-	116,591
Special accounts	2,210,393	-
Expenses not requiring appropriation in the Budget year	5,530	5,500
Total expenses for Outcome 1	2,824,242	3,023,414
	2008-09	2009-10
Average Staffing Level (number)	24,490	25,670

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

Agency Additional Estimates Statements - Centrelink

Program Expenses 1.1

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
(‘000)					
Annual departmental expenses:					
Departmental item	2,818,712	3,017,914	2,799,658	2,684,806	2,606,722
Expenses not requiring appropriation in the Budget year	5,530	5,500	5,500	5,500	5,500
Total program expenses	2,824,242	3,023,414	2,805,158	2,690,306	2,612,222

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.2 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by Centrelink. The corresponding table in the 2009-10 PB Statements is Table 3.1.2.

Table 3.1.1: Estimates of special account flows

	Opening balance 2009-10 2008-09	Receipts 2009-10 2008-09	Payments 2009-10 2008-09	Closing balance 2009-10 2008-09
Outcome	\$'000	\$'000	\$'000	\$'000
Commonwealth Social Services Special Account (D)	1 362,604 317,972	252,129 2,878,109	(614,733) (2,833,477)	- 362,604
Commonwealth Services Delivery Agency Other Trust Moneys Account (T)	370 433	2,654 2,754	(2,661) (2,817)	363 370
Total special accounts				
2009-10 Budget estimate	362,974	254,783	(617,394)	363
Total special accounts 2008-09 estimate actual	318,405	2,880,863	(2,836,294)	362,974

(T) = Assets held in Trust;

(D) = Departmental

Notes:

1. Centrelink received its departmental funding via policy agencies (e.g. Family, Housing, Community Services and Indigenous Affairs; Education, Employment and Workplace Relations, Agriculture, Fisheries and Forestry) until 30 June 2009. From 1 July 2009, Centrelink's departmental funding has been received via direct appropriation. This means the Commonwealth Social Services (CSS) Special Account is no longer required, ie zero closing balance in the table above. The remaining balance of the CSSSA is being reported under Section 31 relevant agency receipts.

2. The actuals for 2008-09 have been updated to reflect the final budget outcome for that year.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The significant differences between resource information presented in the Budget Papers and Portfolio Additional Estimates Statements 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 2009-10 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 Budgeted financial statements

Departmental financial statements

Budgeted departmental comprehensive income statement

Centrelink is estimating a break-even operating result for 2009-10 and for the forward years.

The total income for 2009-10 is estimated to increase by \$150.84 million from the 2008-09 actual income of \$2,872.58 million, primarily due to increases in funding from the 2009-10 Budget Estimates and 2009-10 Additional Estimates initiatives.

The 2009-10 expense is also estimated to increase by \$199.17 million from the 2008-09 financial year. While this represents a \$48.33 million increase in expenditure over revenue, 2008-09 actual expenses were lower than 2008-09 revenue mainly due to the delay in the finalisation of Centrelink's Agreement 2009-2011.

Budgeted departmental balance sheet

Centrelink's budgeted net asset position of \$325.38 million represents an increase of \$17.34 million from the 30 June 2009 actual position. 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 \$7.84 million, mainly reflecting an anticipated increase in trade and other receivables, cash and equivalents, and prepayments of \$59.68 million, offset by a net decrease in fixed assets of \$51.84 million.

Agency Additional Estimates Statements - Centrelink

Centrelink's total liabilities are estimated to decrease by approximately \$9.51 million in 2009-10 due to a decrease in Unearned Revenue (-\$26.83m), which are offset by increase in employee provisions (\$10.41m), supplier payables (\$1.52m), other payables (\$4.03m) and other provisions (\$1.37m). The primary liability continues to be accrued employee leave entitlements.

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

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
EXPENSES					
Employee benefits	1,774,663	1,943,008	1,830,646	1,749,081	1,685,592
Supplier	878,983	910,559	826,556	798,650	808,064
Depreciation and amortisation	165,066	164,347	142,456	137,075	113,066
Write-down and impairment of assets	5,530	5,500	5,500	5,500	5,500
Total expenses	2,824,242	3,023,414	2,805,158	2,690,306	2,612,222
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	2,259,669	119,356	88,737	87,796	87,751
Total revenue	2,259,669	119,356	88,737	87,796	87,751
Gains					
Sale of assets	5	-	-	-	-
Other gains	2,681	2,735	2,789	2,845	2,902
Total gains	2,686	2,735	2,789	2,845	2,902
Total own-source income	2,262,355	122,091	91,526	90,641	90,653
Net cost of (contribution by) services	561,887	2,901,323	2,713,632	2,599,665	2,521,569
Appropriation revenue	610,222	2,901,323	2,713,632	2,599,665	2,521,569
Surplus (Deficit)	48,335	-	-	-	-
Surplus (Deficit) attributable to the Australian Government*	48,335	-	-	-	-
Total comprehensive income	48,335	-	-	-	-
Total comprehensive income attributable to the Australian Government	48,335	-	-	-	-

Prepared on Australian Accounting Standards basis

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

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and equivalents	14,604	16,017	16,948	17,022	17,032
Trade and other receivables	450,213	504,828	529,232	507,740	565,887
Total financial assets	464,817	520,845	546,180	524,762	582,919
Non-financial assets					
Land and buildings	221,169	223,732	214,090	206,815	201,710
Infrastructure, plant and equipment	87,122	62,590	65,005	62,112	36,351
Intangibles	233,796	203,924	205,003	254,007	238,727
Other (Prepayment)	51,470	55,119	56,549	58,020	59,532
Total non-financial assets	593,557	545,365	540,647	580,954	536,320
Total assets	1,058,374	1,066,210	1,086,827	1,105,716	1,119,239
LIABILITIES					
Provisions					
Employees ¹	504,163	514,575	524,579	534,578	544,568
Other	19,436	20,801	15,779	11,619	7,427
Total provisions	523,599	535,376	540,358	546,197	551,995
Payables					
Suppliers	65,691	67,211	68,764	70,352	71,976
Other	161,046	138,244	145,872	157,334	163,435
Total payables	226,737	205,455	214,636	227,686	235,411
Total liabilities	750,336	740,831	754,994	773,883	787,406
Net assets	308,038	325,379	331,833	331,833	331,833
EQUITY²					
Parent entity interest					
Contributed equity	292,960	310,301	316,755	316,755	316,755
Reserves	24,389	24,389	24,389	24,389	24,389
Retained surpluses or accumulated deficits	(9,311)	(9,311)	(9,311)	(9,311)	(9,311)
Total parent entity interest	308,038	325,379	331,833	331,833	331,833
Total equity	308,038	325,379	331,833	331,833	331,833
Current assets	513,526	575,964	602,729	582,782	642,451
Non-current assets	544,848	490,246	484,098	522,934	476,788
Current liabilities	623,146	569,260	582,980	598,476	612,768
Non-current liabilities	127,190	171,571	172,014	175,407	174,638

¹Accrued salaries, accrued superannuation and separations and redundancies were reported as employee provisions in the 2009-10 PBS. In the 2008-09 annual financial statements, which were produced after the 2009-10 PBS, these items were reported as other payables, as required by the Finance Minister's Orders. The comparatives have been adjusted accordingly.

² 'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted departmental statement of cash flows (as at 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	2,197,450	166,441	92,221	91,272	91,219
Appropriations	608,319	2,903,226	2,713,632	2,599,665	2,521,569
Net GST received	80,404	91,496	86,623	78,626	75,406
Cash from the Official Public Account	-	-	-	21,909	-
Total cash received	2,886,173	3,161,163	2,892,476	2,791,472	2,688,194
Cash used					
Employees	1,725,211	1,931,993	1,816,487	1,734,481	1,670,240
Suppliers	943,140	1,002,675	915,708	875,506	887,804
Cash to the Official Public Account	60,000	124,417	23,995	-	57,722
Total cash used	2,728,351	3,059,085	2,756,190	2,609,987	2,615,766
Net cash from or (used by) operating activities	157,822	102,078	136,286	181,485	72,428
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	17	-	-	-	-
Total cash received	17	-	-	-	-
Cash used					
Purchase of property, plant and equipment	112,925	90,766	87,166	77,314	34,972
Purchase of intangibles	52,201	27,240	54,643	104,097	37,446
Total cash used	165,126	118,006	141,809	181,411	72,418
Net cash from or (used by) investing activities	(165,109)	(118,006)	(141,809)	(181,411)	(72,418)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	3,642	17,341	6,454	-	-
Total cash received	3,642	17,341	6,454	-	-
Cash used					
Other	11,723	-	-	-	-
Total cash used	11,723	-	-	-	-
Net cash from or (used by) financing activities	(8,081)	17,341	6,454	-	-
Net increase or (decrease) in cash held	(15,368)	1,413	931	74	10
Cash at the beginning of the reporting period	29,972	14,604	16,017	16,948	17,022
Cash at the end of the reporting period	14,604	16,017	16,948	17,022	17,032

Prepared on Australian Accounting Standards basis.

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

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2009				
Balance carried forward from previous period	(9,311)	24,389	292,960	308,038
Adjusted opening balance	(9,311)	24,389	292,960	308,038
Surplus (deficit) for the period	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-
Transactions with owners				
<i>Contribution by owners</i>				
Appropriation (equity injection)	-	-	17,341	17,341
Sub-total transactions with owners	-	-	17,341	17,341
Estimated closing balance as at 30 June 2010	(9,311)	24,389	310,301	325,379

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Capital Budget Statement - Departmental

	Actual	Revised	Forward	Forward	Forward
	2008-09	budget	estimate	estimate	estimate
	\$'000	2009-10	2010-11	2011-12	2012-13
		\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	3,536	17,341	6,454	-	-
Total loans					
Appropriation of Previous Year					
Accrued Revenue	106	1,903	-	-	-
Total capital appropriations	3,642	19,244	6,454	-	-
Represented by:					
Purchase of non-financial assets	3,536	17,341	6,454	-	-
Other	106	1,903	-	-	-
Total represented by	3,642	19,244	6,454	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	3,536	17,341	6,454	-	-
Funded internally from departmental resources ¹	161,590	100,665	135,355	181,411	72,418
TOTAL	165,126	118,006	141,809	181,411	72,418

Prepared on Australian Accounting Standards basis.

¹ Includes the following sources of funding:

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

Table 3.2.6: Statement of Asset Movements (2009-10)

	Land	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2009					
Gross book value	3,875	308,836	180,688	487,356	980,755
Accumulated depreciation/amortisation	-	(91,542)	(93,566)	(253,560)	(438,668)
Opening net book balance	3,875	217,294	87,122	233,796	542,087
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase or internally developed	-	61,306	29,460	27,240	118,006
Acquisition of entities or operations (including restructuring) sub-total	-	61,306	29,460	27,240	118,006
Other movements					
Depreciation/amortisation expense	-	(58,543)	(53,692)	(52,112)	(164,347)
Other	-	(200)	(300)	(5,000)	(5,500)
As at 30 June 2010					
Gross book value	3,875	369,942	209,848	509,596	1,093,261
Accumulated depreciation/amortisation	-	(150,085)	(147,258)	(305,672)	(603,015)
Closing net book balance	3,875	219,857	62,590	203,924	490,246

Prepared on Australian Accounting Standards basis.

Note: The numbers in this table are subject to review under the Government's net cash framework as part of the Operation Sunlight review.

Notes to the financial statements

Departmental

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.