

MEDICARE AUSTRALIA

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MEDICARE AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

Medicare Australia provides access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery. Almost all Australian residents, doctors, pharmacists, aged care providers and other health professionals have a connection with Medicare Australia.

Medicare Australia's stakeholders include the Australian public, health professionals, private health organisations, state and territory Governments and other Australian Government departments and agencies.

The key programs Medicare Australia delivers are Medicare, Veterans' Treatment Accounts, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register, and the Australian Organ Donor Register, 30% Rebate on Private Health Insurance, the National Bowel Cancer Screening Register and Aged Care payments. Medicare Australia also provides payment and information services for Family Assistance.

In addition Medicare Australia delivers a range of programs supporting general practice including the General Practice Immunisation Incentives Scheme, the Practice Incentives Program, the Rural Retention Program, the General Practice Registrars' Rural Incentive Payment Scheme and the Mental Health Nurse Incentive Program.

Medicare Australia is developing the Unique Healthcare Identifier service under contract to the National E-Health Transition Authority. This service will generate health care identifiers for patients, health care providers and health care locations and is aimed at supporting the development of electronic health records in Australia.

Medicare Australia works to ensure the public and health care providers receive the correct benefits from the programs it delivers. Medicare Australia supports members of the community to meet their obligations when making claims for benefits or payments through the provision of high quality education and information services. Where non-compliance is identified, Medicare Australia takes compliance action commensurate with the level and nature of the non-compliance.

Medicare Australia will continue to enhance convenience, ease of access and cost effectiveness of services by increasing the availability and use of electronic channels for claiming and service provision, while ensuring that, where required, face to face service delivery is available.

Medicare Australia will seek to ensure that full advantage is taken of the public investment made in its infrastructure by working with other Government agencies in identifying opportunities to leverage the existing capability for a broader range of Government programs and to improve service delivery by the Australian Government. For example in 2009-10 Medicare Australia is administering components of the 'Home Insulation Program and low emission assistance plan for renters' on behalf of the Department of the Environment, Water, Heritage and the Arts.

Similarly, Medicare Australia will establish a Superannuation Clearing House, designed to reduce the red tape and compliance costs that small businesses experience in meeting their superannuation obligations.

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for Medicare Australia 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: Medicare Australia 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	790,080	(1,340)	788,740	755,808
Section 31 Relevant agency receipts ²	82,014	35,836	117,850	95,113
Total	872,094	34,496	906,590	850,921
Administered expenses				
Outcome 1	4,786	-	4,786	5,442
Total	4,786	-	4,786	5,442
Total ordinary annual services	A 876,880	34,496	911,376	856,363
Other services³				
Departmental non-operating				
Equity injections	52,017	-	52,017	24,595
Previous years' outputs ⁴	6,550	-	6,550	17,826
Total	58,567	-	58,567	42,421
Total other services	B 58,567	-	58,567	42,421
Total available annual appropriations	935,447	34,496	969,943	898,784
Special appropriations				
Total special appropriations	C -	-	-	-
Total appropriations excluding special accounts	935,447	34,496	969,943	898,784

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

	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
Special accounts				
Opening balance ⁵	82,064		82,064	71,573
Non-appropriation receipts to Special accounts	239,356	1,543	240,899	235,483
Total special account	D 321,420	1,543	322,963	307,056
Total resourcing				
A+B+C+D	1,256,867	36,039	1,292,906	1,205,840
Total net resourcing for Medicare Australia	1,256,867	36,039	1,292,906	1,205,840

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

² s31 Relevant agency receipts - estimate

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

⁴ Annual Appropriations provided for previous year

⁵ Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.1.

Reader note: All figures are GST exclusive.

Third Party Drawdowns from and on behalf of other agencies

	Estimate at Budget	Estimate at Additional Estimates
	2009-10 \$'000	2009-10 \$'000
Payments made on behalf of other agencies (disclosed in the respective agency Resource Statement)		
Department of Veterans' Affairs		
Veterans' Entitlements Act 1986	3,451,205	3,459,071
Military Rehabilitation and Compensation Act 2004	2,066	2,066
Department of Health and Ageing		
Data from the Department of Health and Ageing was not available at the time of publication.		
Revenue received from other agencies for the provision of services (disclosed above within Departmental section 31)		
Department of Health and Ageing	14,150	26,033
Department of Veterans' Affairs	16,372	16,378
Centrelink	12,620	12,620
Department of the Environment, Water, Heritage and the Arts		9,883
Department of Families, Housing, Community Services & Indigenous	9,175	9,220
Department of Defence	739	1,807
Department of Human Services		187
Department of Education, Employment and Workplace Relations	148	148
Other External Entities	28,810	41,574
Total s31 Relevant agency receipts	82,014	117,850

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget. The table is split into revenue, 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 Health and Ageing¹					
Medicare Benefits Schedule - new and revised listings					
Departmental expenses	1.1	97	(38)	(60)	(83)
Medicare Benefits Schedule - promoting better use of selected spinal x-ray items					
Departmental expenses	1.1	28	7	8	9
Seasonal Influenza Vaccine - expanded eligibility					
Departmental expenses	1.2	(59)	(69)	(71)	(73)
Pharmaceutical Benefits Scheme - minor new listings					
Departmental expenses	1.2	309	305	319	332
Pharmaceutical Benefits Scheme - listing of Revlimid® (lenalidomide)					
Departmental expenses	1.2	47	71	72	73
Pharmaceutical Benefits Scheme - additional therapeutic groups					
Departmental expenses	1.2	309	95	113	128
Total expense measures					
Departmental expenses		731	371	381	386

Prepared on a Government Financial Statistics (fiscal) basis

¹The lead agency for each measure is indicated in the table above. The full measure description and package details appear in Mid Year Economic and Fiscal Outlook under the relevant portfolio.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Medicare Australia 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)					
Medicare Benefits Schedule - new and revised listings	1.1	97			
Medicare Benefits Schedule - promoting better use of selected spinal x-ray items	1.1	28	7	8	9
Pharmaceutical Benefits Scheme - minor new listings	1.2	309	305	319	332
Pharmaceutical Benefits Scheme - listing of Revlimid® (lenalidomide)	1.2	47	71	72	73
Pharmaceutical Benefits Scheme - additional therapeutic groups	1.2	309	95	113	128
Decrease in estimates (departmental)					
Medicare Benefits Schedule - new and revised listings	1.1		(38)	(60)	(83)
Seasonal Influenza Vaccine - expanded eligibility	1.2	(59)	(69)	(71)	(73)
Net impact on estimates for Outcome 1 (departmental)		731	371	381	386

Agency Additional Estimates Statements – Medicare Australia

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					
Decrease in estimates (departmental)					
Changes in the wage and price indices	1.1,1.2,1.3	-	(2,286)	(4,109)	(4,760)
Change in transaction volumes	1.1, 1.2	(2,071)	(7,557)	(10,165)	(13,099)
Gershon Review Phase 2	1.1,1.2,1.3	-	(10,890)	(10,996)	(11,104)
Return of Payroll tax funding upon FMA transition	1.1,1.2,1.3	-	-	(11,987)	-
Application of Efficiency Dividend	1.1,1.2,1.3	-	-	-	(17,372)
Net impact on estimates for Outcome 1 (departmental)		(2,071)	(20,733)	(37,257)	(46,335)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Medicare Australia 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)
ADMINISTERED ITEMS					
Outcome 1					
Access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery	5,442	4,381	4,381	-	-
Total	5,442	4,381	4,381	-	-
DEPARTMENTAL PROGRAMS					
Outcome 1					
Access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery	606,172	650,057	648,717	-	(1,340)
Total	606,172	650,057	648,717	-	(1,340)
Total administered and departmental	611,614	654,438	653,098	-	(1,340)

Notes:

1: 2008-09 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to:
Budget Appropriation + Additional Estimates Appropriation + AFM - Savings - Rephasings - Other Reductions +/- Section 32 transfers.

2: No appropriation is provided in Appropriation Bill 3 where the net funding change across outcomes for departmental programs is negative (ie, where the total 'Reduced Estimates' is greater than the Total 'Additional Estimates'.

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

There are no variations to the amounts appearing in the 2009-10 Portfolio Budget Statements.

Section 2: Revisions to agency resources and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

Since the 2009-10 Budget, there have been no changes to Medicare Australia's Outcome Statement, no reappropriation of administered items and no transfers of sub programs between programs.

The allocation of expenses to each program has been revised to align business activities with the program structure adopted under Operation Sunlight.

Full details of Medicare Australia's outcomes and programs can be found in the 2009-10 Portfolio Budget Statements

OUTCOME 1

Outcome 1 Strategy

Since the 2009-10 Budget, there have been no changes to the Outcome 1 Strategy.

Table 2.1: Budgeted Expenses and Resources for Outcome 1

	2008-09 Actual expenses \$'000	2009-10 Revised estimated expenses \$'000
Outcome 1: Access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery		
Program 1.1: Medical Benefits and Services		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	466,797	489,395
Revenues from independent sources (section 31)	37,313	28,486
Special accounts		1,470
Total for Program 1.1	518,476	519,351
Program 1.2: Pharmaceutical Benefits and Services		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	140,758	155,405
Revenues from Independent sources (section 31)	1,933	2,718
Total for Program 1.2	142,691	158,123
Program 1.3: Other Benefits and Services		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	3,962	3,917
Revenues from Independent sources (section 31)	62,666	87,278
Expenses not requiring appropriation in the Budget year	568	537
Total for Program 1.3	67,196	91,732
Program 1.4: Other Benefits and Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	4,680	4,381
Special accounts	224,743	229,912
Total for Program 1.4	229,423	234,293
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	4,680	4,381
Special accounts	224,743	229,912
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	611,517	648,717
Revenues from independent sources (section 31)	101,912	118,482
Special accounts	-	1,470
Expenses not requiring appropriation in the Budget year	568	537
Total expenses for Outcome 1	943,420	1,003,499
	2008-09	2009-10
Average Staffing Level (number)	5,257	5,266

Program 1.1: Delivery of Medical Benefits and Services

Program 1.1 Objective

There have been no changes to program objectives since the 2009-10 Budget.

Program 1.1 Expenses

	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:					
Ordinary Annual Services (Appropriation Bill No. 1)	466,797	489,395	491,336	506,012	514,429
Revenue from other sources (FMA Act section 31)	37,313	28,486	24,037	23,686	22,653
Special account expenses:					
Other Trust Moneys - Medicare Australia Special Account ¹	1,454				
Services for Other Entities and Trust Moneys ²		1,470	1,470	1,470	1,470
Total program expenses	505,564	519,351	515,373	531,168	538,552

¹ Other Trust Moneys - Medicare Australia Special Account - s20 FMA Act Det 2005/25 [Abolished by FMA Determination 2009/17]

² Services for Other Entities and Trust Moneys - Medicare Australia Special Account - s20 FMA Act Det 2009/18

Program 1.1 Deliverables

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Deliverables					
Total volume of services (million) ¹	351	370	387	407	427
Accuracy of processing	98.1%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Prompt processing	96.2%	≥ 90%	≥ 90%	≥ 90%	≥ 90%

¹ Total Volume of services includes Medicare, Private Health Fund Rebates, Medical Indemnity, Hearing Services, Immunisation Register, GP and Practice incentives, Organ Donor Register and Compensation Recoveries

Program 1.1: Delivery of Medical Benefits and Services (Continued)

Program 1.1 Key Performance Indicators

Key Performance Indicators	2008-09 Actuals	2009-10 Revised budget target	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Briefs are submitted within agreed timeframes and meeting a standard of satisfactory or above	98%	95%	95%	95%	95%
Ministerial replies to correspondence are submitted within agreed timeframes	100%	95%	95%	95%	95%
The proportion of Medicare Bulk Bill claims processed electronically	84%	≥ 90%	≥ 95%	≥ 95%	≥ 95%
The proportion of Medicare Patient Claims processed electronically	14%	≥ 25%	≥ 30%	≥ 30%	≥ 30%
Average appropriated expense per billable service ¹	1.26	1.32	1.33	1.37	1.39
Community satisfaction	93%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
Practice manager satisfaction	87%	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Practitioner satisfaction	74%	≥ 70%	≥ 70%	≥ 70%	≥ 70%

¹ The "Average appropriated expense per billable service KPI replaces the Average Revenue per Medicare Service published in the 2009-10 PBS. The description has been amended to reflect that it includes all billable services provided under program 1.1, not just Medicare. The revised KPI reflects the impact of changes in volumes, new measures and other variations.

Program 1.2: Delivery of Pharmaceutical Benefits and Services

Program 1.2 Objective

There have been no changes to program objectives since the 2009-10 Budget.

Program 1.2 Expenses

	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:					
Ordinary Annual Services (Appropriation Bill No. 1)	140,758	155,405	147,803	149,903	151,676
Revenue from other sources (FMA Act section 31)	1,933	2,718	837	416	434
Total program expenses	142,691	158,123	148,640	150,319	152,110

Program Deliverables 1.2

Deliverables	2008-09 Actuals	2009-10 Revised budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Total volume of service payments (million) ¹	205	211	223	232	242
Accuracy of processing	98.3%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Prompt processing	68.1%	100%	100%	100%	100%

¹ Total volume of service payments includes PBS Prescriptions, Authorities, Highly Specialised Drugs and Trainee Incentives for Pharmacy Assistants

Program 1.2 Key Performance Indicators

Key Performance Indicators	2008-09 Actuals	2009-10 Revised budget target	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
% online prescription processing		≥ 98%	≥ 98%	≥ 98%	≥ 98%
Average appropriated expense per billable service ¹	0.69	0.74	0.66	0.65	0.63
Pharmacist satisfaction	86%	≥ 90%	≥ 90%	≥ 90%	≥ 90%

¹The "Average appropriated expense per billable service" KPI replaces the Average Revenue per Pharmaceutical Benefit Service published in the 2009-10 PBS. The description has been amended to reflect that it includes all billable services provided under program 1.2 and only relates to the appropriated expense. The revised KPI reflects the impact of changes in volumes, new measures and other variations.

Program 1.3: Delivery of Other Benefits and Services

Program 1.3 Objective

There have been no changes since Budget.

Program 1.3 Expenses

	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:					
Ordinary Annual Services (Appropriation Bill No. 1)	3,962	3,917	2,232	2,188	2,241
Revenue from other sources (FMA Act section 31)	62,666	87,278	44,419	44,242	37,959
Expenses not requiring appropriation in the Budget year	568	537	420	420	420
Total program expenses	67,196	91,732	47,071	46,850	40,620

Program 1.3 Deliverables

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Deliverables					
Aged care - Accuracy of processing	99%	100%	100%	100%	100%
Aged care - Prompt processing	100%	100%	100%	100%	100%
FAO service - Prompt processing	83%	≥ 85%	≥ 85%	≥ 85%	≥ 85%

Program 1.3 Key Performance Indicators

Key Performance Indicators	2008-09 Actuals	2009-10 Revised budget target	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Aged Care¹:					
Residential Entry Record (RER) Admissions Form	24%	≥49%	≥63%		
Residential Classification (Aged Care Funding Instrument)	73%	≥80%	≥82%		
Residential Care Claim	16%	≥49%	≥63%		
Community Care Claim	0%	≥8%	≥15%		
Aged Care Client Record (ACCR) ACAT's online	39%	≥70%	≥78%		

¹ A single average Aged Care KPI was published in the 2009-10 Portfolio Budget Statements Budget. This has now been expanded to show each type of transaction. KPI's for 2011-12 and 2012-13 have been removed as the service agreement with DoHA expires at 30 June 2011.

Program 1.4: Medicare Rebates – Electronic Claiming

Program 1.4 Objective

There have been no changes since the 2009-10 Budget.

Program 1.4 Expenses

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
(‘000)					
Annual administered expenses:					
Administered item	4,680	4,381			
Special account expenses:					
<i>Recovery of Compensation for Health Care and Other Services Special Account - s20 FMA Act Det 2005/24</i>	224,743	229,912	233,361	237,095	241,126
Total program expenses	229,423	234,293	233,361	237,095	241,126

Program 1.4 Deliverables

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Deliverables					
Number of sites for which Software incentives are paid	3,347	2,732			

Program 1.4 Key Performance Indicators

	2008-09 Actuals	2009-10 Revised budget target	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Key Performance Indicators					
Prompt payment of Software vendor incentive	≥ 90%	≥ 90%			

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.3 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 Medicare Australia. 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	Adjustments 2009-10 2008-09	Closing balance 2009-10 2008-09
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Recovery of Compensation ¹	1	82,064 71,324	240,899 235,483	229,912 224,743	- -	93,051 82,064
Other Trust Moneys ²	1	- 249	- 1,205	- 1,454	- -	- -
Services for Other Entities ³	1	- -	1,470 -	1,470 -	119 -	119 -
Total special accounts						
2009-10 Budget estimate		82,064	242,369	231,382	119	93,170
Total special accounts 2008-09 estimate actual		71,573	236,687	226,197	-	82,064

¹ Recovery of Compensation for Health Care and Other Services Special Account
s20 FMA Act Det 2005/24 (Administered)

² Other Trust Moneys - Medicare Australia Special Account
s20 FMA Act Det 2005/25 [* ABOLISHED by FMA Determination 2009/17 *] (Departmental)

³ Services for Other Entities and Trust Moneys - Medicare Australia Special Account
s20 FMA Act Det 2009/18 (Departmental)

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The net reduction in 2009-10 appropriations of \$1.340 million is the result of 2009-10 measures (\$0.731m) as detailed in Table 1.2 and other 2009-10 variations (-\$2.071million) as detailed in Table 1.4. Medicare Australia will request a determination by the Minister for Finance under s10 of *Appropriation Act (No 1) 2009-10* for a reduction of \$1.340 million to effect the reduction.

Budgeted departmental comprehensive income statement

Medicare Australia is budgeting for a breakeven operating result for 2009-10 compared to a loss of \$8.4million on 2008-09.

Total Comprehensive Income for 2009-10 has increased from \$728.2 million at 2009-10 Budget time to \$767.7 million an increase of \$39.5 million. In 2008-09 the actual was \$713.9 million.

The key revenue movements since the 2009-10 Budget comprise a decrease of \$1.3 million in appropriations mainly due to a decrease in transaction volumes, offset by an increase of \$41 million in own source income. This relates mainly to s31 revenue for business activities undertaken for the *Home Insulation Program* (\$9.8m), *National Bowel Cancer Screening* (\$7.5m), *Aged Care* (\$1.4m), *PBS Co-Payment* (\$1.8m), *Defence family health care* (\$1.1m) and development of the Healthcare Identifier services (\$17m).

As a result of the increased revenue activities since the 2009-10 Budget, employee expenses increase by \$24.2 million, and supplier expenses by \$14.0 million.

Budgeted departmental balance sheet

Medicare Australia's budgeted net asset position increases by \$8.4 million, due to the difference between the estimated operating loss for 2008-09 at Budget of \$16.8 million and the actual operating loss at year end of \$8.4 million, which flows through to total equity in the current year.

Medicare Australia's primary liability continues to be accrued employee entitlements of \$110.4 million which have increased slightly since Budget.

3.2.2 Budgeted financial statements

Departmental financial statements

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	374,226	367,334	348,153	358,850	359,910
Supplier	302,775	354,599	311,092	316,069	318,661
Depreciation and amortisation	44,775	45,803	51,839	51,948	51,241
Write-down and impairment of assets	200	-	-	-	-
Finance costs	404	-	-	-	-
Total expenses	722,380	767,736	711,084	726,867	729,812
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	101,805	117,506	69,285	68,344	61,046
Interest	107	350	-	-	-
Other revenue	-	626	8	-	-
Total revenue	101,912	118,482	69,293	68,344	61,046
Gains					
Sale of assets	7	-	-	-	-
Other gains	561	537	420	420	420
Total gains	568	537	420	420	420
Total own-source income	102,480	119,019	69,713	68,764	61,466
Net cost of (contribution by) services	619,900	648,717	641,371	658,103	668,346
Appropriation revenue	611,517	648,717	641,371	658,103	668,346
Surplus (Deficit)	(8,383)	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	(8,383)	-	-	-	-
Total comprehensive income	(8,383)	-	-	-	-
Total comprehensive income attributable to the Australian Government	(8,383)	-	-	-	-

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	5,873	8,511	8,511	8,511	8,511
Trade and other receivables	182,266	188,452	193,794	215,064	224,380
Other	20,198	20,198	20,198	20,198	20,198
Total financial assets	208,337	217,161	222,503	243,773	253,089
Non-financial assets					
Land and buildings	54,472	55,732	55,406	49,570	47,148
Infrastructure, plant and equipment	2,280	1,678	1,595	1,810	1,784
Intangibles	51,503	79,675	69,840	58,969	49,613
Other	9,779	9,779	9,779	9,779	9,779
Total non-financial assets	118,034	146,864	136,620	120,128	108,324
Total assets	326,371	364,025	359,123	363,901	361,413
LIABILITIES					
Provisions					
Employees	109,241	110,376	108,259	111,820	109,703
Other	13,821	13,821	13,821	13,821	13,821
Total provisions	123,062	124,197	122,080	125,641	123,524
Payables					
Suppliers	42,119	46,146	39,719	40,936	40,565
Other	28,021	28,021	28,021	28,021	28,021
Total payables	70,140	74,167	67,740	68,957	68,586
Total liabilities	193,202	198,364	189,820	194,598	192,110
Net assets	133,169	165,661	169,303	169,303	169,303
EQUITY*					
Parent entity interest					
Contributed equity	154,290	186,782	190,424	190,424	190,424
Reserves	24	24	24	24	24
Retained surpluses or accumulated deficits	(21,145)	(21,145)	(21,145)	(21,145)	(21,145)
Total parent entity interest	133,169	165,661	169,303	169,303	169,303
Total equity	133,169	165,661	169,303	169,303	169,303
Current assets	218,116	226,940	232,282	253,552	262,868
Non-current assets	108,255	137,085	126,841	110,349	98,545
Current liabilities	70,384	74,411	67,984	69,201	68,830
Non-current liabilities	122,818	123,953	121,836	125,397	123,280

Prepared on Australian Accounting Standards basis.

*Note: '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	92,915	116,874	75,316	68,860	62,225
Appropriations	603,933	643,163	629,998	636,317	657,851
Interest	-	350	-	-	-
GST Received	31,794	37,263	36,501	37,140	38,747
Other	-	626	8	-	-
Total cash received	728,642	798,276	741,823	742,317	758,823
Cash used					
Employees	362,042	366,199	350,270	355,289	362,027
Suppliers	308,817	350,035	317,099	314,432	318,612
GST Paid	31,491	37,263	36,501	37,140	38,747
Total cash used	702,350	753,497	703,870	706,861	719,386
Net cash from or (used by) operating activities	26,292	44,779	37,953	35,456	39,437
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	38	-	-	-	-
Total cash received	38	-	-	-	-
Cash used					
Purchase of property, plant and equipment	31,136	74,633	41,595	35,456	39,437
Total cash used	31,136	74,633	41,595	35,456	39,437
Net cash from or (used by) investing activities	(31,098)	(74,633)	(41,595)	(35,456)	(39,437)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,500	32,492	3,642	-	-
Total cash received	4,500	32,492	3,642	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	4,500	32,492	3,642	-	-
Net increase or (decrease) in cash held	(306)	2,638	-	-	-
Cash at the beginning of the reporting period	6,179	5,873	8,511	8,511	8,511
Cash at the end of the reporting period	5,873	8,511	8,511	8,511	8,511

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	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	(21,145)	24	-	154,290	133,169
Adjusted opening balance	(21,145)	24	-	154,290	133,169
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)				32,492	32,492
Sub-total transactions with owners	-	-	-	32,492	32,492
Estimated closing balance as at 30 June 2010	(21,145)	24	-	186,782	165,661

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Capital Budget Statement - Departmental

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2008-09	2009-10	2010-11	2011-12	2012-13
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	10,588	32,492	3,642	-	-
Previous Years Outputs	5,422	6,550	-	-	-
Total capital appropriations	16,010	39,042	3,642	-	-
Represented by:					
Purchase of non-financial assets	10,588	32,492	3,642	-	-
Other	5,422	6,550	-	-	-
Total represented by	16,010	39,042	3,642	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	4,500	32,492	3,642	-	-
Funded internally from departmental resources ¹	30,127	42,141	37,953	35,456	39,437
TOTAL	34,627	74,633	41,595	35,456	39,437

Prepared on Australian Accounting Standards basis.

¹ Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- finance leases
- internally developed assets
- s31 relevant agency receipts
- proceeds from the sale of assets

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

	Buildings	Other infrastructure, plant and equipment	Heritage and cultural assets	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2009					
Gross book value	99,705	3,615	93	135,275	238,688
Accumulated depreciation/amortisation	(45,233)	(1,335)	-	(83,772)	(130,340)
Opening net book balance	54,472	2,280	93	51,503	108,348
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase or internally developed	21,101	853		52,679	74,633
Acquisition of entities or operations (including restructuring) sub-total	21,101	853	-	52,679	74,633
Other movements					
Depreciation/amortisation expense	(19,841)	(1,455)		(24,507)	(45,803)
As at 30 June 2010					
Gross book value	120,806	4,468	93	187,954	313,321
Accumulated depreciation/amortisation	(65,074)	(2,790)	-	(108,279)	(176,143)
Closing net book balance	55,732	1,678	93	79,675	137,178

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.

Table 3.2.7: Capital Budget Statement - Reconciliation of Heritage and Cultural Asset Funding

This table is not applicable as Medicare Australia receives no funding for heritage and cultural assets. The table heading has been retained to maintain consistency in the numbering of subsequent tables with other agencies and Portfolios.

Schedule of administered activity

Table 3.2.8: Schedule of budgeted income and expenses administered on behalf of government (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
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Total revenues administered on behalf of government	-	-	-	-	-
Gains					
Total gains administered on behalf of government	-	-	-	-	-
Total income administered on behalf of government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	4,680	4,381	-	-	-
Total expenses administered on behalf of government	4,680	4,381	-	-	-

Prepared on Australian Accounting Standards basis.

Table3.2.9: Schedule of budgeted assets and liabilities administered on behalf of government (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 ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
<i>Total financial assets</i>	-	-	-	-	-
Non-financial assets					
<i>Total non-financial assets</i>	-	-	-	-	-
Total assets administered on behalf of government	-	-	-	-	-
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
<i>Total interest bearing liabilities</i>	-	-	-	-	-
Provisions					
<i>Total provisions</i>	-	-	-	-	-
Payables					
Subsidies	405	-	-	-	-
<i>Total payables</i>	405	-	-	-	-
Total liabilities administered on behalf of government	405	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of budgeted administered cash flows (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
OPERATING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Subsidies paid	5,676	4,786	-	-	-
Total cash used	5,676	4,786	-	-	-
Net cash from or (used by) operating activities	(5,676)	(4,786)	-	-	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	(5,676)	(4,786)	-	-	-
Cash at beginning of reporting period					
Cash from Official Public Account for:					
- appropriations	5,676	4,786	-	-	-
Cash at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

The financial statements reflect the entries to the Central Budget Management System (CBMS) as at November 2009.

Basis of accounting

Medicare Australia's budget statements have been prepared in accordance with the Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other Finance guidelines.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits can be reliably measured.