

# Professional Services Review

Health and Ageing Portfolio Agency

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## Section 1: Overview

The Professional Services Review (PSR) Scheme is funded to ensure that any suspected cases of inappropriate practice are reviewed following a request by Medicare Australia and, if necessary, investigated by a committee of peers. The aim of the Scheme is to protect patients and the community in general from the risks associated with inappropriate practice and protect the Commonwealth from having to meet the costs of services provided as a result of inappropriate practice.

The PSR Scheme focuses on a practitioner’s conduct to determine whether the practitioner has inappropriately rendered or initiated services which attract a Medicare benefit, or has inappropriately prescribed under the Pharmaceutical Benefits Scheme. Practitioners whose conduct may be examined under the PSR Scheme are doctors, dentists, optometrists, chiropractors, physiotherapists, podiatrists and osteopaths. The PSR Scheme is the Government’s primary means of investigating inappropriate practice.

**Table 1.1: Agency Outcomes and Output Groups**

Outcome	Output Group
<p><b>Australians are protected from meeting the cost and associated risks of inappropriate practices of health service providers.</b></p>	<p>Output Group 1 – Program Management.</p>

## Section 2: Resources for 2006-07

### 2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how revenue will be applied by outcome, administered and outputs (departmental items).

**Table 2.1: Appropriations and other resources 2006-07**

	Appropriations				Total approp \$'000	Receipts (b) \$'000	Total \$'000
	Bill No. 1	Bill No. 2		Special			
	\$'000	SPP \$'000	Other (a) \$'000	approp \$'000			
<b>Professional Services Review (PSR)</b>							
Administered	-	-	-	-	-	-	-
Departmental	7,493	-	-	-	7,493	450	7,943
<b>Total PSR</b>	<b>7,493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,493</b>	<b>450</b>	<b>7,943</b>

(a) Includes new administered expenses and administered assets and liabilities

(b) Departmental and administered receipts from independant sources that are available to be spent.

### 2.2: 2006-07 BUDGET MEASURES

Section 2.2 is not applicable to PSR in 2006-07.

### 2.3: OTHER REVENUE AVAILABLE TO BE USED

Table 2.3 provides details of revenue obtained by PSR for provision of goods or services. This revenue is approved for use by PSR.

**Table 2.3: Other revenue available to be used**

	Estimated revenue 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Departmental other revenues</b>		
Other	100	450
<b>Total departmental other revenues available to be used</b>	<b>100</b>	<b>450</b>

## 2.4: MOVEMENTS OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

## 2.5: SPECIAL APPROPRIATIONS

Sections 2.4 and 2.5 are not applicable to PSR.

## 2.6: SPECIAL ACCOUNTS

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

**Table 2.6: Estimates of Special Account Cash Flows and Balances**

Name of account	Opening	Receipts	Payments	Adjustments	Closing
	balance				balance
	2006-07	2006-07	2006-07	2006-07	2006-07
	2005-06	2005-06	2005-06	2005-06	2005-06
	\$'000	\$'000	\$'000	\$'000	\$'000
Name of account					
<i>Health Insurance Act 1973 (D)</i>	-	-	-	-	-
	-	-	-	-	-
<b>Total special accounts</b>					
<b>2006-07 Budget estimate</b>	-	-	-	-	-
Total special accounts					
2005-06 estimate actual	-	-	-	-	-

D = Departmental A = Administered

Acts Glossary

FMA Act = *Financial Management and Accountability Act, 1997*

## 2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

Section 2.7 is not applicable to PSR.

## Section 3: Outcomes

General Government Sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programmes on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for PSR.

### 3.1: SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of PSR and the outcomes is summarised in Figure 4.

**Figure 4: Contributions to outcomes**

<b>Professional Services Review</b>	
Director – Dr Anthony Webber	
<b>Outcome - Australians are protected from meeting the cost and associated risks of inappropriate practices of health service providers.</b>	
Total price of outputs	\$7.943m
Total departmental outcomes and appropriations	\$7.493m
Total administered expenses	\$0
Output group 1	Total price of outputs \$7.943m
<b>Program Management.</b>	

### 3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

#### Departmental Appropriations by Outcome

PSR has total departmental appropriations of \$7.493 million in 2006-07.

#### Administered Appropriations by Outcome

PSR does not receive any administered appropriations.

### **3.3: OUTCOME SUMMARY – THE YEAR AHEAD**

#### **Key Strategic Directions for 2006-07**

During 2006-07, PSR will continue to work to protect the integrity of Medicare and Pharmaceutical Benefits programs. The organisation aims to put in place effective strategies that will:

- protect patients and the community in general from the risks associated with inappropriate practice;
- protect the Commonwealth from having to meet the costs of services provided as a result of inappropriate practice; and
- require repayment of Medicare benefits and/or impose disqualification periods from Medicare or pharmaceutical benefits where inappropriate practice occurs.

#### **Major Activities**

The Department of Health and Ageing will complete a Review of the Professional Services Review Scheme by July 2006. The Review Committee consists of officers from the Department, the Australian Medical Association and Medicare Australia. Professional Services Review is a co-opted member. The Review has three main aims to:

- review the operation of the PSR Scheme with particular focus on the 1999 and 2002 legislative changes to identify achievements and barriers to meeting objectives;
- assess the extent to which PSR will be able to achieve its objectives in the future; and
- make recommendations to the Minister for Health and Ageing on areas for improvement.

This will shape the future direction of the organisation and determine the key activities to be addressed in the coming year.

In addition to the outcomes of the review, PSR aims to increase its visibility with the profession, via a number of strategies:

- development of a new publication on the activities of PSR during the past year;
- ensuring that medical students throughout Australia are made fully aware of their responsibilities as part of their ethics course before they enter practice; and
- heightening publicity in the medical press about practitioners found to have engaged in inappropriate practice and action taken as a consequence.

PSR will undertake the following activities in the upcoming years to meet the organisation's strategies:

- work with Medicare Australia to improve and streamline the revised administrative arrangements associated with requests for review;
- continue the collaboration with health professions to make the scheme more effective;
- improve and increase interaction with the State Medical Boards and specific Health related medical bodies to increase the quality of health care;
- significantly increase the focus on education of the profession of the Professional Services Review Scheme and the publicity associated with the successful outcomes. This is seen as a

major deterrent in constraint of the Medicare and Pharmaceutical Benefits scheme outlays; and

- monitor the effectiveness of the PSR legislation following legal challenges and make adjustments where necessary.

### Resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for PSR, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1: Total resources for PSR**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Departmental revenue</b>		
Total revenue from government (appropriations) contributing to price of departmental outputs	7,593	7,493
Total revenue from other sources	100	450
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	7,693	7,943
<b>Departmental revenue by output group</b>		
Output Group 1 - Program management	7,693	7,943
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	7,693	7,943
<b>Total estimated resourcing for PSR</b> <i>(Total price of outputs and administered appropriations)</i>	<b>7,693</b>	<b>7,943</b>
<b>Average staffing level (number)</b>	20	30

### Contribution of Administered Items to PSR

PSR does not receive any administered appropriations.

### Contribution of Departmental Outputs to PSR

#### Output Group 1: Program Management

Examination of health practitioners' conduct to ascertain whether or not the practitioner has practised inappropriately in relation to services which attract Medicare or pharmaceutical benefits.

### Performance Information for PSR

Performance information for administered items, individual outputs and output groups relating to PSR are summarised in Table 3.2.

**Table 3.2: Key Performance Information for PSR**

Indicator	Measured by	Reference Point or Target
<b>Output Group 1 – Program Management</b>		
Profession satisfied with how the PSR is dealing with inappropriate practice	Surveys.	Continued support of the profession.
High degree of awareness and understanding of the PSR process within the Profession	Surveys.	Increased awareness of the PSR Scheme by the profession.
Improved control of the quality of compliance activities.	Process improvements.	Better integration of PSR process with other compliance activities.
<b>Price: \$7.943m</b>		

### Evaluations

There are no evaluations planned to be undertaken by PSR in 2006-07.

### Major Reviews

There are no major reviews planned to be undertaken by PSR in 2006-07.

### Performance Improvement Initiatives

There are no performance improvement initiatives planned to be undertaken by PSR in 2006-07.



## **Section 4: Other Reporting Requirements**

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

There are no purchaser-provider arrangements reported by PSR.

### **4.2: COST RECOVERY ARRANGEMENTS**

There are no cost recovery arrangements reported by PSR.

## **Section 5: Budgeted Financial Statements**

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

An analysis of the PSR's budgeted departmental financial statements for 2006-07 is below.

#### **Income Statement**

PSR has experienced a considerable decrease in the level of requests sent from Medicare Australia to PSR over the past two years, which has resulted in a considerable underspend in 2005-06. Advice from Medicare Australia has indicated that the levels of requests will be back on track in the 2006-07 financial year.

An increased focus on doctor education and promotion of the Scheme will also contribute to an increase in both employee and supplier expenses in 2006-07. Depreciation and amortisation movements over the budget and forward years represent continued asset replacement, and software enhancements. PSR is almost entirely funded through Budget Appropriation

The PSR Review which is due to be completed in July 2006, will further shape the direction of PSR for the foreseeable future. Without pre-empting the outcome of the PSR Review, the agency is anticipating a cost neutral budget for the budget and forward years.

#### **Balance Sheet**

At 1 July 2006, it is anticipated that PSR will have an Appropriation Receivable of \$5.054 million and Cash at Bank of \$3.586 million. This surplus has been built up over a number of years but was mainly due to PSR not being able to work through a full year cycle of cases without running into legal obstacles and adverse Federal Court decisions. In recent years the reduction in the requests from Medicare Australia has also contributed to the build up of these reserves. It is PSR's intention to utilise these reserves to implement all the initiatives that come out of the PSR Review.

Property, plant and equipment are expected to increase over the forward years with continued asset replacement, and software enhancements.

Employee provisions are expected to increase in 2006-07, with prospect of taking on additional staff with employee liabilities. Other provisions and payables are expected to remain stable across the Budget and forward years.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted Departmental Income Statement (for the period ended 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>Income</b>					
<b>Revenues from ordinary activities</b>					
Appropriation revenues	7,593	7,493	7,504	7,797	7,881
Other revenues from related entities	-	-	-	-	-
Goods and services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Resources received free of charge	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	100	450	50	50	50
<b>Revenues from ordinary activities</b>	<b>7,693</b>	<b>7,943</b>	<b>7,554</b>	<b>7,847</b>	<b>7,931</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	1,924	2,694	2,788	2,885	2,986
Suppliers	3,295	4,905	4,355	4,626	4,661
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	311	344	411	336	284
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>5,530</b>	<b>7,943</b>	<b>7,554</b>	<b>7,847</b>	<b>7,931</b>
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>2,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>2,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	3,586	3,680	3,558	3,815	4,028
Receivables	5,054	5,054	5,054	5,054	5,054
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>8,640</b>	<b>8,734</b>	<b>8,612</b>	<b>8,869</b>	<b>9,082</b>
<b>Non-financial assets</b>					
Land and buildings	264	251	360	289	231
Infrastructure, plant and equipment	276	328	363	320	291
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	205	272	316	245	198
Other non-financial assets	-	-	-	-	-
<b>Total non-financial assets</b>	<b>745</b>	<b>851</b>	<b>1,039</b>	<b>854</b>	<b>720</b>
<b>Total assets</b>	<b>9,385</b>	<b>9,585</b>	<b>9,651</b>	<b>9,723</b>	<b>9,802</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Overdraft	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	455	655	721	793	872
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>455</b>	<b>655</b>	<b>721</b>	<b>793</b>	<b>872</b>
<b>Payables</b>					
Suppliers	21	21	21	21	21
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	62	62	62	62	62
<b>Total payables</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>
<b>Total liabilities</b>	<b>538</b>	<b>738</b>	<b>804</b>	<b>876</b>	<b>955</b>

**Table 5.2: Budgeted Departmental Balance Sheet (as at 30 June) (cont)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	700	700	700	700	700
Reserves	23	23	23	23	23
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	8,124	8,124	8,124	8,124	8,124
<b>Total parent entity interest</b>	<b>8,847</b>	<b>8,847</b>	<b>8,847</b>	<b>8,847</b>	<b>8,847</b>
<b>Outside equity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>8,847</b>	<b>8,847</b>	<b>8,847</b>	<b>8,847</b>	<b>8,847</b>
<b>Current assets</b>	<b>7,039</b>	<b>7,189</b>	<b>7,238</b>	<b>7,292</b>	<b>7,352</b>
<b>Non-current assets</b>	<b>2,346</b>	<b>2,396</b>	<b>2,413</b>	<b>2,431</b>	<b>2,451</b>
<b>Current liabilities</b>	<b>334</b>	<b>458</b>	<b>498</b>	<b>543</b>	<b>592</b>
<b>Non-current liabilities</b>	<b>204</b>	<b>280</b>	<b>306</b>	<b>333</b>	<b>363</b>

**Table 5.3: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	-	-	-	-	-
Appropriations	7,593	7,493	7,504	7,797	7,881
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	100	450	50	50	50
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>7,693</b>	<b>7,943</b>	<b>7,554</b>	<b>7,847</b>	<b>7,931</b>
<b>Cash used</b>					
Employees	1,820	2,644	2,722	2,813	2,907
Suppliers	3,334	4,755	4,354	4,627	4,661
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>5,154</b>	<b>7,399</b>	<b>7,076</b>	<b>7,440</b>	<b>7,568</b>
<b>Net cash from or (used by) operating activities</b>	<b>2,539</b>	<b>544</b>	<b>478</b>	<b>407</b>	<b>363</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Purchase of property, plant, equipment and intangibles	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant equipment and intangibles	170	450	600	150	150
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>170</b>	<b>450</b>	<b>600</b>	<b>150</b>	<b>150</b>
<b>Net cash from or (used by) investing activities</b>	<b>(170)</b>	<b>(450)</b>	<b>(600)</b>	<b>(150)</b>	<b>(150)</b>

**Table 5.3: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June) (cont)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from/(used by) financing activities</b>	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>	2,369	94	(122)	257	213
Cash at the beginning of the reporting period	1,217	3,586	3,680	3,558	3,815
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	3,586	3,680	3,558	3,815	4,028

**Table 5.4: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2006-07)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	8,124	23	-	700	8,847
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	8,124	23	-	700	8,847
<b>Income and expense</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expense</b>	-	-	-	-	-
Net operating result	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	8,124	23	-	700	8,847
<b>Transactions with owners</b>					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
<b>Sub-total transactions with owners</b>	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2007</b>	8,124	23	-	700	8,847



**Table 5.5: Department Capital Budget Statement**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	170	450	600	150	150
<b>Total</b>	170	450	600	150	150

**Table 5.6: Departmental Property, Plant, Equipment and Intangibles — Summary of Movement (Budget year 2006-07)**

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2006</b>					
Gross book value	-	426	379	631	1,436
Accumulated depreciation	-	162	103	426	691
<b>Opening net book value</b>	-	<b>264</b>	<b>276</b>	<b>205</b>	<b>745</b>
Additions:					
by purchase	-	50	200	200	450
by finance lease	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation/amortisation expense	-	63	148	133	344
Recoverable amount write-downs	-	-	-	-	-
Other movements	-	-	-	-	-
Disposals:					
from disposal of entities or operations (including restructuring)	-	-	-	-	-
other disposals	-	-	-	-	-
<b>As at 30 June 2007</b>					
Gross book value	-	476	579	831	1,886
Accumulated depreciation	-	225	251	559	1,035
<b>Estimated closing net book value</b>	-	<b>251</b>	<b>328</b>	<b>272</b>	<b>851</b>

### **5.3: NOTES TO THE FINANCIAL STATEMENTS**

The budgeted financial statements for PSR are prepared for the budget year, previous year and three forward years.

#### **Departmental Financial Statements**

##### **Budgeted Departmental Income Statement (for the period ended 30 June)**

This statement provides a picture of the expected financial results for the agency by identifying full accrual expenses and revenues. This highlights whether the agency is operating at a sustainable level.

##### **Budgeted Departmental Balance Sheet (as at 30 June)**

The statement shows the financial position of the agency. It enables decision-makers to track the management of the agency's assets and liabilities.

##### **Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

Budgeted cash flows as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by characterising them into expected cash flows from operating activities, investing activities and financing activities.

##### **Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2006-07)**

This table shows the movements in equity during the budget year.

##### **Departmental Capital Budget Statement**

The capital budget statement shows all planned capital expenditure on non-financial assets, whether funded through capital appropriations for additional equity, borrowings or from funds from internal sources.

##### **Departmental Property, Plant, Equipment and Intangibles — Summary of Movement (Budget year 2006-07)**

This table shows budgeted acquisitions and disposals of the agency's non financial assets during the budget year.

