

Section 3: Budgeted Financial Statements

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

3.1: EXPLANATORY TABLES

3.1.1: Reconciliation of Total Available Appropriation and Outcomes

The Agency Resource Statement (Table 1.2.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the Budget year 2009-10, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of Total Available Appropriation and Outcomes

	\$'000
Total Available Departmental Operating Appropriation (Outputs)	848,531
Less estimated payments in 2008-09	698,339
Estimated Departmental Operating Appropriation Carry-Forward for 2009-10 (Outputs)	150,192

3.1.2: Movement of Administered Funds Between Years

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

Table 3.1.2: Movement of Administered Funds Between Years

Movement of Funding Between Years	\$70.076m
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Of the \$70.076 million of Administered funds moved between 2007-08 and forward years, \$24 million is being reprofiled within the Home and Community Care Bonus Pool program to implement agreed Community Care Reforms. Within the Drug Strategy Program Group \$8.497 million is being reprofiled for the Australian Government's National Binge Drinking Strategy. \$8.3 million is rephased within the Rural Health Services Program Group to ensure funding is available within the Royal Flying Doctor Service program for capital asset replacement including aircraft upgrades.

Movements of Funding Between Years	\$'000
Chronic Disease - Early Detection and Prevention	2,744
Drug Strategy	12,497
Immunisation	1,920
Chronic Disease - Radiation Oncology	7,652
Community Care	24,000
Primary Care Policy, Innovation and Research	2,496
Rural Health Services	8,300
e-Health Implementation	7,362
Surveillance	570
Sport and Recreation	2,535
Total	70,076

3.1.3: Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Health and Ageing.

Table 3.1.3: Estimates of Special Account Cash Flows and Balances

		Opening balance 2008-09	Receipts 2008-09	Payments 2008-09	Adjustments 2008-09	Closing balance 2008-09
		<i>2007-08</i>	<i>2007-08</i>	<i>2007-08</i>	<i>2007-08</i>	<i>2007-08</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Monies ^(S)	1	150 440	1,249 1,200	1,245 1,490	- -	154 150
Services for Other Governments and Non-Departmental Bodies Special Account ^(S)	Various	13,047 15,941	16,452 20,011	17,039 22,905	- -	12,460 13,047
Australian Childhood Immunisation Register ^(A)	1	1,540 1,863	7,991 7,991	8,314 8,314	- -	1,217 1,540
Human Pituitary Hormones Special Account ^(A)	14	3,757 3,857	- -	100 100	- -	3,657 3,757
Safety and Quality in Healthcare ^(A)	10	4,910 17,871	11,000 -	13,187 12,961	- -	2,723 4,910
Health and Medical Infrastructure Fund ^{(A) (1)}	10	2,500,000 -	181,250 2,500,000	- -	- -	2,681,250 2,500,000
Sport and Recreation Special Account ^(A)	15	209 98	436 740	536 629	- -	109 209
Therapeutic Goods Administration Account ^(D)	1	33,057 26,854	96,708 96,845	100,099 90,642	- -	29,666 33,057
Office of the Gene Technology Regulator ^(D)	1	5,018 5,128	8,133 8,203	7,923 8,313	- -	5,228 5,018
National Industrial Chemicals Notification and Assessment Scheme ^(D)	1	5,773 5,625	9,225 8,747	9,077 8,599	- -	5,921 5,773
Total Special Accounts 2008-09 Budget Estimate		2,567,461	332,444	157,520	-	2,742,385
Total Special Accounts 2007-08 Estimate Actual		77,677	2,643,737	153,953	-	2,567,461

(A) = Administered

(D) = Departmental

(S) = Special Public Money

¹ Pending the development of legislation establishing the Health and Hospitals Fund (HHF), the administered financial schedules in these Portfolio Budget Statements reflect the amounts previously allocated for the Health and Medical Investment Fund. Following the establishment of the HHF the amounts recorded in these administered schedules will instead be allocated to the new fund, as budget surpluses are realised. Further information on the establishment of the new HHF is contained in Budget Paper No. 1 and in Budget Paper No. 2.

3.1.4: Australian Government Indigenous Expenditure**Table 3.1.4: Australian Government Indigenous Expenditure**

	Appropriations				Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000		
Department of Health and Ageing						
Outcome 1						
Population Health						
Administered 2008-09	15,523	-	-	15,523	-	15,523
<i>Administered 2007-08</i>	<i>15,411</i>	-	-	<i>15,411</i>	-	<i>15,411</i>
Departmental 2008-09	1,259	-	-	1,259	-	1,259
<i>Departmental 2007-08</i>	<i>1,149</i>	-	-	<i>1,149</i>	-	<i>1,149</i>
Total Outcome 2008-09	16,782	-	-	16,782	-	16,782
<i>Total Outcome 2007-08</i>	<i>16,560</i>	-	-	<i>16,560</i>	-	<i>16,560</i>
Outcome 2						
Pharmaceutical Services						
Administered 2008-09	-	-	34,538	34,538	-	34,538
<i>Administered 2007-08</i>	-	-	<i>31,306</i>	<i>31,306</i>	-	<i>31,306</i>
Departmental 2008-09	-	-	-	-	-	-
<i>Departmental 2007-08</i>	-	-	-	-	-	-
Total Outcome 2008-09	-	-	34,538	34,538	-	34,538
<i>Total Outcome 2007-08</i>	-	-	<i>31,306</i>	<i>31,306</i>	-	<i>31,306</i>
Outcome 3						
Medical Services						
Administered 2008-09	21	-	39,621	39,643	-	39,643
<i>Administered 2007-08</i>	<i>180</i>	-	<i>31,210</i>	<i>31,390</i>	-	<i>31,390</i>
Departmental 2008-09	-	-	-	-	-	-
<i>Departmental 2007-08</i>	-	-	-	-	-	-
Total Outcome 2008-09	21	-	39,621	39,643	-	39,643
<i>Total Outcome 2007-08</i>	<i>180</i>	-	<i>31,210</i>	<i>31,390</i>	-	<i>31,390</i>
Outcome 4						
Aged Care and Population Ageing						
Administered 2008-09	22,796	-	-	22,796	-	22,796
<i>Administered 2007-08</i>	<i>20,779</i>	-	-	<i>20,779</i>	-	<i>20,779</i>
Departmental 2008-09	1,011	-	-	1,011	-	1,011
<i>Departmental 2007-08</i>	<i>991</i>	-	-	<i>991</i>	-	<i>991</i>
Total Outcome 2008-09	23,807	-	-	23,807	-	23,807
<i>Total Outcome 2007-08</i>	<i>21,770</i>	-	-	<i>21,770</i>	-	<i>21,770</i>

Table 3.1.4: Australian Government Indigenous Expenditure (cont)

	Appropriations				Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000		
Outcome 5						
Primary Care						
Administered 2008-09	-	-	-	-	-	-
<i>Administered 2007-08</i>	698	-	-	698	-	698
Departmental 2008-09	-	-	-	-	-	-
<i>Departmental 2007-08</i>	-	-	-	-	-	-
Total Outcome 2008-09	-	-	-	-	-	-
<i>Total Outcome 2007-08</i>	698	-	-	698	-	698
Outcome 6						
Rural Health						
Administered 2008-09	-	-	-	-	-	-
<i>Administered 2007-08</i>	10,823	-	-	10,823	-	10,823
Departmental 2008-09	-	-	-	-	-	-
<i>Departmental 2007-08</i>	-	-	-	-	-	-
Total Outcome 2008-09	-	-	-	-	-	-
<i>Total Outcome 2007-08</i>	10,823	-	-	10,823	-	10,823
Outcome 7						
Hearing Services						
Administered 2008-09	4,917	-	-	4,917	-	4,917
<i>Administered 2007-08</i>	4,844	-	-	4,844	-	4,844
Departmental 2008-09	100	-	-	100	-	100
<i>Departmental 2007-08</i>	70	-	-	70	-	70
Total Outcome 2008-09	5,017	-	-	5,017	-	5,017
<i>Total Outcome 2007-08</i>	4,914	-	-	4,914	-	4,914
Outcome 8						
Indigenous Health						
Administered 2008-09	531,776	-	-	531,776	-	531,776
<i>Administered 2007-08</i>	491,824	-	-	491,824	-	491,824
Departmental 2008-09	60,175	-	-	60,175	-	60,175
<i>Departmental 2007-08</i>	66,326	-	-	66,326	-	66,326
Total Outcome 2008-09	591,951	-	-	591,951	-	591,951
<i>Total Outcome 2007-08</i>	558,150	-	-	558,150	-	558,150
Outcome 11						
Mental Health						
Administered 2008-09	1,303	-	-	1,303	-	1,303
<i>Administered 2007-08</i>	1,370	-	-	1,370	-	1,370
Departmental 2008-09	-	-	-	-	-	-
<i>Departmental 2007-08</i>	-	-	-	-	-	-
Total Outcome 2008-09	1,303	-	-	1,303	-	1,303
<i>Total Outcome 2007-08</i>	1,370	-	-	1,370	-	1,370

Table 3.1.4: Australian Government Indigenous Expenditure (cont)

	Appropriations			Total Approp \$'000	Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000			
Outcome 14						
Biosecurity and Emergency Response						
Administered 2008-09	284	-	-	284	-	284
<i>Administered 2007-08</i>	<i>482</i>	-	-	<i>482</i>	-	<i>482</i>
Departmental 2008-09	94	-	-	94	-	94
<i>Departmental 2007-08</i>	<i>146</i>	-	-	<i>146</i>	-	<i>146</i>
Total Outcome 2008-09	378	-	-	378	-	378
<i>Total Outcome 2007-08</i>	<i>628</i>	-	-	<i>628</i>	-	<i>628</i>
Outcome 15						
Development of a Stronger and Internationally Competitive Australian Sports Sector and Encouragement of Greater Participation in Sport by All Australians						
Administered 2008-09	12,495	-	-	12,495	-	12,495
<i>Administered 2007-08</i>	<i>12,463</i>	-	-	<i>12,463</i>	-	<i>12,463</i>
Departmental 2008-09	374	-	-	374	-	374
<i>Departmental 2007-08</i>	<i>235</i>	-	-	<i>235</i>	-	<i>235</i>
Total Outcome 2008-09	12,869	-	-	12,869	-	12,869
<i>Total Outcome 2007-08</i>	<i>12,698</i>	-	-	<i>12,698</i>	-	<i>12,698</i>
Total Administered 2008-09	589,115	-	74,159	663,275	-	663,275
<i>Total Administered 2007-08</i>	<i>558,874</i>	-	<i>62,516</i>	<i>621,390</i>	-	<i>621,390</i>
Total Departmental 2008-09	63,012	-	-	63,012	-	63,012
<i>Total Departmental 2007-08</i>	<i>68,919</i>	-	-	<i>68,919</i>	-	<i>68,919</i>
Total AGIE 2008-09	652,128	-	74,159	726,287	-	726,287
<i>Total AGIE 2007-08</i>	<i>627,793</i>	-	<i>62,516</i>	<i>690,309</i>	-	<i>690,309</i>

3.2: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Department's budgeted financial statements as reflected in the Department's budgeted departmental and administered financial statements for 2008-09 is below.

Departmental

The departmental budgeted financial statements include the Department of Health and Ageing, the Therapeutic Goods Administration (TGA), the Office of the Gene Technology Regulator (OGTR), and the National Industrial Chemicals Notification and Assessment Scheme (NICNAS).

Income Statement

The Department is expecting an operating deficit of \$4.945 million in 2007-08 and break-even position in all of the forward years. The 2007-08 operating deficit has been approved by the Minister for Finance and Deregulation and has arisen predominately as a result of timing issues between appropriation revenues and the incurring of the expense. The Department reported an operating surplus in 2006-07 of \$19.991 million.

Revenues

Forecasted 2008-09 revenues will decrease by \$18.778 million from 2007-08 to 2008-09. This decrease is primarily due to a reduction in appropriation revenue as a consequence of the Government efficiency dividend.

Expenses

Employee and supplier expenses are expected to decline consistent with revenues.

Depreciation and amortisation charges are expected to remain relatively constant in 2008-09 but increasing in 2009-10 to reflect an increase in leasehold improvements.

Balance Sheet

The Department's cash and receivable balances will remain relatively stable in 2008-09 however from 2009-10 the balance of the appropriation receivable will be reduced to support the Department's accommodation project.

The balance of Plant and Equipment and Computer software is expected to be maintained in the Budget and forward years.

Other provisions and payables are expected to increase as a result of the increased provision for restoration associated with the Department's accommodation project.

Administered

Income Statement

Revenues

The revenue forecast remains relatively constant across the Budget and forward years. The primary sources of revenue include:

- the receipt of the Private Health Insurance Administration Council Levy; and the Medical Indemnity Run Off Cover Scheme and Incurred But Not Reported Levy.

Subsidies

Subsidies are expected to increase by \$710 million (11.9 per cent) from 2007-08 to 2008-09. Forward year growth in subsidies is expected to average around 4.3 per cent.

Grants

Grants are expected to increase by \$381 million (2.3 per cent) from 2007-08 to 2008-09. Forward year growth in grants is expected to average around 3.6 per cent.

Personal Benefits

Personal Benefits are expected to increase by \$1,157 million (4.9 per cent) from 2007-08 to 2008-09 due to increases in Medicare, the Pharmaceutical Benefits Scheme and the Private Health Insurance Rebate.

Balance Sheet

The Administered Balance Sheet primarily reports movements in liabilities including accrued liabilities for unpaid amounts relating to medical benefits, pharmaceutical benefits and the private health insurance rebate at the end of the financial year. The Administered Balance Sheet also includes the National Medical Stockpile inventories.

3.3: BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.3.1: Budgeted Departmental Income Statement (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	581,579	561,668	553,662	548,755	549,012
Goods and services	117,161	117,001	119,996	123,017	125,773
Interest	-	-	1,236	1,273	1,311
Total Revenue	698,740	678,669	674,894	673,045	676,096
Gains					
Other	712	645	645	645	645
Total Gains	712	645	645	645	645
Total Income	699,452	679,314	675,539	673,690	676,741
EXPENSE					
Employees	457,278	432,904	428,496	425,995	426,163
Suppliers	229,373	229,219	226,771	230,474	233,604
Grants					
Depreciation and amortisation	17,746	17,191	20,272	17,221	16,974
Total Expenses	704,397	679,314	675,539	673,690	676,741
Surplus (deficit)	(4,945)	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.3.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial Assets					
Cash and equivalents	8,197	7,322	7,292	7,508	7,508
Trade and other Receivables	179,117	166,341	141,095	150,903	159,788
Total Financial Assets	187,314	173,663	148,387	158,411	167,296
Non-financial Assets					
Land and buildings	30,034	43,054	81,995	75,121	68,492
Infrastructure, plant and equipment	7,652	7,701	7,789	7,883	7,947
Inventories	337	337	337	337	337
Intangibles	30,943	40,381	38,771	35,091	31,396
Other	8,364	8,364	8,364	8,364	8,364
Total non-financial assets	77,330	99,837	137,256	126,796	116,536
Total Assets	264,644	273,500	285,643	285,207	283,832
LIABILITIES					
Provisions					
Employees	105,814	101,033	102,619	103,080	103,157
Other	9,774	18,424	27,824	27,224	26,624
Total Provisions	115,588	119,457	130,443	130,304	129,781
Payables					
Suppliers	43,844	44,212	44,211	44,212	44,212
Other	18,362	18,362	18,362	18,362	18,362
Total Payables	62,206	62,574	62,573	62,574	62,574
Total Liabilities	177,794	182,031	193,016	192,878	192,355
Net Assets	86,850	91,469	92,627	92,329	91,477
EQUITY					
Contributed equity	59,400	65,419	67,977	69,079	69,627
Reserves	10,483	10,483	10,483	10,483	10,483
Retained surpluses or accumulated deficits	16,967	15,567	14,167	12,767	11,367
Total Equity	86,850	91,469	92,627	92,329	91,477
Current assets	193,513	199,989	208,868	208,549	207,544
Non-current assets	71,131	73,511	76,775	76,658	76,288
Current liabilities	136,493	139,745	148,178	148,073	147,671
Non-current liabilities	41,301	42,286	44,838	44,805	44,684

Table 3.3.3: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash Received					
Goods and services	116,841	116,963	119,943	122,961	125,773
Appropriations	583,447	574,482	578,961	539,003	540,127
Interest	-	-	1,236	1,273	1,311
GST	25,273	25,649	25,979	26,570	26,932
Total Cash Received	725,561	717,094	726,119	689,807	694,143
Cash Used					
Employees	452,639	437,685	426,910	425,534	426,086
Suppliers	243,316	219,556	216,727	230,428	233,559
GST	25,273	25,649	25,979	26,570	26,932
Total Cash Used	721,228	682,890	669,616	682,532	686,577
Net Cash from or (used by) Operating Activities	4,333	34,204	56,503	7,275	7,566
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	15,304	39,698	57,691	6,761	6,714
Total Cash Used	15,304	39,698	57,691	6,761	6,714
Net Cash from or (used by) Investing Activities	(15,304)	(39,698)	(57,691)	(6,761)	(6,714)
FINANCING ACTIVITIES					
Cash Received					
Appropriations - contributed equity	11,213	6,019	2,558	1,102	548
Total Cash Received	11,213	6,019	2,558	1,102	548
Cash Used					
Dividends paid	-	1,400	1,400	1,400	1,400
Total Cash Used	-	1,400	1,400	1,400	1,400
Net Cash from or (used by) Financing Activities	11,213	4,619	1,158	(298)	(852)
Net Increase or (decrease) in Cash held	242	(875)	(30)	216	-
Cash at the beginning of the reporting period	7,955	8,197	7,322	7,292	7,508
Cash at the end of the Reporting Period	8,197	7,322	7,292	7,508	7,508

Table 3.3.4: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2008-09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance as at 1 July 2008					
Balance carried forward from previous period	16,967	10,483	-	59,400	86,850
Surplus (deficit) for the period	-				
Transactions with Owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	(1,400)				(1,400)
<i>Contribution by owners</i>					
Appropriation (equity injection)				6,019	6,019
Sub-total Transactions with Owners	(1,400)	-	-	6,019	4,619
Estimated Closing Balance as at 30 June 2009	15,567	10,483	-	65,419	91,469

Table 3.3.5: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	41,517	41,517	42,139	42,139	42,139
Total Taxation	41,517	41,517	42,139	42,139	42,139
Non-Taxation					
Interest ⁽¹⁾	-	182,881	191,781	198,400	203,110
Other sources of non-taxation revenues	323,154	372,127	399,289	420,802	427,104
Total Non-Taxation	323,154	555,008	591,070	619,202	630,214
Total Revenues Administered on Behalf of Government	364,671	596,525	633,209	661,341	672,353
Gains					
Other gains	7,512	1,300	-	-	-
Total Gains Administered on Behalf of Government	7,512	1,300	-	-	-
Total Income Administered on Behalf of Government	372,183	597,825	633,209	661,341	672,353
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	15,979,248	16,360,583	16,964,967	17,689,302	18,202,615
Subsidies	5,955,479	6,665,815	7,200,319	7,344,762	7,559,286
Personal benefits	23,773,275	24,929,793	26,219,020	27,709,878	29,098,365
Suppliers	50,291	82,709	74,203	65,217	65,240
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	30,292	97,494	10,565	29,004	66,572
Other	119	-	-	-	-
Total Expenses Administered on Behalf of Government	45,788,704	48,136,394	50,469,074	52,838,163	54,992,078

¹ Pending the development of legislation establishing the Health and Hospitals Fund (HHF), the administered financial schedules in these Portfolio Budget Statements reflect the amounts previously allocated for the Health and Medical Investment Fund. Following the establishment of the HHF the amounts recorded in these administered schedules will instead be allocated to the new fund, as budget surpluses are realised.

Further information on the establishment of the new HHF is contained in Budget Paper No. 1 and in Budget Paper No. 2.

Table 3.3.6: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial Assets					
Cash and cash equivalents ⁽¹⁾	2,556,205	2,737,455	2,924,324	3,115,865	3,312,193
Receivables	92,525	191,088	355,738	446,859	462,158
Investments	257,424	257,606	257,696	257,696	257,696
Total Financial Assets	2,906,154	3,186,149	3,537,758	3,820,420	4,032,047
Non-Financial Assets					
Inventories	253,461	281,993	312,624	283,620	217,048
Other	74,280	63,780	63,780	63,780	63,780
Total Non-Financial assets	327,741	345,773	376,404	347,400	280,828
Total Assets Administered on Behalf of Government	3,233,895	3,531,922	3,914,162	4,167,820	4,312,875
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest Bearing Liabilities					
Loans	32,121	32,121	32,121	32,121	32,121
Other	446	446	446	446	446
Total Interest Bearing Liabilities	32,567	32,567	32,567	32,567	32,567
Payables					
Subsidies	63,398	62,112	60,826	59,540	58,254
Personal benefits payable	1,762,542	1,795,628	1,875,519	1,948,883	1,989,737
Grants	642,269	708,876	776,976	846,615	915,154
Other payables	261	261	261	261	261
Total Payables	2,468,470	2,566,877	2,713,582	2,855,299	2,963,406
Total Liabilities Administered on Behalf of Government	2,501,037	2,599,444	2,746,149	2,887,866	2,995,973

¹ Pending the development of legislation establishing the Health and Hospitals Fund (HHF), the administered financial schedules in these Portfolio Budget Statements reflect the amounts previously allocated for the Health and Medical Investment Fund. Following the establishment of the HHF the amounts recorded in these administered schedules will instead be allocated to the new fund, as budget surpluses are realised.

Further information on the establishment of the new HHF is contained in Budget Paper No. 1 and in Budget Paper No. 2.

Table 3.3.7: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash Received					
Taxes	41,517	41,517	42,139	42,139	42,139
Interest ⁽¹⁾	-	182,881	191,781	198,400	203,110
Net GST received	200,670	198,359	202,289	207,198	208,734
Other	290,540	348,564	384,639	404,681	411,805
Total Cash Received	532,727	771,321	820,848	852,418	865,788
Cash Used					
Grant payments	15,918,619	16,283,476	16,896,867	17,619,663	18,134,077
Subsidies paid	5,956,765	6,667,101	7,201,605	7,346,048	7,560,572
Personal benefits	23,713,466	24,896,707	26,139,129	27,636,514	29,057,511
Suppliers	94,728	207,435	115,399	65,217	65,240
Cash to the Official Public Account	331,919	391,574	431,552	453,541	460,587
Net GST paid	200,670	198,359	202,289	207,198	208,734
Total Cash Used	46,216,167	48,644,652	50,986,841	53,328,181	55,486,721
Net Cash From or (used by)					
Operating Activities	(45,683,440)	(47,873,331)	(50,165,993)	(52,475,763)	(54,620,933)
INVESTING ACTIVITIES					
Cash Used					
Other	-	75,000	150,000	75,000	-
Total Cash Used	-	75,000	150,000	75,000	-
Net Cash From or (used by)					
Investing Activities	-	(75,000)	(150,000)	(75,000)	-
FINANCING ACTIVITIES					
Cash Received					
Cash from Official Public Account	44,437	124,726	41,196	-	-
Other	6,670	359	289	1,198	2,734
Total Cash Received	51,107	125,085	41,485	1,198	2,734
Cash Used					
Other	6,670	359	289	1,198	2,734
Total Cash Used	6,670	359	289	1,198	2,734
Net Cash From or (used by)					
Financing Activities	44,437	124,726	41,196	-	-

¹ Pending the development of legislation establishing the Health and Hospitals Fund (HHF), the administered financial schedules in these Portfolio Budget Statements reflect the amounts previously allocated for the Health and Medical Investment Fund. Following the establishment of the HHF the amounts recorded in these administered schedules will instead be allocated to the new fund, as budget surpluses are realised.

Further information on the establishment of the new HHF is contained in Budget Paper No. 1 and in Budget Paper No. 2.

Table 3.3.7: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June) (cont)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
Net Increase or (decrease) in	-				
Cash Held	(45,639,003)	(47,823,605)	(50,274,797)	(52,550,763)	(54,620,933)
Cash at beginning of reporting period	56,205	2,556,205	2,737,455	2,924,324	3,115,865
Cash from Official Public Account for:					
- appropriations	45,639,003	48,004,855	50,461,666	52,742,304	54,817,261
- special accounts	2,500,000	-	-	-	-
Cash at End of Reporting Period	2,556,205	2,737,455	2,924,324	3,115,865	3,312,193

3.4: NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements for the Department of Health and Ageing 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 Department. It enables decision-makers to track the management of the Department'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 2008-09)

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

Schedule of Administered Activity

Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

The schedule identifies the Department's main revenues and expenses administered by the agency on behalf of the Government.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

The schedule shows the Department's assets and liabilities administered by the Department on behalf of the Government.

Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

The schedule shows the Department's cash flows administered on behalf of the Government.

