

**GENERAL PRACTICE
EDUCATION AND TRAINING
LTD**

General Practice Education and Training Ltd

Health and Ageing Portfolio Agency

GPET

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Section 1: Agency Overview and Resources

1.1: AGENCY OVERVIEW

The Australian Government established General Practice Education and Training Ltd (GPET) in 2001 to develop, oversee and fund vocational education and training in general practice for postgraduate medical practitioners. GPET was incorporated under the *Corporations Act 2001* in March 2001 as a company limited by guarantee. As a wholly owned Commonwealth company, GPET is also subject to the *Commonwealth Authorities and Companies Act 1997*.

GPET is responsible for the national management of the Australian General Practice Training Program, which provides high quality vocational education and training for medical graduates who are seeking to become general practitioners. Training is delivered through 21 regional training providers.

In 2008-09, GPET will focus on meeting the medical workforce needs of Australian communities through the delivery of general practice vocational education and training in rural and regional areas. In so doing, GPET will work to ensure that the education and training delivered across Australia is responsive to the existing and changing needs of the community and individual sections of the community.

Summary of Agency Outcome and Output Group

The products and services delivered by GPET that contribute to the achievement of Outcome 5 within the Department of Health and Ageing outcome structure are summarised in Table 1.1.1.

Table 1.1.1: Agency Outcome and Output Group

| Outcome | Output Group |
|---|---|
| Australians have Access to High Quality, Well-Integrated and Cost Effective Primary Care ¹ | Output Group 1 – General Practice Training Places |

¹ This is Outcome 5 of the Department of Health and Ageing, to which this agency contributes. For further resourcing details of this outcome, please refer to Outcome 5 reporting in the Department's Budget statements, located earlier in these Portfolio Budget Statements.

1.2: AGENCY RESOURCES

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by departmental classification.

The total resourcing for GPET in the 2008-09 Budget is \$82.309 million

Table 1.2.1: GPET Resource Statement

| | Estimate of prior + year amounts available in 2008-09 \$'000 | Proposed at Budget = 2008-09 \$'000 | Total Estimate 2008-09 \$'000 | Estimated Appropriation Available 2007-08 \$'000 |
|---|---|--|--|--|
| Opening Balance/Reserves at Bank | 17,000 | - | 17,000 | - |
| REVENUE FROM GOVERNMENT | | | | |
| Ordinary Annual Services | | | | |
| Outcome 1 - Australians have access to high quality, well integrated and cost effective primary care | - | - | - | - |
| Total Ordinary Annual Services | 17,000 | - | - | - |
| Other Services | | | | |
| Non-Operating | - | - | - | - |
| Total Other Services | - | - | - | - |
| Total Annual Appropriations | 17,000 | - | - | - |
| Payments from Related Entities² | | | | |
| Amounts from the portfolio department | - | 81,331 | 81,331 | 77,696 |
| Total Related Entities | - | 81,331 | 81,331 | 77,696 |
| Total Funds from Government | 17,000 | 81,331 | 81,331 | 77,696 |
| FUNDS FROM OTHER SOURCES | | | | |
| Interest | - | 978 | 978 | 960 |
| Total Funds from Other Sources | - | 978 | 978 | 960 |
| Total Net Resourcing for GPET | 17,000 | 82,309 | 99,309 | 78,656 |

1.3: 2008-09 BUDGET MEASURES

Section 1.3 is not applicable to GPET in 2008-09.

Section 2: Agency Outcomes and Planned Performance

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups that demonstrate their contribution to Government outcomes over the coming year.

This section summarises output groups, specifying the performance indicators and targets used to assess and monitor the performance of GPET in achieving Government outcomes.

Outcome 1 – Australians have Access to High Quality, Well-Integrated and Cost-Effective Primary Care

2.1: SUMMARY OF OUTCOME, AGENCY RESOURCING, OUTPUTS AND PERFORMANCE INFORMATION

Outcome Summary

The Australian Government is committed to ensuring that a greater focus is provided to improving patients' access to high quality, well-integrated primary care. GPET, on behalf of the Australian Government, will help achieve this by providing regional, high quality postgraduate vocational education and training to medical graduates wishing to pursue a career in general practice.

Key Strategic Directions

- Provide high quality general practice vocational education and training for medical graduates, with a particular focus on rural, regional, remote and outer metropolitan communities.
- Ensure efficiency and high performance in the delivery of quality general practice vocational education and training.
- Provide leadership in general practice education and training.

Major Activities

Providing High Quality Training for General Practitioners

In 2008-09, GPET will play an active role in achieving the Australian Government's objectives by providing access to general practitioner (GP) vocational education and training with a particular focus on rural, regional, remote and outer metropolitan communities. GPET will achieve this through managing the provision of a dispersed set of regional training providers ensuring that 250 of the 600 annual training places are allocated to the training program's rural pathway. The 600 annual training places will provide Australian communities with greater access to GPs.

The Australian Government is committed to closing the 17-year life expectancy gap between Indigenous and non-Indigenous Australians. GPET will assist in achieving the Australian Government's objective by encouraging general practice registrars to undertake training with Aboriginal medical services.

GPET's provision of general practice vocational education and training in rural, regional, remote and outer metropolitan communities faces challenges relating to distance and isolation, with a corresponding limitation in local support networks for registrars. GPET will address the challenges by providing GP vocational education and training in rural and remote communities through the dispersed set of regional training providers. The training program will continue to be refined to identify new opportunities to support GP vocational education and training in rural and remote communities, and outer metropolitan areas.

Additional key challenges are the provision of high quality general practice vocational education and training, including the availability of skilled supervisors and medical educators, the integrity of the selection process, and the currency and suitability of the standards set by the profession. In meeting these challenges, GPET will ensure that the annual selection and allocation processes for general practice registrars is rigorous, transparent and fair, with a suitable appeals process in place to resolve any dispute fairly and quickly. It will also involve key stakeholders in the annual review of the selection process, and work to maintain a high-level of registrar satisfaction with the training program.

GPET will work with the Department of Health and Ageing and regional training providers to ensure that supervisors, medical educators, researchers and teachers are fully supported in the training of general practice registrars.

Further, GPET will work closely with the medical profession to ensure that all general practice vocational education and training continues to meet the standards set by the profession's relevant colleges. GPET will work with medical colleges, training providers and other stakeholders to ensure general practice vocational education and training is relevant to community health care needs.

Efficiency and Performance of General Practice Education and Training

In 2008-09, GPET will play an active role in achieving the Australian Government's objectives by providing efficient, high quality general practice vocational education and training to ensure GPs are trained to deliver a high standard of primary care.

GPET will achieve this by utilising key performance indicators to assess the efficiency and effectiveness of the training program in delivering its outcomes. GPET will enhance procurement arrangements to embed broader dimensions of performance into its contracts with regional training providers and will develop key performance benchmarks for both regional training providers and for overall program performance to promote efficiency and high performance.

The delivery by various training providers of an efficient and high performance vocational education training program depends upon the identification and implementation of the most relevant and suitable performance measures to monitor efficiency and performance. In meeting this challenge, GPET will apply its quality framework to monitor, review and accredit the educational and management performance of regional training providers. It will also arrange for ongoing quality review of practices participating in the training of GP registrars.

Leadership in General Practice Education and Training

In 2008-09, GPET will play an active role in achieving the Australian Government's objectives by providing leadership in GP vocational education and training, and being actively involved in key educational and policy forums.

Furthermore, GPET will capture information relating to GP vocational education and training, including data that is specific to the assessment of the quality of existing programs. It will provide details of key data to the appropriate stakeholders to assist in future decision-making.

A key challenge is the integration of new vocational training standards from the relevant colleges into the training program. GPET will meet this challenge by liaising effectively with educational and training bodies, communicating policy enhancements, and providing feedback on changes to vocational educational and training standards.

Funding for these major activities is sourced from Output Group 1 – General Practice Training Places.

GPET Resourcing

Table 2.1.1 shows how the 2008-09 Budget appropriations translate to total resourcing for GPET, including revenue from government (appropriations), revenue from other sources, and the total price of outputs.

Table 2.1.1: Total Resources for GPET

| | 2008-09 Total estimate of available resources \$'000 | 2007-08 Estimated actual \$'000 |
|---|---|--|
| Output Group 1.1: | | |
| Departmental Outputs | | |
| General Practice Training Places | - | - |
| Revenues from other sources | 82,309 | 78,656 |
| Subtotal for Output Group 1.1 | 82,309 | 78,656 |
| Total Resources for General Practice Education and Training (GPET) | 82,309 | 78,656 |
| | 2008-09 | 2007-08 |
| Average Staffing Level (Number) | 35 | 33 |

Contribution of Administered Programs

There are no administered programs for GPET in 2008-09.

Contribution of Departmental Outputs

Output Group 1 – General Practice Training Places

GPET will oversee and manage the Australian General Practice Training Program. This will include ensuring high quality is maintained in the delivery of general practice vocational education and training for medical graduates. Further, GPET will meet the medical workforce needs of Australian communities through the delivery of general practice vocational education and training in rural and regional areas. GPET will ensure that the program is delivered in an efficient and cost effective manner.

The number of places taken each year in the Australian General Practice Training Program measures the output's contribution to the outcome.

Performance Information for GPET

Performance information for the output group relating to GPET is summarised in Table 2.1.2.

Table 2.1.2: Key Performance Information for GPET

Performance Information for Departmental Outputs

| Indicator | 2008-09 Reference Point or Target |
|---|--|
| Output Group 1 – General Practice Training Places | |
| Uptake of all available training places for general practice registrars in rural and urban areas. | 600 places taken up out of a total of 600 available places (600 places taken up in 2007 out of a total of 600 available places). |
| Output Group 1 Resourcing: \$82.309m | |

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

3.1.1 is not applicable to GPET.

3.1.2: Movement of Administered Funds Between Years

3.1.2 is not applicable to GPET.

3.1.3: Special Accounts

3.1.3 is not applicable to GPET.

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 | | |
| | General Practice Education and Training | | | | | |
| Administered 2008-09 | | | | | | |
| <i>Administered 2007-08</i> | | | | | | |
| Departmental 2008-09 | 5,520 | - | - | 5,520 | - | 5,520 |
| <i>Departmental 2007-08</i> | <i>6,720</i> | <i>-</i> | <i>-</i> | <i>6,720</i> | <i>-</i> | <i>6,720</i> |
| Total Outcome 2008-09 | 5,520 | - | - | 5,520 | - | 5,520 |
| <i>Total Outcome 2007-08</i> | <i>6,720</i> | <i>-</i> | <i>-</i> | <i>6,720</i> | <i>-</i> | <i>6,720</i> |
| Total Administered 2008-09 | | | | | | |
| <i>Total Administered 2007-08</i> | | | | | | |
| Total Departmental 2008-09 | 5,520 | - | - | 5,520 | - | 5,520 |
| <i>Total Departmental 2007-08</i> | <i>6,720</i> | <i>-</i> | <i>-</i> | <i>6,720</i> | <i>-</i> | <i>6,720</i> |
| Total AGIE 2008-09 | 5,520 | - | - | 5,520 | - | 5,520 |
| <i>Total AGIE 2007-08</i> | <i>6,720</i> | <i>-</i> | <i>-</i> | <i>6,720</i> | <i>-</i> | <i>6,720</i> |

3.2: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The budgeted departmental financial statements for GPET encompass the 2008-09 Budget year as well as the estimates for 2009-10, 2010-11 and 2011-12.

An analysis of GPET's budgeted financial statements for 2008-09 is provided below.

Departmental Resources

Income Statement

GPET is budgeting for a balanced result in 2008-09. This is in line with the actual operating result for 2007-08.

Total operating revenue for 2008-09 is estimated at \$82.309 million, including \$81.331 million from the Department of Health and Ageing. Operating revenue has increased by \$3.653 million from 2007-08 to 2008-09, primarily driven by increased funding for additional training places.

The increase in revenue is matched by a corresponding increase in expenses, primarily driven by higher supplier and employee expenses.

Balance Sheet

GPET's total assets are forecast to decrease from \$19.963 million in 2007-08 to \$14.869 million in 2008-09, primarily driven by a reduction in cash. Cash in bank represents funds set aside for the payment of the general practice education and training scheme, future asset replacement and the payment of liabilities as and when they fall due.

GPET's total liabilities are forecast to decrease from \$19.963 million in 2007-08 to \$14.869 million in 2008-09, primarily driven by a reduction in grants payable.

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 | 77,696 | 81,331 | 82,875 | 84,450 | 86,053 |
| Interest | 960 | 978 | 997 | 1,006 | 900 |
| Other | - | - | - | - | - |
| Total Revenue | 78,656 | 82,309 | 83,872 | 85,456 | 86,953 |
| Gains | | | | | |
| Other | - | - | - | - | - |
| Total Gains | - | - | - | - | - |
| Total Income | 78,656 | 82,309 | 83,872 | 85,456 | 86,953 |
| EXPENSE | | | | | |
| Employees | 2,809 | 2,862 | 2,917 | 2,943 | 2,999 |
| Suppliers | 74,086 | 77,733 | 79,248 | 80,792 | 82,200 |
| Depreciation and amortisation | 400 | 327 | 293 | 294 | 300 |
| Other | 1,361 | 1,387 | 1,414 | 1,427 | 1,454 |
| Total Expenses | 78,656 | 82,309 | 83,872 | 85,456 | 86,953 |
| Surplus/(Deficit) | - | - | - | - | - |

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 | 17,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Trade and other Receivables | 1,477 | 1,477 | 1,477 | 1,477 | 1,477 |
| Other | - | - | - | - | - |
| Total Financial Assets | 18,477 | 13,477 | 13,477 | 13,477 | 13,477 |
| Non-Financial Assets | | | | | |
| Infrastructure, plant and equipment | 585 | 687 | 629 | 635 | 535 |
| Intangibles | 897 | 697 | 497 | 297 | 97 |
| Other | 4 | 8 | 12 | 16 | 16 |
| Total Non-Financial Assets | 1,486 | 1,392 | 1,138 | 948 | 648 |
| Total Assets | 19,963 | 14,869 | 14,615 | 14,425 | 14,125 |
| LIABILITIES | | | | | |
| Provisions | | | | | |
| Employees | 200 | 205 | 209 | 214 | 214 |
| Other | - | - | - | - | - |
| Total Provisions | 200 | 205 | 209 | 214 | 214 |
| Payables | | | | | |
| Suppliers | - | - | - | - | - |
| Grants | 15,074 | 9,975 | 9,717 | 9,522 | 9,222 |
| Dividends | - | - | - | - | - |
| Other | 4,689 | 4,689 | 4,689 | 4,689 | 4,689 |
| Total Payables | 19,763 | 14,664 | 14,406 | 14,211 | 13,911 |
| Total liabilities | 19,963 | 14,869 | 14,615 | 14,425 | 14,125 |
| Net assets | - | - | - | - | - |
| EQUITY | | | | | |
| Parent Entity Interest | | | | | |
| Contributed equity | - | - | - | - | - |
| Reserves | - | - | - | - | - |
| Retained surpluses or accumulated deficits | - | - | - | - | - |
| Total Parent Entity Interest | - | - | - | - | - |
| Total Equity | - | - | - | - | - |
| Current assets | 18,481 | 13,485 | 13,489 | 13,493 | 13,493 |
| Non-current assets | 1,482 | 1,384 | 1,126 | 932 | 632 |
| Current liabilities | 4,889 | 4,894 | 4,898 | 4,903 | 4,903 |
| Non-current liabilities | 15,074 | 9,975 | 9,717 | 9,522 | 9,222 |

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 | | | | | |
| Interest | 960 | 978 | 997 | 1,006 | 900 |
| Other | 77,696 | 81,331 | 82,875 | 84,450 | 86,053 |
| Total Cash Received | 78,656 | 82,309 | 83,872 | 85,456 | 86,953 |
| Cash Used | | | | | |
| Employees | 2,920 | 2,857 | 2,913 | 2,938 | 2,999 |
| Suppliers | 74,086 | 77,733 | 79,248 | 80,792 | 82,200 |
| Grants | 5,318 | 5,099 | 258 | 195 | 300 |
| Other | 1,361 | 1,387 | 1,414 | 1,427 | 1,454 |
| Total Cash Used | 83,685 | 87,076 | 83,833 | 85,352 | 86,953 |
| Net Cash From or (Used by) Operating Activities | (5,029) | (4,767) | 39 | 104 | - |
| INVESTING ACTIVITIES | | | | | |
| Cash Used | | | | | |
| Purchase of property, plant and equipment | 199 | 233 | 39 | 104 | - |
| Total Cash Used | 199 | 233 | 39 | 104 | - |
| Net Cash from or (Used by) Investing Activities | (199) | (233) | (39) | (104) | - |
| Net Increase or (Decrease) in Cash Held | (5,228) | (5,000) | - | - | - |
| Cash at the beginning of the reporting period | 22,228 | 17,000 | 12,000 | 12,000 | 12,000 |
| Cash at the End of the Reporting Period | 17,000 | 12,000 | 12,000 | 12,000 | 12,000 |

3.4: NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements for GPET 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 GPET by identifying full accrual expenses and revenues. This highlights whether GPET is operating at a sustainable level.

Budgeted Departmental Balance Sheet (as at 30 June)

The statement shows the financial position of GPET. It enables decision-makers to track the management of GPET'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.