

# Professional Services Review

Health and Ageing Portfolio Agency

---

<b>Section 1: Overview</b> .....	<b>476</b>
<b>Section 2: Resources for 2007-08</b> .....	<b>477</b>
2.1: Appropriations and Other Resources .....	477
2.2: 2007-08 Budget Measures .....	478
2.3: Other Revenue Available to be Used .....	478
2.4: Movements of Administered Funds .....	478
2.5: Special Appropriations .....	478
2.6: Movements in Special Accounts .....	478
<b>Section 3: Outcome Objectives</b> .....	<b>479</b>
3.1: Summary of Outcome and Contribution to Outcome .....	479
3.2: Outcome – Departmental and Administered Appropriations .....	479
3.3: Outcome Summary .....	480
<b>Section 4: Other Reporting Requirements</b> .....	<b>484</b>
4.1: Purchaser-Provider Arrangements .....	484
4.2: Cost Recovery Arrangements .....	484
<b>Section 5: Budgeted Financial Statements</b> .....	<b>485</b>
5.1: Analysis of Budgeted Financial Statements .....	485
5.2: Budgeted Financial Statements Tables .....	486
5.3: Notes to the Financial Statements .....	494

PSR

## Section 1: Overview

The Australian Government provides funding to the Professional Services Review (PSR) Scheme to ensure that suspected cases of inappropriate practice are reviewed following requests by Medicare Australia and, if necessary, investigated by a committee of peers. The PSR Scheme is the Australian Government’s primary means of investigating inappropriate practice. Through the Scheme, the Australian Government is working to protect patients and the community from the risks associated with inappropriate practice and protect the Australian Government from having to meet the costs of services provided as a result of inappropriate practice.

The PSR Scheme examines services provided by a health practitioner 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.

### 1.1: SUMMARY OF AGENCY OUTCOME AND OUTPUT

The products and services delivered by PSR which contribute to the achievement of its outcome are summarised in Table 1.1.

**Table 1.1: Agency Outcome and Output Group**

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 2007-08

### 2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total resourcing for PSR in the 2007-08 Budget is \$6.198 million.

**Table 2.1: Appropriations and Other Resources 2007-08 ('000)**

	Appropriations				Total approp	Receipts (b)	Total
	Bill No. 1	Bill No. 2		Special			
	\$'000	SPP \$'000	Other (a) \$'000	approp \$'000	\$'000	\$'000	\$'000
<b>Professional Services Review (PSR)</b>							
Administered	-	-	-	-	-	-	-
Departmental	6,148	-	-	-	6,148	50	6,198
<b>Total PSR</b>	<b>6,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,148</b>	<b>50</b>	<b>6,198</b>
Departmental capital (equity injections)	-	-	-	-	-	-	-
<b>Total resources</b>	<b>6,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,148</b>	<b>50</b>	<b>6,198</b>

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

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

## 2.2: 2007-08 BUDGET MEASURES

Budget measures relating to PSR as explained in *Budget Paper No. 2 Budget Measures 2007-08*,<sup>1</sup> are summarised in Table 2.2.

**Table 2.2: PSR Measures**

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Professional Services Review - continuation of funding				
Departmental	(1,398)	(1,866)	(1,700)	(1,902)
Administered	-	-	-	-
<b>Subtotal</b>	<b>(1,398)</b>	<b>(1,866)</b>	<b>(1,700)</b>	<b>(1,902)</b>

## 2.3: OTHER REVENUE AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by PSR for the provision of goods or services. These resources are approved for use by PSR and are included in Table 2.1.

**Table 2.3: Other Revenue Available to be Used**

	Estimated revenue 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental other revenues		
Other	100	50
<b>Total departmental other revenues available to be used</b>	<b>100</b>	<b>50</b>

## 2.4: MOVEMENTS OF ADMINISTERED FUNDS

## 2.5: SPECIAL APPROPRIATIONS

## 2.6: MOVEMENTS IN SPECIAL ACCOUNTS

Sections 2.4 to 2.6 are not applicable to PSR.

<sup>1</sup> Available on the Australian Government website at: <[www.budget.gov.au](http://www.budget.gov.au)>.

## Section 3: Outcome Objectives

General Government Sector agencies are required to plan, budget and report under an outcome structure. General Government Sector agencies produce outputs (departmental outputs) and also administer activities and programs on behalf of the Government (administered programs).

This section summarises how the resources identified in Section 2 will be used to contribute to the outcome for PSR. Emphasis is placed on estimating the contribution to the outcome through outputs delivered by PSR. Key performance measures and performance evaluation activities are specified for the outcome. More detailed information on the output attributes is maintained by PSR for internal management purposes.

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

The relationship between activities of PSR and the outcome is summarised in Figure 1.

**Figure 1: Contributions to Outcome**

<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	\$6.198m
Total departmental appropriations	\$6.148m
Total administered appropriations	\$0
Output Group 1	Total price of outputs \$6.198m
<b>Program Management</b>	

PSR

### 3.2: OUTCOME – DEPARTMENTAL AND ADMINISTERED APPROPRIATIONS

#### Departmental Appropriations by Outcome

PSR has total departmental appropriations of \$6.148 million in 2007-08.

#### Administered Appropriations by Outcome

PSR does not receive any administered appropriations.

### **3.3: OUTCOME SUMMARY**

The Australian Government is committed to ensuring Australians are protected from meeting the cost and risks of inappropriate practices of health service providers. This will be achieved by protecting the integrity of the Medicare and Pharmaceutical Benefits Schemes through the administration of the PSR Scheme.

Between 1999-2000 and 2005-06, PSR received 313 requests for review from Medicare Australia to investigate practitioners for possible inappropriate practice. During this period the PSR Scheme produced direct savings to Medicare of \$4.3 million in benefits repaid and an estimated \$12.9 million in benefits not paid due to partial or full disqualification from Medicare.

#### **The Year Ahead**

In 2007-08, the Australian Government, through PSR, will continue to ensure the integrity of the Medicare and Pharmaceutical Benefits Schemes, and protect the community from meeting the costs of inappropriate practice. PSR will achieve this by working with the professions, Medicare Australia, and the Department of Health and Ageing.

The Department of Health and Ageing is responsible for PSR policy. PSR's strategic outlook for 2007-08 will be influenced by policy initiatives taken by the Department in consultation with PSR. PSR expects to receive a higher number of requests for review from Medicare Australia than in 2006-07 due particularly, to revised measures effective from November 2006.

#### **Key Strategic Directions for 2007-08**

During 2007-08, PSR, on the Australian Government's behalf, will:

- effectively manage all aspects of the PSR Scheme;
- work to protect patients and the community in general from the risks associated with inappropriate practice;
- work to protect the Australian Government from having to meet the costs of services provided as a result of inappropriate practice; and
- ensure repayment of Medicare benefits and/or impose full or partial disqualification periods from Medicare or pharmaceutical benefits where inappropriate practice occurs.

#### **Major Activities**

##### **Management of the PSR Scheme**

On behalf of the Australian Government, PSR will ensure that the community is protected from the risks and costs of inappropriate practice through the effective and efficient administration of the PSR Scheme. PSR will improve and streamline administrative arrangements by critically reviewing processes and implementing best practice where appropriate. As part of this activity, PSR will continue to work closely with Medicare Australia and the Department of Health and Ageing, and with other medical regulatory jurisdictions.

### **Protection from the Risks Associated with Inappropriate Practice**

The Australian Government aims to deliver a high quality health service to all Australians to ensure the public is protected from the adverse health consequences of inappropriate practice. On the Australian Government's behalf, PSR will continue to collaborate with health professionals to ensure the PSR Scheme effectively achieves this aim.

A key strength of the PSR Scheme is its emphasis on peer review and, if necessary, peer determined sanctions where inappropriate practice has been identified. PSR will build on this strength by providing support and education to health providers who are members of PSR committees, consulting regularly with relevant bodies to raise awareness in areas of concern and use of the medical press to highlight the outcomes and consequences of PSR processes. This will include publishing the annual *Report to the Professions* detailing PSR's activities during the year, cases of inappropriate practice identified and sanctions imposed.

PSR will use the general media to increase public awareness of inappropriate practice in order to encourage the community to make informed choices about health care providers.

### **Protection from Meeting Costs from Inappropriate Practice**

The Australian Government aims to deliver a quality health system which also represents good value for tax payers' funds.

Although PSR deals with a small number of cases relative to the overall number of health care providers, publication of the outcomes and consequences of inappropriate practice can have a significant impact on the behaviour of the profession. PSR will continue to publicise these incidents and this process is expected to continue to be effective in reducing inappropriate practice and associated costs to Medicare Australia and the community.

PSR will continue to work with the medical education system to inform medical students about their obligations in relation to providing services under Medicare. This investment is intended to reduce the likelihood of cases of inappropriate practice arising once medical students begin practicing.

### **Managing Inappropriate Practice**

In achieving the Australian Government's aims of providing health and revenue protection, appropriate sanctions from the operation of the PSR Scheme, including repayment of inappropriately paid benefits, are required.

As part of the PSR Scheme, the Determining Authority is an independently functioning body within PSR deciding on sanctions for individual cases of inappropriate practice. Sanctions can include counselling, reprimand, repayment of Medicare benefits and/or full or partial disqualification from Medicare or the Pharmaceutical Benefits Scheme. PSR will continue to support the work of the Determining Authority by ensuring all aspects of the PSR Scheme are managed well, so that the Determining Authority can make appropriate decisions on sanctions.

## PSR Resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for PSR, including revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1: Total Resources for PSR**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental revenue</b>		
Total revenue from government (appropriations) contributing to price of departmental outputs	7,493	6,148
Total revenue from other sources	100	50
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	7,593	6,198
<b>Departmental revenue by output group</b>		
Output Group 1 - Program Management	7,593	6,198
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	7,593	6,198
<b>Total estimated resourcing for PSR</b> <i>(Total price of outputs and administered appropriations)</i>	<b>7,593</b>	<b>6,198</b>
<b>Average Staffing Level (number)</b>	2006-07 15	2007-08 15

## Contribution of Administered Programs

PSR has no administered programs in 2007-08.

## Contribution of Departmental Outputs

### 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 individual outputs and the output group relating to PSR are summarised in Table 3.2.

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

**Performance Information for Departmental Outputs**

Indicator	Measured by	Reference Point or Target
<b>Output Group 1 – Program Management</b>		
High degree of awareness and understanding of the PSR process within the professions.	Surveys to be undertaken annually.	Awareness and support of the PSR Scheme by the professions.
Improved efficiency of PSR’s internal processes.	Process improvements.	Timeframes reduced and internal processes streamlined.
<b>Price: \$6.198m</b>		

**Evaluations**

PSR does not plan to undertake any evaluations in 2007-08.

**Major Reviews**

PSR does not plan to undertake any major reviews in 2007-08.



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

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

PSR has no purchaser-provider arrangements to report in 2007-08.

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

PSR has no cost recovery arrangements to report in 2007-08.

## Section 5: Budgeted Financial Statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of PSR's budgeted departmental financial statements for 2007-08 is below:

#### **Income Statement**

PSR's budget funding has fallen between \$1.4 million and \$1.9 million per year. This is in line with the 2007-08 Continuation of PSR Budget measure.

The overall effect is disclosed as a reduction in appropriation revenue, employee expense and suppliers' expense. Depreciation will not be affected by the changes.

#### **Balance Sheet**

The relatively large appropriation receivable balance is the result of reduced numbers of requests for review from Medicare Australia between 2004-05 and 2006-07. Medicare Australia's revised measures implemented in November 2006 have seen an increase in the number of requests received by PSR, and this trend is expected to continue. The effect is a stabilised appropriation receivable balance into the out years.

Non-financial assets balances, payables and other provisions are expected to remain reasonably stable.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>Income</b>					
<b>Revenues from ordinary activities</b>					
Appropriation revenues	7,493	6,148	5,964	6,213	6,286
Other revenues from related entities	-	-	-	-	-
Goods and services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Resources received free of charge	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	100	50	50	50	50
<b>Revenues from ordinary activities</b>	<b>7,593</b>	<b>6,198</b>	<b>6,014</b>	<b>6,263</b>	<b>6,336</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	2,694	2,284	2,460	2,534	2,610
Suppliers	2,905	3,674	3,285	3,409	3,460
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	221	240	269	320	266
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>5,820</b>	<b>6,198</b>	<b>6,014</b>	<b>6,263</b>	<b>6,336</b>
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>1,773</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>1,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	3,586	3,592	3,933	4,084	3,964
Receivables	7,064	7,064	7,064	7,064	7,064
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>10,650</b>	<b>10,656</b>	<b>10,997</b>	<b>11,148</b>	<b>11,028</b>
<b>Non-financial assets</b>					
Land and buildings	225	344	258	256	514
Infrastructure, plant and equipment	199	375	281	268	234
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	200	240	151	102	112
Other non-financial assets	-	26	26	26	26
<b>Total non-financial assets</b>	<b>624</b>	<b>985</b>	<b>716</b>	<b>652</b>	<b>886</b>
<b>Total assets</b>	<b>11,274</b>	<b>11,641</b>	<b>11,713</b>	<b>11,800</b>	<b>11,914</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	420	708	830	942	1,081
Other provisions	-	100	50	25	-
<b>Total provisions</b>	<b>420</b>	<b>808</b>	<b>880</b>	<b>967</b>	<b>1,081</b>
<b>Payables</b>					
Suppliers	450	450	450	450	450
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	62	41	41	41	41
<b>Total payables</b>	<b>512</b>	<b>491</b>	<b>491</b>	<b>491</b>	<b>491</b>
<b>Total liabilities</b>	<b>932</b>	<b>1,299</b>	<b>1,371</b>	<b>1,458</b>	<b>1,572</b>

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'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	9,619	9,619	9,619	9,619	9,619
<b>Total parent entity interest</b>	<b>10,342</b>	<b>10,342</b>	<b>10,342</b>	<b>10,342</b>	<b>10,342</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>10,342</b>	<b>10,342</b>	<b>10,342</b>	<b>10,342</b>	<b>10,342</b>
<b>Current assets</b>	<b>10,650</b>	<b>10,682</b>	<b>11,023</b>	<b>11,174</b>	<b>11,054</b>
<b>Non-current assets</b>	<b>624</b>	<b>959</b>	<b>690</b>	<b>626</b>	<b>860</b>
<b>Current liabilities</b>	<b>578</b>	<b>805</b>	<b>850</b>	<b>904</b>	<b>975</b>
<b>Non-current liabilities</b>	<b>354</b>	<b>494</b>	<b>521</b>	<b>554</b>	<b>597</b>

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	-	-	-	-	-
Appropriations	7,493	6,148	5,964	6,213	6,286
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	50	50	50	50	50
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>7,543</b>	<b>6,198</b>	<b>6,014</b>	<b>6,263</b>	<b>6,336</b>
<b>Cash used</b>					
Employees	2,900	2,284	2,460	2,534	2,610
Suppliers	4,409	3,333	3,213	3,323	3,346
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>7,309</b>	<b>5,617</b>	<b>5,673</b>	<b>5,857</b>	<b>5,956</b>
<b>Net cash from or (used by) operating activities</b>	<b>234</b>	<b>581</b>	<b>341</b>	<b>406</b>	<b>380</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	150	575	-	255	500
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>150</b>	<b>575</b>	<b>-</b>	<b>255</b>	<b>500</b>
<b>Net cash from or (used by) investing activities</b>	<b>(150)</b>	<b>(575)</b>	<b>-</b>	<b>(255)</b>	<b>(500)</b>

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'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>	84	6	341	151	(120)
Cash at the beginning of the reporting period	3,502	3,586	3,592	3,933	4,084
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	3,592	3,933	4,084	3,964



**Table 5.4: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2007-08)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2007</b>					
Balance carried forward from previous period	9,619	23	-	700	10,342
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>9,619</b>	<b>23</b>	<b>-</b>	<b>700</b>	<b>10,342</b>
<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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net operating result	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>9,619</b>	<b>23</b>	<b>-</b>	<b>700</b>	<b>10,342</b>
<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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2008</b>	<b>9,619</b>	<b>23</b>	<b>-</b>	<b>700</b>	<b>10,342</b>

**Table 5.5: Department Capital Budget Statement**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'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	150	575	-	255	500
<b>Total</b>	150	575	-	255	500

**Table 5.6: Departmental Property, Plant, Equipment and Intangibles — Summary of Movement (Budget year 2007-08)**

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>					
Gross book value	-	267	823	689	1,779
Accumulated depreciation	-	42	624	489	1,155
<b>Opening net book value</b>	<b>-</b>	<b>225</b>	<b>199</b>	<b>200</b>	<b>624</b>
Additions:					
by purchase	-	205	270	100	575
by finance lease	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation/amortisation expense	-	86	94	60	240
Recoverable amount write-downs	-	-	-	-	-
Other movements	-	-	-	-	-
Disposals:					
from disposal of entities or operations (including restructuring)	-	-	-	-	-
other disposals	-	-	-	-	-
<b>As at 30 June 2008</b>					
Gross book value	-	472	1,093	789	2,354
Accumulated depreciation	-	128	718	549	1,395
<b>Estimated closing net book value</b>	<b>-</b>	<b>344</b>	<b>375</b>	<b>240</b>	<b>959</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 PSR by identifying full accrual expenses and revenues. This highlights whether PSR is operating at a sustainable level.

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

The statement shows the financial position of PSR. It enables decision-makers to track the management of PSR'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 provide 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 2007-08)**

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 2007-08)**

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