



**BUDGET**★  
**PORTFOLIO BUDGET STATEMENTS 2010–11**  
BUDGET RELATED PAPER NO. 1.5B

DEFENCE PORTFOLIO  
(DEPARTMENT OF VETERANS' AFFAIRS)

BUDGET INITIATIVES AND EXPLANATIONS  
APPROPRIATIONS SPECIFIED BY OUTCOMES  
AND PROGRAMS BY AGENCY

© Commonwealth of Australia 2010

ISBN 978 1 877007 54 5

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the:

Commonwealth Copyright Administration  
Attorney-General's Department  
3-5 National Circuit  
Canberra ACT 2600

Website: [www.ag.gov.au/cca](http://www.ag.gov.au/cca)

Printed by CanPrint Communications Pty Ltd



**The Hon Alan Griffin MP**  
Minister for Veterans' Affairs  
Minister for Defence Personnel  
Federal Member for Bruce

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2010-11 Budget for the Department of Veterans' Affairs portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan Griffin', written over a white background.

Alan Griffin  
Minister

## **Abbreviations and conventions**

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$b	\$ million
	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

## **Enquiries**

Should you have any enquiries regarding this publication please contact Graeme Rochow, Chief Financial Officer, Department of Veterans' Affairs on (02) 6289 6620.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET STATEMENTS**



## USER GUIDE

The purpose of the 2010–11 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and Special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2010–11 (or Appropriation Bill [Parliamentary Departments] No. 1 2010–11 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.





# CONTENTS

<b>Portfolio Overview .....</b>	<b>1</b>
Department of Veterans' Affairs Portfolio Overview.....	3
<b>Agency Resources and Planned Performance .....</b>	<b>9</b>
Department of Veterans' Affairs .....	11
Australian War Memorial.....	91
<b>Glossary .....</b>	<b>123</b>



# **PORTFOLIO OVERVIEW**



# DEPARTMENT OF VETERANS' AFFAIRS PORTFOLIO OVERVIEW

## MINISTER AND PORTFOLIO RESPONSIBILITIES

The Department of Veterans' Affairs and a number of other entities that are administered by the Minister for Veterans' Affairs are formally part of the Defence Portfolio. The schedule to the annual Appropriation Acts refers to the Veterans' Affairs Portfolio and lists both the Department of Veterans' Affairs and the Australian War Memorial as receiving moneys appropriated from the Consolidated Revenue Fund. The other entities in the Veterans' Affairs Portfolio receive their funding under agreements with the Department of Veterans' Affairs, as their administrative staff are employees of the Department. These entities include:

- the Repatriation Commission
- the Military Rehabilitation and Compensation Commission
- the Veterans' Review Board
- the Veterans' Children Education Boards
- the Office of Australian War Graves
- the Repatriation Medical Authority and
- the Specialist Medical Review Council.

The entities in the Veterans' Affairs Portfolio are responsible for carrying out government policy and implementing programs to fulfil Australia's obligations to war veterans and their dependants, as well as to serving and former members of the Australian Defence Force and certain Australian Federal Police personnel with approved overseas service and those Australian participants involved in British nuclear tests in Australia.

The entities within the Veterans' Affairs Portfolio are described in more detail below. Figure 1 on page 7 shows the portfolio structure and outcomes.

## THE DEPARTMENT OF VETERANS' AFFAIRS

The Australian Government serves the needs of the veteran and defence force communities through a number of bodies that make up the Veterans' Affairs portfolio.

## *Portfolio Overview*

The Department of Veterans' Affairs (DVA) is the primary service delivery agency, responsible for developing and implementing programs that assist the veteran and defence force communities. The Department's day to day activities are directed by two Commissions – the Repatriation Commission and the Military Rehabilitation and Compensation Commission. Relevant legislation delegates to these two bodies powers that they in turn delegate to officers of the Department.

The Department provides administrative support to the Repatriation Commission and the Military Rehabilitation and Compensation Commission and is responsible for advising the Commissions on policies and programs for beneficiaries and administering these policies and programs. As well as supporting the Repatriation Commission and Military Rehabilitation and Compensation Commission, the Department administers legislation such as the *Defence Service Homes Act 1918*, under which subsidised loans for housing and housing-related benefits are provided. The Department also administers the commemorations program.

The Department is located in all capital cities and has Veterans' Affairs Network offices in regional areas. The Department enhances service delivery to veterans and their families living in rural and remote areas through agency arrangements to deliver DVA information and services where the Department has no permanent local presence.

### **THE REPATRIATION COMMISSION**

The Repatriation Commission is responsible under the *Veterans' Entitlements Act 1986* for granting pensions, allowances and other benefits, providing treatment and other services and generally administering the Act.

The functions and powers of the Repatriation Commission are set out in Part XI of the *Veterans' Entitlements Act 1986* (sections 180 and 181).

### **MILITARY REHABILITATION AND COMPENSATION COMMISSION**

The Military Rehabilitation and Compensation Commission (MRCC) is responsible for the administration of benefits and arrangements under the *Military Rehabilitation and Compensation Act 2004* and Part XI (except sections 143(2) and (3), 144(4), 149, 150, 153(2), 156, 158 and 159) of the *Safety, Rehabilitation and Compensation Act 1988*.

The functions of the Military Rehabilitation and Compensation Commission are set out in Chapter 9, Part 3 of the *Military Rehabilitation and Compensation Act 2004* and section 142 of the *Safety, Rehabilitation and Compensation Act 1988*.

Under the direction of these Commissions, DVA provides wide-ranging programs and services that can be broadly grouped into three main areas: care, compensation and commemoration.

## **THE VETERANS' REVIEW BOARD**

The Veterans' Review Board (VRB) reviews certain decisions of the Repatriation Commission and the Military Rehabilitation and Compensation Commission. The Board was established by the *Repatriation Legislation Amendment Act 1984* and commenced operations on 1 January 1985. The *Veterans' Entitlement Act 1986* preserves the continuing role of the VRB, as does the *Military Rehabilitation and Compensation Act 2004*.

The classes of decision of the Repatriation Commission that the Board may review under the *Repatriation Legislation Amendment Act 1984* fall into two broad classes: 'entitlement' cases where a claim for pension other than a service pension was decided; and 'assessment' cases where the rate of pension payable for an accepted incapacity was assessed. Under the *Military Rehabilitation and Compensation Act 2004*, the Board may review decisions of the Military Rehabilitation and Compensation Commission and decisions of the service chiefs of the respective arms of the defence force in respect of liability for injury, disease or death and compensation for such issues. Compensation will extend to rehabilitation and other benefits.

Persons dissatisfied with a decision of the VRB may lodge an appeal with the Administrative Appeals Tribunal.

## **THE VETERANS' CHILDREN EDUCATION BOARDS**

The Boards are responsible to the Repatriation Commission and Military Rehabilitation and Compensation Commission for matters concerning the administration of the Veterans' Children Education Scheme and the *Military Rehabilitation and Compensation Act 2004* Education and Training Scheme in each state and territory.

## **OFFICE OF AUSTRALIAN WAR GRAVES**

The Office of Australian War Graves (OAWG) manages the War Graves program and has three main functions. Firstly, it is responsible for the individual commemoration of Australia's war dead. For those who died in the two world wars, OAWG is linked to the Commonwealth War Graves Commission and maintains the Commission's war cemeteries and other commemorations in Australia, Papua New Guinea, the Solomon Islands and Norfolk Island. This responsibility is covered by a formal agreement between Australia and the Commission, signed on 1 January 1975. Under this

## *Portfolio Overview*

agreement, OAWG also maintains war graves and cemeteries in Australia that contain the graves of foreign service personnel and civilian internees.

For those Australian service personnel who have died in conflicts subsequent to the two world wars, OAWG maintains individual commemorations in cemeteries overseas relating to a particular conflict, or in Australia.

Because of its expertise, OAWG also arranges the periodic maintenance of the graves and memorials to former Prime Ministers and Governors-General of Australia as negotiated with the Department of Environment, Water, Heritage and the Arts.

As its second major responsibility, OAWG implements government policy for the perpetual commemoration of Australian veterans whose deaths after a war or conflict are accepted as being due to their war service.

Finally, on behalf of the Australian Government, OAWG constructs and maintains memorials overseas at sites significant to Australia's military history.

## **THE REPATRIATION MEDICAL AUTHORITY**

The Repatriation Medical Authority (RMA) is an independent statutory body whose role is to determine statements of principles in relation to medical or scientific evidence connecting injuries, diseases or death with the circumstances of a particular veteran's service.

## **THE SPECIALIST MEDICAL REVIEW COUNCIL**

The Specialist Medical Review Council (SMRC) is an independent statutory body whose role is to review the contents of a statement of principles or a decision of the Repatriation Medical Authority not to issue such a statement on application.

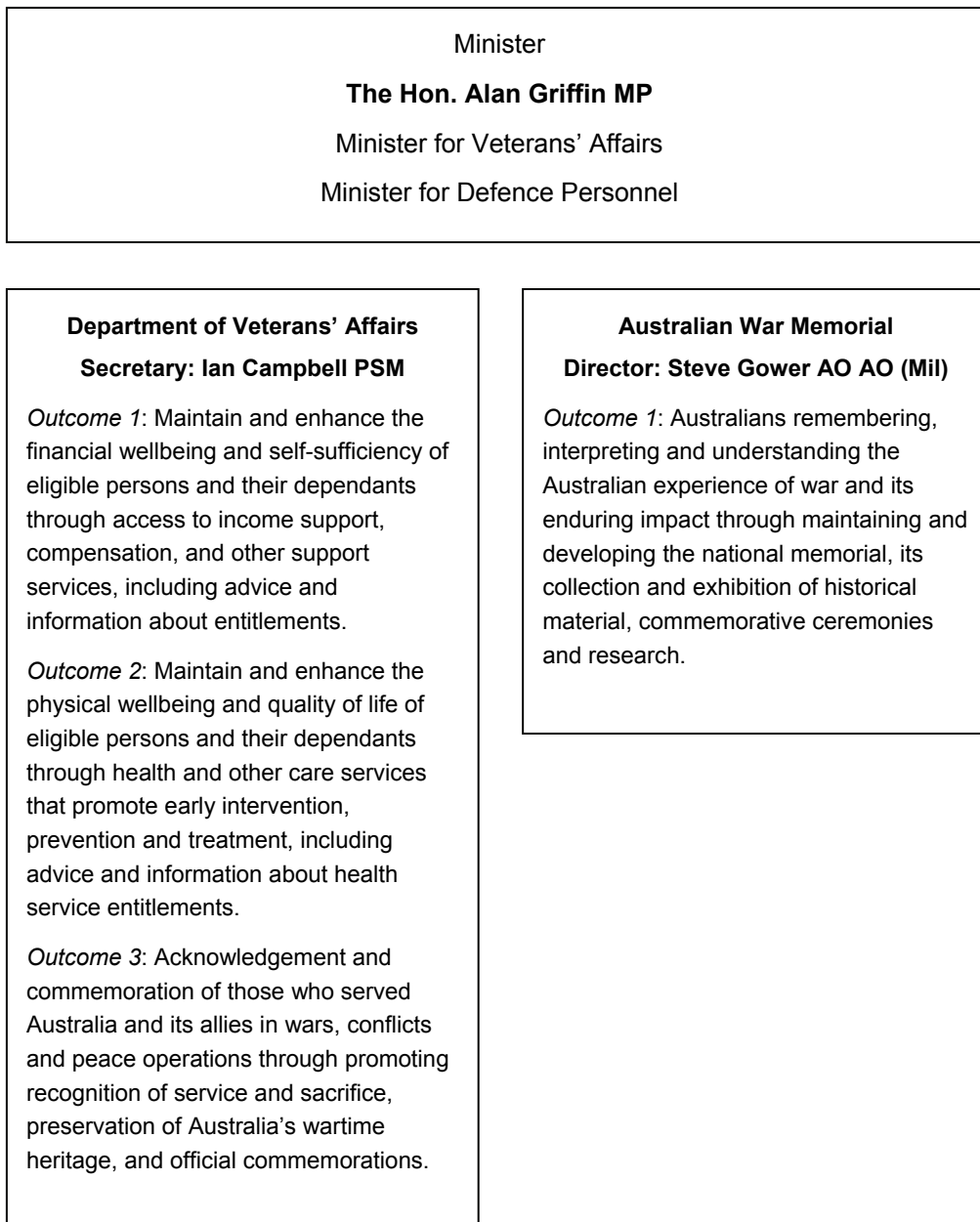
## **THE AUSTRALIAN WAR MEMORIAL**

The Australian War Memorial (AWM) was established as a body corporate under the *Australian War Memorial Act 1980*. It operates within the Veterans' Affairs Portfolio as a discrete agency.

The AWM is responsible for maintaining and developing the national memorial to Australians who have died on or as a result of active service, or as a result of any war or warlike operations in which Australians have been on active service. It also develops and maintains a national collection of historical material; exhibits, or makes available for exhibition by others, the historical material in its possession; and conducts and fosters research into Australian military history.



**Figure 1: Department of Veterans' Affairs portfolio structure and outcomes**



## PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2010-11 budget year, by agency.

**Table 1: Portfolio resources 2010-11**

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
<b>Department of Veterans' Affairs</b>					
Administered appropriations	89.6	-	11,608.2	-	11,697.8
Departmental appropriations	304.4	26.9	-	34.5	365.8
<b>Total:</b>	<b>393.9</b>	<b>26.9</b>	<b>11,608.2</b>	<b>34.5</b>	<b>12,063.6</b>
<b>Australian War Memorial</b>					
Departmental appropriations	30.9	7.2	-	8.2	46.3
<b>Total:</b>	<b>30.9</b>	<b>7.2</b>	<b>-</b>	<b>8.2</b>	<b>46.3</b>
<b>Portfolio Total</b>	<b>424.8</b>	<b>34.1</b>	<b>11,608.2</b>	<b>42.7</b>	<b>12,109.9</b>

# **AGENCY RESOURCES AND PLANNED PERFORMANCE**

<b>Department of Veterans' Affairs .....</b>	<b>11</b>
<b>Australian War Memorial .....</b>	<b>91</b>



# **Department of Veterans' Affairs**

## **Agency resources and planned performance**



# DEPARTMENT OF VETERANS' AFFAIRS

<b>Section 1: Agency overview and resources</b> .....	<b>15</b>
1.1 Strategic Direction Statement.....	15
1.2 Agency Resource Statement .....	17
1.3 Budget Measures.....	21
<b>Section 2: Outcomes and planned performance</b> .....	<b>28</b>
2.1 Outcomes and Performance Information.....	28
<b>Section 3: Explanatory tables and budgeted financial statements</b> .....	<b>71</b>
3.1 Explanatory Tables .....	71
3.2 Budgeted Financial Statements.....	74





# DEPARTMENT OF VETERANS' AFFAIRS

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Department of Veterans' Affairs (DVA) provides a range of services to veterans, war widow/ers, serving members and former defence force members and their families, and eligible members of the Australian Federal Police who have served overseas. DVA will continue to deliver services to the ex-service community while implementing the government's commitments and initiatives. DVA will continue to be responsible for delivering current and former members income support, compensation and health services. The key focus in delivering the government's programs over the next Budget year will be to ensure that the Department is efficient and responsive to the needs of a changing ex-service community with a focus on aged care, veterans and war widow/ers and the continually evolving needs of younger veterans and serving members.

The Department continues to meet the need for changes to its operations to ensure that it is able to sustain the delivery of high-quality services. Challenges include:

- The continuing change in the demographics of the key stakeholders in the repatriation system: including current and former members, providers and third party groups.
- The financial resources available to the Department to fund its departmental operations will be constrained due to the anticipated decline of Second World War veterans and war widows. This will require the Department to work within its resource constraints while continuing to meet the expectations of its client groups and the broader community.
- The requirement to continue to deliver high-quality services using a single, cohesive and national approach. To achieve this, the Department continues to streamline functions to make them people-centric and to build the capability of its people and systems.

Within these and other constraints, the Department will continue to better target its services and business processes to maintain and enhance financial wellbeing and health care to the veteran and defence communities and other eligible persons.

In 2010-11, the Department will implement a range of measures. These relate to a compensation and health care package for former F-111 Deseal/Reseal maintenance

## *DVA Budget Statements*

workers, a package to address recommendations from the Clarke review and a package to keep veterans healthy and in the community. The Department, in consultation with the Department of Health and Ageing, will contribute to the implementation of initiatives under the National Health and Hospitals Network.

To ensure the continued delivery of high-quality services into the future while managing the Department's fixed costs, during 2010-11 the Department will be undertaking a major rationalisation of the organisations Information and Communications Technology (ICT) applications as well as entering into a shared services arrangement for the provision of ICT infrastructure services.

The government initiated an inquiry into the concerns of the F-111 Deseal/Reseal maintenance workers. This fulfilled an election commitment to assess the adequacy of assistance provided to air force personnel who have been adversely affected by their service in repairing and maintaining the fuel tanks of F-111 aircraft, in a procedure known as Deseal/Reseal. The Department is responsible for delivering a number of the recommendations that resulted from the inquiry.

The Department is responsible for delivering on recommendations resulting from the revisitation of the unimplemented Clarke review recommendations. These are:

- reclassifying submarine special operations that were conducted in the period 1978-92 as qualifying and operational service
- lowering the age of domicile of choice from 21 to 18 years of age for British Commonwealth and Allied (BCAL) veterans
- recognising ex-defence force British Nuclear Test participants as a eligible service under the *Veterans' Entitlement Act 1986* (VEA)
- removing the anomaly in relation to the war widow/ers pension that allows for different treatment between married women and those who enter a de facto relationship after the death of the veteran.

In addition, the Department will implement the decision to reclassify service in Ubon for the period 31 May 1962 to 27 July 1962 as qualifying service.

The Department will establish a new program of improved community-based care for eligible veterans, war widow/ers focussed on those with multiple chronic conditions and complex care needs. Through the program, improvements in community-based care and a focus on assisting veterans to self-manage their chronic conditions will result in reduced usage by veterans of hospital services, particularly preventable admissions and readmissions.

Other budget measures that will be implemented during the 2010-11 financial year include activities relating to the Centenary of Anzac and renegotiated ambulance arrangements applying a capitation rate.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Department of Veterans' Affairs Resource Statement  
Budget Estimates for 2010–11 as at Budget May 2010**

	Estimate of prior <sup>+</sup> year amounts available in 2010-11 \$'000	Proposed at Budget <sup>=</sup> 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
<b>Ordinary annual services <sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	36,802	-	36,802	-
Departmental appropriation <sup>3</sup>	-	304,378	304,378	314,405
s31 Relevant agency receipts <sup>4</sup>	-	34,512	34,512	31,643
<b>Total</b>	<b>36,802</b>	<b>338,890</b>	<b>375,692</b>	<b>346,048</b>
<b>Administered expenses</b>				
Outcome 1	-	43,192	43,192	41,274
Outcome 2	-	12,389	12,389	7,757
Outcome 3	-	33,976	33,976	23,469
Payments to CAC Act bodies	-	30,858	30,858	31,407
<b>Total</b>	<b>-</b>	<b>120,415</b>	<b>120,415</b>	<b>103,907</b>
<b>Total ordinary annual services</b>	<b>A 36,802</b>	<b>459,305</b>	<b>496,107</b>	<b>449,955</b>
<b>Other services <sup>5</sup></b>				
<b>Administered expenses</b>				
<b>Administered non-operating</b>				
Payments to CAC Act bodies - non-operating	-	7,209	7,209	8,909
<b>Total</b>	<b>-</b>	<b>7,209</b>	<b>7,209</b>	<b>8,909</b>
<b>Departmental non-operating</b>				
Equity injections	-	26,920	26,920	4,338
Previous years' outputs	-	-	-	16,347
<b>Total</b>	<b>-</b>	<b>26,920</b>	<b>26,920</b>	<b>20,685</b>
<b>Total other services</b>	<b>B -</b>	<b>34,129</b>	<b>34,129</b>	<b>29,594</b>
<b>Total available annual appropriations</b>	<b>36,802</b>	<b>493,434</b>	<b>530,236</b>	<b>479,549</b>

Continued on next page

**Table 1.1: Department of Veterans' Affairs Resource Statement  
Budget Estimates for 2010–11 as at Budget May 2010 (continued)**

	Estimate of prior <sup>+</sup> year amounts available in 2010-11 \$'000	Proposed at Budget <sup>=</sup> 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
<b>Outcome 1</b>				
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957 Veterans' Entitlements Act 1986 (VEA)</i>	-	76	76	76
<i>Defence Service Homes Act 1918</i>	-	6,354,758	6,354,758	6,303,393
<i>Safety, Rehabilitation and Compensation Act 1988</i>	-	3,000	3,000	3,400
<i>Military Rehabilitation and Compensation Act 2004</i>	-	107,983	107,983	114,061
	-	78,805	78,805	61,139
<b>Police International Rehabilitation and Compensation Scheme</b>				
<i>Safety, Rehabilitation and Compensation Act 1988</i>	-	1,138	1,138	1,132
<b>Total Outcome 1</b>	-	<b>6,545,760</b>	<b>6,545,760</b>	<b>6,483,201</b>
<b>Outcome 2</b>				
<i>Veterans' Entitlements Act 1986 (VEA)</i>	-	5,013,389	5,013,389	4,902,766
<i>Safety, Rehabilitation and Compensation Act 1988</i>	-	36,457	36,457	38,155
<i>Military Rehabilitation and Compensation Act 2004</i>	-	12,268	12,268	9,532
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	-	20	20	598
<b>Police International Rehabilitation and Compensation Scheme</b>				
<i>Safety, Rehabilitation and Compensation Act 1988</i>	-	348	348	348
<b>Total Outcome 2</b>	-	<b>5,062,482</b>	<b>5,062,482</b>	<b>4,951,399</b>
<b>Total special appropriations</b>	<b>C</b>	<b>11,608,242</b>	<b>11,608,242</b>	<b>11,434,600</b>
<b>Total appropriations excluding Special Accounts</b>		<b>12,101,676</b>	<b>12,138,478</b>	<b>11,914,149</b>

Continued on next page

**Table 1.1: Department of Veterans' Affairs Resource Statement  
Budget Estimates for 2010–11 as at Budget May 2010 (continued)**

	Estimate of prior <sup>+</sup> year amounts available in 2010-11 \$'000	Proposed at Budget <sup>=</sup> 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
<b>Special Accounts</b>				
Opening balance <sup>6</sup>	-	64,777	64,777	71,058
Non-appropriation receipts to Special Accounts	-	36,692	36,692	34,879
<b>Total Special Accounts</b>	<b>D</b>	<b>101,469</b>	<b>101,469</b>	<b>105,937</b>
<b>Total resourcing</b>	<b>36,802</b>	<b>12,203,145</b>	<b>12,239,947</b>	<b>12,020,086</b>
A+B+C+D				
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	38,067	38,067	40,316
<b>Total net resourcing for DVA</b>	<b>36,802</b>	<b>12,165,078</b>	<b>12,201,880</b>	<b>11,979,770</b>

1. Appropriation Bill (No. 1) 2010–11.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$15.747m in 2010–11 for the departmental capital budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributed by owners'.
4. S.31 Relevant agency receipts – estimate.
5. Appropriation Bill (No. 2) 2010–11.
6. Estimated opening balance for special accounts. For further information on special accounts, see Table 3.1.2.

Continued on next page

*DVA Budget Statements*

**Table 1.1: Department of Veterans' Affairs Resource Statement  
Budget Estimates for 2010–11 as at Budget May 2010 (continued)**

**Third Party Payments from and on behalf of other agencies**

	<b>2010-11</b>	<b>2009-10</b>
	\$'000	\$'000
Receipts received from the Department of Defence for the provision of services (disclosed above within Departmental s31)	4,223	4,066
Payments made to CAC Act bodies within the Portfolio		
Australian War Memorial - Bill 1	30,858	31,407
Australian War Memorial - Bill 2	7,209	8,909
Payments made on behalf of Department of Families, Housing, Community Services and Indigenous Affairs for pension payments	68,755	67,078
Payments made by Medicare Australia on behalf of DVA under the <i>Veterans' Entitlements Act 1986</i> , and the <i>Military Rehabilitation and Compensation Act 2004</i>	3,527,783	3,460,687
	3,020	2,082
Payments made to Medicare Australia for processing payment of health care provider treatment accounts	15,613	15,649

### 1.3 BUDGET MEASURES

Budget measures relating to Department of Veterans' Affairs are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: DVA 2010–11 Budget Measures**

Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
Clarke Review - reclassify submarine special operations that were conducted in the period 1978 to 1992 as warlike service					
1.1, 1.2 & 1.3					
Administered expenses	-	1,259	2,831	3,912	5,738
Departmental expenses	-	330	57	57	81
<b>Total</b>	-	<b>1,589</b>	<b>2,888</b>	<b>3,969</b>	<b>5,819</b>
Clarke Review - provide Australian Defence Force British nuclear test participants with compensation equivalent to non-warlike or hazardous service					
1.1, 1.2, 1.3 & 1.6					
Administered expenses	-	4,467	4,832	5,396	5,929
Departmental expenses	65	774	35	36	37
<b>Total</b>	<b>65</b>	<b>5,241</b>	<b>4,867</b>	<b>5,432</b>	<b>5,966</b>
Clarke Review - lower the age to establish domicile to under 21 years for British Commonwealth and Allied veterans					
1.1, 1.2, & 1.3					
Administered expenses	-	78	80	91	96
Departmental expenses	-	-	-	-	-
<b>Total</b>	-	<b>78</b>	<b>80</b>	<b>91</b>	<b>96</b>
Extend qualifying service to service in Ubon for the period 31 May 1962 to 27 July 1962					
1.1					
Administered expenses	-	1,165	1,105	1,118	1,124
Departmental expenses	-	43	-	-	-
<b>Total</b>	-	<b>1,208</b>	<b>1,105</b>	<b>1,118</b>	<b>1,124</b>
Stronger, fairer, simpler tax reform - 50 per cent discount for interest income <sup>2</sup>					
1.1					
Administered expenses	-	-	-	154	164
Departmental expenses	-	-	-	-	-
<b>Total</b>	-	-	-	<b>154</b>	<b>164</b>

Prepared on a Government Financial Statistics (fiscal) basis

Continued on next page

DVA Budget Statements

**Table 1.2: DVA 2010–11 Budget Measures (continued)**

Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
Stronger, fairer, simpler tax reform - standard deduction for work-related expenses and the cost of managing tax affairs <sup>2</sup>					
1.1					
Administered expenses	-	-	-	-	20
Departmental expenses	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>20</b>
War widow/ers pension - removal of entitlement for new claimants who enter a de-facto relationship					
1.3					
Administered expenses	-	(96)	(346)	(577)	(825)
Departmental expenses	-	-	-	-	-
<b>Total</b>	-	<b>(96)</b>	<b>(346)</b>	<b>(577)</b>	<b>(825)</b>
F-111 Deseal/Reseal maintenance workers - further support					
1.4					
Administered expenses	241	-	-	-	-
Departmental expenses	1,405	2,738	1,370	796	389
<b>Total</b>	<b>1,646</b>	<b>2,738</b>	<b>1,370</b>	<b>796</b>	<b>389</b>
<b>Total Outcome 1</b>					
Administered	241	6,873	8,502	10,094	12,246
Departmental	1,470	3,885	1,462	889	507
<b>Total</b>	<b>1,711</b>	<b>10,758</b>	<b>9,964</b>	<b>10,983</b>	<b>12,753</b>

Prepared on a Government Financial Statistics (fiscal) basis

Continued on next page



**Table 1.2: DVA 2010–11 Budget Measures (continued)**

Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 2</b>					
Medicare Benefits Schedule - restructure of items to provide better primary care services <sup>1</sup>					
2.1 & 2.3					
Administered expenses	(138)	(1,708)	(1,667)	(1,684)	(1,636)
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>(138)</b>	<b>(1,708)</b>	<b>(1,667)</b>	<b>(1,684)</b>	<b>(1,636)</b>
Medicare Benefits Schedule - Revision of Access for Specialist Consultation Items <sup>1</sup>					
2.1					
Administered expenses	-	90	162	170	187
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>90</b>	<b>162</b>	<b>170</b>	<b>187</b>
Medicare Benefits Schedule - new and revised listings <sup>1</sup>					
2.1					
Administered expenses	(8)	(99)	(100)	(95)	(93)
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>(8)</b>	<b>(99)</b>	<b>(100)</b>	<b>(95)</b>	<b>(93)</b>
National Health and Hospitals Network - General practice and primary care - coordinated diabetes care <sup>1</sup>					
2.1					
Administered expenses	-	-	-	590	700
Departmental expenses	-	68	128	137	59
<b>Total</b>	<b>-</b>	<b>68</b>	<b>128</b>	<b>727</b>	<b>759</b>
National Health and Hospitals Network - Workforce support for practice nurses <sup>1</sup>					
2.1					
Administered expenses	-	-	2,972	6,102	6,254
Departmental expenses	-	-	469	118	119
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,441</b>	<b>6,220</b>	<b>6,373</b>
National Health and Hospitals Network - Workforce - more general practice training rotations for junior doctors <sup>1</sup>					
2.1 & 2.3					
Administered expenses	-	92	104	126	117
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>92</b>	<b>104</b>	<b>126</b>	<b>117</b>
National Health and Hospitals Network - Workforce - more places on the General Practice Training Program <sup>1</sup>					
2.1 & 2.3					
Administered expenses	-	-	186	716	1,375
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>716</b>	<b>1,375</b>

Prepared on a Government Financial Statistics (fiscal) basis

Continued on next page

DVA Budget Statements

**Table 1.2: DVA 2010–11 Budget Measures (continued)**

Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 2</b>					
Preventable Admissions and Improved Community Care Program					
2.1,2.2 & 2.4					
Administered expenses	-	2,138	(14,157)	(42,081)	(57,586)
Departmental expenses	19	6,485	3,981	3,647	3,342
<b>Total</b>	<b>19</b>	<b>8,623</b>	<b>(10,176)</b>	<b>(38,434)</b>	<b>(54,244)</b>
F-111 Deseal/Reseal maintenance workers - further support					
2.1 & 2.5					
Administered expenses	332	15,290	11,513	10,670	10,370
Departmental expenses	190	419	390	383	376
<b>Total</b>	<b>522</b>	<b>15,709</b>	<b>11,903</b>	<b>11,053</b>	<b>10,746</b>
Veterans' Ambulance Travel - changed fee arrangements					
2.2					
Administered expenses	-	-	-	-	-
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Clarke Review - reclassify submarine special operations that were conducted in the period 1978 to 1992 as warlike service					
2.2					
Administered expenses	-	182	183	204	224
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>182</b>	<b>183</b>	<b>204</b>	<b>224</b>
Clarke Review - lower the age to establish domicile to under 21 years for British Commonwealth and Allied veterans					
2.2					
Administered expenses	-	123	121	130	140
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>123</b>	<b>121</b>	<b>130</b>	<b>140</b>
Clarke Review - provide Australian Defence Force British nuclear test participants with compensation equivalent to non-warlike or hazardous service					
2.2 & 2.5					
Administered expenses	-	3,403	3,730	4,386	5,053
Departmental expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,403</b>	<b>3,730</b>	<b>4,386</b>	<b>5,053</b>

Prepared on a Government Financial Statistics (fiscal) basis

Continued on next page

**Table 1.2: DVA 2010–11 Budget Measures (continued)**

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 2</b>						
Extend qualifying service to service in Ubon for the period 31 May 1962 to 27 July 1962	2.2					
Administered expenses		-	569	620	698	757
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	<b>569</b>	<b>620</b>	<b>698</b>	<b>757</b>
Pharmaceutical Benefits Scheme - biological disease-modifying antirheumatic drugs - more cost effective arrangements <sup>1</sup>	2.3					
Administered expenses		-	nfp	nfp	nfp	nfp
Departmental expenses		-	nfp	nfp	nfp	nfp
<b>Total</b>		-	nfp	nfp	nfp	nfp
Fifth Community Pharmacy Agreement <sup>1</sup>	2.2 & 2.3					
Administered expenses		-	(7,270)	(8,421)	(7,658)	(7,313)
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	<b>(7,270)</b>	<b>(8,421)</b>	<b>(7,658)</b>	<b>(7,313)</b>
Revised arrangements for efficient funding of chemotherapy drugs <sup>1</sup>	2.3					
Administered expenses		-	3,239	1,993	1,612	1,603
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	<b>3,239</b>	<b>1,993</b>	<b>1,612</b>	<b>1,603</b>
Pharmaceutical Benefits Scheme - minor new listings <sup>1</sup>	2.3					
Administered expenses		267	890	1,352	1,766	2,069
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>267</b>	<b>890</b>	<b>1,352</b>	<b>1,766</b>	<b>2,069</b>
Pharmaceutical Benefits Scheme - further pricing reform <sup>1</sup>	2.3					
Administered expenses		-	(2,012)	(10,924)	(28,979)	(29,218)
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	<b>(2,012)</b>	<b>(10,924)</b>	<b>(28,979)</b>	<b>(29,218)</b>

Prepared on a Government Financial Statistics (fiscal) basis

Continued on next page

**Table 1.2: DVA 2010–11 Budget Measures (continued)**

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 2</b>						
Medicare Benefits Schedule - rebates for cataract-related items - revision <sup>1</sup>	2.3					
Administered expenses		760	1,092	997	946	925
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>760</b>	<b>1,092</b>	<b>997</b>	<b>946</b>	<b>925</b>
Aged care - meeting demand for high-level - aged care <sup>1</sup>	2.4					
Administered expenses		-	(7,930)	(12,657)	(12,059)	(11,044)
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>(7,930)</b>	<b>(12,657)</b>	<b>(12,059)</b>	<b>(11,044)</b>
<b>Total Outcome 2</b>						
Administered		1,213	8,089	(23,993)	(64,440)	(77,116)
Departmental		209	6,972	4,968	4,285	3,896
<b>Total</b>		<b>1,422</b>	<b>15,061</b>	<b>(19,025)</b>	<b>(60,155)</b>	<b>(73,220)</b>
<b>Outcome 3</b>						
Centenary of Anzac - seed funding <sup>3</sup>	3.2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Outcome 3</b>						
Administered		-	-	-	-	-
Departmental		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expense measures</b>						
Administered		1,454	14,962	(15,491)	(54,346)	(64,870)
Departmental		1,679	10,857	6,430	5,174	4,403
<b>Total</b>		<b>3,133</b>	<b>25,819</b>	<b>(9,061)</b>	<b>(49,172)</b>	<b>(60,467)</b>

Prepared on a Government Financial Statistics (fiscal) basis

1. The lead agency for this measure is Department of Health and Ageing; the full measure description and package appears in Budget Paper No. 2 under the Department of Health and Ageing.
2. The lead agency for this measure is the Australian Taxation Office; the full measure description and package appears in Budget Paper No.2 under the Department of the Treasury.
3. Funding for these measures are to be provided from DVA's existing resources.

Continued on next page

**Table 1.2: DVA 2010–11 Budget Measures (continued)**

Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Capital measures</b>					
Information and Communication Technology Business-as-Usual Reinvestment Fund	All	-	-	-	-
<b>Total</b>	-	-	-	-	-
Preventable Admissions and Improved Community Care Program	2.1	-	493	944	-
Departmental capital	-	493	944	-	-
<b>Total</b>	-	<b>493</b>	<b>944</b>	-	-
<b>Total capital measures</b>					
Departmental	-	493	944	-	-
<b>Total</b>	-	<b>493</b>	<b>944</b>	-	-

Prepared on a Government Financial Statistics (fiscal) basis

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Department of Veterans' Affairs in achieving government outcomes.

#### OUTCOME 1

**Outcome 1: Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation, and other support services, including advice and information about entitlements.**

##### Outcome 1 strategy

- Increase awareness and understanding of compensation, rehabilitation and income support schemes among veterans, serving members and former members, their families and their advocates.
- Assist eligible persons and their dependants to receive their correct entitlements through effective advice and efficient claims determinations and review.
- Integrate rehabilitation as a key consideration in compensation policy and decision making.
- Engage younger veterans and Australian Defence Force members in policy development and review.
- Ensure that the changing needs of members, especially those with severe disabilities, are addressed.
- Secure continuing access to home loan and insurance services for eligible members of the veteran and defence force communities.

- Implement a range of government commitments and budget measures including a package to address recommendations from the Clarke review and a compensation package for former F-111 maintenance workers.
- In addition, the Department will implement a number of cross-portfolio measures (refer Table 1.2).

### Outcome 1 budgeted expenses and resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

**Table 2.1: Budgeted Expenses and Resources for Outcome 1**

<b>Outcome 1:</b> Maintain and enhance the financial wellbeing and self sufficiency of eligible persons and their dependants through access to income support, compensation, and other support services, including advice and information about entitlements.	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 1.1: Veterans' Income Support and Allowances</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	2,985,309	2,967,502
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	58,575	52,389
Revenues from independent sources (s31)	1,555	1,512
Expenses not requiring appropriation in the Budget year	155	164
<b>Total for Program 1.1</b>	<b>3,045,594</b>	<b>3,021,567</b>
<b>Program 1.2: Veterans' Disability Support</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	11,533	11,377
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	1,485,087	1,491,571
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	45,625	40,931
Revenues from independent sources (s31)	1,212	1,182
Expenses not requiring appropriation in the Budget year	121	128
<b>Total for Program 1.2</b>	<b>1,543,578</b>	<b>1,545,189</b>

Continued on next page

**Table 2.1: Budgeted Expenses and Resources for Outcome 1 (continued)**

Outcome 1	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 1.3: Assistance to Defence Widowers and Dependants</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	1,813,843	1,876,990
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	10,048	9,007
Revenues from independent sources (s31)	266	260
Expenses not requiring appropriation in the Budget year	27	28
<b>Total for Program 1.3</b>	<b>1,824,184</b>	<b>1,886,285</b>
<b>Program 1.4: Assistance and Other Compensation for Veterans and Dependants</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	7,772	9,345
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	23,762	22,909
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	18,452	16,235
Revenues from independent sources (s31)	490	469
Expenses not requiring appropriation in the Budget year	49	51
<b>Total for Program 1.4</b>	<b>50,525</b>	<b>49,009</b>
<b>Program 1.5: Veterans' Children Education Scheme</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	16,982	18,301
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	-	-
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,717	2,409
Revenues from independent sources (s31)	72	70
Expenses not requiring appropriation in the Budget year	7	8
<b>Total for Program 1.5</b>	<b>19,778</b>	<b>20,788</b>

Continued on next page



**Table 2.1: Budgeted Expenses and Resources for Outcome 1 (continued)**

<b>Outcome 1</b>	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 1.6: Military Rehabilitation Compensation Acts - Income Support and Compensation</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	4,987	4,169
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	175,200	186,788
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	32,955	29,486
Revenues from independent sources (s31)	875	851
Expenses not requiring appropriation in the Budget year	87	92
<b>Total for Program 1.6</b>	<b>214,104</b>	<b>221,386</b>
<b>Program 1.7: Adjustment to Military Rehab Compensation Acts Liability Provision - Income Support and Compensation</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	-	-
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year	101,174	106,789
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Revenues from independent sources (s31)	-	-
Expenses not requiring appropriation in the Budget year	-	-
<b>Total for Program 1.7</b>	<b>101,174</b>	<b>106,789</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	41,274	43,192
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	6,483,201	6,545,760
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year	101,174	106,789
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	168,372	150,457
Revenues from independent sources (s31)	4,470	4,344
Expenses not requiring appropriation in the Budget year	446	471
<b>Total expenses for Outcome 1</b>	<b>6,798,937</b>	<b>6,851,013</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	1,020	992

1. Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
2. The total departmental expenses for Outcome 1 includes DVA programs only, excluding Defence Services Housing Insurance Scheme (DSHIS) expenditure. DSHIS expenses can be referenced at Section 3, Table 3.2.1c.
3. Ordinary annual services (Appropriation Bill No. 1) for 2010–11 does not include funding for depreciation and amortisation expense, as per the government's Operation Sunlight net cash appropriation arrangements.

**Program 1.1: Veterans' Income Support and Allowances**

**Program 1.1 objective**

To deliver means tested income support pensions and other allowances to veterans and dependants under the *Veterans' Entitlements Act 1986* (VEA) and related legislation. There are five forms of income support paid under this program:

- Service Pension (Age) and Invalidity Service Pension, similar to Age and Disability Support pensions paid by Centrelink
- Partner Service Pension paid to partners of veterans
- Income Support Supplement, paid to eligible war widow/ers
- Social Security Age Pension paid to eligible disability pensioners and their partners, paid by DVA as an agent of Department of Families, Housing, Community Services and Indigenous Affairs
- Defence Force Income Support Allowance.

Income support payments provide a regular source of income for eligible veterans, partners, widow/ers with limited means.

**Linked to:**

This program is linked to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)'s Program 2.2 – Housing Assistance and Homelessness, Program 4.1 – Income Support for Seniors and Program 4.2 – Allowances, Concessions and Services for Seniors.

**Program 1.1 expenses**

As the veteran population continues to age, program expenses are expected to fall in real terms over the forward years.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Special Appropriations: <i>Veterans' Entitlements Act 1986 (VEA)</i>					
Income Support Pensions	2,944,930	2,929,215	2,856,846	2,767,982	2,686,718
Telephone and other allowances	40,379	38,287	37,500	36,863	35,873
Program support	60,130	53,901	52,949	53,400	54,183
Expenses not requiring appropriation in the Budget year	155	164	167	167	167
<b>Total program expenses</b>	<b>3,045,594</b>	<b>3,021,567</b>	<b>2,947,462</b>	<b>2,858,412</b>	<b>2,776,941</b>

**Program 1.1: Veterans' Income Support and Allowances (continued)**

<b>Program 1.1 deliverables</b>					
Process claims and reviews in order to deliver means tested income support pensions and allowances to veterans and their dependants:					
<ul style="list-style-type: none"> <li>Quantity: Number of income support beneficiaries.</li> </ul>					
Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
New claims processed	10,500	8,300	6,500	5,300	4,400
Pensioner initiated reviews processed	109,100	114,100	104,900	108,500	101,800
<i>Quantity</i> : Number of income support beneficiaries	283,400	265,900	248,500	231,500	215,000

<b>Program 1.1 key performance indicators</b>					
<ul style="list-style-type: none"> <li>Timeliness: Mean time to process new claims</li> <li>Timeliness: Mean time to process pensioner initiated reviews</li> <li>Price: Cost per income support beneficiary</li> <li>Quality: Critical error rate for income support processing.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Timeliness</i> : Mean time to process new claims (days)	32	32	32	32	32
<i>Timeliness</i> : Mean time to process pensioner initiated reviews (days)	14	14	14	14	14
<i>Price</i> : Cost per income support beneficiary	212	203	216	234	255
<i>Quality</i> : Critical error rate for income	< 5%	< 5%	< 5%	< 5%	< 5%

**Program 1.2: Veterans' Disability Support**

**Program 1.2 objective**

To deliver disability pensions, allowances and special purpose assistance to eligible veterans under the VEA and related legislation.

The program provides compensation to eligible veterans (including Australian merchant mariners) for the tangible effects of war or defence service. Eligible persons receive disability pensions and ancillary benefits.

**Program 1.2 expenses**

While numbers will drop around 5% per year over the out years, expenses are expected to initially rise over the next two years, before beginning to drop in accordance with the reducing size of the veteran population.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Medical Examinations, fares and expenses	10,814	10,572	10,337	10,119	9,917
Repayments of Maintenance Deductions	67	67	67	67	67
Vehicle Assistance Scheme	652	738	742	748	748
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Disability Pensions	1,481,549	1,488,364	1,465,758	1,450,058	1,436,133
Loss of Earnings	129	131	131	133	135
Recreation Transport Allowance	3,409	3,076	2,786	2,529	2,276
Program support	46,837	42,113	41,305	41,704	42,276
Expenses not requiring appropriation in the Budget year	121	128	131	131	131
<b>Total program expenses</b>	<b>1,543,578</b>	<b>1,545,189</b>	<b>1,521,257</b>	<b>1,505,489</b>	<b>1,491,683</b>

**Program 1.2 deliverables**

Deliver disability pensions to veterans under the *Veterans' Entitlements Act 1986* and related legislation:

- Process new disability pension claims
- Process applications for assessments of disability pension rates
- Process Loss of Earnings and Recreation Allowance
- Process and pay repayments of medical fares and maintenance deductions
- Deliver Vehicle Assistance Scheme.

Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Quantity:</i> Number of disability pensioners	125,173	119,250	113,500	108,000	102,800

<b>Program 1.2 key performance indicators</b>					
<ul style="list-style-type: none"> <li>• Timeliness: Mean number of days to process a primary claim</li> <li>• Timeliness: Mean number of days to prepare s.31 review</li> <li>• Price: Average cost per disability pensioner</li> <li>• Quality: Critical error rates.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Timeliness</i> : Mean number of days to process a primary claim	75	75	75	75	75
<i>Timeliness</i> : Mean number of days to prepare s.31 review	40	40	40	40	40
<i>Price</i> : Per disability pensioner	374	353	368	390	416
<i>Quality</i> : Critical errors	< 5%	< 5%	< 5%	< 5%	< 5%

**Program 1.3: Assistance to Defence Widow/ers and Dependants**

**Program 1.3 objective**

Deliver war widow/ers and Defence pensions, allowances and special purpose assistance to the dependants of veterans under the Veterans' Entitlement Act and related legislation including the payment of war widow/ers claims for compensation.

**Program 1.3 expenses**

While numbers will drop between 1% and 2% over the out years, expenses are expected to initially rise by about 3% before beginning to drop in accordance with the reducing size of the War and Defence widow population.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
\$(000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
War & Defence Widows Pension	1,813,843	1,876,990	1,836,312	1,818,060	1,803,017
Program support	10,314	9,267	9,102	9,177	9,303
Expenses not requiring appropriation in the Budget year	27	28	29	29	29
<b>Total program expenses</b>	<b>1,824,184</b>	<b>1,886,285</b>	<b>1,845,443</b>	<b>1,827,266</b>	<b>1,812,349</b>

**Program 1.3 deliverables**

Process and pay pensions, allowances and other support to war widow/ers under the *Veterans' Entitlements Act 1986* and related legislation.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Deliverables					
<i>Quantity:</i> Number of war widows/ers pensioners	102,930	99,100	94,850	90,200	85,250

<b>Program 1.3 key performance indicators</b>					
<ul style="list-style-type: none"> <li>• Timeliness: Mean number of days to process a primary claim</li> <li>• Timeliness: Mean number of days to prepare s.31 review</li> <li>• Price: Average cost per disability pensioner</li> <li>• Quality: Critical error rates.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Timeliness</i> : Mean number of days to process a primary claim	75	75	75	75	75
<i>Timeliness</i> : Mean number of days to prepare s.31 review	40	40	40	40	40
<i>Price: Cost per income War Widow(ers) pensioner \$/beneficiary</i>	100	94	97	103	111
<i>Quality</i> : Critical errors	< 5%	< 5%	< 5%	< 5%	< 5%

**Program 1.4: Assistance and Other Compensation for Veterans and Dependants**

**Program 1.4 objective**

To deliver other allowances and assistance to eligible veterans and dependants under the VEA and related legislation including home support loans, funeral benefits, prisoner of war ex gratia payments and payments on behalf of Commonwealth and allied countries.

The Department also provides assistance to the Ex-Service Organisations (ESO) community through Building Excellence in Support and Training (BEST) grants and funding the Training and Information Program (TIP) network.

**Program 1.4 expenses**

This program is projected to move broadly in line with the forecast of the total veteran population.

Benchmark interest rates for Defence home loans are unpredictable so estimates will vary depending on movement in interest rates.

Forward year Defence home loans projections are based on:

- 5.84% as the anticipated benchmark interest rate
- portfolio balances reduce by an average 1.31% per month
- home support loans continuing to be granted at the rate of 12 per month
- balances of home support loans increase by \$10,000 per month.



<b>Program 1.4 expenses</b>	2009-10	2010-11	2011-12	2012-13	2013-14
(\$'000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Expenses	1,537	1,562	1,560	1,560	1,606
Defective Administration	74	74	73	73	76
Payments to ESOs (BEST)	4,976	6,736	4,670	4,669	4,805
Veterans' Access to Community Information	835	862	889	887	914
Ex Gratia Payments	241	-	-	-	-
Act of Grace	109	111	110	111	114
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Funeral Benefits	16,800	16,550	16,350	16,150	16,000
POW (J)	25	25	25	25	25
POW (E)	150	50	50	50	50
Compensation Payments for BCAL Veterans	2,179	2,070	1,967	1,868	1,775
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i>					
PNG Pensions	76	76	76	76	76
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Compensation for certain AFP personnel with overseas service	1,132	1,138	1,146	1,154	1,183
<i>Defence Service Homes Act 1918</i>					
Interest Subsidy	3,400	3,000	2,600	2,200	2,200
Program support	18,942	16,704	16,377	16,541	16,768
Expenses not requiring appropriation in the Budget year	49	51	52	52	52
<b>Total program expenses</b>	<b>50,525</b>	<b>49,009</b>	<b>45,945</b>	<b>45,416</b>	<b>45,644</b>

Note: Refer to Movement of Funds table 3.1.1

<b>Program 1.4 deliverables</b>	2009-10	2010-11	2011-12	2012-13	2013-14
Deliverables	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
<ul style="list-style-type: none"> <li>• Process funeral benefit claims</li> <li>• Process claims for and maintain housing loans</li> <li>• Provide grants funding to eligible ESOs for provision of services to support the veteran community</li> <li>• Provide ESO representatives with essential skills for pension and compensation claims and welfare work.</li> </ul>					
Funeral benefit processed \$'000	16,800	16,550	16,350	16,150	16,000

*DVA Budget Statements*

<b>Program 1.4 key performance indicators</b>					
<ul style="list-style-type: none"> <li>Quantity: Number of Certificates of Entitlement issued for Defence Home loans</li> <li>Quality: Critical error rates.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<b>Funeral Benefits</b>					
<i>Timeliness</i> : Mean time to process funeral benefits claims (days)	10	10	10	10	10
<i>Quality</i> : Critical errors	< 5%	< 5%	< 5%	< 5%	< 5%
<b>Defence Home Loans</b>					
Number of Certificates issued	770	655	556	472	400
<i>Timeliness</i> : Mean time to process applications	21	21	21	21	21
<i>Quality</i> : Critical errors	< 5%	< 5%	< 5%	< 5%	< 5%

### Program 1.5: Veterans' Children Education Scheme

#### Program 1.5 objective

Provide financial assistance to eligible students under the VEA Veterans' Children Education Scheme (VCES) and the *Military Rehabilitation and Compensation Act 2004* Education and Training Scheme (MRCAETS) to assist with their education needs.

#### Program 1.5 expenses

In total numbers, eligible students are reducing at a rate of approximately 4% per year.

Numbers of students eligible under MRCAETS are very low (approximately 20 compared to VCES, approximately 3,595).

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Veterans' Children Education Scheme	16,982	18,301	18,156	18,036	18,560
Program support	2,789	2,479	2,435	2,455	2,489
Expenses not requiring appropriation in the Budget year	7	8	8	8	8
<b>Total program expenses</b>	<b>19,778</b>	<b>20,788</b>	<b>20,599</b>	<b>20,499</b>	<b>21,057</b>

#### Program 1.5 deliverables

- Process new claims under VCES and MRCAETS
- Deliver financial assistance and allowances to eligible students
- Quantity: Number of primary students receiving assistance
- Quantity: Number of secondary students receiving assistance
- Quantity: Number of tertiary students receiving assistance.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Deliverables					
Quantity: Number of primary students	985	950	915	875	825
Quantity: Number of secondary students	1,425	1,340	1,260	1,185	1,100
Quantity: Number of tertiary students	1,015	975	945	910	870

#### Program 1.5 key performance indicators

Quality: Critical error rates.

	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Key Performance Indicators					
Quality: Critical errors	< 5%	< 5%	< 5%	< 5%	< 5%

**Program 1.6: Military Rehabilitation and Compensation Acts Payments – Income Support and Compensation**

**Program 1.6 objective**

To provide incapacity payments, non-economic loss lump sums for injuries resulting in permanent impairment and payments to dependants of deceased employees under the *Safety, Rehabilitation and Compensation Act 1988* and the *Military Rehabilitation and Compensation Act 2004* and related legislation.

**Program 1.6 expenses**

Future budget results are anticipated to reflect a shift from SRCA-related payments to MRCA-related payments. SRCA payments are in line with the pre July 2004 liabilities as they stabilise.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Other Income Support and Compensation Related Payments - SRCA	3,903	2,866	2,803	2,754	2,828
Other Income Support and Compensation Related Payments - MRCA	1,084	1,303	1,666	1,786	1,836
Special Appropriations:					
<i>Safety, Rehabilitation and     Compensation Act 1988</i>					
Permanent Impairment	35,240	30,510	24,252	22,838	23,387
Benefits for Eligible Dependants	7,983	7,983	7,974	7,997	8,325
Incapacity Payments	64,004	62,946	61,354	60,022	62,483
Medical Examinations	3,493	3,373	3,276	3,195	3,259
Death Payments	1,729	1,730	1,728	1,733	1,803
Other Income Support and Compensation Related Payments	1,612	1,441	1,445	1,450	1,484
<i>Military Rehabilitation and     Compensation Act 2004</i>					
Permanent Impairment	30,819	40,880	53,224	60,601	62,055
Benefits for Eligible Dependants	1,142	1,140	1,139	1,143	1,190
Income Maintenance payments	26,658	33,625	41,012	49,092	51,105
Medical Examinations	2,500	3,134	3,709	3,706	3,779
Other Income Support and Compensation Related Payments	20	26	26	27	28
Program support	33,830	30,337	29,769	30,043	30,455
Expenses not requiring appropriation in the Budget year	87	92	94	94	94
<b>Total program expenses</b>	<b>214,104</b>	<b>221,386</b>	<b>233,471</b>	<b>246,481</b>	<b>254,111</b>

<b>Program 1.6 deliverables</b>					
<ul style="list-style-type: none"> <li>Administer individual merit reviews for MRCA and SRCA decisions.</li> <li>Provide incapacity payments, non-economic loss lump sums/pensions for injuries resulting in permanent disability and payments to dependants of deceased employees under the MRCA and SRCA.</li> </ul>					
Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Quantity: Number of incapacity payees under SRCA	2,628	2,654	2,681	2,708	2,735
Quantity: Number of lump sum payments made under SRCA	1,281	1,422	1,578	1,752	1,945
Quantity: Number of incapacity payees under MRCA	1,064	1,223	1,407	1,618	1,861
Quantity: Number of lump sum payments made under MRCA	609	728	791	902	1,029

<b>Program 1.6 key performance indicators</b>					
<ul style="list-style-type: none"> <li>Quality: Critical errors SRCA &amp; MRCA incapacity payments</li> <li>Quality: Critical errors SRCA &amp; MRCA lump sum payments</li> <li>Timeliness: Mean number of days to process a claim for lump sum under SRCA &amp; MRCA.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Quality:</i> Critical errors SRCA incapacity payments	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Timeliness:</i> Mean number of days to process a claim for lump sum under SRCA	120	120	120	120	120
<i>Quality:</i> Critical errors SRCA lump sums	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Quality:</i> Critical errors MRCA incapacity payments	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Timeliness:</i> Mean number of days to process a claim for lump sum under MRCA	120	120	120	120	120
<i>Quality:</i> Critical errors MRCA lump sums	< 5%	< 5%	< 5%	< 5%	< 5%

**Program 1.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision – Income Support and Compensation**

**Program 1.7 objective**

To provide an updated actuarial assessment of the movement in the liability for income support and compensation under the rehabilitation and compensation Acts.

**Program 1.7 expenses**

The movement in the liability provision for SRCA and MRCA is adjusted based on annual actuarial assessment from the Australian Government Actuary.

The figures below represent the estimated net movement based on the actuarial report.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Administered Expenses:					
Expenses not requiring appropriation in the Budget year	101,174	106,789	113,398	120,295	120,295
<b>Total program expenses</b>	<b>101,174</b>	<b>106,789</b>	<b>113,398</b>	<b>120,295</b>	<b>120,295</b>

## **OUTCOME 2**

**Outcome 2: Maintain and enhance the physical wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.**

### **Outcome 2 strategy**

- Ensure continued access to high-quality health care and rehabilitation services, in partnership with public and private providers.
- Develop an integrated approach to support the physical and mental health and wellbeing of the veteran and defence force communities.
- Promote rehabilitation as a priority for veterans and former members.
- Maintain and develop services targeted to the needs of an ageing veteran population to support a level of independence.
- Continue research to support the health and wellbeing of members and their families.
- Implement a range of government commitments and budget measures, including the government's new program of community-based care focussed on those with multiple chronic conditions and complex care needs and at risk of hospitalisation.

In addition, the Department will implement a number of cross-portfolio measures (refer Table 1.2).

**Outcome 2 budgeted expenses and resources**

Table 2.2 provides an overview of the total expenses for Outcome 2, by program.

**Table 2.2: Budgeted expenses and resources for Outcome 2**

<b>Outcome 2:</b> Maintain and enhance the physical wellbeing and quality of the life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 2.1: General Medical Consultations and Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	927,360	953,559
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	25,593	24,303
Revenues from independent sources (s31)	680	702
Expenses not requiring appropriation in the Budget year	68	76
<b>Total for Program 2.1</b>	<b>953,701</b>	<b>978,640</b>
<b>Program 2.2: Veterans' Hospital Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	1,662,454	1,694,974
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	14,661	13,596
Revenues from independent sources (s31)	389	393
Expenses not requiring appropriation in the Budget year	39	43
<b>Total for Program 2.2</b>	<b>1,677,543</b>	<b>1,709,006</b>
<b>Program 2.3: Veterans' Pharmaceuticals Benefits</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	498,768	450,405
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,381	3,155
Revenues from independent sources (s31)	90	91
Expenses not requiring appropriation in the Budget year	9	10
<b>Total for Program 2.3</b>	<b>502,248</b>	<b>453,661</b>

Continued on next page



**Table 2.2: Budgeted expenses and resources for Outcome 2 (continued)**

Outcome 2	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 2.4: Veterans' Community Care and Support</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,943	3,992
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	1,296,876	1,375,067
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	22,813	21,140
Revenues from independent sources (s31)	606	610
Expenses not requiring appropriation in the Budget year	61	66
<b>Total for Program 2.4</b>	<b>1,324,299</b>	<b>1,400,875</b>
<b>Program 2.5: Veterans' Counselling and Other Health Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,814	8,397
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	518,254	539,752
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	45,243	41,906
Revenues from independent sources (s31)	1,202	1,210
Expenses not requiring appropriation in the Budget year	120	131
<b>Total for Program 2.5</b>	<b>568,633</b>	<b>591,396</b>
<b>Program 2.6: Military Rehabilitation Compensation Acts - Health and Other Care Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	47,687	48,725
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	15,893	14,714
Revenues from independent sources (s31)	422	425
Expenses not requiring appropriation in the Budget year	42	46
<b>Total for Program 2.6</b>	<b>64,044</b>	<b>63,910</b>

Continued on next page

**Table 2.2: Budgeted expenses and resources for Outcome 2 (continued)**

<b>Outcome 2</b>	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 2.7: Adjustment to Military Rehab Compensation Acts</b>		
<b>Liability Provision - Health and Other Care Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	-	-
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year	13,866	14,529
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Revenues from independent sources (s31)	-	-
Expenses not requiring appropriation in the Budget year	-	-
<b>Total for Program 2.7</b>	<b>13,866</b>	<b>14,529</b>
<b>Outcome 2 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	7,757	12,389
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	4,951,399	5,062,482
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year	13,866	14,529
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	127,584	118,814
Revenues from independent sources (s31)	3,389	3,431
Expenses not requiring appropriation in the Budget year	339	372
<b>Total expenses for Outcome 2</b>	<b>5,104,334</b>	<b>5,212,017</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	824	801

1. Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
2. Ordinary annual services (Appropriation Bill No. 1) for 2010–11 does not include funding for depreciation and amortisation expense, as per the government's Operation Sunlight net cash appropriation arrangements.

### Program 2.1: General Medical Consultations and Services

#### Program 2.1 objective

Provide access to general and specialist medical and dental services to entitled VEA beneficiaries.

#### Linked to:

This program is linked to Medicare Australia's Program 1.1 – Delivery of Medical Benefits and Services and the Department of Health and Ageing Program 5.2 Primary Care Financing, Quality and Access.

#### Program 2.1 expenses

Expenditure for general and specialist medical and dental consultations in forward years is expected to stabilise with a reducing treatment population. It is expected that the effect of the decline in treatment population will be offset by an expected increase in service usage by the ageing veteran population.

Expenditure on medical and dental services is likely to increase slightly as the ageing veteran population accesses a greater number of services.

The majority of payments to medical providers are made through arrangements with Medicare Australia on behalf of DVA.

Expenditure and utilisation of services are demand driven depending on the health care needs of entitled beneficiaries.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Special Appropriations: <i>Veterans' Entitlements Act 1986 (VEA)</i>					
LMO Consultations	143,274	153,771	174,600	168,304	176,958
Specialist Consultations	145,731	144,281	142,399	142,085	143,634
Medical Services	534,465	545,330	556,785	568,765	581,568
Dental	103,890	110,177	116,902	122,929	129,392
Program support	26,273	25,005	24,538	24,724	25,050
Expenses not requiring appropriation in the Budget year	68	76	77	77	77
<b>Total program expenses</b>	<b>953,701</b>	<b>978,640</b>	<b>1,015,301</b>	<b>1,026,884</b>	<b>1,056,679</b>

*DVA Budget Statements*

**Program 2.1 deliverables**

- Ensure entitled beneficiaries have access to general and specialist medical and dental services.
- Maintain and develop arrangements with medical and dental practitioners in both the public and private sectors.
- Ensure a geographically diverse range of providers participate in the arrangements for provision of general and specialist medical and dental services to entitled beneficiaries.
- Ensure a comprehensive range of general and specialist medical and dental services are available to entitled beneficiaries in order to meet their health care needs.
- Facilitate effective payment of medical practitioners under the Department of Veterans' Affairs arrangements.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Deliverables					
Treatment Population	257,300	244,100	231,000	218,200	205,800

**Program 2.1 key performance indicators**

- Ensure arrangements are in place for the access to and delivery of general and specialist medical services under the VEA and related legislation.
- Maintain a schedule of general and specialist medical services to meet the health care needs of entitled beneficiaries and maintain consistency with trends in the delivery of health care services.

	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Key Performance Indicators					
<i>Price:</i> Unit cost per cardholder	102	102	101	108	117

## Program 2.2: Veterans' Hospital Services

### Program 2.2 objective

Provide access to hospital services for entitled beneficiaries through arrangements with hospitals in both the private and public sectors.

### Linked to:

This program is linked to Medicare Australia's Program 1.1 – Delivery of Medical Benefits and Services.

### Program 2.2 expenses

Costs in private and public hospitals are expected to increase as the ageing population access more services, and fees for hospitals increase with changes in contract rates for the provision of hospital services.

Public hospitals – agreements are in place with state and territory health authorities for the treatment of veterans in public hospitals.

Private hospitals – contracts are in place with a number of private hospitals for the provision of inpatient services for veterans.

Expenditure and utilisation of services are demand driven depending on the health care needs of entitled beneficiaries.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
\$(000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Public Hospitals	746,350	789,252	775,376	774,358	774,622
Private Hospitals	913,168	902,895	874,643	860,712	848,081
Psych	1	1	1	1	1
Nursing Homes (POW)	2,935	2,826	2,887	2,987	3,009
Program support	15,050	13,989	13,739	13,823	13,983
Expenses not requiring appropriation in the Budget year	39	43	43	43	43
<b>Total program expenses</b>	<b>1,677,543</b>	<b>1,709,006</b>	<b>1,666,689</b>	<b>1,651,924</b>	<b>1,639,739</b>

*DVA Budget Statements*

<b>Program 2.2 deliverables</b>					
<ul style="list-style-type: none"> <li>• Maintain arrangements to ensure access to hospital services for entitled beneficiaries through arrangements with hospitals in both the private and public sectors.</li> <li>• Ensure geographically diverse range of providers including private hospitals, public hospitals and day procedure centres are contracted to deliver hospital services to entitled beneficiaries.</li> <li>• Ensure a comprehensive range of hospital services are made available to entitled beneficiaries in order to meet their health care needs.</li> <li>• Facilitate effective payment of hospital providers under the Department of Veterans' Affairs arrangements.</li> </ul>					
	2009-10	2010-11	2011-12	2012-13	2013-14
	Revised	Budget	Forward	Forward	Forward
Deliverables	budget		year 1	year 2	year 3
Treatment Population	257,300	244,100	231,000	218,200	205,800

<b>Program 2.2 key performance indicators</b>					
<ul style="list-style-type: none"> <li>• Ensure that arrangements are in place for the access to and delivery of private and public hospital services under the VEA and related legislation.</li> </ul>					
	2009-10	2010-11	2011-12	2012-13	2013-14
	Revised	Budget	Forward	Forward	Forward
Key Performance	budget	target	year 1	year 2	year 3
Indicators					
<i>Price</i> : Unit cost per cardholder	58	57	58	62	67

### Program 2.3: Veterans' Pharmaceuticals Benefits

#### Program 2.3 objective

The Repatriation Pharmaceutical Benefits Scheme (RPBS) will provide entitled beneficiaries access to a comprehensive array of pharmaceuticals and wound dressings for the treatment of their health care needs.

#### Linked to:

This program is linked to Medicare Australia's Program 1.2 – Delivery of Pharmaceutical Benefits and Services.

#### Program 2.3 expenses

Expenditure in pharmaceuticals is expected to decline slightly with a reduction in the treatment population and number of items dispensed under the scheme.

Payments to pharmacy providers are made through arrangements with Medicare Australia on behalf of DVA.

Expenditure and utilisation of services are demand driven depending on the health care needs of entitled beneficiaries.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
\$(000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Pharmaceutical Services	498,768	450,405	422,334	386,987	369,616
Program support	3,471	3,246	3,159	3,186	3,229
Expenses not requiring appropriation in the Budget year	9	10	10	10	10
<b>Total program expenses</b>	<b>502,248</b>	<b>453,661</b>	<b>425,503</b>	<b>390,183</b>	<b>372,855</b>

#### Program 2.3 deliverables

- Ensure that entitled beneficiaries have access to a comprehensive range of pharmaceuticals and wound dressings that meet their health care needs.
- Facilitate arrangements with pharmaceutical sponsors for the listing of the range of items appropriate to the entitled beneficiary population.
- Facilitate effective payment of approved pharmacies for supplying items under the RPBS.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Deliverables					
Treatment Population	257,300	244,100	231,000	218,200	205,800

*DVA Budget Statements*

<b>Program 2.3 key performance indicators</b>					
<ul style="list-style-type: none"> <li>• Ensure arrangements are in place for the access to and delivery of pharmacy services under the VEA and related legislation.</li> <li>• Maintain a comprehensive Repatriation Pharmaceutical Benefits Schedule that meets the health care needs of entitled beneficiaries and maintains consistency with trends in the delivery of health care services.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Price: Unit cost per cardholder</i>	13	13	13	14	15



**Program 2.4: Veterans' Community Care and Support**

**Program 2.4 objective**

The Department's primary objective is to effectively manage community support and residential care programs, including development and review of policy and operational guidelines and procedures, and assessment of program effectiveness.

Veteran community care and support programs include the Veterans' Home Care program and the Community Nursing program.

The program also includes the provision of the Australian Government subsidy for entitled veterans and non-widow/ers living in residential aged care facilities.

The objectives of these programs are to support veterans to remain independent in their homes, and improve their quality of life and health. The veteran community is ageing and increasingly requires higher levels of service. The provision of these services helps to delay entry into residential aged care and maximises independence.

**Linked to:**

This program is linked to Medicare Australia's Program 1.1 – Delivery of Medical Benefits, the Department of Health and Ageing's Program 4.8 – Residential Care, and services and the Department of the Treasury's Program 1.10 – National Partnership Payments to the States.

**Program 2.4 expenses**

Expenditure for Veterans' Home Care is expected to plateau in coming years, as a slight reduction in clients will be offset by increased need due to age and frailty. However, an increase in the need for respite care is predicted, primarily given that carers themselves are ageing and will need increased support.

Expenditure on Community Nursing is expected to progressively increase for some years, given increasing need and complexity.

The Treasury administers expenditure for the Home and Community Care Services for Veterans' Specific Purpose Payment as part of the National Partnership Payments to the States. These payments are disclosed in the Department of Treasury's Portfolio Budget Statements 2010–11 under program 1.10 – National Partnership Payments to the States.

DVA Budget Statements

<b>Program 2.4 expenses</b>	2009-10	2010-11	2011-12	2012-13	2013-14
	Revised	Budget	Forward	Forward	Forward
\$(‘000)	budget		year 1	year 2	year 3
Annual administered expenses:					
Appropriation Bill 1					
Grants-In-Aid	145	145	145	145	145
Community Care Grants	1,688	1,712	1,741	1,740	1,795
Joint Venture Grants	1,313	1,331	1,354	1,354	1,396
JV Day Clubs	458	465	472	472	488
JV Home Maintenance	339	339	339	355	366
Special Appropriations:					
<i>Veterans’ Entitlements Act 1986 (VEA)</i>					
Residential Care	1,073,414	1,135,785	1,206,983	1,277,068	1,360,213
Community Nursing	112,389	121,253	135,090	144,248	146,827
Veterans’ Home Care	86,464	92,869	96,688	96,324	98,339
In Home Respite	23,180	23,784	24,274	25,220	25,749
Home Help	3	3	3	3	3
Carer and Volunteer Support	1,426	1,373	1,391	1,402	1,437
Program support	23,419	21,750	21,334	21,451	21,745
Expenses not requiring appropriation in the Budget year	61	66	67	67	67
<b>Total program expenses</b>	<b>1,324,299</b>	<b>1,400,875</b>	<b>1,489,881</b>	<b>1,569,849</b>	<b>1,658,570</b>

**Program 2.4 deliverables**

Veterans’ Home Care (VHC)

- The VHC program supports veterans and war widow/ers in their own homes to improve their quality of life, independence and health, in particular, maintaining independent functioning within the home environment. The veteran community is ageing and increasingly requiring higher levels of services from the VHC program to remain in their own homes. The provision of these services helps to delay entry to residential aged care and maximises independence for veterans and war widow/ers.
- The Department contracts with around 190 organisations across Australia to assess veterans and war widow/ers for VHC services and to deliver those services. It is estimated that around 75,000 veterans and war widow/ers will receive VHC services in 2009–10, with the average annual cost of services (including in-home respite care) being approximately \$1,400 per client.
- To ensure services are of high quality, a contract and quality management framework, together with post-payment monitoring, is in place for both Community Nursing and VHC.

Community Nursing

- The Community Nursing program assists veterans and war widow/ers to avoid early admission to hospital and/or residential care by providing access to high quality community nursing services. The activities of this program include the provision of clinical nursing and personal care services by DVA contracted community nursing providers.
- The Department contracts with around 200 organisations across Australia to provide community nursing services to approximately 34,000 eligible veterans and war widow/ers.

Residential care

- Approximately \$1,073 million is expected to be provided by the Department as the Australian Government subsidy for entitled veterans and war/widowers being in residential aged care facilities in 2009–2010. This supports approximately 27,000 entitled veterans in long time residential care.

<b>Program 2.4 key performance indicators</b>					
Community Nursing and Veterans' Home Care					
<ul style="list-style-type: none"> <li>Provision of clinical nursing and home care services to eligible veterans and war widow/ers according to their assessed need.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Price:</i> Unit cost per cardholder	91	89	90	97	104

**Program 2.5: Veterans' Counselling and Other Health Services**

**Program 2.5 objective**

To provide a wide range of allied health care services, including counselling and referral services for veterans and their families.

**Linked to:**

This program is linked to Medicare Australia's Program 1.1 – Delivery of Medical Benefits and services.

**Program 2.5 expenses**

Expenditure under allied health care and transport is expected to increase as an ageing veteran population access a greater variety of health care services. Expenditure and utilisation of services are demand driven, depending on the health care needs of entitled beneficiaries.

Payments to allied health providers for services provided to entitled beneficiaries are made through arrangements with Medicare Australia on behalf of DVA.

The increase in travel for treatment costs is attributable to increased ageing of the treatment population, resulting in increased treatment utilisation.

Variation in expenses expected over the forward years for aids and appliances is expected due to:

- new contractual arrangements for the supply of aids and appliances, and
- an ageing treatment population driving increasing quantum and complexity of aids and appliances.

The VVCS (Veterans and Veterans Families Counselling Service) does not envisage any significant trends, changes of variances in the program resourcing over the forward years.

DVA Budget Statements

<b>Program 2.5 expenses</b>	2009-10	2010-11	2011-12	2012-13	2013-14
\$('000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Annual Administered Expenses:					
Appropriation Bill 1					
Counselling Support & Children's Assistance	1,001	5,371	3,624	2,845	2,309
Compensation and Legal Expenses	53	54	54	54	55
Veterans' Employment & Training	392	571	574	579	579
Health & Medical Research	2,368	2,401	2,441	2,442	2,518
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Travel for Treatment	152,503	163,089	174,756	184,598	188,474
Subsistence	5,992	5,960	5,933	5,974	6,123
Veterans and Veterans' Families					
Counselling Services	25,090	26,351	24,305	20,663	20,188
Non-Institutional Care - Services	117,962	124,723	128,731	140,117	141,643
Non-Institutional Care - Products	75,845	80,825	83,816	88,297	89,691
Rehabilitation Appliances	131,530	130,128	128,252	128,504	126,869
Health Treatment for BCAL Veterans	8,386	8,308	8,016	8,031	8,055
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>					
Nuclear Test Health Care Payments	598	20	70	69	81
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Health care and rehabilitation for certain AFP personnel with overseas service	348	348	351	353	363
Program support	46,445	43,116	42,291	42,551	43,106
Expenses not requiring appropriation in the Budget year	120	131	133	133	133
<b>Total program expenses</b>	<b>568,633</b>	<b>591,396</b>	<b>603,347</b>	<b>625,210</b>	<b>630,187</b>

*DVA Budget Statements*

<b>Program 2.5 deliverables</b>					
<ul style="list-style-type: none"> <li>• Ensure arrangements are in place to assist veterans to reach treatment locations through a variety of systems and transport modes. This includes reimbursing travel costs privately incurred (including meals and accommodation), arranging taxi and air travel, and purchasing ambulance services from public and private sector providers.</li> <li>• Ensure arrangements are in place to provide an extensive range of rehabilitation aids which assist independent living and which are provided through a comprehensive system of prescribers and contracted suppliers.</li> <li>• Maintain arrangements with allied health providers in both the public and private sectors for the delivery of a comprehensive range of allied health services to entitled beneficiaries in order to meet their health care needs.</li> <li>• Ensure effective payment arrangements are in place for allied health providers.</li> <li>• Provide access to counselling services through the VVCS through outplacement counsellors and through relevant providers in the public and private health sectors:               <ul style="list-style-type: none"> <li>– intake and referral services</li> <li>– counselling services</li> <li>– after-hours counselling, and</li> <li>– group program intervention.</li> </ul> </li> </ul>					
Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Health Treatment Card Holder Population	257,300	244,100	231,000	218,200	205,800
<b>Travel for Treatment:</b>					
Number of processed claims for reimbursement	166,265	158,484	151,066	143,997	137,258
Number of DVA arranged person trips	818,274	838,730	859,699	881,191	903,220
<b>Veteran Counselling:</b>					
Number of unique clients receiving intake referral services	10,378	10,625	10,560	10,560	10,560
Number of unique clients in receipt of counselling	10,420	10,690	10,880	11,020	11,135
Number of counselling sessions delivered	57,400	56,950	56,700	56,550	56,500
Number of calls received by the After Hours Counselling service	4,350	4,200	4,000	3,950	3,900
Number of Unique clients receiving group program intervention	3,750	3,600	3,490	3,300	3,250

<b>Program 2.5 key performance indicators</b>					
<ul style="list-style-type: none"> <li>• Veterans' claims for travel costs are reimbursed within 28 days.</li> <li>• Veterans have access to ambulance services at the Repatriation Commission's expense in all states and territories.</li> <li>• High level of veteran satisfaction.</li> <li>• Percentage of unique clients presenting for service who receive attention within two weeks of intake.</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Price:</i> Unit cost per cardholder	181	177	179	192	206
<b>Travel for Treatment:</b>					
Target percentage of claims for reimbursement processed within the Service Charter timeframe (28 days)	100%	100%	100%	100%	100%
Degree of complaints about arranged travel relative to the quantity of bookings	V/low	V/low	V/low	V/low	V/low
<b>Rehabilitation Appliances:</b>					
<i>Cost:</i> Attributed across Treatment Population	511	555	555	589	616
Number of broad categories of aids and appliances available to the veteran community listed in the RAP Schedule	269	269	269	269	269
Number of veterans receiving RAP aids and appliances provided under departmental contracts	102,000	105,000	107,000	102,000	95,000
Percentage of aids and appliances listed may be prescribed by General Practitioners, Registered Nurses and Occupational Therapists	95%	95%	95%	95%	95%
<b>Veteran Counselling:</b>					
Percentage of unique clients presenting for service who receive attention within two weeks of intake	56%	58%	59%	61%	63%
Level of Veteran satisfaction	High	High	High	High	High

**Program 2.6: Military Rehabilitation and Compensation Acts – Health and other Care Services**

**Program 2.6 objective**

To arrange for the delivery of medical, rehabilitation and other related services under the *Safety, Rehabilitation and Compensation Act 1988* (SRCA) and the *Military Rehabilitation and Compensation Act 2004* (MRCA) and related legislation. This includes payment for medical treatment, rehabilitation services, attendant care and household services.

**Linked to:**

This program is linked to Medicare Australia's Program 1.1 – Delivery of Medical Benefits and services.

**Program 2.6 expenses**

Future budget results are anticipated to reflect a shift from SRCA-related payments to MRCA-related payments, in line with the extent of claims made against each Act.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
\$(000)					
Special Appropriations:					
<i>Safety, Rehabilitation and     Compensation Act 1988</i>					
Medical Services	22,977	22,161	21,410	20,714	21,130
Rehabilitation Services	7,420	6,802	6,194	5,270	5,375
Other Services	7,758	7,494	7,502	7,516	7,539
<i>Military Rehabilitation and     Compensation Act 2004</i>					
Medical Services	5,209	7,342	10,560	13,894	14,172
Rehabilitation Services	3,818	4,190	4,734	5,746	5,861
Other Services	505	736	736	738	740
Program support	16,315	15,139	14,841	14,934	15,109
Expenses not requiring appropriation in the Budget year	42	46	47	47	47
<b>Total program expenses</b>	<b>64,044</b>	<b>63,910</b>	<b>66,024</b>	<b>68,859</b>	<b>69,973</b>



<b>Program 2.6 deliverables</b>					
Under the SRCA & MRCA, the Department will administer a range of benefits for Defence-related claims, including payment for medical treatment, rehabilitation services, attendant care and household services.					
Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Quantity:</i> Number of SRCA rehabilitation assessments	945	831	732	644	567
<i>Quantity:</i> Number of SRCA medical and treatment accounts paid	112,030	125,474	140,053	157,394	176,282
<i>Quantity:</i> Number of MRCA rehabilitation assessments	460	520	598	688	791
<i>Quantity:</i> Number of MRCA medical and treatment accounts paid	10,011	11,413	13,011	14,832	16,909

<b>Program 2.6 key performance indicators</b>					
<ul style="list-style-type: none"> <li>• Price: Unit cost per SRCA &amp; MRCA rehabilitation assessment</li> <li>• Price: Unit cost per SRCA &amp; MRCA accounts</li> <li>• Quality: Error rates SRCA &amp; MRCA rehabilitation assessment</li> <li>• Quality: Error rates SRCA &amp; MRCA accounts</li> <li>• Quality: Percentage of MRCA accounts paid incorrectly</li> </ul>					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
<i>Quality:</i> Error rates SRCA rehabilitation assessments	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Quality:</i> Error rates SRCA accounts	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Quality:</i> Error rates MRCA accounts	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Quality:</i> Percentage of MRCA accounts paid incorrectly	< 5%	< 5%	< 5%	< 5%	< 5%

**Program 2.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision – Health and Other Care Services**

**Program 2.7 objective**

To provide an updated actuarial assessment of the movement in the liability for health and other care services under the rehabilitation and compensation Acts.

**Program 2.7 expenses**

The movement in the liability provision for SRCA and MRCA is adjusted based on annual actuarial assessment from the Australian Government Actuary.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Administered Expenses: Expenses not requiring appropriation in the Budget year	13,866	14,529	15,177	15,858	15,858
<b>Total program expenses</b>	<b>13,866</b>	<b>14,529</b>	<b>15,177</b>	<b>15,858</b>	<b>15,858</b>

## **OUTCOME 3**

**Outcome 3: Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.**

### **Outcome 3 strategy**

- Promote community involvement in commemorations programs, in conjunction with other government agencies and ex-service and community organisations.
- Support community awareness and preservation of Australia's wartime and service heritage and veterans' experiences.
- Commemorate eligible war dead and deceased veterans by maintaining individual graves, war cemeteries and Gardens of Remembrance.
- Maintain existing national memorials overseas and construct new memorials as determined by government processes.
- Manage Anzac Day services at Gallipoli and Villers-Bretonneux.

### Outcome 3 budgeted expenses and resources

Table 2.3 provides an overview of the total expenses for Outcome 3 by program.

**Table 2.3: Budgeted expenses and resources for Outcome 3**

<b>Outcome 3:</b> Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 3.1: War Graves and Commemorations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	20,426	27,089
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	-	-
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	17,575	15,381
Revenues from independent sources (s31)	467	444
Expenses not requiring appropriation in the Budget year	47	48
<b>Total for Program 3.1</b>	<b>38,515</b>	<b>42,962</b>
<b>Program 3.2: Gallipoli Related Activities</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,043	6,887
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	-	-
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,433	2,180
Revenues from independent sources (s31)	65	63
Expenses not requiring appropriation in the Budget year	6	7
<b>Total for Program 3.2</b>	<b>5,547</b>	<b>9,137</b>
<b>Outcome 3 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	23,469	33,976
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	-	-
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	20,008	17,561
Revenues from independent sources (s31)	532	507
Expenses not requiring appropriation in the Budget year	53	55
<b>Total expenses for Outcome 3</b>	<b>44,062</b>	<b>52,099</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	118	114

1. Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.
2. Ordinary annual services (Appropriation Bill No. 1) for 2010–11 does not include funding for the depreciation and amortisation expense as per the government's Operation Sunlight net cash appropriation arrangements.

### Program 3.1: War Graves and Commemorations

#### Program 3.1 objective

Acknowledge and commemorate the service and sacrifice of the men and women who served Australia and its allies in wars, conflicts and peace operations.

#### Program 3.1 expenses

Public interest in commemorative activities and war graves matters continues to rise because of significant wartime anniversaries, the ageing veteran population and ongoing Australian Defence Force deployment overseas.

There is continuing interest in funding under the commemorations program, Saluting Their Service, and an increased demand for community awareness, education and website resources.

For the Office of Australian War Graves (OAWG), there have been a number of national memorials constructed overseas over the past ten years, as well as special projects, such as those on the Western Front, to be implemented.

OAWG has been providing official commemoration since 1922. As the average age of these commemorations grows, significant future works have been identified to maintain them at approved standards.

A number of major anniversaries will occur in the out years. These include Korean War 60th anniversary (2010–13), Tobruk 70th anniversary (2011), Fall of Singapore, Papua New Guinea (PNG) initial battles and El Alamein 70th anniversaries (2012).

The Department conducts an annual Anzac Day dawn service at Villers-Bretonneux, France, and supports Anzac Day services at a number of other overseas locations, including Malaysia, PNG and Thailand.

The Department has been tasked as the lead agency for preparing and managing the Australian Government's arrangements for the Centenary of the Gallipoli campaign in 2015.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
War Graves Care & Maintenance	12,898	19,512	13,655	13,758	14,149
OAWG Refurbishment, Reconstruction & Relocation	969	977	980	987	1,015
Compensation and Legal Expenses	5	5	5	5	5
Veterans' Commemorative Activities	6,554	6,595	6,546	6,569	4,312
Program support	18,042	15,825	15,791	16,009	16,252
Expenses not requiring appropriation in the Budget year	47	48	50	50	50
<b>Total program expenses</b>	<b>38,515</b>	<b>42,962</b>	<b>37,027</b>	<b>37,378</b>	<b>35,783</b>

Note: Refer to the Movement of Funds table 3.1.1

*DVA Budget Statements*

<b>Program 3.1 deliverables</b>					
<ul style="list-style-type: none"> <li>• Develop and implement commemorative initiatives and provide support and funding under the commemorations program, Saluting Their Service.</li> <li>• Promote community involvement in commemorations programs, in conjunction with other government agencies and ex-service and community organisations.</li> <li>• Support community awareness and preservation of Australia's wartime and service heritage and veterans' experiences.</li> <li>• Manage the Australian Government's arrangements for the Centenary of Anzac and the Gallipoli commemorations in 2015.</li> <li>• Commemorate eligible war dead and deceased veterans by maintaining war graves and war cemeteries in Australia, Papua New Guinea, Solomon Islands and Norfolk Island, South Africa, Korea, Japan, Malaysia and Singapore.</li> <li>• Commemorate eligible post-war dead by maintaining official commemorations in Australia.</li> <li>• Process claims for, and provide new, official commemorations.</li> <li>• Maintain existing Australian Government memorials overseas and construct new memorials as determined by government processes.</li> </ul>					
Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Commemorations in Australia, PNG,					
War Cemeteries	75	75	75	75	75
Gardens of Remembrance	9	9	9	9	9
Memorials to the Missing	5	5	5	5	5
War Graves in Australia and PNG	19,868	19,868	19,868	19,868	19,868
Overseas Graves (non world wars)	1,036	1,036	1,036	1,036	1,036
Post War Commemorations	291,706	296,831	301,709	306,340	310,663
Provide new Post War Commemorations	4,940	5,125	4,878	4,631	4,323
Manage national memorials overseas	36	36	36	36	37
Implement War Graves related projects	1	1	1	2	2
Community awareness and education resources	270,000	275,000	275,000	275,000	275,000
Grants applications processed	620	710	760	760	760
Domestic commemorative events	2	3	3	3	3
International commemorative events (excludes Gallipoli, includes Villers- Bretonneux)	5	3	4	4	4

<b>Program 3.1 key performance targets</b>					
Activity levels – major events and range of programs administered.					
Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Maintain facilities and individual commemorations in Australia, PNG, South Africa, Korea, Japan, Malaysia & Singapore:	The Maintenance of war cemeteries, memorials and war graves is undertaken in accordance with Commonwealth War Graves Commission (CWGC) published standards. Performance is measured through CWGC inspections and veteran and community feedback				
<ul style="list-style-type: none"> <li>War Cemeteries</li> <li>Gardens of Remembrance</li> <li>Memorials to the Missing</li> <li>War Graves in Australia &amp; PNG</li> <li>Non World War Graves Overseas</li> <li>Post War commemorations <sup>(1)</sup></li> </ul>					
Provide new Post War Commemorations	Commemorations are provided within published timeframes to meet Australian standards of production/ construction.				
Manage national memorials overseas	Memorial presentation meets veteran and community approval and local requirements. Access and equity standards are met and, where applicable, information provided is both accurate and presented in a variety of formats.				
Implement War Graves related projects	Project implementation meets the budget and timing agreed and announced by Government.				
Community awareness & education resources	High level of community and veteran satisfaction with quality and accessibility of resources				
Grants applications approved	Grant applications are processed within timelines. High level of community and veteran satisfaction with grant outcomes.				
Domestic commemorative events	High level of community and veteran satisfaction with commemorative events.				
International commemorative events	High level of community and veteran satisfaction with commemorative events.				
<p>Note:</p> <p>1 Individual commemorations provided in cemeteries, crematoria and Gardens of Remembrance to eligible veterans whose death is determined to be related to their service in conflict or on peacekeeping <sup>(2)</sup></p>					

**Program 3.2: Gallipoli Related Activities**

**Program 3.2 objective**

Coordinate and manage the delivery of commemorative and related activities at Gallipoli.

**Program 3.2 expenses**

The Department is the lead government agency responsible for the planning and conduct of Anzac Day commemorations at Gallipoli.

Funding associated with commemorative activities at Gallipoli will be sought in the 2010–11 Budget. Expenses are increasing with the current global economic circumstances and in the lead-up the 95th anniversary of the landings at Gallipoli in 2010 and the 100th anniversary in 2015.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Gallipoli-related Activities	3,043	6,887	2,992	3,012	3,098
Program support	2,498	2,243	2,232	2,250	2,311
Expenses not requiring appropriation in the Budget year	6	7	7	7	7
<b>Total program expenses</b>	<b>5,547</b>	<b>9,137</b>	<b>5,231</b>	<b>5,269</b>	<b>5,416</b>

Note: Refer to Movement of Funds table 3.1.1

**Program 3.2 deliverables**

Planning for and conduct of annual Anzac Day services and management of related reviews and research.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Deliverables					
Conduct annual Anzac Day services at Anzac Cove and Lone Pine, Gallipoli	2.963	2.954	2.960	2.954	3.038
Manage Gallipoli related works	0.1	3.9	-	-	-

**Program 3.2 key performance targets**

Deliver commemorative and associated activities at Gallipoli.

	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Key Performance Indicators					
Quality: Level of community engagement and satisfaction	High	High	High	High	High
Quality: Media interest	Positive	Positive	Positive	Positive	Positive



## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010–11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, Special accounts and government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 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 with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

**Table 3.1.1: Movement of Administered Funds between years**

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1:</b>					
Program 1.4: Assistance and other compensation for veterans and dependants - Payments to ex-service organisations - Building Excellence in support and training program <sup>1</sup>	(920)	920	-	-	-
<b>Outcome 3:</b>					
Program 3.1 War Graves and Commemorations - Construction of an Australian memorial in Wellington, New Zealand <sup>2</sup>	(4,796)	4,796	-	-	-
Program 3.1 War Graves and Commemorations - Western Front ANZAC Trail <sup>3</sup>	(600)	600	-	-	-
Program 3.2 Gallipoli related Activities - Gallipoli Road and Associated Works <sup>4</sup>	(3,900)	3,900	-	-	-
<b>Total Movement of Administered Funds</b>	<b>(10,216)</b>	<b>10,216</b>	-	-	-

Figures displayed as a negative (-) represent a decrease in funds; a positive reflects an increase in funds.

1. Rephasing of \$0.920m was required to transfer 2009–10 unspent funding into the 2010–11 financial year. The 2009–10 underspend was a result of the Building Excellence in Support and Training (BEST) program being reviewed to ensure that the program was providing an efficient and a value for money outcome.
2. Rephasing of \$4.796m was required as a result of difficulty in finalising the preferred design of the commemorative park. The New Zealand Ministry of Culture and Heritage has now selected a preferred design and is seeking Ministerial endorsement.
3. The development of an Australian Interpretive Trail on the Western Front received Administered funding of \$0.996m in the 2009–10 Budget. It is expected that approximately \$0.396m will be expended in 2009–10, on a range of project initiatives. The remaining \$0.600m is required in 2010–11 to complete the project initiative.
4. Initial funding was made available for capital works and associated costs. The rephasing of \$3.9m is required in relation to engineering consultancy services for planning design and monitoring purposes.

### 3.1.2 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 FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Department of Veterans' Affairs.

**Table 3.1.2: Estimates of Special Account flows and balances**

		Opening balance <b>2010-11</b> <i>2009-10</i>	Receipts <b>2010-11</b> <i>2009-10</i>	Payments <b>2010-11</b> <i>2009-10</i>	Adjustments <b>2010-11</b> <i>2009-10</i>	Closing balance <b>2010-11</b> <i>2009-10</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Military Death Claim Compensation Special Account (A)	1	67	2,150	2,145	-	72
Defence Service Homes Insurance Account (D)	1	269	2,150	2,350	(2)	67
Australians at War Special Account (A)	3	64,490	34,469	34,215	-	64,744
Other Trust Moneys Account (A)	3	70,704	32,656	32,703	(6,167)	64,490
		142	2	1	-	143
		85	2	1	56	142
		78	71	66	-	83
		-	71	66	73	78
<b>Total Special Accounts</b>						
<b>2010-11 Budget estimate</b>		<b>64,777</b>	<b>36,692</b>	<b>36,427</b>	<b>-</b>	<b>65,042</b>
<i>Total Special Accounts</i>						
<i>2009-10 estimate actual</i>		<i>71,058</i>	<i>34,879</i>	<i>35,120</i>	<i>(6,040)</i>	<i>64,777</i>

(A) = Administered

(D) = Departmental

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

There are differences between agency resourcing and the financial statements. These differences are caused by the new accounting treatment for the departmental capital budget (DCB), implemented under net cost of services through Operation Sunlight. Additionally the Department has received previous years' outputs where expenses have been incurred within the 2009-10 financial year and the related appropriation will be received in the 2010-11 financial year.

### **3.2.2 Analysis of budgeted financial statements**

The budgeted financial statements are shown at three levels and reflect the financial results of the three reporting entities that comprise DVA's departmental accounts: DVA amalgamated, DVA excluding DSHIS, and DSHIS.

#### **Departmental (amalgamated)**

The budgeted Department of Veterans' Affairs (DVA) and Defence Service Homes Insurance Scheme (DSHIS) financial statements form the basis of the financial statements that will appear in the organisations 2010-11 Annual Report, and input into the whole-of-government accounts. The budgeted financial statements are prepared on an accrual basis in accordance with the Australian Equivalents to International Financial Reporting Standards (AEIFRS) and the Finance Ministers Orders (FMO's).

#### **Departmental (DVA excluding DSHIS)**

##### **Budgeted departmental income statement**

The Department (excluding DSHIS) is budgeting for a breakeven operating result in 2010-11 and the forward estimates. Total revenue for the 2010-11 financial year is \$296.0 million and comprises of \$286.8 million of revenue from government, \$8.3 million of own-source income and resources received free of charge of \$0.9 million. A decrease of \$10.5 million from the 2009-10 financial year.

##### **Budgeted departmental balance sheet**

The Department's (excluding DSHIS) net asset (equity) position for the 2010-11 financial year is projected to be \$54.0 million, and represents an increase of \$21.6 million from the 2009-10 position (\$32.4 million). This increase in equity is mainly attributable to capital appropriations amounting to \$26.9 million.

Budgeted total assets of \$141.8 million in 2010-11 represent an increase of \$21.2 million from 2009-10 (\$120.6 million). This comprises of an increase in infrastructure, plant and equipment (\$12.7 million) and intangibles (\$11.3 million). These increases are offset by a decrease in land and buildings (\$2.4 million).

Budgeted liabilities of \$87.8 million in 2010-11 represent a slight decrease of \$0.4 million from 2009-10 (\$88.2 million) and are a result of a reduction in employee provisions (\$0.2 million) and other provisions and payables (\$0.2 million).

### **Departmental (DSHIS)**

#### **Budgeted departmental income statement**

Total revenue for the 2010-11 financial year is expected to be \$27.3 million and consists of \$27.1 million of own-source income and \$0.1 million of revenue from government, an increase of \$3.0 million from 2009-10. This increase is primarily driven from the sale of goods and services (premium revenue) which is expected to increase from \$20.0 million in 2009-10 to \$22.7 million in the 2010-11 financial year.

#### **Budgeted departmental balance sheet**

DSHIS's net asset position for 2010-11 is projected to be \$42.1 million, and remains stable from 2009-10.

Total liabilities are set to decrease from \$26.1 million in 2009-10 to \$25.9 million, a decrease of \$0.2 million. This decrease is offset by an decrease in total assets of \$0.2 million.

### **Administered statements**

#### **Budgeted revenue and expenses**

The Department will administer \$11.8 billion of expenses in the 2010-11 financial year, an increase of \$196.4 million from the estimated actual for 2009-10.

Key variances for the Department's expenses between the 2009-10 and 2010-11 financial years (reflecting the detailed breakdown of the administered appropriations by outcomes) are as follows:

- Personal benefits payments have increased by 1.1% to \$6.7 billion.
- Other goods and services (including health care payments) have increased by 2.5% to \$5.1 billion.

#### **Budgeted assets and liabilities**

Total administered assets are expected to decrease by \$97.6 million to \$1.6 billion and total administered liabilities are expected to decrease by \$109.0 million to \$2.8 billion in 2010-11 from the 2009-10 estimated actual.

The decrease of \$97.5 million in administered assets between 2009-10 and 2010-11 is due to an increase in appropriation receivable (\$180.0 million) and investments (\$7.2 million).

Total liabilities administered by DVA have decreased by \$109.0 million between 2009-10 and 2010-11, represented by an increase in provisions and payables (\$51.2 million) and a reduction in personal benefits (\$160.3 million).

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1a: Departmental comprehensive income statement (amalgamated)  
(showing net cost of services)  
for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSE</b>					
Employee benefits	182,535	176,775	173,408	176,667	176,089
Supplier expenses	115,500	126,268	124,410	123,537	128,126
Depreciation and amortisation	18,643	21,047	27,606	26,430	26,430
Insurance claims	18,465	19,384	19,500	19,500	19,500
<b>Total expenses</b>	<b>335,143</b>	<b>343,474</b>	<b>344,924</b>	<b>346,134</b>	<b>350,145</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	27,543	30,162	30,509	27,622	27,627
Other revenue	4,100	4,350	4,350	4,350	4,350
<b>Total revenue</b>	<b>31,643</b>	<b>34,512</b>	<b>34,859</b>	<b>31,972</b>	<b>31,977</b>
<b>Gains</b>					
Resources received free of charge	903	963	980	980	980
<b>Total gains</b>	<b>903</b>	<b>963</b>	<b>980</b>	<b>980</b>	<b>980</b>
<b>Total own-source income</b>	<b>32,546</b>	<b>35,475</b>	<b>35,839</b>	<b>32,952</b>	<b>32,957</b>
<b>Net cost of (contribution by) services</b>	<b>302,597</b>	<b>307,999</b>	<b>309,085</b>	<b>313,182</b>	<b>317,188</b>
Revenue from Government	316,084	286,952	281,598	286,871	290,877
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>13,487</b>	<b>(21,047)</b>	<b>(27,487)</b>	<b>(26,311)</b>	<b>(26,311)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>13,487</b>	<b>(21,047)</b>	<b>(27,487)</b>	<b>(26,311)</b>	<b>(26,311)</b>
<b>Note: Reconciliation of operating result attributable to agency</b>					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Operating result attributable to the Australian Government</b>	<b>13,487</b>	<b>(21,047)</b>	<b>(27,487)</b>	<b>(26,311)</b>	<b>(26,311)</b>
Plus non-appropriated expenses: Depreciation and amortisation expenses	-	21,047	27,606	26,430	26,430
<b>Operating result attributable to agency</b>	<b>13,487</b>	<b>-</b>	<b>119</b>	<b>119</b>	<b>119</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.2a: Budgeted departmental balance sheet (amalgamated)  
as at 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	5,791	4,660	4,861	5,157	4,736
Appropriation receivables	33,141	33,588	33,688	33,688	33,688
Investments	62,218	62,218	62,218	62,218	62,218
Other receivables	7,864	7,864	7,864	7,864	7,864
<b>Total financial assets</b>	<b>109,014</b>	<b>108,330</b>	<b>108,631</b>	<b>108,927</b>	<b>108,506</b>
<b>Non-financial assets</b>					
Land and buildings	11,753	9,342	7,382	5,601	3,820
Infrastructure, plant and equipment	1,185	13,901	11,017	8,152	5,287
Intangibles	60,556	71,871	67,160	64,000	60,840
Prepayments	5,955	5,955	5,955	5,955	5,955
<b>Total non-financial assets</b>	<b>79,449</b>	<b>101,069</b>	<b>91,514</b>	<b>83,708</b>	<b>75,902</b>
<b>Total assets</b>	<b>188,463</b>	<b>209,399</b>	<b>200,145</b>	<b>192,635</b>	<b>184,408</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Employees	70,214	70,011	70,166	70,308	70,378
Suppliers	14,966	14,896	14,865	14,834	14,224
Other provisions and payables	28,788	28,377	28,435	28,501	28,501
<b>Total liabilities</b>	<b>113,968</b>	<b>113,284</b>	<b>113,466</b>	<b>113,643</b>	<b>113,103</b>
<b>Net assets</b>	<b>74,495</b>	<b>96,115</b>	<b>86,679</b>	<b>78,992</b>	<b>71,305</b>
<b>Equity*</b>					
Contributed equity	71,241	113,908	131,959	150,583	169,207
Asset revaluation reserve	437	437	437	437	437
Retained surplus (accumulated deficit)	2,817	(18,230)	(45,717)	(72,028)	(98,339)
<b>Total equity</b>	<b>74,495</b>	<b>96,115</b>	<b>86,679</b>	<b>78,992</b>	<b>71,305</b>

Prepared on Australian Accounting Standards basis

\* Equity is the residual interest in assets after deduction of liabilities.

**Table 3.2.3a: Budgeted departmental statement of cash flows (amalgamated)  
for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	301,904	286,505	281,498	286,871	290,877
Sale of goods and services	27,543	30,162	30,509	27,622	27,627
GST input credit receipts	11,530	11,332	10,973	13,336	13,336
Other	4,100	4,350	4,350	4,350	4,350
<b>Total cash received</b>	<b>345,077</b>	<b>332,349</b>	<b>327,330</b>	<b>332,179</b>	<b>336,190</b>
<b>Cash used</b>					
Employees	181,755	177,012	173,273	176,540	176,032
Suppliers	114,661	125,341	123,441	122,573	127,743
GST payments to suppliers	11,530	11,332	10,973	13,336	13,336
Other	18,906	19,795	19,442	19,434	19,500
<b>Total cash used</b>	<b>326,852</b>	<b>333,480</b>	<b>327,129</b>	<b>331,883</b>	<b>336,611</b>
<b>Net cash from or (used by) operating activities</b>	<b>18,225</b>	<b>(1,131)</b>	<b>201</b>	<b>296</b>	<b>(421)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	24,289	42,667	18,051	18,624	18,624
<b>Total cash used</b>	<b>24,289</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>Net cash from or (used by) investing activities</b>	<b>(24,289)</b>	<b>(42,667)</b>	<b>(18,051)</b>	<b>(18,624)</b>	<b>(18,624)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Equity Injections	4,338	42,667	18,051	18,624	18,624
<b>Total cash received</b>	<b>4,338</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>Net cash from or (used by) financing activities</b>	<b>4,338</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>Net increase or (decrease) in cash held</b>	<b>(1,726)</b>	<b>(1,131)</b>	<b>201</b>	<b>296</b>	<b>(421)</b>
Cash at the beginning of the reporting period	7,517	5,791	4,660	4,861	5,157
<b>Cash at the end of the reporting period</b>	<b>5,791</b>	<b>4,660</b>	<b>4,861</b>	<b>5,157</b>	<b>4,736</b>

Prepared on Australian Accounting Standards basis



**Table 3.2.1b: Departmental comprehensive income statement (DVA excluding DSHIS) (showing net cost of services) for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSE</b>					
Employee benefits	179,897	173,775	170,398	173,657	173,079
Supplier expenses	111,653	122,237	120,379	119,506	124,095
Depreciation and amortisation	18,643	21,047	27,606	26,430	26,430
<b>Total expenses</b>	<b>310,193</b>	<b>317,059</b>	<b>318,383</b>	<b>319,593</b>	<b>323,604</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	8,391	8,282	8,384	5,497	5,502
<b>Total revenue</b>	<b>8,391</b>	<b>8,282</b>	<b>8,384</b>	<b>5,497</b>	<b>5,502</b>
<b>Gains</b>					
Resources received free of charge	838	898	915	915	915
<b>Total gains</b>	<b>838</b>	<b>898</b>	<b>915</b>	<b>915</b>	<b>915</b>
<b>Total own-source income</b>	<b>9,229</b>	<b>9,180</b>	<b>9,299</b>	<b>6,412</b>	<b>6,417</b>
<b>Net cost of (contribution by) services</b>	<b>300,964</b>	<b>307,879</b>	<b>309,084</b>	<b>313,181</b>	<b>317,187</b>
Revenue from Government	315,964	286,832	281,478	286,751	290,757
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>15,000</b>	<b>(21,047)</b>	<b>(27,606)</b>	<b>(26,430)</b>	<b>(26,430)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>15,000</b>	<b>(21,047)</b>	<b>(27,606)</b>	<b>(26,430)</b>	<b>(26,430)</b>
<b>Note: Reconciliation of operating result attributable to agency</b>					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Operating result attributable to the Australian Government</b>	<b>15,000</b>	<b>(21,047)</b>	<b>(27,606)</b>	<b>(26,430)</b>	<b>(26,430)</b>
Plus non-appropriated expenses: Depreciation and amortisation expenses	-	21,047	27,606	26,430	26,430
<b>Operating result attributable to the agency</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.2b: Budgeted departmental balance sheet (DVA excluding DSHIS)  
as at 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	5,340	4,458	4,238	4,070	3,561
Appropriation receivables	33,141	33,588	33,688	33,688	33,688
Investments	-	-	-	-	-
Other receivables	4,242	4,242	4,242	4,242	4,242
<b>Total financial assets</b>	<b>42,723</b>	<b>42,288</b>	<b>42,168</b>	<b>42,000</b>	<b>41,491</b>
<b>Non-financial assets</b>					
Land and buildings	11,753	9,342	7,382	5,601	3,820
Infrastructure, plant and equipment	1,185	13,901	11,017	8,152	5,287
Intangibles	60,338	71,653	66,942	63,782	60,622
Prepayments	4,578	4,578	4,578	4,578	4,578
<b>Total non-financial assets</b>	<b>77,854</b>	<b>99,474</b>	<b>89,919</b>	<b>82,113</b>	<b>74,307</b>
<b>Total assets</b>	<b>120,577</b>	<b>141,762</b>	<b>132,087</b>	<b>124,113</b>	<b>115,798</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Employees	70,214	70,011	70,166	70,308	70,378
Suppliers	12,919	12,919	12,919	12,919	12,340
Other provisions and payables	5,056	4,824	4,549	4,239	4,239
<b>Total liabilities</b>	<b>88,189</b>	<b>87,754</b>	<b>87,634</b>	<b>87,466</b>	<b>86,957</b>
<b>Net assets</b>	<b>32,388</b>	<b>54,008</b>	<b>44,453</b>	<b>36,647</b>	<b>28,841</b>
<b>Equity*</b>					
Contributed equity	71,241	113,908	131,959	150,583	169,207
Asset revaluation reserve	437	437	437	437	437
Retained surplus (accumulated deficit)	(39,290)	(60,337)	(87,943)	(114,373)	(140,803)
<b>Total equity</b>	<b>32,388</b>	<b>54,008</b>	<b>44,453</b>	<b>36,647</b>	<b>28,841</b>

Prepared on Australian Accounting Standards basis

\* Equity is the residual interest in assets after deduction of liabilities.

**Table 3.2.3b: Budgeted departmental statement of cash flows (DVA excluding DSHIS)  
for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	301,784	286,385	281,378	286,751	290,757
Sale of goods and services	8,391	8,282	8,384	5,497	5,502
GST input credit receipts	11,530	11,332	10,973	13,336	13,336
Other	-	-	-	-	-
<b>Total cash received</b>	<b>321,705</b>	<b>305,999</b>	<b>300,735</b>	<b>305,584</b>	<b>309,595</b>
<b>Cash used</b>					
Employees	179,117	174,012	170,263	173,530	173,022
Suppliers	110,807	121,305	119,444	118,576	123,746
GST payments to suppliers	11,530	11,332	10,973	13,336	13,336
Other	158	232	275	310	-
<b>Total cash used</b>	<b>301,612</b>	<b>306,881</b>	<b>300,955</b>	<b>305,752</b>	<b>310,104</b>
<b>Net cash from or (used by) operating activities</b>	<b>20,093</b>	<b>(882)</b>	<b>(220)</b>	<b>(168)</b>	<b>(509)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	24,289	42,667	18,051	18,624	18,624
<b>Total cash used</b>	<b>24,289</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>Net cash from or (used by) investing activities</b>	<b>(24,289)</b>	<b>(42,667)</b>	<b>(18,051)</b>	<b>(18,624)</b>	<b>(18,624)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Equity injections	4,338	42,667	18,051	18,624	18,624
<b>Total cash received</b>	<b>4,338</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>Net cash from or (used by) financing activities</b>	<b>4,338</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>Net increase or (decrease) in cash held</b>	<b>142</b>	<b>(882)</b>	<b>(220)</b>	<b>(168)</b>	<b>(509)</b>
Cash at the beginning of the reporting period	5,198	5,340	4,458	4,238	4,070
<b>Cash at the end of the reporting period</b>	<b>5,340</b>	<b>4,458</b>	<b>4,238</b>	<b>4,070</b>	<b>3,561</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.1c: Departmental comprehensive income statement (DSHIS) (showing net cost of services) for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES</b>					
Employee benefits	2,638	3,000	3,010	3,010	3,010
Supplier expenses	4,697	4,881	4,881	4,881	4,881
Insurance claims	18,465	19,384	19,500	19,500	19,500
<b>Total expenses</b>	<b>25,800</b>	<b>27,265</b>	<b>27,391</b>	<b>27,391</b>	<b>27,391</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	20,002	22,730	22,975	22,975	22,975
Other	4,100	4,350	4,350	4,350	4,350
<b>Total revenue</b>	<b>24,102</b>	<b>27,080</b>	<b>27,325</b>	<b>27,325</b>	<b>27,325</b>
<b>Gains</b>					
Resources received free of charge	65	65	65	65	65
<b>Total gains</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>Total own-source income</b>	<b>24,167</b>	<b>27,145</b>	<b>27,390</b>	<b>27,390</b>	<b>27,390</b>
<b>Net cost of (contribution by) services</b>	<b>1,633</b>	<b>120</b>	<b>1</b>	<b>1</b>	<b>1</b>
Revenue from Government	120	120	120	120	120
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(1,513)</b>	<b>-</b>	<b>119</b>	<b>119</b>	<b>119</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(1,513)</b>	<b>-</b>	<b>119</b>	<b>119</b>	<b>119</b>
<b>Note: Reconciliation of operating result attributable to agency</b>					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Operating result attributable to the Australian Government</b>	<b>(1,513)</b>	<b>-</b>	<b>119</b>	<b>119</b>	<b>119</b>
Plus non-appropriated expenses: Depreciation and amortisation expenses	-	-	-	-	-
<b>Operating result attributable to the agency</b>	<b>(1,513)</b>	<b>-</b>	<b>119</b>	<b>119</b>	<b>119</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.2c: Budgeted departmental balance sheet (DSHIS)  
as at 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	451	202	623	1,087	1,175
Appropriation receivables	-	-	-	-	-
Investments	62,218	62,218	62,218	62,218	62,218
Other receivables	3,979	3,979	3,979	3,979	3,979
<b>Total financial assets</b>	<b>66,648</b>	<b>66,399</b>	<b>66,820</b>	<b>67,284</b>	<b>67,372</b>
<b>Non-financial assets</b>					
Intangibles	218	218	218	218	218
Prepayments	1,377	1,377	1,377	1,377	1,377
<b>Total non-financial assets</b>	<b>1,595</b>	<b>1,595</b>	<b>1,595</b>	<b>1,595</b>	<b>1,595</b>
<b>Total assets</b>	<b>68,243</b>	<b>67,994</b>	<b>68,415</b>	<b>68,879</b>	<b>68,967</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Suppliers	2,404	2,334	2,303	2,272	2,241
Other provisions and payables	23,732	23,553	23,886	24,262	24,262
<b>Total liabilities</b>	<b>26,136</b>	<b>25,887</b>	<b>26,189</b>	<b>26,534</b>	<b>26,503</b>
<b>Net assets</b>	<b>42,107</b>	<b>42,107</b>	<b>42,226</b>	<b>42,345</b>	<b>42,464</b>
<b>Equity*</b>					
Contributed equity	-	-	-	-	-
Asset revaluation reserve	-	-	-	-	-
Retained surplus (accumulated deficit)	42,107	42,107	42,226	42,345	42,464
<b>Total equity</b>	<b>42,107</b>	<b>42,107</b>	<b>42,226</b>	<b>42,345</b>	<b>42,464</b>

Prepared on Australian Accounting Standards basis

\* Equity is the residual interest in assets after deduction of liabilities.

**Table 3.2.3c: Budgeted departmental statement of cash flows (DSHIS)  
for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	120	120	120	120	120
Sales of goods and services	20,002	22,730	22,975	22,975	22,975
Other	4,100	4,350	4,350	4,350	4,350
<b>Total cash received</b>	<b>24,222</b>	<b>27,200</b>	<b>27,445</b>	<b>27,445</b>	<b>27,445</b>
<b>Cash used</b>					
Employees	2,638	3,000	3,010	3,010	3,010
Suppliers	4,704	4,886	4,847	4,847	4,847
Other	18,748	19,563	19,167	19,124	19,500
<b>Total cash used</b>	<b>26,090</b>	<b>27,449</b>	<b>27,024</b>	<b>26,981</b>	<b>27,357</b>
<b>Net cash from or (used by) operating activities</b>	<b>(1,868)</b>	<b>(249)</b>	<b>421</b>	<b>464</b>	<b>88</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(1,868)</b>	<b>(249)</b>	<b>421</b>	<b>464</b>	<b>88</b>
Cash at the beginning of the reporting period	2,319	451	202	623	1,087
<b>Cash at the end of the reporting period</b>	<b>451</b>	<b>202</b>	<b>623</b>	<b>1,087</b>	<b>1,175</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.4: Departmental statement of changes in equity – summary of movement (Budget year 2010–11)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2010</b>					
Balance carried forward from previous period	2,817	437	-	71,241	74,495
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>2,817</b>	<b>437</b>	<b>-</b>	<b>71,241</b>	<b>74,495</b>
<b>Comprehensive income</b>					
Comprehensive income recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (deficit) for the period	(21,047)	-	-	-	(21,047)
<b>Total comprehensive income recognised directly in equity</b>	<b>(21,047)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,047)</b>
<b>Transactions with owners</b>					
<i>Distribution to owners</i>	-	-	-	-	-
<i>Contribution by owners</i>	-	-	-	42,667	42,667
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,667</b>	<b>42,667</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2011</b>	<b>(18,230)</b>	<b>437</b>	<b>-</b>	<b>113,908</b>	<b>96,115</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (Departmental Capital Budget)	-	15,747	13,864	17,864	17,864
Equity injections - Bill 2 <sup>1</sup>	4,338	26,920	4,187	760	760
Previous years' outputs - Bill 2	16,347	-	-	-	-
<b>Total capital appropriations</b>	<b>20,685</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	4,338	42,667	18,051	18,624	18,624
Other items	16,347	-	-	-	-
<b>Total items</b>	<b>20,685</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	4,338	26,920	4,187	760	760
Funded by capital appropriations - Departmental Capital Budget <sup>2</sup>	-	15,747	13,864	17,864	17,864
Funded internally from Departmental resources <sup>3</sup>	19,951	-	-	-	-
<b>TOTAL</b>	<b>24,289</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>
<b>RECONCILIATION OF CASH</b>					
<b>USED TO ACQUIRE ASSETS</b>					
<b>TO ASSET MOVEMENT TABLE</b>					
Total purchases	24,289	42,667	18,051	18,624	18,624
less additions by finance lease	-	-	-	-	-
less additions by creditors / borrowings	-	-	-	-	-
plus borrowing / finance costs	-	-	-	-	-
plus Annual finance lease costs	-	-	-	-	-
less Gifted assets	-	-	-	-	-
less s32 / restructuring	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>24,289</b>	<b>42,667</b>	<b>18,051</b>	<b>18,624</b>	<b>18,624</b>

Prepared on Australian Accounting Standards basis

1. Includes funding for ICT shared services (2010-11: \$21.7m; and 2011-12: \$1.8m), and rationalisation of application platforms (2010-11: \$4.0m; and 2011-12: \$0.7m).
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
3. Includes the following sources of funding:
  - annual and prior year appropriations
  - internally developed assets
  - s. 31 relevant agency receipts
  - proceeds from the sale of assets.



**Table 3.2.6: Statement of asset movements (2010–11)**

	Land	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2010</b>					
Gross book value	1,159	23,711	4,944	113,747	143,561
Accumulated depreciation/amortisation and impairment	-	(13,117)	(3,759)	(53,191)	(70,067)
<b>Opening net book balance</b>	<b>1,159</b>	<b>10,594</b>	<b>1,185</b>	<b>60,556</b>	<b>73,494</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase or internally developed	-	955	14,407	27,305	42,667
By finance lease	-	-	-	-	-
By contribution/donation	-	-	-	-	-
By gift	-	-	-	-	-
<b>Total additions</b>	<b>-</b>	<b>955</b>	<b>14,407</b>	<b>27,305</b>	<b>42,667</b>
<b>Other movements</b>					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-	(3,366)	(1,691)	(15,990)	(21,047)
Disposals#	-	-	-	-	-
Other	-	-	-	-	-
<b>Total accumulated depreciation/amortisation</b>	<b>-</b>	<b>(3,366)</b>	<b>(1,691)</b>	<b>(15,990)</b>	<b>(21,047)</b>
<b>As at 30 June 2011</b>					
Gross book value	1,159	24,666	19,351	141,052	186,228
Accumulated depreciation/amortisation and impairment	-	(16,483)	(5,450)	(69,181)	(91,114)
<b>Closing net book balance</b>	<b>1,159</b>	<b>8,183</b>	<b>13,901</b>	<b>71,871</b>	<b>95,114</b>

Prepared on Australian Accounting Standards basis

# Proceeds may be returned to the OPA.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation revenue</b>					
Other sources of non-taxation revenue	9,471	9,471	9,471	9,471	9,471
<b>Total non-taxation</b>	<b>9,471</b>	<b>9,471</b>	<b>9,471</b>	<b>9,471</b>	<b>9,471</b>
<b>Total revenues administered on behalf of government</b>	<b>9,471</b>	<b>9,471</b>	<b>9,471</b>	<b>9,471</b>	<b>9,471</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	9,022	9,005	7,910	7,908	8,141
Personal benefits	6,592,915	6,663,179	6,528,169	6,408,987	6,303,328
Payments to CAC Act bodies	31,407	30,858	30,485	30,265	30,376
Other	5,020,204	5,146,933	5,224,899	5,305,214	5,398,497
<b>Total expenses administered on behalf of government</b>	<b>11,653,548</b>	<b>11,849,975</b>	<b>11,791,463</b>	<b>11,752,374</b>	<b>11,740,342</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	310,208	25,391	25,391	25,391	25,391
Appropriation receivables	168,236	348,290	527,993	565,597	610,772
Other receivables	33,917	33,917	33,917	33,917	33,917
Investments	1,149,125	1,156,334	1,163,543	1,170,752	1,177,961
<b>Total financial assets</b>	<b>1,661,486</b>	<b>1,563,932</b>	<b>1,750,844</b>	<b>1,795,657</b>	<b>1,848,041</b>
<b>Non-financial assets</b>					
Other	5,519	5,519	5,519	5,519	5,519
<b>Total non-financial assets</b>	<b>5,519</b>	<b>5,519</b>	<b>5,519</b>	<b>5,519</b>	<b>5,519</b>
<b>Total assets administered on behalf of government</b>	<b>1,667,005</b>	<b>1,569,451</b>	<b>1,756,363</b>	<b>1,801,176</b>	<b>1,853,560</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Provisions and payables</b>					
Other provisions and payables	718,816	770,056	818,702	860,706	894,612
Personal benefits	2,010,066	1,849,781	1,983,814	2,115,567	2,247,131
Other payables and accrued expenses	146,729	146,729	146,729	146,729	146,729
<b>Total provisions and payables</b>	<b>2,875,611</b>	<b>2,766,566</b>	<b>2,949,245</b>	<b>3,123,002</b>	<b>3,288,472</b>
<b>Total liabilities administered on behalf of government</b>	<b>2,875,611</b>	<b>2,766,566</b>	<b>2,949,245</b>	<b>3,123,002</b>	<b>3,288,472</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.9: Schedule of budgeted administered cash flows  
for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
GST input credit received	38,051	38,051	38,051	38,051	38,051
Other	9,471	9,471	9,471	9,471	9,471
<b>Total cash received</b>	<b>47,522</b>	<b>47,522</b>	<b>47,522</b>	<b>47,522</b>	<b>47,522</b>
<b>Cash used</b>					
Personal benefits	6,476,923	6,823,462	6,394,138	6,277,583	6,172,113
Other	4,973,642	5,083,204	5,166,018	5,244,688	5,348,733
Grant payments	9,022	9,005	7,910	7,908	8,141
GST payments to suppliers	38,051	38,051	38,051	38,051	38,051
Payments to CAC Act bodies	31,407	30,858	30,485	30,265	30,376
<b>Total cash used</b>	<b>11,529,045</b>	<b>11,984,580</b>	<b>11,636,602</b>	<b>11,598,495</b>	<b>11,597,414</b>
<b>Net cash from or (used by) operating activities</b>	<b>(11,481,523)</b>	<b>(11,937,058)</b>	<b>(11,589,080)</b>	<b>(11,550,973)</b>	<b>(11,549,892)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(11,481,523)</b>	<b>(11,937,058)</b>	<b>(11,589,080)</b>	<b>(11,550,973)</b>	<b>(11,549,892)</b>
Cash and cash equivalents at beginning of reporting period	305,051	310,208	25,391	25,391	25,391
Cash from Official Public Account	11,494,551	11,672,672	11,607,101	11,571,342	11,559,349
Cash to Official Public Account	(7,871)	(20,431)	(18,021)	(20,369)	(9,457)
<b>Cash and cash equivalents at end of reporting period</b>	<b>310,208</b>	<b>25,391</b>	<b>25,391</b>	<b>25,391</b>	<b>25,391</b>

Prepared on Australian Accounting Standards basis

# **Australian War Memorial**

## **Agency resources and planned performance**



# AUSTRALIAN WAR MEMORIAL

<b>Section 1: Agency overview and resources .....</b>	<b>95</b>
1.1 Strategic Direction Statement .....	95
1.2 Agency Resource Statement .....	97
1.3 Budget Measures .....	97
<b>Section 2: Outcomes and planned performance .....</b>	<b>98</b>
2.1 Outcomes and Performance Information .....	98
<b>Section 3: Explanatory tables and budgeted financial statements .....</b>	<b>111</b>
3.1 Explanatory Tables .....	111
3.2 Budgeted Financial Statements .....	112





# AUSTRALIAN WAR MEMORIAL

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Government's outcome for the Australian War Memorial (AWM) includes all functions required of the Memorial under the *Australian War Memorial Act 1980*. One program and eight program components contribute to a single outcome:

*Outcome 1: Australians remembering, interpreting and understanding the Australian experience of war and its enduring impact through maintaining and developing the National Memorial, its collection and exhibition of historical material, commemorative ceremonies and research.*

During 2010–11, the Memorial will contribute significantly to its planned outcome by producing the specific outputs detailed in the *Corporate Plan 2008–11*.

The writing of the *Official History of Peacekeeping and Post Cold War Conflicts* will continue in 2010–11. This major project ensures that the Memorial continues its important role of recording Australia's military history.

The new National Service memorial commemorating the service of those who served under the National Service Schemes will be dedicated in September 2010.

The commemoration of Anzac Day and Remembrance Day continues to interest growing numbers in the community. The Memorial will provide dignified and fitting ceremonies for these and other commemorative days. A half-life refurbishment of the Second World War galleries will be completed as will the refurbishment of the Hall of Valour. The travelling exhibitions program will continue with three new exhibitions to start touring during the year: *Of love and war* (currently on display at the Memorial); *Framing Conflict: Iraq and Afghanistan – Lyndell Brown and Charles Green*; and *On the edge: Jon Cattapan and eX de Medici*. In addition, three current travelling exhibitions will continue to tour. The tour of the Gallipoli VC collection, *This company of brave men, the Gallipoli VCs*, will continue until late 2010.

*AWM Budget Statements*

The Memorial will continue to complete major collection conservation programs in accordance with key plans and documentation. In line with the Collection Development Plan, the Memorial will continue to remedy collection deficiencies, with a focus on identifying, conserving and documenting key objects and recent conflicts. The Memorial has recently acquired a building adjacent to the Treloar complex in Mitchell. The building will be enhanced to be suitable for collection storage. Infrastructure upgrades will then start on the Treloar A complex.

The development of an enterprise content management system to enhance storage and management of digital assets, introduce electronic records management and provide a platform on which to explore and use emerging Web 2.0 technologies to communicate and collaborate with a wide audience about the Memorial, its collection and programs will be completed in 2010-11.

Preparation for the centenary of the landing at Gallipoli will also continue. The Memorial will continue to participate in the inter-departmental working group to ensure that this significant milestone is appropriately commemorated. Planning for the refurbishment of the First World galleries will also commence.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: The Australian War Memorial resource statement – Budget estimates for 2010–11 as at Budget May 2010**

	Estimate of prior year amounts available in 2010-11 \$'000	+	Proposed at Budget = 2010-11 \$'000	=	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
<b>Opening balance/Reserves at bank</b>	<b>31,364</b>				31,364	44,660
<b>REVENUE FROM GOVERNMENT</b>						
<b>Ordinary annual services<sup>1</sup></b>						
Outcome 1			<b>30,858</b>		30,858	31,407
<b>Total ordinary annual services</b>			<b>30,858</b>		<b>30,858</b>	<b>31,407</b>
<b>Other services<sup>2</sup></b>						
<i>Non-operating</i>			<b>7,209</b>		7,209	8,909
<b>Total other services</b>						
<b>Total annual appropriations</b>			<b>7,209</b>		<b>7,209</b>	<b>8,909</b>
<b>FUNDS FROM OTHER SOURCES</b>						
Interest			1,617		1,617	1,709
Sale of goods and services			3,320		3,320	3,127
Other			3,272		3,272	3,973
<b>Total</b>			<b>8,209</b>		<b>8,209</b>	<b>8,809</b>
<b>Total net resourcing for agency</b>	<b>31,364</b>		<b>46,276</b>		<b>77,640</b>	<b>93,785</b>

All figures are GST inclusive.

The Australian War Memorial is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Veterans' Affairs which are then paid to the AWM and are considered 'departmental' for all purposes.

1. Appropriation Bill (No. 1) 2010–11.
2. Appropriation Bill (No. 2) 2010–11.

## 1.3 BUDGET MEASURES

There are no new measures relating to the Australian War Memorial in the 2010–11 Budget.

## Section 2: Outcome and planned performance

### **2.1 OUTCOME AND PERFORMANCE INFORMATION**

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Australian War Memorial in achieving government outcomes.

**Outcome 1: Australians remembering, interpreting and understanding the Australian experience of war and its enduring impact through maintaining and developing the National Memorial, its collection and exhibition of historical material, commemorative ceremonies and research.**

#### **Outcome 1 strategy**

The outcome will be achieved through the maintenance and development of the National Memorial, a national collection of historical material and through commemorative ceremonies, exhibitions, research, interpretation and dissemination.

## Outcome Expense and Resource Statement

Table 2.1 provides an overview of the total expenses for outcome 1 by program.

**Table 2.1: Budgeted Expenses and Resources for Outcome 1**

<b>Outcome 1:</b> Australians remembering, interpreting and understanding the Australian experience of war and its enduring impact through maintaining and developing the national memorial, its collection and exhibition of historical material, commemorative ceremonies and research.	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 1.1: Australian War Memorial</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	31,407	30,858
Revenues from other independent sources	9,507	8,598
Expenses not requiring appropriation in the Budget year	9,495	10,175
<b>Total for Program 1.1</b>	<b>50,409</b>	<b>49,631</b>
<b>Total expenses for Outcome 1</b>	<b>50,409</b>	<b>49,631</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	281	274

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

## Contributions to Outcome 1

### Program 1.1: Australian War Memorial

#### Program objective

To maintain and develop the National Memorial and a national collection of historical material and through commemorative ceremonies, exhibitions, research, interpretation and dissemination.

#### Linked to the following program components:

Program component 1.1: Commemorative Ceremonies

Program component 1.2: National Memorial and Grounds

Program component 1.3: National Collection

Program component 1.4: Exhibitions

Program component 1.5: Interpretive Services

Program component 1.6: Promotion and Community Services

Program component 1.7: Research and Information Dissemination

Program component 1.8: Visitor Services.

Program components reported for 2010–11 were reported as Programs in 2009–10.

#### Program 1.1 expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
\$ ('000)					
Annual departmental expenses:					
Departmental item	50,409	49,631	49,494	49,655	49,913
<b>Total program expenses</b>	<b>50,409</b>	<b>49,631</b>	<b>49,494</b>	<b>49,655</b>	<b>49,913</b>

<b>Program components</b>					
	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
\$ ('000)					
<b>1.1.1 - Commemorative Ceremonies</b>					
Annual departmental expenses:					
Departmental item	554	546	544	546	549
Total component expenses	<b>554</b>	<b>546</b>	<b>544</b>	<b>546</b>	<b>549</b>
<b>1.1.2 - National Memorial &amp; Grounds</b>					
Annual departmental expenses:					
Departmental item	5,661	5,574	5,558	5,576	5,605
Total component expenses	<b>5,661</b>	<b>5,574</b>	<b>5,558</b>	<b>5,576</b>	<b>5,605</b>
<b>1.1.3 - National Collection</b>					
Annual departmental expenses:					
Departmental item	26,676	26,265	26,192	26,277	26,414
Total component expenses	<b>26,676</b>	<b>26,265</b>	<b>26,192</b>	<b>26,277</b>	<b>26,414</b>
<b>1.1.4 - Exhibitions</b>					
Annual departmental expenses:					
Departmental item	6,029	5,936	5,919	5,939	5,970
Total component expenses	<b>6,029</b>	<b>5,936</b>	<b>5,919</b>	<b>5,939</b>	<b>5,970</b>
<b>1.1.5 - Interpretive Services</b>					
Annual departmental expenses:					
Departmental item	2,979	2,933	2,925	2,935	2,950
Total component expenses	<b>2,979</b>	<b>2,933</b>	<b>2,925</b>	<b>2,935</b>	<b>2,950</b>
<b>1.1.6 - Promotion &amp; Community Services</b>					
Annual departmental expenses:					
Departmental item	2,460	2,422	2,415	2,423	2,436
Total component expenses	<b>2,460</b>	<b>2,422</b>	<b>2,415</b>	<b>2,423</b>	<b>2,436</b>
<b>1.1.7 - Research &amp; Information Dissemination</b>					
Annual departmental expenses:					
Departmental item	3,418	3,365	3,356	3,367	3,384
Total component expenses	<b>3,418</b>	<b>3,365</b>	<b>3,356</b>	<b>3,367</b>	<b>3,384</b>
<b>1.1.8 - Visitor Services</b>					
Annual departmental expenses:					
Departmental item	2,632	2,590	2,585	2,592	2,605
Total component expenses	<b>2,632</b>	<b>2,590</b>	<b>2,585</b>	<b>2,592</b>	<b>2,605</b>
<b>Total program expenses</b>	<b>50,409</b>	<b>49,631</b>	<b>49,494</b>	<b>49,655</b>	<b>49,913</b>

## **CONTRIBUTIONS TO OUTCOME 1**

### **Program Component 1.1: Commemorative Ceremonies**

#### **Program component 1.1 objective**

Major national ceremonies such as Anzac Day and Remembrance Day and other commemorative ceremonies are conducted and promoted in a fitting and dignified manner that positively engages all attendees. This program component assists Australians to remember the Australian experience of war and its enduring impact on Australian society.

#### **Program component 1.1 deliverables**

The Australian War Memorial will deliver:

- Three major commemorative ceremonies – the Anzac Day Dawn Service Anzac Day National ceremony and Remembrance Day ceremony.
- At least 10 other commemorative ceremonies.
- At least two ceremonies per week for the School Wreath-laying Program.

#### **Program component 1.1 key performance indicators**

Attendance at and participation in a commemorative ceremony is an explicit act of remembrance. Therefore, the KPI for measuring the effectiveness of this program is the total attendance figure at commemorative ceremonies.



**Program component 1.2: National Memorial and Grounds**

**Program component 1.2 objective**

The Memorial building and grounds are conserved and developed as a dignified, moving and impressive national memorial to Australians who served and died at war. This program component assists Australians to remember the Australian experience of war and its enduring impact on Australian society.

**Program component 1.2 deliverables**

The Australian War Memorial will deliver:

- The Memorial heritage building, commemorative area and surrounding grounds maintained and presented to the highest standards
- Access to the Memorial and visitor facilities of the highest standard
- Building works that comply with relevant standards, codes and regulations
- Management and conservation of heritage elements using the Australia ICOMOS Burra Charter
- Timely completion of works to minimise impact on visitors.

**Program component 1.2 Key performance indicators**

Attending the National Memorial is an explicit act of remembrance. Therefore, the KPI for this program component is the total attendance figure at the Australian War Memorial in Canberra.

**Program component 1.3: National Collection**

**Program component 1.3 objective**

An outstanding national collection of historical material with provenance that is related to Australia's military history, and which is developed, managed, preserved and interpreted to make it accessible. This program component assists Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society.

**Program component 1.3 deliverables**

The Australian War Memorial will deliver:

- An outstanding national collection of historical material with provenance that is related to Australia's military history.

**Program component 1.3 key performance indicators**

The existence of an outstanding national collection provides the necessary foundation for other program components to be able to occur (namely program components 1.2, 1.4 and 1.7). The KPIs for the effectiveness of this program component are:

- The number of new items acquired, in accordance with the Collection Development Plan
- The number of items disposed of, in accordance with the Collection Development Plan
- The number of collection items for which documentation has been enhanced or corrected
- At least 80% of the collection in storage meets conservation standards for environmental conditions
- Number of collection items that can be accessed via the Memorial's on-line public databases.

**Program Component 1.4: Exhibitions**

**Program component 1.4 objective**

Development and maintenance of outstanding permanent, temporary and travelling exhibitions. This program component assists Australians to understand the Australian experience of war and its enduring impact on Australian society.

**Program component 1.4 deliverables**

The Australian War Memorial will deliver:

- Permanent exhibitions developed and maintained to the highest standards
- Travelling exhibitions exhibited at different venues across Australia
- A minimum of two exhibitions displayed per year in the Special Exhibitions Gallery.

**Program component 1.4 key performance indicators**

Attending a Memorial exhibition is a deliberate act to find out more about the Australian experience of war. The KPIs for this program component are:

- The total attendance figure at Memorial exhibitions and travelling exhibitions
- Qualitative or quantitative evidence about increases in visitors' understanding
- Qualitative or quantitative evidence of affective or attitudinal change.

**Program Component 1.5: Interpretive Services**

**Program component 1.5 objective**

Understanding of the Australian experience of war is enhanced through the provision of interactive interpretation, including the delivery of innovative contact and online education and public programs. This program component assists Australians to understand the Australian experience of war and its enduring impact on Australian society.

**Program component 1.5 deliverables**

The Australian War Memorial will deliver:

- a range of public programs and events for visitors to the Memorial
- a series of quality, engaging curriculum-related school education programs for on-site education groups
- Memorial Boxes for schools in all Australian states and territories to borrow during the year
- *KidsHQ*, an education specific section of the Memorial's website.

**Program component 1.5 key performance indicators**

Attending a Memorial program or event is a deliberate act to find out more about the Australian experience of war. The KPIs for this program component are:

- The total attendance figure at Memorial programs
- Qualitative or quantitative evidence about increases in participants' understanding
- Qualitative or quantitative evidence of affective or attitudinal change.

**Program Component 1.6: Promotion and Community Services**

**Program component 1.6 objective**

Understanding of the Australian experience of war is enhanced through the provision of interactive interpretation, including the delivery of innovative contact and online education and public programs. This program component assists Australians to understand the Australian experience of war and its enduring impact on Australian society.

**Program component 1.6 deliverables**

The Australian War Memorial will deliver:

- An engaging website with accurate information
- A media website with current, accurate information and images
- High quality service to the media to encourage suitable coverage in all media forms
- High quality promotional activities as appropriate.

**Program component 1.6 key performance indicators**

Effective promotion of the Memorial provides the necessary foundation for other program components to function effectively (namely program components 1.1, 1.2, 1.3, 1.4, 1.5 and 1.7). The KPIs for the effectiveness of this program component are:

- Number of visits to the Memorial's website
- Number of people to make their first visit to the Memorial.

**Program Component 1.7: Research and Information Dissemination**

**Program component 1.7 objective**

The stimulation of an interest and understanding of Australia's military history by the delivery and dissemination in print, broadcast and online media of articles, papers and presentations, conferences, and encouraging the conduct of historical research and dissemination of knowledge and understanding of Australia's military history. This program component assists Australians to interpret and understand the Australian experience of war and its enduring impact on Australian society.

**Program component 1.7 deliverables**

The Australian War Memorial will deliver:

- continued support for the *Official History of Peacekeeping and Post Cold-War Conflicts*
- continued support for a range of internal research projects
- continued support for the Summer Scholars program
- 25 lectures/papers given by Memorial staff; 60 articles written by Memorial staff
- a publishing program of curatorial monographs
- four issues of *Wartime* published
- access to collection items and information about military history through excellent reading room and online research facilities
- an authoritative research enquiry service available in a range of formats, including on-line
- an annual history conference
- a shop that provides quality military books and exhibition publications.

**Program component 1.7 key performance indicators**

Conducting one's own research at the Memorial's Research Centre, viewing digitised website resources, searching through the Memorial's online databases, making research enquiries, attending lectures and conferences or reading material produced by the Memorial's military historians are all deliberate actions to interpret and understand the Australian experience of war and its enduring impact on Australian society. The KPIs for the effectiveness of this program component are:

- Total attendance at Memorial conferences
- Number of visits to the Research Centre Reading Room and Online Gallery
- Number of collection items retrieved for and accessed by Reading Room clients
- Number of research enquiries answered by Memorial staff
- Number of page views accessing the Memorial's online research facilities
- Number of queries on the Memorial's online databases
- Number of collection reproduction items provided to external customers
- Sales figures for *Wartime Magazine* and other publications produced by the Memorial
- Successful publication of books from the Memorial's publishing program.

### **Program Component 1.8: Visitor Services**

#### **Program component 1.8 objective**

Visitors to both the Memorial and its outreach programs are provided with a standard of service that enhances their experience and encourages them to re-use services and promote them to others. Through the provision of high-quality visitor services, this program component provides a necessary foundation for other program components to function effectively. In this way, this program component assists Australians to understand the Australian experience of war and its enduring impact on Australian society.

#### **Program component 1.8 deliverables**

The Australian War Memorial will deliver:

- Front-of-house staff and volunteers who are trained in customer service and have at least an introductory level of military history.
- High quality and suitable public facilities such as restrooms, cafe, and way-finding signage.
- Opportunities for visitor feedback such as Service Charter, Visitors' Book and evaluation services.

#### **Program component 1.8 key performance indicators**

The provision of high-quality visitor services provides the necessary foundation for other program components to function effectively (namely program components 1.1, 1.2, 1.4, 1.5 and 1.7). The KPIs for the effectiveness of this program component are:

- At least 90% of surveyed visitors state that their visit has met or exceeded their expectations.
- At least 80% of surveyed visitors state that the Memorial has maintained or improved its standard of service since their last visit.



## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, Special accounts and government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

The Australian War Memorial does not manage administered funds.

#### 3.1.2 Special Accounts

The Australian War Memorial does not operate Special Accounts.

#### 3.1.3 Australian Government Indigenous expenditure

The Australian War Memorial reports the following Australian Government Indigenous expenditure.

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
<b>Australian War Memorial</b>							
<b>Outcome 1</b>							
Departmental 2010-11	184	-	-	184	-	184	AWM
Departmental 2009-10	180	-	-	180	-	180	AWM
Total outcome 2010-11	<b>184</b>	-	-	<b>184</b>	-	<b>184</b>	
Total outcome 2009-10	180	-	-	180	-	180	
<b>Total AGIE 2010-11</b>	<b>184</b>	-	-	<b>184</b>	-	<b>184</b>	
Total AGIE 2009-10	180	-	-	180	-	180	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

The Memorial reports no significant difference between agency resourcing and financial statements.

### **3.2.2 Analysis of budgeted financial statements**

The Memorial is forecasting a deficit in the Budget year of \$10 million, also reflected in forward year estimates.

The estimated deficits reflect the inclusion of heritage and cultural assets depreciation, excluded as an operating expense last year.

Funding for collection capital expenditure continues to be treated as an equity injection with the creation of a Collection Development and Acquisition Budget (CDAB).

A small surplus is reported in the current year, plus future years, when non-appropriated heritage and cultural depreciation expense is excluded.

Total revenue in 2010–11 is estimated to be \$39.5 million, a decrease of \$1.5 million from the 2009–10 estimated revenue, due to a reduction in Appropriation of \$5 million, plus a reduction in sponsorship funding received for specific programs in 2009–10 (e.g. VC Tour sponsorship), which is not repeated in 2010–11.

Interest revenue is expected to remain static as cash balances decline due to the application of reserves to major projects, offset by expected improvement of term deposit interest rates.

The total equity of \$1,138 million in 2010–11 is a decrease of \$3 million from the 2009–10 Estimate. The decrease is represented by the funding for the CDAB of \$7.2 million, less the operating deficit for the year.

The Memorial's primary asset, the National Collection, is projected to remain relatively stable in value.

Investments on hand represent accumulated capital reserves, plus carried forward independently sourced revenue, set aside for specific expenditures planned for future years.

The Memorial's primary liability continues to be employee provisions which, during 2010–11, are projected to be \$6.2 million, as a result of accruing leave entitlements.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)  
for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES</b>					
Employee benefits	18,206	<b>18,206</b>	18,243	18,280	18,335
Supplier expenses	14,908	<b>13,030</b>	12,504	12,628	12,865
Depreciation and amortisation	17,263	<b>18,363</b>	18,715	18,715	18,713
Write-down and impairment of assets	5	<b>5</b>	5	5	-
Losses from asset sales	27	<b>27</b>	27	27	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>50,409</b>	<b>49,631</b>	<b>49,494</b>	<b>49,655</b>	<b>49,913</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	3,127	<b>3,320</b>	3,325	3,331	3,339
Interest	1,709	<b>1,617</b>	1,597	1,853	2,102
Other	4,671	<b>3,661</b>	3,869	3,876	3,888
<b>Total revenue</b>	<b>9,507</b>	<b>8,598</b>	<b>8,791</b>	<b>9,060</b>	<b>9,329</b>
<b>Gains</b>					
Sale of assets	13	<b>13</b>	13	13	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	-
<b>Total own-source income</b>	<b>9,520</b>	<b>8,611</b>	<b>8,804</b>	<b>9,073</b>	<b>9,329</b>
<b>Net cost of (contribution by) services</b>					
Revenue from Government	<b>31,407</b>	<b>30,858</b>	30,485	30,265	30,376
<b>Surplus (Deficit)</b>	<b>(9,482)</b>	<b>(10,162)</b>	(10,205)	(10,317)	(10,208)
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(9,482)</b>	<b>(10,162)</b>	(10,205)	(10,317)	(10,208)
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves					
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income attributable to the Australian Government</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis

Continued on next page

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)  
for the period ended 30 June (continued)**

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Operating result attributable to the Australian Government</b>	(9,482)	(10,162)	(10,205)	(10,317)	(10,208)
plus non-appropriated expenses heritage and cultural depreciation and amortisation expenses	10,127	<b>10,245</b>	10,327	10,396	10,292
<b>Operating result attributable to the agency</b>	<b>645</b>	<b>83</b>	<b>122</b>	<b>79</b>	<b>84</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.2: Budgeted departmental balance sheet  
as at 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	2,364	2,175	1,990	2,352	2,444
Trade and other receivables	395	390	380	386	386
Investments accounted for under the equity method	29,000	21,000	25,000	29,000	32,000
Other	920	920	920	920	920
<b>Total financial assets</b>	<b>32,679</b>	<b>24,485</b>	<b>28,290</b>	<b>32,658</b>	<b>35,750</b>
<b>Non-financial assets</b>					
Land and buildings	127,694	130,084	129,231	126,805	124,343
Property, plant and equipment	986,121	985,533	980,678	976,260	973,296
Intangibles	3,509	6,860	6,180	5,525	4,861
Inventories	548	548	548	548	548
Other	113	113	113	113	113
<b>Total non-financial assets</b>	<b>1,117,985</b>	<b>1,123,138</b>	<b>1,116,750</b>	<b>1,109,251</b>	<b>1,103,161</b>
<b>Total assets</b>	<b>1,150,664</b>	<b>1,147,623</b>	<b>1,145,040</b>	<b>1,141,909</b>	<b>1,138,911</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,935	1,923	1,997	2,027	2,027
Other	1,197	1,108	1,204	1,117	1,117
<b>Total payables</b>	<b>3,132</b>	<b>3,031</b>	<b>3,201</b>	<b>3,144</b>	<b>3,144</b>
<b>Provisions</b>					
Employee provisions	6,183	6,196	6,438	6,472	6,473
<b>Total provisions</b>	<b>6,183</b>	<b>6,196</b>	<b>6,438</b>	<b>6,472</b>	<b>6,473</b>
<b>Total liabilities</b>	<b>9,315</b>	<b>9,227</b>	<b>9,639</b>	<b>9,616</b>	<b>9,617</b>
<b>Net assets</b>	<b>1,141,349</b>	<b>1,138,396</b>	<b>1,135,401</b>	<b>1,132,293</b>	<b>1,129,294</b>

Prepared on Australian Accounting Standards basis

Continued on next page

**Table 3.2.2: Budgeted departmental balance sheet  
as at 30 June (continued)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	32,380	39,589	46,798	54,007	61,216
Reserves	525,058	525,058	525,058	525,058	525,058
Retained surplus (accumulated deficit)	583,911	573,749	563,545	553,228	543,020
<b>Total Equity</b>	<b>1,141,349</b>	<b>1,138,396</b>	<b>1,135,401</b>	<b>1,132,293</b>	<b>1,129,294</b>

Prepared on Australian Accounting Standards basis

\* Equity is the residual interest in assets after deduction of liabilities.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010–11)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2010</b>					
Balance carried forward from previous period	583,911	525,058	-	32,380	1,141,349
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>583,911</b>	<b>525,058</b>		<b>32,380</b>	<b>1,141,349</b>
<b>Comprehensive income</b>					
Comprehensive income recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total comprehensive income</b>					
Surplus (deficit) for the period	(10,162)	-	-	-	(10,162)
<b>Total comprehensive income recognised directly in equity</b>	<b>(10,162)</b>				<b>(10,162)</b>
<b>Transactions with owners</b>					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	7,209	7,209
<b>Sub-total transactions with owners</b>				<b>7,209</b>	<b>7,209</b>
<b>Estimated closing balance as at 30 June 2011</b>	<b>573,749</b>	<b>525,058</b>		<b>39,589</b>	<b>1,138,396</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.4: Budgeted departmental statement of cash flows  
for the period ended 30 June**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	3,127	3,320	3,335	3,336	3,339
Appropriations	31,407	30,858	30,485	30,265	30,376
Interest	1,709	1,617	1,597	1,853	2,102
Other	3,973	3,272	3,665	3,489	3,588
<b>Total cash received</b>	<b>40,216</b>	<b>39,067</b>	<b>39,082</b>	<b>38,943</b>	<b>39,405</b>
<b>Cash used</b>					
Employees	18,185	18,193	18,001	18,246	18,334
Suppliers	14,920	13,042	12,434	12,614	12,865
<b>Total cash used</b>	<b>33,105</b>	<b>31,235</b>	<b>30,435</b>	<b>30,860</b>	<b>31,199</b>
<b>Net cash from (used by) operating activities</b>	<b>7,111</b>	<b>7,832</b>	<b>8,647</b>	<b>8,083</b>	<b>8,206</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	13	13	13	13	0
Investments	68,000	46,000	23,000	29,000	35,000
<b>Total cash received</b>	<b>68,013</b>	<b>46,013</b>	<b>23,013</b>	<b>29,013</b>	<b>35,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	29,329	23,243	12,054	10,943	12,323
Investments	55,000	38,000	27,000	33,000	38,000
<b>Total cash used</b>	<b>84,329</b>	<b>61,243</b>	<b>39,054</b>	<b>43,943</b>	<b>50,323</b>
<b>Net cash from (used by) investing activities</b>	<b>(16,316)</b>	<b>(15,230)</b>	<b>(16,041)</b>	<b>(14,930)</b>	<b>(15,323)</b>

Prepared on Australian Accounting Standards basis

Continued on next page



**Table 3.2.4: Budgeted departmental statement of cash flows  
for the period ended 30 June (continued)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	8,909	7,209	7,209	7,209	7,209
<b>Total cash received</b>	<b>8,909</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>
<b>Cash used</b>					
Other	1	-	-	-	-
<b>Total cash used</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>8,910</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>
<b>Net increase (decrease) in cash held</b>	<b>(295)</b>	<b>(189)</b>	<b>(185)</b>	<b>362</b>	<b>92</b>
Cash and cash equivalents at the beginning of the reporting period	2,659	2,364	2,175	1,990	2,352
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,364</b>	<b>2,175</b>	<b>1,990</b>	<b>2,352</b>	<b>2,444</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	8,909	7,209	7,209	7,209	7,209
<b>Total capital appropriations</b>	<b>8,909</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>
<b>Represented by:</b>					
Purchase of non-financial assets	8,909	7,209	7,209	7,209	7,209
<b>Total represented by</b>	<b>8,909</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>	<b>7,209</b>
<b>ADDITIONS OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	8,909	7,209	7,209	7,209	7,209
Funded internally from departmental resources <sup>1</sup>	21,070	16,334	5,145	4,034	5,414
<b>TOTAL</b>	<b>29,979</b>	<b>23,543</b>	<b>12,354</b>	<b>11,243</b>	<b>12,623</b>

1. Includes the following sources of funding:
- annual and prior year appropriations
  - donations and contributions
  - gifts
  - internally developed assets
  - s.31 relevant agency receipts (for FMA agencies only)
  - proceeds from the sale of assets.

**Table 3.2.6: Statement of Asset Movements (2010–11)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2010</b>						
Gross book value	7,850	124,455	34,435	997,421	6,197	1,170,358
Accumulated depreciation/amortisation and impairment	-	(4,611)	(10,699)	(35,036)	(2,688)	(53,034)
<b>Opening net book balance</b>	<b>7,850</b>	<b>119,844</b>	<b>23,736</b>	<b>962,385</b>	<b>3,509</b>	<b>1,117,324</b>
<b>CAPITAL ASSET ADDITIONS</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation equity	-	-	-	7,209	-	7,209
By purchase - appropriation ordinary annual services	-	6,205	4,850	933	4,046	16,034
Assets received as gifts/donations	-	-	-	300	-	300
<b>Total additions</b>	<b>-</b>	<b>6,205</b>	<b>4,850</b>	<b>8,442</b>	<b>4,046</b>	<b>23,543</b>
<b>Other movements</b>						
Assets held for sale or in a disposal group held for sale	-	-	(50)	-	(383)	(433)
Depreciation/amortisation expense	-	(3,815)	(3,608)	(10,245)	(695)	(18,363)
Disposals	-	-	23	-	383	406
<b>As at 30 June 2011</b>						
Gross book value	7,850	130,660	39,235	1,005,863	9,860	1,193,468
Accumulated depreciation/amortisation and impairment	-	(8,426)	(14,284)	(45,281)	(3,000)	(70,991)
<b>Closing net book balance</b>	<b>7,850</b>	<b>122,234</b>	<b>24,951</b>	<b>960,582</b>	<b>6,860</b>	<b>1,122,477</b>
<b>Estimated operating expenditure in income statement for heritage and cultural assets</b>						
Operations and Maintenance						291
Preservation and Conservation						13,746
<b>Totals</b>						<b>14,037</b>

Prepared on Australian Accounting Standards basis

### 3.2.4 Notes to the financial statements

#### Note 1 – Revenue from government

Revenue from government does not include capital appropriations.

#### Note 2 – Other Revenue

Other revenue includes sponsorship and donation funds received.

#### Note 3 – Depreciation and Amortisation

Depreciation expense includes collection depreciation as per the Memorial's depreciation policy.

#### Note 4 – Investments

The Memorial's investments comprise short-term term deposits held with banks with a variety of maturity dates.

#### Note 5 – Assets are categorised as follows

	Revised Budget 2009- 10 \$'000	Budget 2010-11 \$'000	Forward Estimate 2011-12 \$'000	Forward Estimate 2012-13 \$'000	Forward Estimate 2013-14 \$'000
<b>Written down value</b>					
Land and buildings	127,694	130,084	129,231	126,805	124,343
Infrastructure, plant and equipment	3,960	3,541	3,163	2,859	2,622
Exhibitions	19,776	21,410	19,460	17,942	17,707
Computer software	3,509	6,860	6,180	5,525	4,861
Heritage and cultural assets	962,385	960,582	958,055	955,459	952,967
<b>Total</b>	<b>1,117,324</b>	<b>1,122,477</b>	<b>1,116,089</b>	<b>1,108,590</b>	<b>1,102,500</b>

#### Note 6– Intangibles

This class of assets consist of purchased software.

## PORTFOLIO GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
AEIFRS	Australian Equivalents to International Financial Reporting Standards, which were issued by the Australian Accounting Standards Board in July 2004.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Acts of Parliament, which provide appropriation for the government's activities during a specific financial year. Three appropriation Bills are introduced into Parliament in May and comprise the Budget. Further supplementary Bills are introduced later in the financial year as part of the Additional Estimates process. The Parliamentary departments have their own appropriation Bills.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency to produce outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services, and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.

## *Glossary*

Effectiveness indicators	Indicators to assess the degree of success in achieving outcomes. As outcomes are generally long-term in nature, effectiveness indicators often relate to intermediate outcomes (shorter term impacts) below the planned outcomes specified.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs and, where applicable, administered items. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items, such as salary payments, as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Australian Government entities will move to this method incrementally by 30 June 2006 for valuing most infrastructure, plant and equipment.
Intermediate outcomes	More specific medium-term impacts (eg trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. See Outcomes.
Operating result	Equals revenue less expenses.
Outcomes	The government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Output groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.

Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between users' expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations ( <i>Financial Management and Accountability Act 1997</i> , ss. 20 and 21). Special accounts allow money in the CRF to be acknowledged as set aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special accounts can only be established by a written determination of the Finance Minister (s. 20 FMA Act) or through an Act of Parliament (referred to in s. 21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a subcategory consisting of ongoing special appropriations — the amount appropriated will depend on circumstances specified in the legislation.</p>