

Portfolio Additional Estimates Statements 2017-18

Human Services Portfolio

Explanations of Additional Estimates 2017-18

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Mr Mark Jenkin, Chief Financial Officer, CFO Division, Department of Human Services, PO Box 7788, Canberra BC, ACT 2600 Australia.



The Hon Michael Keenan MP
Minister for Human Services
Minister Assisting the Prime Minister for Digital Transformation

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 Additional Estimates Statements in support of the 2017-18 Additional Estimates for the Human Services Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Keenan'.

Michael Keenan

ABBREVIATIONS AND CONVENTIONS

The following notations may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ 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 Mr Mark Jenkin, Chief Financial Officer in the Department of Human Services on (02) 6223 4350.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

The purpose of the 2017-18 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES includes an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitates understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2017-2018. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2017-18* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

User guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

Section 1: Entity overview and resources	This section details the changes in total resources available to an entity, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.
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Section 2: Revisions to outcomes and planned performance	This section details changes to Government outcomes and/or changes to the planned performance of entity programs.
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Section 3: Special account flows and budgeted financial statements	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.
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Portfolio glossary

Explains key terms relevant to the Portfolio.

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PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The Human Services Portfolio was established under amendments to the Administrative Arrangements Orders issued on 20 December 2017. The Human Services Portfolio comprises the Department of Human Services (the Department) and Australian Hearing.

The minister responsible for the Human Services Portfolio is:

- The Hon Michael Keenan MP, Minister for Human Services.

Previously, the Department was part of the Social Services Portfolio, details of which can be found in *Portfolio Budget Statements 2017–18, Budget Related Paper No. 1.15B, Social Services Portfolio (Department of Human Services)*.

DEPARTMENT OF HUMAN SERVICES

The Department is responsible for providing advice to government on design, development, delivery, co-ordination and monitoring of government services, social security, child support, students, families, aged care and health programs (excluding Health provider compliance), superannuation release and Australian Hearing services.

Legislation administered by the Minister for Human Services includes the:

- *Human Services (Centrelink) Act 1997*
- *Human Services (Medicare) Act 1973*, except to the extent administered by the Health Minister
- *Australian Hearing Services Act 1991*, except to the extent administered by the Health Minister.

The Department is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Department has one outcome and delivers a range of government and other payments and services to almost every Australian, including:

- **Centrelink** payments and services for retirees, the unemployed, families, carers, parents, students, people with disabilities, Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds, people living overseas and provision of services at times of major change, including disaster recovery payments.
- **Aged care** payments to services funded under the *Aged Care Act 1997* including residential care, home care and flexible care services.

Portfolio Overview

- **Health** services and payments that support Australians such as Medicare, the Pharmaceutical Benefits Scheme, digital health, Private Health Insurance Rebate, the Australian Immunisation Register, the National Bowel Cancer Screening Register, the Australian Organ Donor Register, and related services for eligible veterans, their spouses and dependants.
- **Child Support** services for separated parents to provide the financial and emotional support necessary for their children's wellbeing.

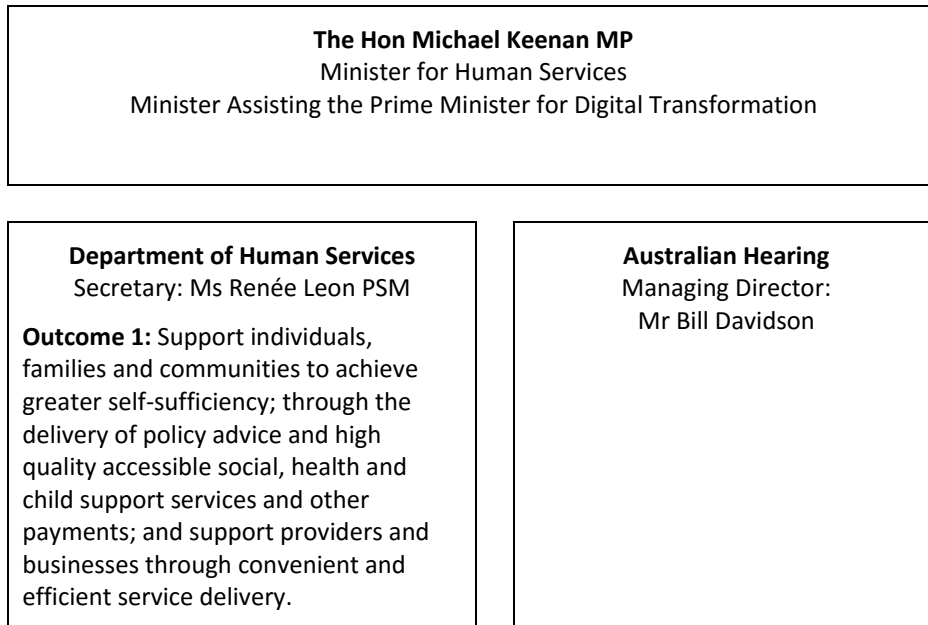
The Department also delivers other services including the Tasmanian Freight Equalisation Scheme and Early Release of Superannuation, and whole of government services such as myGov.

Additional appropriation of \$9.2 million is being sought through Appropriation Bill (No. 3) 2017-18 and \$15.9 million through Appropriation Bill (No. 4) 2017-18 as a result of new measures and variations.

AUSTRALIAN HEARING

Australian Hearing is a Public Non-Financial Corporation (Trading) entity established under the *Australian Hearing Services Act 1991*. Accordingly, Australian Hearing is not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements. Australian Hearing is a corporate Commonwealth entity under the PGPA Act and is governed by a board that is appointed by the Minister for Human Services.

Figure 1: Department of Human Services portfolio structure and outcomes



ENTITY ADDITIONAL ESTIMATES STATEMENTS

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DEPARTMENT OF HUMAN SERVICES

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There have been no changes to the strategic direction statement since the publication of the 2017-18 PB Statements.

For full details refer to pages 13-14 of the *Portfolio Budget Statements 2017-18, Budget Related Paper No. 1.15B, Social Services Portfolio (Department of Human Services)*.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Department at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: Department of Human Services resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Departmental				
Annual appropriations - ordinary annual services (a)				
Prior year departmental appropriation (b)	957,518	1,041,916	-	1,041,916
Departmental appropriation	4,200,897	4,486,514	9,228	4,495,742
s 74 retained revenue receipts (c)	300,942	263,821	78,576	342,397
Departmental Capital Budget (DCB) (d)	164,675	188,996	-	188,996
Annual appropriations - other services - non-operating (e)				
Prior year departmental appropriation (f)	-	38,183	-	38,183
Equity injection (g)	109,421	161,904	15,946	177,850
<i>Total departmental annual appropriations</i>	5,733,453	6,181,334	103,750	6,285,084
Total departmental resourcing	5,733,453	6,181,334	103,750	6,285,084
Administered				
Annual appropriations - ordinary annual services (a)				
Prior year administered appropriation	2,240	1,515	-	1,515
Outcome 1 (h)	1,565	1,566	(13)	1,553
s 74 retained receipts (i)	1,000	1,566	(13)	1,553
<i>Total administered annual appropriations</i>	4,805	4,647	(26)	4,621
<i>Total administered special appropriations (j)</i>	38,839	58,343	(467)	57,876
Special Accounts				
Opening balance (k)	134,938	133,054	-	133,054
Appropriation receipts (l)	39,889	59,909	(480)	59,429
Non-appropriation receipts to Special accounts (m)	1,694,758	1,423,431	277,863	1,701,294
<i>Total special account receipts</i>	1,869,585	1,616,394	277,383	1,893,777
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts (l)</i>	39,889	59,909	(480)	59,429
Total administered resourcing	1,873,340	1,619,475	277,370	1,896,845
Total resourcing for the Department of Human Services	7,606,793	7,800,809	381,120	8,181,929
			<i>Actual 2016-17</i>	<i>2017-18</i>
Average staffing level			29,837	28,629

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) *Appropriation Act (No. 1) 2017-2018* and Appropriation Bill (No. 3) 2017-2018.
- (b) The Estimate as at Budget has been updated to reflect the actual balance of annual appropriations carried forward from the previous year. Actual available prior year departmental appropriation for 2016-17 excludes \$6.0 million of 2013-14 appropriation and \$9.6 million of 2015-16 subject to administrative quarantine under section 51 of the PGPA Act. Actual available prior year departmental appropriation for Estimates as at Budget 2017-18 also excludes these amounts and \$57.1 million of 2016-17 appropriation subject to administrative quarantine under section 51 of the PGPA Act.
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.

Table 1.1: Department of Human Services resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

- (d) Departmental capital budgets are not separately identified in Appropriation Act (No.1) and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) *Appropriation Act (No. 2) 2017-2018* and Appropriation Bill (No. 4) 2017-2018.
- (f) Actual available prior year departmental non-operating appropriation as at Budget 2017-18 excludes \$29.0 million of 2016-17 appropriation subject to administrative quarantine under section 51 of the PGPA Act.
- (g) Actual available equity injections for 2016-17 excludes \$29.0 million of 2016-17 appropriation subject to administrative quarantine under section 51 of the PGPA Act.
- (h) *Appropriation Act (No. 1) 2017-2018* provides funding for operating expenses only. The Department does not have an administered capital budget.
- (i) Administered repayments received by the Department.
- (j) Special appropriations under the *Child Support (Registration and Collection) Act 1988* provide temporary funding to cover unremitted deductions and unexplained remittances until deductions have been received and unexplained remittances have been attributed to the relevant paying parent.
- (k) The Estimate as at Budget has been updated to reflect the actual balance of special accounts carried forward from the previous year.
- (l) Amounts credited to special accounts from annual administered appropriations and special appropriations relating to Child Support.
- (m) Non-appropriation receipts comprise receipts from non-custodial parents through the Child Support special account and deposits for recovery of compensation.

Table 1.1: Department of Human Services resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities

	<i>Actual</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Payments made on behalf of other entities (as disclosed in the respective entity's resource statement)				
Attorney-General's Department (a)				
Special appropriation - <i>Social Security (Administration) Act 1999</i>				
- Australian Victim of Terrorism Overseas Payment	749	1,595	150	1,745
- Disaster Recovery Allowance	1,537	191	2,036	2,227
- Disaster Recovery Payment	24,304	955	1,216	2,171
Annual appropriation - Ex gratia assistance - New Zealand citizens	283	120	-	120
Total	26,873	2,861	3,402	6,263
Department of Agriculture and Water Resources				
Special appropriation - <i>Farm Household Support Act 2014</i> s 105 - payments for Farm Household Allowance and Exceptional circumstances relief payments	61,601	36,607	118	36,725
Total	61,601	36,607	118	36,725
Department of Defence				
Annual appropriation - Closure of Hunter River and Port Stephens Fisheries - Assistance to individuals and Businesses	1,452	-	-	-
Total	1,452	-	-	-
Department of Education and Training				
Special appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	1,460,692	1,466,752	(58,618)	1,408,134
Total	1,460,692	1,466,752	(58,618)	1,408,134
Department of Health				
Special account - Medicare Guarantee Fund - medical benefits (b)	22,098,281	22,897,861	95,663	22,993,524
Special account - Medicare Guarantee Fund - pharmaceutical benefits (b) (c)	12,057,625	10,950,710	469,321	11,420,031
Special appropriation - <i>Private Health Insurance Act 2007</i>	5,994,087	6,175,728	(60,811)	6,114,917
Special appropriation - <i>Dental Benefits Act 2008</i>	319,384	346,039	(14,450)	331,589

Prepared on a resourcing (i.e. appropriations available) basis.

Additional Estimates Statements – Department of Human Services

Table 1.1: Department of Human Services resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities (continued)

	<i>Actual</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	Total estimate at Additional Estimates 2017-18
	<i>2016-17 \$'000</i>	<i>2017-18 \$'000</i>	<i>2017-18 \$'000</i>	<i>\$'000</i>
Department of Health (continued)				
Special appropriation - <i>National Health Act 1953</i> - Aids and Appliances	338,991	353,784	-	353,784
Special appropriation - <i>Medical Indemnity Agreement Act 2002</i>	91,302	96,900	-	96,900
Special Account - Australian Childhood Immunisation Register	9,955	9,820	-	9,820
Special appropriation - <i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	-	4,061	-	4,061
Special appropriation - <i>Aged Care Act 1997</i>	12,811,738	13,868,620	(19,939)	13,848,681
Special appropriation - <i>National Health Act 1953</i> - Contenance Aids Assistance Scheme	84,614	86,792	97	86,889
Ordinary annual Services - Hearing Services	418,986	445,138	8,197	453,335
Total	54,224,963	55,235,453	478,078	55,713,531
Department of Home Affairs (a)				
Special appropriation - <i>Social Security (Administration) Act 1999</i>				
- Australian Victim of Terrorism Overseas Payment	-	-	2,185	2,185
- Disaster Recovery Allowance	-	-	-	-
- Disaster Recovery Payment	-	-	-	-
Annual appropriation - Ex gratia assistance - New Zealand citizens	-	-	219	219
Annual appropriation - Asylum Seeker Support	213,275	191,138	(51,327)	139,811
Total	213,275	191,138	(48,923)	142,215
Department of Infrastructure, Regional Development and Cities (a)				
Annual appropriation - Tasmanian Freight Equalisation Scheme	137,612	171,609	-	171,609
Annual appropriation - Bass Strait Passenger Vehicle Equalisation Scheme (c)	47,769	48,681	-	48,681
Total	185,381	220,290	-	220,290
Department of Jobs and Small Business (a)				
Annual appropriation - Job Commitment Bonus	11,042	-	16	16
Annual appropriation - PaTH Internship Supplement	-	-	30,000	30,000
Total	11,042	-	30,016	30,016

Prepared on a resourcing (i.e. appropriations available) basis.

Table 1.1: Department of Human Services resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities (continued)

	<i>Actual</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	Total estimate at Additional Estimates
	<i>2016-17</i>	<i>2017-18</i>	<i>2017-18</i>	<i>2017-18</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Department of Social Services				
Special appropriation - <i>Social Security (Administration) Act 1999</i>	89,617,284	91,887,360	(1,330,942)	90,556,418
Special appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	20,199,502	19,499,677	(185,848)	19,313,829
Special appropriation - <i>Paid Parental Leave Act 2010</i>	2,152,101	2,239,894	(33,391)	2,206,503
Special appropriation - <i>Student Assistance Act 1973</i>	346,600	350,336	(3,228)	347,108
Annual Administered Appropriations	4,214	7,476	-	7,476
Total	112,319,701	113,984,743	(1,553,409)	112,431,334
Department of Veterans' Affairs				
Special appropriation - <i>Veterans' Entitlements Act 1986</i> and related acts	3,503,478	3,422,952	19,039	3,441,991
Special appropriation - <i>Military Rehabilitation and Compensation Act 2004</i>	55,698	60,529	5,240	65,769
Special appropriation - <i>Safety, Rehabilitation and Compensation Act 1988</i>	13,429	12,375	1,532	13,907
Special appropriation - <i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	371	377	48,631	49,008
Total	3,572,976	3,496,233	74,442	3,570,675
Total Payments made on behalf of other entities	172,077,956	174,634,077	(1,074,894)	173,559,183

Prepared on a resourcing (i.e. appropriations available) basis.

- (a) Under Administrative Arrangements Order (AAO), effective from 20 December 2017: responsibility for the above payments made on behalf of the Attorney-General's department transferred to the Department of Home Affairs (previously Department of Immigration and Border Protection); Department of Infrastructure and Regional Development was renamed as Department of Infrastructure, Regional Development and Cities, and Department of Employment was renamed as Department of Jobs and Small Business.
- (b) The Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme became part of the Medicare Guarantee Fund (special account) from 1 July 2017. Actuals and estimates are reported under the special account for comparability.
- (c) Incorrect estimates at Budget were published in the 2017-18 PB statements and have been corrected in the table above.

Table 1.1: Department of Human Services resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities (continued)

	<i>Actual</i>	Estimate as at Budget (a)	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Payments made to other entities for the provision of services				
Attorney-General's Department	733	-	-	-
Australian Federal Police	3,712	3,800	-	3,800
Australian Postal Corporation	80,182	71,374	-	71,374
Comcare	75,617	69,638	(34,401)	35,237
Commonwealth Superannuation Corporation	5,489	5,246	-	5,246
Department of Defence	1,416	849	-	849
Department of Finance	75,972	43,107	-	43,107
Department of Home Affairs	2,429	12	-	12
Reserve Bank of Australia	14,259	14,332	-	14,332
Other	11,102	-	-	-
Total payments made to other entities for the provision of services	270,911	208,358	(34,401)	173,957

Prepared on a resourcing (i.e. appropriations available) basis.

(a) Incorrect estimates at Budget were published in the 2017-18 PB statements and have been corrected in the table above.

Table 1.1: Department of Human Services resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities (continued)

	<i>Actual</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	Total estimate at Additional Estimates
	<i>2016-17</i>	<i>2017-18</i>	<i>2017-18</i>	<i>2017-18</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)				
Attorney-General's Department	516	-	1,650	1,650
Australian Bureau of Statistics	1,095	-	2,845	2,845
Australian Digital Health Agency	18,949	18,999	11,409	30,408
Australian Electoral Commission	8,732	28	1,287	1,315
Australian Taxation Office	10,993	12,251	(199)	12,052
Department of Communications	109	-	-	-
Department of Defence	822	-	-	-
Department of Finance	546	-	-	-
Department of Foreign Affairs and Trade	8,342	7,951	-	7,951
Department of Health	43,572	35,357	11,069	46,426
Department of Home Affairs	1,833	2,724	203	2,927
Department of Industry, Innovation and Science	83	-	-	-
Department of Jobs and Small Business	1,755	603	-	603
Department of Social Services	3,051	2,642	(305)	2,337
Department of the Environment and Energy	76	-	-	-
Department of the Prime Minister and Cabinet	6,722	1,619	(971)	648
Department of the Treasury	63	-	-	-
Department of Veterans' Affairs	35,736	27,260	37,740	65,000
National Disability Insurance Agency	94,281	74,959	12,840	87,799
Other	23,046	-	-	-
Total s 74 receipts received from other entities for the provision of services	260,322	184,393	77,568	261,961

Prepared on a resourcing (i.e. appropriations available) basis.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017-18 measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	
Expense measures (a)						
Department of Human Services						
Welfare Payment Infrastructure Transformation — update to Tranche Two						
	Departmental expense	1.1	(45,516)	(23,104)	(33,930)	(2,832)
Department of Education and Training						
Family Day Care — payment integrity						
	Departmental expense	1.1	3,765	2,983	1,050	103
Jobs for Families Package — In Home Care						
	Departmental expense	1.1	8,763	3,171	678	659
Jobs for Families Package — variation						
	Departmental expense	1.1	4,970	1,468	763	770
Department of Health						
Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings						
	Departmental expense	1.2	207	(831)	(2,585)	(3,652)
Medicare Benefits Schedule Review — response to Taskforce recommendations						
	Departmental expense	1.2	-	-	-	-
Improving Access to Medicines — Pharmaceutical Benefits Scheme — new and amended listings (b)						
	Departmental expense	1.2	645	237	226	223
Department of Jobs and Small Business						
Digital Employment Services — Pilot (c)						
	Departmental expense	1.1	2,076	43	21	-
Department of the Prime Minister and Cabinet						
School Enrolment and Attendance Measure — cessation						
	Departmental expense	1.1	(3,265)	(6,081)	(6,059)	(6,063)
Department of Social Services						
Encouraging Self-Sufficiency for Newly Arrived Migrants						
	Departmental expense	1.1	11,950	5,779	345	(4,334)

Prepared on a Government Financial Statistics (fiscal) basis.

Table 1.2: Entity 2017-18 measures since Budget (continued)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures (continued) (a)					
Department of Social Services (continued)					
Family Tax Benefit — broadening debt repayment					
	1.1	1,212	31,199	7,693	5,550
Family Tax Benefit and Paid Parental Leave — maintaining income thresholds					
	1.1	1,045	234	62	(688)
Rollout of National Disability Insurance Scheme in Western Australia — revised implementation arrangements					
	1.1	32	48	90	57
Strengthening the Integrity of Welfare Payments and Better Management of the Social Welfare System — unlegislated components — not proceeding					
	1.1	(21,010)	(16,948)	(8,978)	(8,804)
Treatment Support Services for the Drug Testing Trial					
	1.1	(2,779)	983	388	(3)
Department of Veterans' Affairs					
Support for Veterans' Mental Health — additional funding					
	1.1	2,131	358	263	269
Total expense measures					
Administered					
		-	-	-	-
Departmental					
		(35,774)	(461)	(39,973)	(18,745)
Total					
		(35,774)	(461)	(39,973)	(18,745)
Capital measures (a)					
Department of Human Services					
Welfare Payment Infrastructure Transformation — update to Tranche Two					
	1.1	11,230	(9,677)	(2,048)	-
Department of Social Services					
Treatment Support Services for the Drug Testing Trial					
	1.1	3,493	-	-	-
Total capital measures					
Administered					
		-	-	-	-
Departmental					
		14,723	(9,677)	(2,048)	-
Total					
		14,723	(9,677)	(2,048)	-

Prepared on a Government Financial Statistics (fiscal) basis.

- (a) Measures are listed by lead entity. Full measure description and package details appear in the 2017-18 MYEFO under the relevant portfolio.
- (b) This measure has been adjusted since publication of the 2017-18 MYEFO.
- (c) This measure was announced after publication of the 2017-18 MYEFO.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following table details changes to resourcing for the Department at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017-18 Budget in Appropriation Bills Nos. 3 and 4.

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Administered					
Annual appropriations					
Other Variations					
(net increase)	1.3	-	-	6	7
(net decrease)	1.3	(13)	(4)	-	-
Special appropriations (including Special Accounts)					
Other Variations					
(net increase)	1.3	-	-	228	647
(net decrease)	1.3	(467)	(140)	-	-
Net impact on appropriations for Outcome 1 (administered)		(480)	(144)	234	654
Departmental					
Annual appropriations					
Measures					
Welfare Payment Infrastructure Transformation — update to Tranche Two	1.1	(34,286)	(1,473)	(5,713)	(5,746)
Family Day Care — payment integrity	1.1	3,765	2,983	1,050	103
Jobs for Families Package — In Home Care	1.1	8,763	3,171	678	659
Jobs for Families Package — variation	1.1	4,970	1,468	763	770
Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings	1.2	207	(831)	(2,585)	(3,652)
Medicare Benefits Schedule Review — response to Taskforce recommendations	1.2	1,250	1,239	(419)	(448)
Improving Access to Medicines — Pharmaceutical Benefits Scheme — new and amended listings	1.2	645	237	226	223

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget (continued)

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Digital Employment Services — Pilot (c)	1.1	2,076	43	21	-
Encouraging Self-Sufficiency for Newly Arrived Migrants	1.1	11,950	5,779	345	(4,334)
Family Tax Benefit — broadening debt repayment	1.1	1,212	31,199	7,693	5,550
Family Tax Benefit and Paid Parental Leave — maintaining income thresholds	1.1	1,045	234	62	(688)
Rollout of National Disability Insurance Scheme in Western Australia — revised implementation arrangements	1.1	32	48	90	57
School Enrolment and Attendance Measure — cessation	1.1	(3,265)	(6,081)	(6,059)	(6,063)
Strengthening the Integrity of Welfare Payments and Better Management of the Social Welfare System — unlegislated components — not proceeding	1.1	(21,010)	(16,948)	(8,978)	(8,804)
Treatment Support Services for the Drug Testing Trial	1.1	714	983	388	(3)
Support for Veterans' Mental Health — additional funding	1.1	2,131	358	263	269
Changes in Parameters					
(net increase)			4,116	3,952	7,618
(net decrease)		(58)	-	-	-
Other Variations					
(net increase)		79,830	45,560	49,976	28,783
(net decrease)		(34,797)	(2,744)	(11,898)	(11,201)
Net impact on appropriations for Outcome 1 (departmental)		25,174	69,341	29,855	3,093
Total net impact on appropriations for Outcome 1		24,694	69,197	30,089	3,747

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Department through Appropriation Bills Nos. 3 and 4.

Table 1.4: Appropriation Bill (No. 3) 2017-18

	2016-17 Available \$'000	2017-18 Budget \$'000	2017-18 Revised \$'000	Increased Estimates \$'000	Reduced Estimates \$'000
Administered items					
Outcome 1					
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.	1,565	1,566	1,553	-	(13)
Total administered	1,565	1,566	1,553	-	(13)
Departmental programs					
Outcome 1					
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.	4,365,572	4,675,510	4,684,738	9,228	-
Total departmental	4,365,572	4,675,510	4,684,738	9,228	-
Total administered and departmental	4,367,137	4,677,076	4,686,291	9,228	(13)

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Table 1.5: Appropriation Bill (No. 4) 2017-18

	<i>2016-17 Available \$'000</i>	<i>2017-18 Budget \$'000</i>	<i>2017-18 Revised \$'000</i>	<i>Increased Estimates \$'000</i>	<i>Reduced Estimates \$'000</i>
Non-operating					
Equity injections	<i>109,421</i>	161,904	177,850	15,946	-
Total non-operating	<i>109,421</i>	161,904	177,850	15,946	-
Total other services	<i>109,421</i>	161,904	177,850	15,946	-

Section 2: Revisions to outcomes and planned performance

2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES

There have been no changes to the Department’s outcome or program structure since the publication of the 2017–18 PB Statements.

For full details of outcomes and planned performance refer to pages 27-40 of the *Portfolio Budget Statements 2017–18, Budget Related Paper No. 1.15B, Social Services Portfolio (Department of Human Services)*.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.

Linked programs for Outcome 1

For full details of linked programs refer to pages 28-31 of the 2017–18 PB Statements, *Budget Related Paper No. 1.15B, Social Services Portfolio (Department of Human Services)*.

Program links have been revised as follows since the 2017-18 Budget. The changes are due to amendments to Administrative Arrangements Orders issued on 20 December 2017 which have an impact on outcomes and programs of other entities:

Entity: Attorney-General's Department
All program links removed
Entity: Department of Immigration and Border Protection
All program links removed
Entity: Department of Home Affairs
Program Links added: 1.3 Onshore Compliance and Detention 1.7 National Security and Criminal Justice 1.10 Australian Government Disaster Financial Support Payments 2.1 Multicultural Affairs and Citizenship 2.4 Refugee and Humanitarian Assistance

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1 Budgeted expenses for Outcome 1

	2016-17 Actual expenses \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Services to the Community - Social Security and Welfare					
Administered expenses					
Expenses not requiring appropriation in the Budget year (a)	591	-	250	180	180
Administered total	591	-	250	180	180
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (b)	3,255,400	3,625,255	3,194,643	2,996,977	2,816,810
Expenses not requiring appropriation in the Budget year (a)	168,021	199,786	203,486	193,014	190,224
Departmental total	3,613,539	4,018,363	3,623,798	3,417,128	3,238,305
Total expenses for program 1.1	3,614,130	4,018,363	3,624,048	3,417,308	3,238,485
Program 1.2: Services to the Community - Health					
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (b)	453,616	480,852	458,965	466,755	479,287
Expenses not requiring appropriation in the Budget year (a)	68,816	83,287	18,232	1,404	753
Departmental total	561,431	602,809	520,552	511,429	524,087
Total expenses for program 1.2	561,431	602,809	520,552	511,429	524,087

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Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.3: Child Support					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	1,050	1,553	1,594	1,637	1,681
Special appropriations Child Support Act (c)					
- s 77 - unremitted deductions	38,839	57,826	59,357	60,949	62,616
- s 78 - unexplained remittances	-	50	50	50	50
Special accounts:					
Child Support special account	1,410,137	1,411,961	1,437,019	1,475,378	1,515,507
Expenses not requiring appropriation in the Budget year (a)	115,340	99,880	99,251	100,158	101,108
Administered total	1,565,366	1,571,270	1,597,271	1,638,172	1,680,962
Departmental expenses					
Departmental appropriation	413,455	427,515	418,561	418,976	421,286
s 74 Retained revenue receipts (b)	2,938	2,804	2,804	2,804	2,804
Expenses not requiring appropriation in the Budget year (a)	17,230	20,120	22,419	21,939	22,050
Departmental total	433,623	450,439	443,784	443,719	446,140
Total expenses for program 1.3	1,998,989	2,021,709	2,041,055	2,081,891	2,127,102

Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	1,050	1,553	1,594	1,637	1,681
Special appropriations	38,839	57,876	59,407	60,999	62,666
Special accounts	1,410,137	1,411,961	1,437,019	1,475,378	1,515,507
Expenses not requiring appropriation in the Budget year (a)	115,931	99,880	99,501	100,338	101,288
Administered total	1,565,957	1,571,270	1,597,521	1,638,352	1,681,142
Departmental expenses					
Departmental appropriations	4,122,471	4,533,622	4,072,169	3,882,708	3,717,383
Section 74 Retained revenue receipts (b)	239,775	285,877	224,522	197,222	193,781
Expenses not requiring appropriation in the Budget year (a)	246,347	252,112	291,443	292,346	297,368
Departmental total	4,608,593	5,071,611	4,588,134	4,372,276	4,208,532
Total expenses for Outcome 1	6,174,550	6,642,881	6,185,655	6,010,628	5,889,674
	2016-17	2017-18			
Average staffing level	29,837	28,629			

Note:

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

- (a) Administered expenses not requiring appropriation in the estimates years comprise write-down of assets. Departmental expenses not requiring appropriation include unfunded depreciation and amortisation expense; and resources consumed free of charge.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (c) *Child Support (Registration and Collection) Act 1988*.

Table 2.1.2: Performance criteria for Outcome 1

There have been no changes to the performance criteria since the publication of the 2017-18 PB Statements.

For full details of the performance criteria for Outcome 1 refer pages 35-40 of the *Portfolio Budget Statements 2017-18, Budget related Paper No. 1.15B Social Services Portfolio (Department of Human Services)*.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

Table 3.1: Estimates of special account flows and balances

	Outcome	Opening balance	Receipts	Payments	Adjustments	Closing balance
		\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Account (a) (A)	1					
2017-18 Revised estimate		50,249	1,471,027	(1,471,027)	-	50,249
2016-17 Actual		61,078	1,436,861	(1,426,317)	(21,373)	50,249
Recovery of Compensation for Health Care & Other Services Special Account (b) (A)	1					
2017-18 Revised estimate		82,805	289,696	(280,994)	-	91,507
2016-17 Actual		73,860	297,786	(288,841)	-	82,805
Services for Other Entities and Trust Moneys - Department of Human Services Special Account (c) (A) & (D)	1					
2017-18 Revised estimate		-	-	-	-	-
2016-17 Actual		-	-	-	-	-
Total special accounts 2017-18 Revised estimate		133,054	1,760,723	(1,752,021)	-	141,756
<i>Total special accounts 2016-17 Actual</i>		<i>134,938</i>	<i>1,734,647</i>	<i>(1,715,158)</i>	<i>(21,373)</i>	<i>133,054</i>

(A) = Administered

(D) = Departmental

(a) Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.

Establishing Instrument: *Child Support (Registration and Collection) Act 1988*, section 73.

Purpose: For the receipt of child support payments and the making of regular and timely payments to custodial parents.

(b) Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 78.

Establishing Instrument: Determination 2015/06 *Public Governance, Performance and Accountability Act 2013* section 78.

Purpose: To credit monies for the purpose of recovery of compensation following a judgement or settlement under the *Health and Other Services (Compensation) Act 1995* and:

- i to pay the claimant, or the claimant's authorised representative, amounts credited to the Special Account; and
- ii to reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment; and
- iii to repay amounts where an Act or other law requires or permits the repayment of an amount received.

Table 3.1: Estimates of special account flows and balances (continued)

- (c) Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 78
Establishing Instrument: Determination 2011/13 *Public Governance, Performance and Accountability Act 2013* section 78.
Purpose: To credit and debit monies for the purpose of:
- i to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;
 - ii to disburse amounts in connection with services performed on behalf of other governments and bodies that are non-corporate Commonwealth entities;
 - iii to repay amounts where an Act or other law requires or permits the repayment of an amount received; and
 - iv to reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment.
 - v This account has a nil balance. There were no transactions during 2016-17 or 2017-18.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Departmental comprehensive income statement (Table 3.2)

Since the 2017-18 Budget, revenue from government in 2017-18 has increased by \$34.8 million.

Since Budget, estimates of own-source income have increased by \$79.3 million mainly reflecting changes in revenue from service agreements with other entities including the Australian Digital Health Agency, the Departments of Health and Veterans' Affairs; and the National Disability Insurance Agency.

Total expenses in 2017-18 have increased by \$84.1 million since the 2017-18 Budget, mainly reflecting the impact of measures, other variations and own source income as noted above, and reduced depreciation expense following a revision of the useful lives of assets and impairments.

Departmental balance sheet (Table 3.3)

The budgeted net asset position at 30 June 2018 has increased by \$141.0 million since the 2017-18 Budget to \$974.2 million. The revised estimates take into account the 2016-17 operating result and the flow on effect of the audited financial accounts as at 30 June 2017.

Departmental statement of cash flows (Table 3.5)

Since the 2017-18 Budget, departmental cash receipts and payments have been affected by changes in changes in appropriation; own source revenue; expenses and equity injections.

Departmental Capital Budget Statement (Table 3.6)

Since the 2017-18 Budget, equity injection funding has increased by \$15.9 million to \$177.9 million, through new measures (\$14.7 million) and other variations (\$1.2 million).

Statement of departmental asset movements (Table 3.7)

The estimated net book value of land, buildings, property plant and equipment and intangible assets as at 30 June 2018 has decreased by \$32.1 million since the 2017-18 Budget. This mainly reflects actual 2016-17 closing balances being \$81.1 million lower than estimated at Budget plus impairments and other movements in 2017-18 of \$17.2 million; offset by increased capital purchases of \$45.4 million; and a reduction of \$20.9 million in 2017-18 depreciation expense.

3.2.1 Analysis of budgeted financial statements (continued)

Schedule of administered activity

Administered income and expenses (Table 3.8)

Since the 2017-18 Budget, administered non taxation revenue has decreased by \$15.8 million (mainly reflecting a decrease of \$14.0 million in Child Support maintenance revenue). The revenue reduction is mostly offset by gains of \$12.1 million for reversal of previous impairment of Child Support maintenance revenue.

Administered assets and liabilities (Table 3.9)

Since the 2017-18 Budget, the estimated closing asset balances for 2017-18 have increased by \$115.4 million, mainly due to the inclusion of special account balances following a change in the financial reporting rules under the PGPA Act, offset by a decrease of \$31.1 million in child support receivables. Liabilities have increased by \$65.7 million due to the inclusion of Compensation Recovery special account payables, offset by a reduction in Child Support provisions.

Administered statement of cash flows (Table 3.10)

Changes in administered cash flows and cash balances since the 2017-18 Budget mainly reflect the inclusion of Compensation recovery payments and receipts and changes in child support receipts and payments.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	2,811,058	2,769,498	2,553,726	2,473,090	2,458,544
Supplier expenses	1,458,072	2,032,110	1,742,277	1,606,141	1,451,909
Depreciation and amortisation	242,875	248,640	287,971	288,874	293,896
Write-down and impairment of assets	92,922	17,340	129	129	129
Other Expenses	3,666	4,023	4,031	4,042	4,054
Total expenses	4,608,593	5,071,611	4,588,134	4,372,276	4,208,532
LESS:					
OWN SOURCE INCOME					
Own-source revenue					
Rendering of goods and services	221,962	283,958	213,926	186,439	182,972
Rental income	11,762	11,061	10,596	10,783	10,809
Other revenue	6,051	-	-	-	-
Total own-source revenue	239,775	295,019	224,522	197,222	193,781
Gains					
Reversal of previous asset write-downs and impairments	1,187	-	-	-	-
Resources received free of charge	3,472	3,472	3,472	3,472	3,472
Other Gains	365	-	-	-	-
Total gains	5,024	3,472	3,472	3,472	3,472
Total own-source Income	244,799	298,491	227,994	200,694	197,253
Net cost of services	(4,363,794)	(4,773,120)	(4,360,140)	(4,171,582)	(4,011,279)
Revenue from government	4,201,599	4,533,622	4,072,169	3,882,708	3,717,383
Deficit attributable to the Australian Government	(162,195)	(239,498)	(287,971)	(288,874)	(293,896)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	37,587	-	-	-	-
Total comprehensive deficit attributable to the Australian Government	(124,608)	(239,498)	(287,971)	(288,874)	(293,896)

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Total comprehensive surplus/ deficit excluding depreciation/ amortisation expenses previously funded through revenue appropriations	118,267	9,142	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	242,875	248,640	287,971	288,874	293,896
Total comprehensive deficit - as per the statement of comprehensive income	(124,608)	(239,498)	(287,971)	(288,874)	(293,896)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Act No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Act No. 1 or Act No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.6 Departmental Capital Budget Statement.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	11,133	20,000	20,000	20,000	20,000
Trade and other receivables	1,143,866	1,201,196	1,190,377	1,210,566	1,158,866
Total financial assets	1,154,999	1,221,196	1,210,377	1,230,566	1,178,866
Non-financial assets					
Land and buildings	354,554	336,338	310,436	287,620	261,635
Plant and equipment	194,743	230,023	216,240	204,595	191,978
Software	360,721	474,268	423,070	357,228	288,461
Prepayments	162,001	136,176	136,830	123,342	147,083
Total non-financial assets	1,072,019	1,176,805	1,086,576	972,785	889,157
Total assets	2,227,018	2,398,001	2,296,953	2,203,351	2,068,023
LIABILITIES					
Payables					
Suppliers	412,902	409,818	408,327	405,985	398,286
Employee Benefits	30,879	47,686	46,007	61,635	47,914
Lease Incentives	52,009	47,478	40,203	33,387	26,615
Other payables	5,521	5,244	5,244	5,244	5,244
Total payables	501,311	510,226	499,781	506,251	478,059
Provisions					
Employee provisions	849,230	883,859	883,570	883,213	882,846
Other provisions	29,182	29,710	30,279	30,867	31,467
Total provisions	878,412	913,569	913,849	914,080	914,313
Total liabilities	1,379,723	1,423,795	1,413,630	1,420,331	1,392,372
Net assets	847,295	974,206	883,323	783,020	675,651
EQUITY (a)					
Parent entity interest					
Contributed equity	1,950,501	2,316,910	2,513,998	2,702,569	2,889,096
Reserves	166,240	166,240	166,240	166,240	166,240
Accumulated deficit	(1,269,446)	(1,508,944)	(1,796,915)	(2,085,789)	(2,379,685)
Total parent entity interest	847,295	974,206	883,323	783,020	675,651
Total equity	847,295	974,206	883,323	783,020	675,651

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2017-18)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	(1,269,446)	166,240	1,950,501	847,295
Adjusted opening balance	(1,269,446)	166,240	1,950,501	847,295
Comprehensive income				
Deficit for the period	(239,498)	-	-	(239,498)
Total comprehensive deficit attributable to the Australian Government	(239,498)	-	-	(239,498)
Transactions with owners				
Contribution by owners				
Equity injection:				
Equity Injection - Appropriation	-	-	178,029	178,029
Departmental Capital Budget (DCB)	-	-	188,996	188,996
Other Movements	-	-	(616)	(616)
Total transactions with owners	-	-	366,409	366,409
Closing balance as at 30 June 2018 attributable to the Australian Government	(1,508,944)	166,240	2,316,910	974,206

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	4,571,262	5,010,058	4,534,144	4,271,646	4,163,388
Rendering of services	274,302	299,870	237,908	205,269	201,899
Net GST received	160,018	211,155	177,371	163,141	151,964
Other	31,376	45,718	45,718	45,718	45,718
Total cash received	5,036,958	5,566,801	4,995,141	4,685,774	4,562,969
Cash used					
Employees	2,880,938	2,745,491	2,583,123	2,485,248	2,500,061
Suppliers	1,677,193	2,243,104	1,947,567	1,782,944	1,659,873
Competitive neutrality payments	371	454	454	454	454
Returns to the official public account	466,036	556,743	460,997	414,128	399,581
Other	4,293	3,000	3,000	3,000	3,000
Total cash used	5,028,831	5,548,792	4,995,141	4,685,774	4,562,969
Net cash from/(used by) operating activities	8,127	18,009	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of plant and equipment	340	-	-	-	-
Total cash received	340	-	-	-	-
Cash used					
Purchase of property, plant and equipment and software	255,653	396,467	197,088	188,571	186,527
Total cash used	255,653	396,467	197,088	188,571	186,527
Net cash used by investing activities	(255,313)	(396,467)	(197,088)	(188,571)	(186,527)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	235,913	387,325	197,088	188,571	186,527
Total cash received	235,913	387,325	197,088	188,571	186,527
Net cash from financing activities	235,913	387,325	197,088	188,571	186,527
Net increase/(decrease) in cash held	(11,273)	8,867	-	-	-
Cash at the beginning of the reporting period	22,406	11,133	20,000	20,000	20,000
Cash at the end of the reporting period	11,133	20,000	20,000	20,000	20,000

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB) (a)	164,675	188,996	183,121	183,870	184,945
Equity injections - Act No. 2 (b)	109,421	177,850	13,967	4,701	1,582
Total new capital appropriations	274,096	366,846	197,088	188,571	186,527
Provided for:					
Purchase of non-financial assets	271,212	367,025	197,088	188,571	186,527
Other items	2,884	(179)	-	-	-
Total Items	274,096	366,846	197,088	188,571	186,527
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (c)	81,253	198,329	13,967	4,701	1,582
Funded by capital appropriation - DCB (d)	164,675	188,996	183,121	183,870	184,945
Funded internally from departmental resources (e)	-	9,142	-	-	-
TOTAL	245,928	396,467	197,088	188,571	186,527
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	245,928	396,467	197,088	188,571	186,527
plus reduction in payables	9,725	-	-	-	-
Total cash used to acquire assets	255,653	396,467	197,088	188,571	186,527

Prepared on Australian Accounting Standards basis.

- (a) Includes both current and prior Bill No. 3 and Act No. 1.
 (b) Includes both current and prior Bill No. 4 and Act 2. The 2016-17 actual excludes \$29.0 million of appropriation subject to administrative quarantine under section 51 of the PGPA Act.
 (c) Includes both current and prior Bill No. 4 and prior Act Nos. 2/4/6 appropriations
 (d) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).
 (e) Includes the following sources of funding:
 - current bill No. 3 and prior year Act No. 1/3/5 appropriations (excluding amounts from the DCB);
 - internally developed assets;
 - s74 retained revenue receipts;
 - proceeds from the sale of assets.

Table 3.7: Statement of asset movements (2017-18 Budget year)

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Software \$'000	Total \$'000
As at 1 July 2017					
Gross book value	4,734	370,914	258,358	1,007,342	1,641,348
Accumulated depreciation/amortisation and impairment	-	(21,094)	(63,615)	(646,621)	(731,330)
Opening net book balance	4,734	349,820	194,743	360,721	910,018
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	23,296	175,033	198,329
By purchase - appropriation ordinary annual services (b)	-	70,842	62,151	56,003	188,996
By purchase - other	-	-	9,142	-	9,142
Total additions	-	70,842	94,589	231,036	396,467
Other movements					
Depreciation/amortisation expense	-	(85,779)	(59,309)	(103,552)	(248,640)
Impairments and other movements	-	(3,279)	-	(13,937)	(17,216)
Total other movements	-	(89,058)	(59,309)	(117,489)	(265,856)
As at 30 June 2018					
Gross book value	4,734	435,258	352,947	1,224,441	2,017,380
Accumulated depreciation/amortisation and impairment	-	(103,654)	(122,924)	(750,173)	(976,751)
Closing net book balance	4,734	331,604	230,023	474,268	1,040,629

Prepared on Australian Accounting Standards basis.

(a) "Appropriation equity" refers to equity injection appropriations provided through *Appropriation Act (No.2) 2017-2018* and Bill (No.4) 2017-2018 and prior years.

(b) "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act (No.1) 2017-18* and Bill (No.3) 2017-18 for DCBs or other operational expenses.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Child support maintenance expense	1,450,026	1,471,390	1,498,020	1,538,014	1,579,854
Write-down and impairment of assets	115,931	99,880	99,501	100,338	101,288
Total expenses	1,565,957	1,571,270	1,597,521	1,638,352	1,681,142
INCOME					
Non-taxation revenue					
Child support maintenance revenue	1,542,846	1,558,894	1,585,201	1,626,099	1,668,888
Competitive neutrality revenue	15,121	14,344	16,202	17,532	19,104
Fees and fines	8,439	8,680	8,897	9,121	9,357
Dividends	15,526	12,246	14,765	16,347	18,264
Other revenue	1,102	600	600	600	600
Total non-taxation revenue	1,583,034	1,594,764	1,625,665	1,669,699	1,716,213
Gains					
Reversal of previous impairment	21,897	12,050	12,000	12,000	12,000
Total gains	21,897	12,050	12,000	12,000	12,000
Total income	1,604,931	1,606,814	1,637,665	1,681,699	1,728,213
Net contribution by services	38,974	35,544	40,144	43,347	47,071
Surplus	38,974	35,544	40,144	43,347	47,071
OTHER COMPREHENSIVE INCOME					
Gain on investment	6,854	-	-	-	-
Total comprehensive income	45,828	35,544	40,144	43,347	47,071

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	133,145	141,847	150,680	159,654	159,654
Child support receivables	805,748	865,394	914,477	964,695	1,016,102
Trade and other receivables	9,670	8,696	9,937	11,314	13,494
Investment - Australian Hearing	64,706	64,706	64,706	64,706	64,706
Total financial assets	1,013,269	1,080,643	1,139,800	1,200,369	1,253,956
Total assets	1,013,269	1,080,643	1,139,800	1,200,369	1,253,956
LIABILITIES					
Payables					
Recovery of Compensation Payable	82,805	91,507	100,340	109,314	109,314
Child support and other payables	28,928	28,928	28,928	28,928	28,928
Child support payments received in advance	21,411	21,411	21,411	21,411	21,411
Total payables	133,144	141,846	150,679	159,653	159,653
Provisions					
Child support provisions	803,758	863,550	912,631	962,850	1,014,259
Total provisions	803,758	863,550	912,631	962,850	1,014,259
Total liabilities	936,902	1,005,396	1,063,310	1,122,503	1,173,912
Net assets/(liabilities)	76,367	75,247	76,490	77,866	80,044

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Child support	1,416,893	1,411,598	1,448,939	1,487,795	1,528,445
Health Compensation Receipts	297,786	289,696	294,041	298,746	303,526
Fees and fines	7,967	8,672	8,689	8,913	9,149
Competitive neutrality	16,611	14,084	15,304	16,974	17,911
Dividends	15,962	13,380	14,380	15,556	17,305
Other	1,532	528	528	528	528
Total cash received	1,756,751	1,737,958	1,781,881	1,828,512	1,876,864
Cash used					
Child support	1,411,404	1,411,598	1,448,939	1,487,795	1,528,445
Health compensation payments	288,841	280,994	285,208	289,772	303,526
Other	816	-	-	-	-
Total cash used	1,701,061	1,692,592	1,734,147	1,777,567	1,831,971
Net cash from operating activities	55,690	45,366	47,734	50,945	44,893
Net increase/(decrease) in cash held	55,690	45,366	47,734	50,945	44,893
Cash at beginning of reporting period	118,957	133,145	141,847	150,680	159,654
Cash from the Official Public Account					
Appropriations	39,889	59,429	61,001	62,636	64,347
Total cash from the Official Public Account	39,889	59,429	61,001	62,636	64,347
Cash to the Official Public Account					
Appropriations	(40,005)	(59,429)	(61,001)	(62,636)	(64,347)
Other	(41,386)	(36,664)	(38,901)	(41,971)	(44,893)
Total cash to the Official Public Account	(81,391)	(96,093)	(99,902)	(104,607)	(109,240)
Cash and cash equivalents at end of reporting period	133,145	141,847	150,680	159,654	159,654

Prepared on Australian Accounting Standards basis.

Table 3.11: Schedule of administered capital budget (for the period ended 30 June)

The Department does not have an administered capital budget.

Table 3.12: Statement of administered asset movements (2017-18 Budget year)

The Department does not administer any non-financial assets on behalf of Government.

PORTFOLIO GLOSSARY

Term	Meaning
Activities	The actions/functions performed by agencies to deliver government policies.
Administered item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the Consolidated Revenue Fund at the end of the financial year. An administered item is a component of an administered program.
Appropriation	An amount of public money Parliament authorises for spending (i.e. funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Supply Acts, Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
Available appropriation	The <i>available appropriation</i> indicates the total appropriations available to the entity. It includes all appropriations made available to the entity in the year (+/- section 74 transfers, formal reductions, Advance to the Finance Minister and movements of funds).
Consolidated revenue fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Corporate Commonwealth entity	A corporate Commonwealth entity is a Commonwealth entity that is a body corporate.
Departmental capital budget (DCB)	Funds proposed in Supply or Appropriation Bill 1/3/5 for the ongoing replacement of minor assets.

Glossary

Term	Meaning
Departmental item	Resources (assets, liabilities, revenues and expenses) that entity Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are generally not included within the calculation of an appropriation. Appropriation funding is not provided in respect of depreciation or amortisation expense. Also no funding is required for goods or services received free of charge that are then expensed. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating administered appropriation amounts to be sought from Parliament.
Forward estimates period	The three years following the budget year. For example, if 2017-18 is the budget year, 2018-19 is forward year 1, 2019-20 is forward year 2 and 2020-21 is forward year 3. This period does not include the current or budget year.
General Government Sector (GGS)	A government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.

Term	Meaning
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Mid-Year Economic and Fiscal Outlook (MYEFO)	Around six months after the Budget, the Government produces the Mid-Year Economic and Fiscal Outlook (MYEFO) report. The report compares estimated expenditure to actual expenditure. MYEFO estimates include any government decisions made since the previous Budget that affected expenses and revenues. MYEFO also updates the budgetary position, including budget aggregates, by incorporating any changes to economic parameters.
Non-corporate Commonwealth entity	Non-corporate Commonwealth entity is a Commonwealth entity that is not a body corporate.
Official Public Account (OPA)	The OPA is the government's central bank account held within the Reserve Bank of Australia. The OPA is the central component of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.

Glossary

Term	Meaning
Outcome statement	An outcome statement articulates the intended results, activities and target group of an Australian Government entity. An outcome statement serves three main purposes within the financial framework: 1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; 2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and 3. to measure and assess entity and program (non-financial) performance in contributing to government policy objectives.
Portfolio Additional Estimates Statements (PAES)	Budget related paper detailing the changes in resourcing by outcome(s) since the Budget which provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.
Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each entity within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program support	The entity running costs allocated to a program. This is funded as part of the entity's departmental appropriations.
<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	The PGPA Act commenced on 1 July 2014. It provides a principles based framework for Commonwealth resource management, supported by rules and guidance to assist Commonwealth entities to manage public resources.

Term	Meaning
s 74 retained revenue receipts	<p data-bbox="687 398 1302 533">Under section 74 of the PGPA Act, non-corporate Commonwealth entities can retain receipts for the amounts prescribed in the PGPA rules. These receipts include:</p> <ul data-bbox="735 566 1155 640" style="list-style-type: none"> <li data-bbox="735 566 1155 600">• retained (revenue) receipts and <li data-bbox="735 607 1155 640">• retained (repayment) receipts. <p data-bbox="687 674 1302 808">Retained (revenue) receipts may increase a non-corporate Commonwealth entity's most recent annual departmental item appropriation. Such receipts include:</p> <ul data-bbox="735 842 1302 1104" style="list-style-type: none"> <li data-bbox="735 842 1302 916">• receipts from the provision of departmental goods and services <li data-bbox="735 922 1302 996">• amounts that are managed in trust or similar arrangements <li data-bbox="735 1003 1302 1104">• receipts from the sale of minor departmental assets, such as old computers disposed of at the end of their useful life. <p data-bbox="687 1137 1302 1379">Retained (repayment) receipts enable an appropriation that was used to make a Commonwealth payment to be re-credited with an amount received as a repayment of that earlier payment. For example when a supplier is overpaid and the non-corporate Commonwealth entity receives a repayment.</p>
s 75 determination	<p data-bbox="687 1413 1302 1585">A determination made by the Minister for Finance (Finance Minister) under section 75 of the PGPA Act which details amendments to the Supply or annual Appropriation Acts as a result of a transfer of functions from one entity to another.</p>

Glossary

Term	Meaning
Supply Act	When applicable, the Supply Act appropriations are broadly equivalent to 5/12ths of the estimated appropriations, excluding Budget measures. In some cases, the appropriations also provide for a few entities that may have disproportionately high estimated expenditure early in the financial year. The balance of the appropriations including Budget measures for that year will be in the Appropriation Acts (No.1) and (No. 2).