



Australian Government
Services Australia

Annual Report

2019–20



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If you are deaf or have a hearing or speech impairment, please call **1800 810 586** (a TTY phone is required to use this service).

More information about the agency is available at **servicesaustralia.gov.au** and on social media at:

- facebook.com/ServicesAustraliaAU
- twitter.com/ServicesAustraliaAU
- youtube.com/user/ServicesAustraliaAU

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Rebecca Skinner
Chief Executive Officer

The Hon Stuart Robert MP
Minister for the National Disability Insurance Scheme
Minister for Government Services
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present Services Australia's annual report for the financial year 2019 – 2020.

The report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013*, including section 46, which requires you to table the report in Parliament. It also meets the reporting requirements under section 42 of the *Human Services (Medicare) Act 1973*.

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that I have taken all reasonable measures to deal with fraud against the Agency, including by:

- preparing fraud risk assessments and fraud control plans; and
- having in place appropriate fraud prevention, detection, investigation and reporting mechanisms.

Yours sincerely



Rebecca Skinner

1 October 2020

Chief Executive Officer's review



Rebecca Skinner

In 2020 we marked our one-year anniversary as Services Australia. At the outset of that journey, we could not have anticipated just how critical our vision for a better service would prove to be. Australians have looked to us in crises on a scale we had never encountered, from the bushfires that raged for months across the country, to a global pandemic that created uncertainty for all.

The figures in this report are a testament to enormous hardship in the community. They are also a testament to an agency with the capacity to do things differently, to do them better and on a large scale.

We enter the new financial year with record low claims on hand, significantly enhanced online services and measurable improvements in our response times across multiple channels and all that despite an unprecedented surge in demand.

This report shows how far we have come in a short time. Our role is to efficiently deliver high quality, accessible services and payments on behalf of government. We recognise that Australians are seeking more simple, helpful, respectful and transparent paths to that support.

This approach shaped our responses to the many challenges of 2019–20, and will continue to guide our effort for some time to come.

MEETING THE COVID-19 CHALLENGE

COVID-19 will no doubt be remembered as the defining challenge of this period, and so it has been for our agency. The pandemic created a level of community need not seen since the Great Depression.

As Australia went into widespread lockdown, we acted quickly to respond to the demand, while ensuring our customers could be assisted safely from their homes or by our frontline staff.

We processed 1.3 million JobSeeker claims in 55 days, a claim volume normally processed in two and a half years. At the peak of demand, more than 53,000 claims were completed in a single day.

We achieved this by mobilising additional staff, including through a redeployment of resources across the Australian Public Service. This increased our claims processing capability and enabled us to answer the influx of phone calls and social media enquiries.

New physical safety measures and the commitment of frontline staff also ensured that more than 300 walk-in service centres located around the country could stay open.

At the same time, we enabled many thousands of customers to make the transition to online service. An 'intent to claim' process was rapidly built and launched to enable people to register with us and secure the JobSeeker Payment from the date they became unemployed, even if they could not visit a service centre in person.

We boosted myGov's capacity so that it now has the largest capacity of any authenticated online platform in Australia.

In all, during 2019–20 Services Australia:

- paid more than \$5.6 billion in Coronavirus Supplements
- delivered \$5.3 billion in Economic Support Payments
- processed more than 1.4 million JobSeeker Payment claims
- increased a number of aged care subsidies and supplements, introduced a new emergency leave provision to further support the sector, and paid over \$198 million as a one-off COVID-19 Support Supplement for residential aged care providers.

MAKING OUR SERVICES SIMPLER

These outcomes would not have been possible without the ongoing modernisation of our processes and systems.

Through our Welfare Payment Infrastructure Transformation (WPIT) programme, we are building the architecture we need to realise our service delivery goals.

This year we introduced a new digital platform, making it quick and easy for our customers to make online claims. Benefits include:

- more online claim options
- the introduction of up-front eligibility questions to make sure customers claim the right payment
- pre-filled customer claim forms
- an enhanced Payment and Service Finder tool
- the ability to make an online claim on a mobile device
- fewer and easier to understand online claims questions.

These measures save our customers time and energy, make it easier for them to provide us with accurate information, and accelerate the processing of claims.

During this year's bushfire season, for example, we made more than \$233 million in Australian Government Disaster Recovery Payments and answered over 200,000 calls via our disaster payments hotline. In most cases, these payments were made in minutes using the New Payments Platform.

LISTENING TO OUR CUSTOMERS AND OUR PEOPLE

Throughout the 2019–20 financial year we continued to put our customers at the centre of what we do. Customer feedback and proactive user research has helped us align our plans to what our diverse communities need.

We encouraged suggestions about services and new initiatives. We also drew on staff knowledge, experience and ideas to find better ways of operating and delivering for our customers. Our internal Innovation Challenge about what we could do better for our customers saw over 800 ideas put forward by staff, a reflection of their commitment to our vision for change.

FINANCIAL AND PERFORMANCE OUTCOMES

In 2019–20 Services Australia administered \$203.7 billion in payments, the majority on behalf of the Department of Social Services, the Department of Health and the Department of Education, Skills and Employment.

The agency received additional funding of \$521 million to support the response to the COVID-19 pandemic. This funding was used to meet the increased demand for services to the community.

The agency reported an operating surplus of \$346.6 million after adjusting for unfunded depreciation and amortisation expenses and principal lease payments, primarily due to unspent COVID-19 funding.

In 2019–20 the agency met 22 of its 30 performance measure targets, noting three new measures were being baselined and did not include targets. In comparison, the agency met 20 of 27 in 2018–19 and 30 of 36 in 2016–17.

THE YEAR AHEAD

Our vision is centred on progress, supporting our customers as they progress through life, and supporting our people to progress towards our goals. This includes focusing on the things that make the customer experience better, not just in times of crisis, but every day.

In 2020–21 we will continue to deliver tangible, practical changes quickly, building over time to become a leader in customer service delivery.

Crucially, we will start the fourth phase of WPIT. We will continue to streamline processes for customers and staff, enhancing our digital services, increasing automation, making better use of data and developing technology that is reusable across government.

The social and economic impact of the COVID-19 pandemic will continue to challenge our community. We will need to respond to circumstances beyond our control that require our support. I am confident that, with the lessons learned, we are up to the task.

I have great optimism for the progress we can achieve as we continue our transformation journey over the coming year and beyond.

ACKNOWLEDGEMENTS

I would like to acknowledge the leadership of my predecessor, Renée Leon.

I would also like to thank all those who have stepped up with unwavering resolve during this uniquely challenging year, including those newly recruited to our team and those who assisted us from across the Australian Public Service.

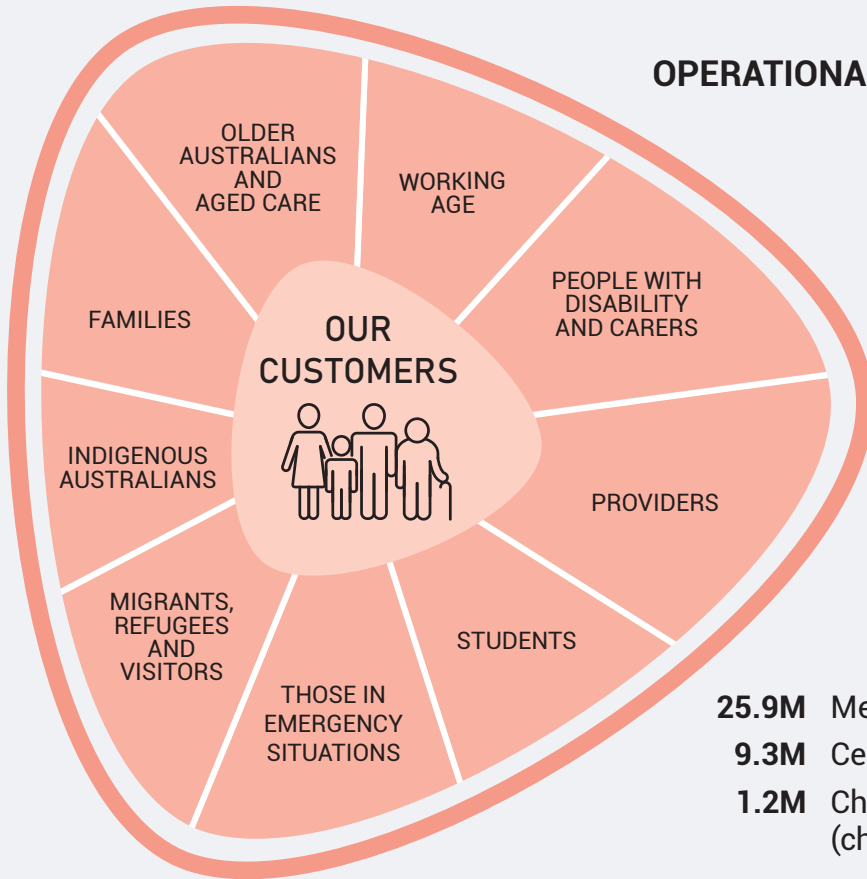
Finally, and most importantly, I thank both our staff at the frontline and our enabling teams who have put in an extraordinary effort, often in unfamiliar places or roles. Many live and work outside Canberra in their own communities, supporting others with compassion, integrity and understanding.

I am pleased to present the agency's Annual Report for 2019–20.



Rebecca Skinner
Chief Executive Officer

OPERATIONAL SNAPSHOT 2019–2020



25.9M Medicare
9.3M Centrelink*
1.2M Child Support
 (children supported)



CLAIMS

438M

5M Centrelink

433M Medicare
(services)

130 Payment types



PAYMENTS

\$203.7B

\$137.2B Centrelink

\$64.8B Medicare

\$1.7B Child
Support
Collect



EMERGENCIES

>\$280M ERP

Emergency Response
Payments

>230K Emergency
claims paid

\$11.0B COVID-19

Coronavirus Supplement
and Economic Support
Payments

* A unique count of Centrelink customers who had a benefit status of current at any time in the 2019-20 financial year. A benefit can be a payment or a card.



395M Customer interactions

Represents the total number of customer interactions including calls handled, visits to service centres and self-service

INTERACTIONS



DIGITAL

1.0B

Online Transactions

429M Medicare digital services

1.1M Online logons per day

~324M Web page views



TELEPHONE

61.1M

Calls handled*

46.6M Centrelink

12.9M Medicare

1.6M Child Support

*Calls handled includes calls answered and calls handled in various Services Australia IVR applications



FACE-TO-FACE

14.5M

Service Centre engagements

327 Service Centres (including 18 Remote Service Centres)

585 Agents and Access Points



TECHNOLOGY

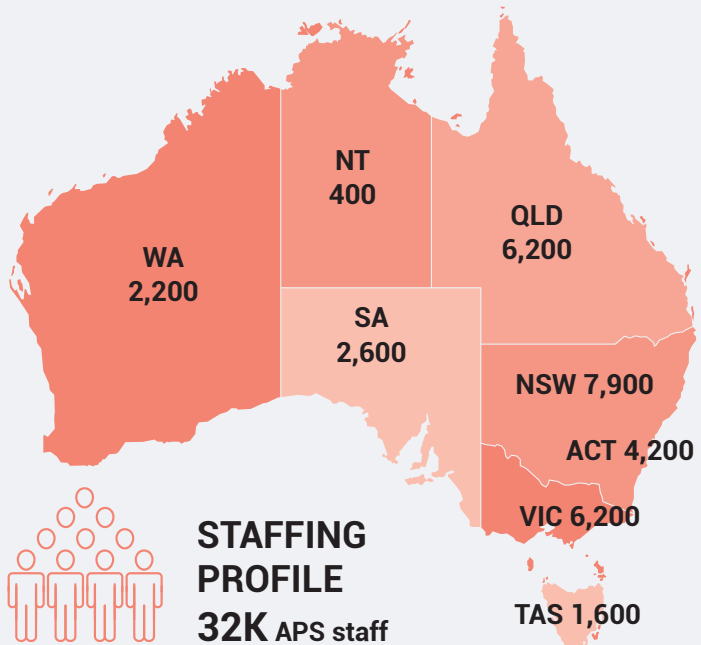
~700K

transactions per second

~420

Data exchanges

over **200** partners



COVID-19 pandemic

Due to unprecedented demand for support during the COVID-19 pandemic, Services Australia was at the forefront of the Australian Government's response. During the year Services Australia helped millions of Australians through a period of hardship and uncertainty many had never experienced.

DELIVERING FINANCIAL RELIEF

Initial financial relief injected billions of dollars into the economy:

- from 27 April 2020 people receiving Jobseeker Payment, including Youth Allowance (JobSeeker), started to receive the Coronavirus Supplement of \$550 per fortnight
- between 12 March and 13 April 2020, Economic Support Payments of \$750 were paid to eligible agency customers, including people receiving Age Pension, Carer Payment, Family Tax Benefit, Disability Support Pension and Parenting Payment. (Another Economic Support Payment of \$750 is scheduled from 1 July 2020.)

In total, during 2019–20:

- more than \$5.6 billion in Coronavirus Supplements was paid to more than 4 million people
- \$5.3 billion in Economic Support Payments were delivered to over 7 million people
- increases were made to a number of aged care subsidies and supplements, a new emergency leave provision further supported the sector, and over \$198 million was paid as a one-off COVID-19 Support Supplement for residential aged care providers.

RAPID CHANGES TO DELIVER CRITICAL PAYMENTS

When the Australian Government announced the two \$750 Economic Support Payments to help millions of Australians during the COVID-19 pandemic, Services Australia responded quickly so that the first of the new payments started to appear in people's bank accounts from 1 April.

The agency also introduced the 'intention to claim' feature for JobSeeker Payment in myGov. This ensured people could start the claim process without calling or visiting a Service Centre. Payments would then be backdated to when the 'intention to claim' was submitted, even if the claim was finalised later.

The agency's team responsible for myGov planned, built, tested and deployed the 'intention to claim' feature in just 36 hours. Within days, 890,000 Australians had used it. Within months, this number had grown to 3.4 million.

It's an environment that can be tough on staff. But the flipside is that every improvement we made was immediately seen and felt in thousands of people's lives—Tanya, Manager and Coach, myGov team

EXTRA HELP TO SUPPORT OUR CUSTOMERS

Temporary increases to incentive payments for general practices increased support for bulk billed services and ensured patients could access essential face-to-face care. The Practice Incentive Program Quality Improvement Incentive was temporarily doubled for two payment quarters.

Additional work the agency undertook also included:

- extending the JobSeeker phone line operating hours
- adding new emergency leave for older Australians in residential care
- paying temporary increases to a number of subsidies and supplements for the aged care sector, including a new one-off COVID-19 Support Supplement for aged care providers
- implementing changes to the Medicare Benefits Schedule items to support access to essential Medicare subsidised health services.

EXPANDING OUR CAPACITY

At the height of the COVID-19 pandemic we needed to significantly increase our capacity to respond to the millions of Australians who sought help. Demand for government services reached unprecedented levels, as people lined up outside Service Centres across the country and phone and digital channels were stretched to capacity.

But the agency wasn't alone in facing this crisis—the Australian Public Service Commission established the Workforce Management Taskforce, and public servants across the APS stepped up and answered the call for help.

More than 2,100 staff were seconded to Services Australia from roles as diverse as COMCAR drivers to museum curators.

It epitomises the Australian Public Service. We came together to join the work in Services Australia and for us it meant we could make a difference—seconded from the Department of Education, Skills and Employment

Mobilising, training and allocating so many staff so quickly required an unprecedented effort across the APS and quick support from Services Australia.

Within weeks those staff were trained, making outbound customer calls and processing claims. Within three months, they had contributed to processing more than 428,000 JobSeeker Payment, Youth Allowance (JobSeeker) claims, and non-new claims activities—an incredible contribution to the Government's COVID-19 response.

In all, at the peak of demand (April 2020), 11,898 staff were assisting the agency to manage its response to COVID-19. This comprised:

- 3,414 redeployed Services Australia employees
- over 1,700 redeployed employees from at least 37 different APS departments and agencies
- 6,774 new employees including 1,546 non-ongoing and casual employees, 3,125 labour hire employees and 2,103 employees through our service delivery partners.

BALANCING THE ENORMOUS WORKLOAD

Taking account of travel and social distancing, during the pandemic we had to change, restrict or put on hold some of the agency's requirements and services. We worked with our policy agency partners to streamline our processes to support fast and easy access for those affected by the pandemic. This involved:

- suspending mutual obligation requirements for people in receipt of several payments, including JobSeeker
- changing some requirements and arrangements for students—such as reducing requirements for documentary evidence, continuing student payments when institutions cancelled study units, and paying for boarding arrangements for remote and rural secondary school students for term two, even if they returned to their communities to self-isolate
- pausing debt raising and recovery activities
- temporarily adjusting identity checking processes so that customers could access payments without coming into service centres
- changing to phone and online work only for several face-to-face and outreach services—for example, Community Engagement Officers, interpreting services in service centres, our role in the Humanitarian Settlement Program, citizenship testing, Remote Servicing Teams, Mobile Service Centres, some social work services, support for incarcerated customers
- conducting medical assessments for Disability Support Pension via video and teleconferencing.

KEEPING OUR STAFF WORKING AND SAFE

In response to the pandemic the agency ensured social distancing in all Services Australia sites. Hygiene and cleaning practices were also upgraded and a suite of human resources guidance material to support management and staff was developed.

To cope with demand, we increased our opening hours and worked with the distancing guidelines to limit the number of people in the office at any one time—Sharon, Services Australia Agent in Onslow, Western Australia

At the beginning of the pandemic around 9,000 'Office in a Box' kits were distributed to agency staff so they could work from home. The box included phones and PCs with the ability to connect to the agency network and hold virtual 'meetings' via secure links.

Delivering payments and services to our customers



1.1 How Services Australia delivers payments and services

As the Government's main service delivery agency, Services Australia (the agency) is responsible for designing, developing and delivering government services and payments and providing the Government with advice on their delivery. The agency also collaborates with other agencies, providers and businesses to deliver convenient, accessible and efficient services to individuals, families and communities.

We work to deliver simple, helpful, respectful and transparent government services for all Australians. Our customers interact with us in a variety of ways, including through:

- digital services (see below), such as myGov, Health Professional Online Services (see page 21) and the Aged Care Provider Portal (see *Improving services to the aged care sector* on page 26)
- phone services (see *Phone and claims processing services* on page 3)
- face-to-face services in Service centres (see page 3), Agents and Access Points (see page 43), Mobile Service Centres (see page 42) and Community Engagement Officers (see page 47).

DIGITAL SERVICES

Using advances in technology, in 2019–20 the agency continued to expand its digital service offer, making it simpler for customers to engage with us, at a time of their choosing.

A focus on better integrating traditional service delivery channels and automating manual processes, meant customers had more options to conduct their business digitally without having to visit a Service Centre or call us on the phone.

During the COVID-19 pandemic, we saw an unprecedented surge in demand for online, 'contactless' support. To help keep our customers and staff safe, we rapidly increased our online capacity and the range of transactions customers could complete without having to queue at service centres.

Upgrades to the agency's Express Plus mobile apps also led to a significant increase in customers using this channel.

These improvements freed up face-to-face service staff to support customers with more complex circumstances and gave them more time to help customers understand and use our digital services.

PHONE AND CLAIMS PROCESSING SERVICES

Customers can contact Services Australia through its phone services, delivered through our Smart Centres, which form an Australia-wide network. As part of its phone network, the agency has specific phone services for multilingual, international, rural and remote and child support customers, health providers for Medicare, the Pharmaceutical Benefits Scheme, aged care and a range of other health programs.

Some Smart Centres deliver Centrelink, Medicare, and Child Support phone and claims processing services. Whenever possible, Smart Centre staff resolve enquiries at the first point of contact. They also make sure that customers know about, and can use, self-service options, including Express Plus mobile apps and online services. Many customers prefer to use these as a convenient alternative to phone services.

The agency ensures that its staff are skilled in multiple areas and can be deployed based on demand. Phone services staff also respond to emergencies, including the 2019–20, 'Black Summer' bushfires and the COVID-19 pandemic response, by taking phone calls and processing claims from affected customers. For more information see *COVID-19 pandemic* on page xv.

SERVICE CENTRES

At 30 June 2020, the agency delivered Centrelink and Medicare program services from 327 service centres across the country. Over two-thirds of service centres offer the full range of face-to-face Centrelink and Medicare services, as well as supported digital services, from a single physical location.

Service centres make it easier and convenient for customers to transact their business with the government. The sustainable, accessible and fit-for-purpose network of service centres reduces costs and service delivery duplication. They also give us more scope and capacity to provide targeted assistance to customers who require more intensive support due to their complex circumstances.

1.2 Improving customer experiences

Services Australia continues to improve citizens' experiences of government by putting customer needs at the centre when we design and deliver our services.

Throughout 2019–20 we made it easier for people to access government services by:

- simplifying online claims to transform the experience for job seekers, older Australians, carers and people with disability to support greater self-service and streamlining the processes for customers to do business with the government (see *Welfare Payment Infrastructure Transformation Programme* below and *COVID-19 pandemic* on page xv)
- making it easier for health care professionals and aged care providers to interact with government through digital services (see *Health and aged care modernisation* on page 5)
- improving the experience of veterans making it easier for them to access services by streamlining and enhancing telephony and online claiming (see *veteran centric reform* on page 5)
- improving the use of data to provide better services (see *Improved use of data* on page 6)
- making information more accessible and optimising our face-to-face servicing.

WELFARE PAYMENT INFRASTRUCTURE TRANSFORMATION PROGRAMME

The seven-year development of the Welfare Payment Infrastructure Transformation (WPIT) Programme will fundamentally transform Services Australia's delivery of welfare payments and services. It is an important long-term investment in addressing the challenges facing Australia's welfare system.

In its fifth year of design the programme will lead to improvements in our digital capabilities and also reduce the costs of administering payments. The welfare system will be quicker and easier to navigate, and customers will experience much better face-to-face, phone and digital services.

During the year we continued to work on Tranche Three of the WPIT Programme, with a focus on transforming how payments for students, job seekers, carers, older Australians and people with disability are delivered.

This includes redesigning high value services, centred on customers, to provide a digital experience that is easy and intuitive. The agency also continued to work across government to develop a flexible approach to policy that supports improved service design.

In 2019–20 input from the WPIT Programme was critical in successfully introducing the new JobSeeker payment which consolidated several working age payments (see *JobSeeker Payment* on page 12), and in developing the new customer and staff interfaces needed for this reform.

HEALTH AND AGED CARE MODERNISATION

Under the Health Delivery Modernisation Project, Services Australia is continuing to work with the Department of Health to stabilise and modernise the health and aged care payments system, ensuring the continuity of services and the payment of benefits to customers and health care professionals.

Through the 2019–20 Mid-Year Economic and Fiscal Outlook, a further \$36.3 million was allocated over six months to continue essential system remediation activities. This work included further stabilisation of the aged care and Medicare systems and strengthening of the security for systems used by health professionals and aged care providers. Customers' improvements delivered in 2019–20 for health care professionals and businesses included:

- streamlining registration processes for medical interns
- providing a secure digital channel for lodgement of Stoma Appliance Scheme claims
- providing a new portal for aged care providers to access online services and make claims quickly, easily and securely.

VETERAN CENTRIC REFORM

The Veteran Centric Reform—Putting Veterans and Their Families First Program (VCR-PVFF) is a comprehensive multi-year transformation of the Department of Veterans' Affairs (DVA) with a strong emphasis on veterans and their families. It focuses on early access to services, preventive health approaches and care for veterans with complex circumstances.

The program is working to provide a modern digital ICT platform for DVA, drawing on capabilities already delivered by the WPIT Programme (see page 4).

Services Australia is supporting VCR-PVFF, which concluded its third year on 30 June 2020. The program makes it easier for veterans to access services, for example, by:

- streamlining and enhancing telephony and online claim processes
- building the underlying ICT system for approximately 200,000 veterans and their families
- providing veterans and their families in regional Australia greater access to services through Services Australia Mobile Services Centres and Agents network
- releasing the DVA Third Party Portal, allowing external organisations to interact with DVA through authenticated online platform and use of the Whole of Government Provider Digital Access solution.

IMPROVED USE OF DATA

To better support customers navigate our services, we are improving our capabilities so we can draw new insights about the operational and policy performance of our programs. This includes better using our data to help shape and guide future policy and service delivery approaches. Our connected data and data analytics capabilities also contribute to improvements in customer services, integrity and decision making.

1.3 Social security and welfare

The agency supports the Australian community to access social security and welfare payments for older Australians, people with disability, families, job seekers and students.

Table 1 shows that Services Australia processed more than 4.9 million claims for social security and welfare during the year. Of these around 3.8 million claims were granted and just over 1.1 million were rejected.

Table 1: Claims finalised in 2019–20

Payment type	Claims	Granted	Rejected
ABSTUDY	29,000	24,000	5,000
Additional Child Care Subsidy	121,000	87,000	34,000
Age Pension	190,000	146,000	44,000
Assistance for Isolated Children	6,500	4,700	1,800
Bereavement Allowance	1,000	600	400
Carer Payment and Carer Allowance	219,000	141,000	78,000
Child Care Subsidy	333,000	316,000	17,000
Crisis Payment	202,000	135,000	67,000
Dad and Partner Pay	109,000	97,000	12,000
Disability Support Pension	102,000	42,000	60,000
Double Orphan Pension	160	120	40
Family Tax Benefit	557,000	368,000	189,000
JobSeeker Payment	1,191,000	1,075,000	116,000
Low Income Card	167,000	96,000	71,000
Mobility Allowance	5,800	2,200	3,600
Newstart Allowance	502,000	341,000	161,000
Paid Parental Leave	321,000	293,000	28,000

Payment type	Claims	Granted	Rejected
Parenting Payment	190,000	120,000	70,000
Pensioner Education Supplement	43,000	34,000	9,000
Seniors Health Card	64,000	51,000	13,000
Sickness Allowance	26,000	10,000	16,000
Special Benefit	17,000	7,000	10,000
Stillborn Baby Payment	1,450	800	650
Youth Allowance and Austudy	554,000	368,000	186,000
Total	4,951,910	3,759,420	1,192,490

For more information about social security and welfare payments and support see our website at servicesaustralia.gov.au

OLDER AUSTRALIANS

AGE PENSION

Age Pension is an income support payment for eligible older Australians. It also gives customers a Pension Concession Card and access to a range of concessions.

Age Pension is income and assets tested. Age Pension customers' entitlements are assessed under the Social Security Income and Assets Tests.

In 2019–20 there were approximately 2.56 million Age Pension customers.

From 1 July 2019 the Age Pension age increased to 66 years for people born on or after 1 July 1954. The Age Pension age will progressively increase by six months every two years until it reaches 67 years on 1 July 2023. In 2019–20:

- 66.9 per cent of age pensioners received the full-rate pension and 32.8 per cent received a part-rate pension based on their income and assets (excluding recipients that are suspended, manually assessed, have a zero rate, or are unknown—approximately 0.3 per cent)
- Services Australia paid over \$49.9 billion in Age Pension payments.

CHANGES TO AGE PENSION—WORK BONUS INCREASE

On 1 July 2019 the Work Bonus increased to \$300 per fortnight and the maximum that can be accrued increased to \$7,800. From that date, the Work Bonus also applies to self-employment income earned by the customer through personal exertion.

CARERS

CARER PAYMENT

Carer Payment is an income support payment for carers who are unable to work in substantial paid employment because they are providing significant care for another person who has high care needs. To be eligible for Carer Payment, a carer must be providing constant care for:

- an adult or child with disability or severe medical condition, or
- an adult who is frail aged.

In 2019–20 over 52,000 claims for Carer Payment were granted.

CARER ALLOWANCE

Carer Allowance is an income supplement for people who provide additional daily care and attention for:

- an adult or child with disability or severe medical condition, or
- an adult who is frail aged.

Carer Allowance is income tested but is not taxable or assets tested.

In 2019–20 nearly 88,000 claims for Carer Allowance were granted.

PEOPLE WITH DISABILITY

PRE-CLAIM GUIDE FOR DISABILITY SUPPORT PENSION

In November 2019 Services Australia introduced a new online Disability Support Pension (DSP) pre-claim guide on our website, to give customers an early indication about their potential eligibility for DSP. The guide:

- introduces customers to DSP eligibility rules
- suggests further reading of more detailed DSP content on the website, based on the reader's situation
- complements information in the enhanced DSP online claim (see below)
- helps customers better understand our DSP claim decisions.

ENHANCED ONLINE CLAIM FOR DISABILITY SUPPORT PENSION

In November 2019 Services Australia released an enhanced online claim for DSP, including via mobile devices. It allows organisational and personal nominees to claim on behalf of their principal.

The new claim is more accessible, including for many customers who require assistive technology. The claim has improved questions and messaging to help customers through the claiming process by providing additional information and content.

IMPROVEMENTS TO DISABILITY MEDICAL ASSESSMENTS FOR VULNERABLE CUSTOMERS

People claiming DSP may be required to undergo an independent Disability Medical Assessment to confirm medical eligibility. In 2019–20 Services Australia implemented improvements to medical assessment appointment processes that strengthened support for remote and vulnerable customers claiming DSP. Improvements included:

- local Services Australia Agents in remote areas assisting customers to access on-call government-contracted doctors
- assessments being completed in consultation with a customer's treating health professional.

ESSENTIAL MEDICAL EQUIPMENT PAYMENT

The Essential Medical Equipment Payment is a yearly payment to help with energy costs to run medical equipment or medically required heating or cooling. In 2019–20 more than 7,000 new claims for Essential Medical Equipment Payment were granted.

FAMILIES

Services Australia administers a range of payments and support to help families meet the costs of raising children. We also help parents planning to return to work and education, and grandparents and non-parent carers needing information.

FAMILY TAX BENEFIT

Family Tax Benefit (FTB) assists families with the day-to-day cost of raising children. It has two parts: FTB Part A, which is paid per child; and FTB Part B, which is paid for the family. Both payments are income tested and the amount each family is paid is based on the family's individual circumstances.

PAID PARENTAL LEAVE SCHEME

Paid Parental Leave Scheme payments help eligible parents to take time off work to care for a new baby or recently adopted child. There are two payments under the scheme:

- Parental Leave Pay, which is a payment to parents of newborns and newly adopted children
- Dad and Partner Pay, which is a short-term payment to fathers or partners who are on leave to help care for a new child.

To receive these payments, the applicant must meet an income test, a work test and residency requirements.

CHILD CARE SUBSIDY

Payments that help parents with the cost of child care are the:

- Child Care Subsidy, which is a single, income tested and activity tested subsidy to reduce the out-of-pocket cost of child care for families
- Additional Child Care Subsidy, which gives eligible families extra help with the cost of approved child care.

These payments are usually paid directly to child care providers.

NEWBORNS AND NEWLY ADOPTED CHILDREN

Services Australia delivers payments that help parents with expenses for newborn or newly adopted children. They are:

- Newborn Upfront Payment—a one-off payment
- Newborn Supplement—which increases the rate of FTB Part A for up to 13 weeks
- Paid Parental Leave Scheme payments.

STILLBORN BABY PAYMENT

Stillborn Baby Payment is a one-off payment to assist families with the extra costs they face when their child is stillborn. Families cannot receive Stillborn Baby Payment and Parental Leave Pay for the same child.

DOUBLE ORPHAN PENSION

Double Orphan Pension is available to help with the costs of caring for orphaned children. It is not income or assets tested.

SUPPORTING NO JAB NO PAY AND HEALTHY START FOR SCHOOL

The Supporting No Jab No Pay and Healthy Start for School measure is to strengthen FTB Part A immunisation and health check requirements. In 2019–20 FTB Part A payments were reduced by up to \$28.84 per fortnight (or \$751.90 per year) for each child who did not meet immunisation or health check requirements.

GRANDPARENT ADVISER PROGRAM

The Grandparent Adviser Program was established for grandparents and other non-parent carers who have ongoing caring responsibility for children. Grandparent Advisers give tailored information about payments and services that are available through the federal, state and territory governments and community service providers. They also operate a Grandparent Adviser Line, attend community forums and work with carer organisations. In 2019–20 almost 21,000 calls were handled through the Grandparent Adviser Line, compared with more than 22,000 calls in 2018–19.

JOB SEEKERS

JOBSEEKER PAYMENT

On 20 March 2020 the JobSeeker Payment was introduced as the main working age payment and is replacing seven other payments. Jobseeker is for people looking for work and willing to take part in activities to increase their chances of finding a job, or people who are unable to work or study for medical reasons.

In recognition of the effects of the COVID-19 pandemic, from 27 April 2020 all people on JobSeeker Payments, (including Youth Allowance (JobSeekers)) were paid a Coronavirus Supplement of \$550 extra a fortnight. See also *COVID-19 pandemic* on page xv.

JobSeeker Payment— a ‘just in time’ solution

The new JobSeeker Payment went live on Friday 20 March 2020, two days before a national shutdown of non-essential services in a bid to stop COVID-19's spread.

The creation of JobSeeker Payment—the result of 18 months' work combining the first five of seven working age payments into one—was fortuitous.

But even so, agency staff had to contend with a large increase in claims.

Within a week, more than 150,000 newly unemployed Australians had applied for support—10 times more claims than the agency would usually expect in that time.

The pandemic necessitated flexibility in JobSeeker's implementation, and the agency responded by making accessing support as simple as possible.

A new early claim capability allowed people to claim the payment online through myGov up to 13 weeks before they needed the payment. This feature helped Australians navigate the economic impact of the pandemic, and mitigate against looming reductions in shifts or loss of employment.

Within three months of the new payment's introduction, Services Australia had processed more than 1.1 million JobSeeker claims, paying out more than \$9 billion—the successful culmination of 18 months of preparation across a range of business teams.

YOUTH ALLOWANCE (JOB SEEKERS)

Youth Allowance (Job Seekers) is an income support payment for young job seekers generally aged 16 to 21 years. People need to meet income and assets tests and residency requirements. They may also need to meet mutual obligation requirements.

ASSESSMENT SERVICES

ASSESSMENTS OF MEDICAL CONDITIONS AND WORK CAPACITY

Services Australia can assess whether a person has barriers to work, including medical conditions. The assessments are:

Medical Assessment Team (MAT) Assessments—an early assessment of all available medical evidence to determine if the more comprehensive Job Capacity Assessment (JCA) is required to assess eligibility.

Job Capacity Assessments (JCAs)—determine the impact of medical conditions on a person's ability to work and whether the person would benefit from employment assistance or whether they are eligible for Disability Support Pension.

Employment Services Assessments (ESAts)—identify the most appropriate type of employment service for job seekers with multiple and/or complex barriers.

Table 2: Medical and non-medical ESAts, MAT assessments and JCAs

	2017–18	2018–19	2019–20	% change since 2018–19
MAT assessments	96,663	96,699	109,619	13%
JCAs	49,701	41,912	50,860	21%
ESAts—medical	182,524	216,023	218,851	1%
ESAts—non-medical	12,524	16,816	18,555	10%
Total	341,412	371,450	397,885	7%

ASSESSORS

The agency employs qualified health and allied health professionals to perform the above assessments. This includes a Health Professional Advisory Unit, which has nine medical advisers, supported by 12 health and allied health professionals across a virtual network. In 2019–20 the unit completed 813 referrals.

STUDENTS

NEW-LOOK ONLINE CLAIM FOR STUDENTS

During the year Services Australia introduced a new-look online claim for Youth Allowance and Austudy students, and their nominees. The new claim uses virtual assistants and has an improved sequence of questions, making it better tailored to individual circumstances.

The agency also implemented a new-look online service to improve the parental income review process for dependent young people.

SUPPORT FOR STUDENTS DURING THE COVID-19 PANDEMIC

In response to the COVID-19 pandemic, Services Australia changed several eligibility requirements and arrangements for affected students. See *COVID-19 pandemic* on page xv.

1.4 Health

The agency administers a range of health, pharmaceutical, aged care and veterans' programs and related services. These enable access to cost-effective medicines, health services and care, as well as supporting and improving the wellbeing of an ageing population.

For more information about health programs, payments and services see our website at servicesaustralia.gov.au and the Department of Health's 2019–20 annual report at health.gov.au

MEDICARE

Medicare provides eligible people access to medical services, optometry and other allied health services.

During the COVID-19 pandemic the Australian Government introduced new temporary telehealth items to the Medicare Benefits Schedule. These arrangements protect health care professionals, their staff and patients from unnecessary risk of infection.

Telehealth keeping people safe and healthy

When COVID-19 restrictions started in March 2020, getting to the doctor's office was impossible for many Australians. Telehealth enabled people to speak with medical professionals without leaving their home.

Medicare-subsidised telehealth services were quickly expanded for all Australians. Within a month, over 70,000 health professionals had delivered over 5 million COVID-19 related services to more than 3.5 million Australians.

Customer Penny, an expectant mother, from Canberra, said, 'Almost all of my appointments so far, with my GP and my midwife, have been on the phone'. 'It's been really reassuring knowing that I can stay home and stay safe but still get medical assistance when I need it'.

Behind the scenes was an extraordinary effort from the agency's staff, who worked closely with their counterparts at the Department of Health to integrate the new and expanded services.

Across the start of the year, agency staff added almost 400 new items to the Medicare Benefits Schedule—more new items in five weeks than in each of the preceding two calendar years.

A significant number of these were items designed to improve the availability of telehealth services, allowing Australians who require regular medical appointments to consult safely with their health care providers during the COVID-19 pandemic.

In 2019–20 25.9 million people were enrolled in Medicare and \$25.0 billion was paid in benefits. The percentage of digital claims continues to grow, with 99.2 per cent of Medicare services claimed digitally in 2019–20. Approximately 80 per cent of all health practices lodge 100 per cent of their Medicare claims digitally at their practice.

The agency continues to make technology enhancements to promote digital transactions.

Table 3: Medicare enrolments

	2017–18	2018–19	2019–20
People enrolled at 30 June	25.3 million	25.6 million	25.9 million
Active cards at 30 June	14.4 million	14.6 million	14.7 million
New enrolments	567,143	550,906	521,125

MEDICARE ENTITLEMENT STATEMENTS

People who do not meet the eligibility criteria for Medicare may apply to be exempt from paying the Medicare levy. If the application is approved, the agency issues a Medicare Entitlement Statement, which entitles them to an exemption from the Australian Taxation Office.

Table 4: Medicare Entitlement Statements

	2017–18	2018–19	2019–20
Accepted applications	109,765	96,640	90,412
Rejected applications	2,505	3,086	3,173
Total applications	112,270	99,726	93,585

MEDICARE SAFETY NET

The Medicare Safety Net provides an additional Medicare benefit to eligible individuals, couples and families who have high out-of-hospital medical expenses. When the total out-of-pocket costs a customer pays reaches a certain threshold, the customer can receive higher Medicare benefits for the rest of the calendar year.

There are two Medicare Safety Nets:

- The **Original Medicare Safety Net** threshold for the 2020 calendar year is \$477.90 and applies to all Medicare cardholders.
- The **Extended Medicare Safety Net** has two threshold levels for the 2020 calendar year:
 - \$692.20 for Commonwealth concession cardholders and families eligible for Family Tax Benefit Part A
 - a general threshold of \$2,169.20 for all other Medicare cardholders (individuals and registered families).

ACCESS TO MEDICARE BENEFITS

In 2019–20 the agency implemented changes to 6,844 Medicare Benefits Schedule (MBS) items to support Australians' access to essential Medicare subsidised health services. The changes included responses to emergency events so Australians could continue to have access to the health services they needed. (See *Responses to emergencies* on page 49 and *COVID-19 pandemic* on page xv.)

MEDICARE CLAIMING

Health professionals can 'bulk bill' their patients. This means that the patient agrees to have their Medicare benefit paid directly to the health professional.

The health professional, or the patient (if they pay their account), can claim the Medicare benefit directly from Services Australia as full payment for the service. Where a patient has received in-hospital services, Medicare claims can be made through simplified billing arrangements.

Table 5: Medicare services and benefits by claim type

	2017–18	2018–19	2019–20
Bulk billing	332.3 million	341.0 million	347.7 million
Patient claiming	53.5 million	54.0 million	51.3 million
Simplified billing	34.0 million	34.5 million	34.1 million
Total services processed^(a)	419.9 million	429.6 million	433.1 million
Bulk billing	\$16.5 billion	\$17.1 billion	\$17.9 billion
Patient claiming	\$4.4 billion	\$4.5 billion	\$4.4 billion
Simplified billing	\$2.6 billion	\$2.7 billion	\$2.7 billion
Total benefits paid^(a)	\$23.5 billion	\$24.4 billion	\$25.0 billion
Average benefit per service	\$56.04	\$56.78	\$57.67
Average period (date of lodgement to processing)	2.3 days	0.88 days	0.81 days

(a) Totals take account of rounding.

Table 6: Medicare services by payment type

	2017–18 million	%	2018–19 million	%	2019–20 million	%
Electronic Funds Transfer (EFT) to claimant	38.2	9.1	38.4	8.9	36.7	8.5
EFTPOS payment to claimant	12.3	2.9	12.8	3.0	12.1	2.8
EFT to health professional	332.3	79.1	341.0 ^(b)	79.4	347.7 ^(b)	80.3
Pay doctor via claimant cheque	3.1	0.7	2.8	0.7	2.5	0.6
Payment to private health fund or billing agent	34.0	8.1	34.5	8.0	34.1	7.9
Total services^(a)	419.9	100	429.6	100	433.1	100

(a) Totals take account of rounding.

(b) Numbers may differ due to rounding.

Table 7: Volumes of services transmitted digitally

	2017–18	2018–19	2019–20
Medicare Online			
Bulk billing	308.0 million	317.2 million	324.9 million
Patient claiming	35.2 million	36.1 million	34.9 million
Medicare Easyclaim			
Bulk billing	19.7 million	19.4 million	18.6 million
Patient claiming	12.5 million	13.0 million	12.2 million
ECLIPSE^(a)			
Simplified billing	29.8 million	31.6 million	32.2 million
Simple Mail Transfer Protocol			
Simplified billing	4.1 million	2.8 million	1.8 million
Medicare Online Account^(b)			
Patient claiming	138,000	1.1 million ^(b)	1.4 million
Express Plus Medicare mobile app^(c)			
Patient claiming	NA	364 000 ^(c)	891,000
Health Professionals Online Service			
Bulk Billing	1,557,600	1,975,600	2.4 million
Patient claiming	131,800	189,400	231,800
Total digital services	411.0 million	423.6 million	429.4 million
Percentage of overall claims lodged digitally	97.9	98.6	99.2

(a) ECLIPSE = Electronic Claim Lodgement Information Processing Service Environment.

(b) Improvements made to Medicare Online Account in June 2018 led to strong growth in claims in 2019–20.

(c) Improvements were made to the Express Plus Medicare mobile app in February 2019.

HEALTH PROFESSIONALS UNDER MEDICARE

Where an eligible health professional provides services covered by Medicare, they have a Medicare provider number for each practice location.

The provider number allows the health professional to prescribe medications, refer or request health services for patients, and claim benefits under the Medicare Benefits Scheme (MBS) and on behalf of DVA.

In 2019–20 the department issued 183,998 Medicare provider numbers.

Practices that have diagnostic imaging services, including radiation oncology, must be registered with the agency and have a Location Specific Practice Number to claim Medicare benefits.

Table 8: Health professionals under Medicare

	2017–18	2018–19	2019–20
Medicare provider numbers issued ^(a)	185,368	183,998	193,363
Diagnostic imaging practices registered	5,058	5,221	5,235
Approved Pathology Authorities	107	98	106
Approved Pathology Practitioners	495	490	483
Accredited Pathology Laboratories	741	728	697
Approved Collection Centres	3,581	3,722	3,790

(a) These numbers do not equate to individual health professionals, as health professionals are issued more than one provider number if providing services at multiple locations.

MEDICARE COMPENSATION RECOVERY

Medicare compensation recovery aims to recover any Medicare benefits, nursing home benefits, residential care, or home care government subsidies paid to a claimant as a result of their compensable injury or illness. When a person receives a lump sum compensation payment of more than \$5,000, they may have to pay the costs of these back to the Australian Government before they receive their compensation payment.

Table 9: Compensation recovery

	2017–18	2018–19	2019–20	% Change since 2018–19
Cases finalised	45,287	50,915	41,862	17.78%
Benefits recovered	\$63.6 million	\$62.6 million	\$48.7 million	22.20%

ACCESS TO MEDICINES

The agency administers two schemes that subsidise access to medicines:

- **The Pharmaceutical Benefits Scheme (PBS)**—provides access to a wide range of medicines at a reduced cost to Australian residents and eligible overseas visitors.
- **The Repatriation Pharmaceutical Benefits Scheme (RPBS)**—gives eligible veterans and their widows, widowers and dependants subsidised access to some additional medicines and dressings at concession rates, and if clinically justified, items not listed under either scheme.

Table 10: PBS and RPBS expenditure

	2017–18	2018–19	2019–20
PBS benefits paid ^(a)	\$11.8 billion	\$11.9 billion	\$12.7 billion
RPBS benefits paid ^{(a)(b)}	\$0.3 billion	\$0.3 billion	\$0.3 billion
Total benefits paid	\$12.1 billion	\$12.2 billion	\$13.0 billion
PBS services processed ^(c)	198.6 million	203.0 million	206.0 million
RPBS services processed ^{(b)(c)}	8.8 million	8.5 million	8.0 million
Total services processed	207.4 million	211.5 million	214.0 million

(a) Excludes Electronic Prescription Fee payments and Premium Free Dispensing Incentive payments.

(b) Payments/services processed on behalf of DVA.

(c) Excludes services for co-payment prescriptions; patient refund claims; Aboriginal Health Service claims; and claims that are yet to be closed by approved suppliers.

PHARMACEUTICAL BENEFITS SCHEME CONCESSIONS

There are two levels of concessions for PBS listed medicines:

- The maximum cost for a pharmaceutical benefit item at the **general rate** for 2020 is \$41.00. All Australian residents and eligible overseas visitors can access PBS medicines at the general rate.
- Patients and their families with a valid concession card from Services Australia or DVA are eligible for the **concession rate** of \$6.60 maximum cost for a pharmaceutical benefit item.

Patients may pay extra for more expensive brands of medicines.

PHARMACEUTICAL BENEFITS SCHEME SAFETY-NET

The PBS Safety Net helps patients with the cost of their medicines when they or their families require a large number of prescription medicines in a calendar year.

The 2020 general threshold is \$1,486.80, and for concession patients the threshold is \$316.80. When people reach the relevant threshold, a pharmacist can issue them with a PBS Safety Net card. Their contribution for PBS medicines for the rest of the calendar year is then:

- \$6.60 for general patients
- nil for concession patients.

The patient must still pay any applicable special patient contributions, brand premiums or therapeutic group premiums.

INDIGENOUS PEOPLE'S ACCESS TO THE PBS

Special PBS arrangements are administered to people in remote Indigenous communities through Aboriginal Health Services and some state and territory-funded health services. Patients of approved remote area Aboriginal Health Services can access PBS medicines directly from these services at no cost.

At 30 June 2020 there were 166 approved Aboriginal Health Services around the country.

The agency also supports Aboriginal and Torres Strait Islander individuals living with chronic disease, or at risk of it, by assisting with the cost of PBS medicines through the Closing the Gap PBS Co-Payment measure.

TRAVELLING WITH PBS MEDICINES

It is illegal to take or send PBS subsidised medicines out of Australia unless they are for the personal use of the person to whom the medicine was prescribed.

The Pharmaceutical Benefits Scheme—Taking or Sending Medicine Overseas inquiry line and the agency's website provide information and advice to people about their responsibilities and rights when travelling overseas with PBS medicines.

In 2019–20 the enquiry line received almost 1,500 calls (compared to more than 2,000 in 2018–19) and the 'How to manage your PBS medicines overseas' web page was visited 32,773 times (compared to 37,498 in 2018–19).

ONLINE CLAIMING AND PAYMENTS FOR THE PBS

Online claiming for the PBS allows approved suppliers to lodge prescription claims with Services Australia each time a PBS or RPBS medicine is supplied. Payments are made to approved suppliers within 2–9 days of the claimed submission. At 30 June 2020, 99.9 per cent of approved suppliers of PBS and RPBS medicines used online claiming.

AUTHORITY-REQUIRED MEDICINES

The Schedule of Pharmaceutical Benefits lists subsidised medicines. Some of these medicines need prior authority approval from the agency before they can be prescribed to patients as PBS benefits. These medicines are subsidised for the treatment of specific conditions.

In 2019–20 6.95 million authority approval requests were received, including 0.35 million RPBS authority requests processed by DVA.

AGED CARE PROGRAMS

Services Australia delivers subsidies and supplements to approved aged care providers on behalf of the Department of Health and DVA. The agency's role is to provide timely and accurate payments efficiently and effectively through modern and flexible aged care payment systems.

In addition, a range of stimulus measures have been delivered in response to the COVID-19 pandemic to support the aged care sector to prepare for, and respond to, pressures on workforce supply. These new measures include temporary increases to a number of subsidies and supplements and a new one-off COVID-19 Support Supplement which was implemented in late May 2020 with payments flowing to providers from early June 2020. A new emergency leave type has also been added for older Australians in residential care.

For information about support for aged care during the COVID-19 pandemic, see *COVID-19 pandemic* on page xv.

Table 11: Aged care overview

	2017–18	2018–19	2019–20
Residential Care claims processed	32,526	32,522	33,198
Home Care Package claims processed	28,746	29,344	27,738
Transition Care claims processed	982	987	970
Short-term Restorative Care claims processed	713	654	1,049
Total claims processed	62,967	63,507	62,955
Total amount paid^(a)	\$14.5 billion	\$15.8 billion	\$17.1 billion^(c)
Total number of services			
Residential Care services	2,719	2,742	2,749
Home Care services	2,466	2,882	2,674
Transition Care services	84	81	106
Short-term Restorative Care services	53	57	96
Total number of providers	1,393	1,511^(b)	1,516

(a) Includes \$1.0 billion in 2017–18, \$0.9 billion in 2018–19 and \$0.8 billion in 2019–20 paid on behalf of DVA.

(b) In 2018–19 the total number of providers reported was 1,793. This has been revised to count providers once where they support services across multiple programs.

(c) Includes COVID-19 pandemic stimulus payments outlined on page xv.

IMPROVING SERVICES TO THE AGED CARE SECTOR

In 2019–20 the agency introduced a new Aged Care Provider Portal to deliver more stable, convenient and efficient processing for aged care providers.

On 31 October 2019 we rolled out the new portal to all Home Care and Residential Care users. By June 2020, over 21,000 care recipient events were submitted using the new portal.

On 11 June 2020 the agency also began a rollout to Transition Care and Short-Term Restorative Care users, which meant they could submit their claims online for the first time.

HEALTH PAYMENTS AND SERVICES

HEALTH SERVICES FOR THE DEPARTMENT OF VETERANS' AFFAIRS

Services Australia assesses claims and processes payments for the treatment of eligible DVA clients for medical, specialist, diagnostic imaging, pathology, allied health and dental services, and for private hospital admissions and prostheses.

The agency produces DVA's Gold Cards, White Cards and Orange Cards for eligible veterans.

During the year there was a steady take up of the DVA Webclaim channel, with over 20,000 provider locations claiming in 2019–20. DVA Webclaim's major clients are small-volume treating locations and allied health professionals. More than 13 per cent of total services received for DVA were transmitted through DVA Webclaim, and manual claiming is down to less than 5 per cent of total service claims received, compared with 6.1 per cent in 2018–19.

We continued to highlight the benefits of electronic claiming to providers by promoting the Webclaim. As a result, in 2019–20:

- electronic claiming increased to 93.9 per cent
- electronic claiming for allied health services increased to 87.5 per cent
- electronic claiming for medical services increased to 96.9 per cent
- electronic claiming for hospitals increased to 89.8 per cent
- manual claiming for DVA decreased to 6 per cent.

Table 12: Department of Veterans' Affairs processing

	2017–18	2018–19	2019–20
Cards produced	22,717	42,752	177,577 ^(a)
Services processed	17.3 million	16.8 million	16.1 million
Total benefits paid	\$2.0 billion	\$2.0 billion	\$1.9 billion

(a) Services Australia is required to periodically undertake a bulk card re-issue at the Department of Veterans' Affairs request (approximately every six years). This occurred during 2019–20.

For information about health payments to and services for veterans see the Department of Veterans' Affairs website, including their 2019–20 annual report, at dva.gov.au.

PRIVATE HEALTH INSURANCE REBATE

The Private Health Insurance Rebate reimburses or discounts the cost of private health insurance cover. It is available to all people who are eligible for Medicare and have a complying health insurance policy.

The rebate is income tested. It can be claimed in one of two ways:

- as an upfront reduction in the cost of premiums—the Premium Reduction Scheme (administered by Services Australia)
- as a tax offset in annual income tax returns (administered by the Australian Taxation Office).

Table 13: Private Health Insurance Rebate

	2017–18	2018–19	2019–20
Memberships registered	6.7 million	6.8 million	6.9 million
Total paid to private health funds	\$6.0 billion	\$6.1 billion	\$6.1 billion

HEARING SERVICES PROGRAM

The Hearing Services Program aims to reduce the incidence and consequences of avoidable hearing loss in the Australian community by providing high quality hearing services and devices to those who are eligible for assistance.

From 23 November 2019 the administration of this program transitioned to the Department of Health. See [health.gov.au](https://www.health.gov.au) for more information on the Hearing Services Program.

Table 14: Hearing Services Program services and payments

	2017–18	2018–19	2019–20
Services processed ^(a)	1,461,036	1,437,039	601,525 ^(b)
Total amount paid ^(c)	\$431.1 million	\$432.9 million	\$450.1 million ^(d)

- (a) Services provided to individuals.
- (b) Services provided to individuals, up to and including 15 November 2019.
- (c) Payments made to hearing service contractors.
- (d) Payments reflect full 2019–20 financial year.

HEALTH CARE HOMES

The Health Care Homes program is designed to improve health care for patients with chronic and complex conditions by providing them with a medical practice 'home base' for ongoing coordination, management and support of their treatment.

There are three tiers of payments, which are linked to the level of patient complexity and need. Health Care Homes practices receive a monthly bundled payment based on the tier levels of their registered patients. Payments are retrospective, allowing for regular patient review, and if necessary, adjustment of the patient's Health Care Homes tier level.

In 2019–20 \$12.9 million was paid to 134 practices.

EXTERNAL BREAST PROSTHESES REIMBURSEMENT PROGRAM

The External Breast Prostheses Reimbursement Program reimburses up to \$400 for each new or replacement external breast prosthesis for women who have had breast surgery as a result of breast cancer. Claimants must be eligible for Medicare and must not have claimed under the program in the previous two years unless there is a medical reason.

Table 15: External Breast Prostheses Reimbursements

	2017–18	2018–19	2019–20
Number of claims processed	14,747	14,451	12,754
Amount paid	\$6.2 million	\$6.3 million	\$5.4 million

CONTINENCE AIDS PAYMENT SCHEME

The Continence Aids Payment Scheme gives eligible people with severe and permanent incontinence yearly or twice-yearly payments to help buy continence aids products.

Table 16: Continence Aids Payments

	2017–18	2018–19	2019–20
Number of applications processed	29,972	29,691	31,078
Amount paid	\$90.2 million	\$89.4 million	\$88.0 million

PRACTICE INCENTIVES PROGRAM

The Practice Incentives Program (PIP) encourages general practices to continue providing quality care, enhance capacity, and improve access and health outcomes for patients. Payments made through the PIP are paid to eligible medical practices and individual providers.

Table 17: Practice Incentives Program

	2017–18	2018–19	2019–20
Number of practices participating	5,985	6,133	6,206
Amount paid to practices	\$342.9 million	\$339.8 million	\$454.1 million

WORKFORCE INCENTIVE PROGRAM—PRACTICE STREAM

From 1 February 2020 the Workforce Incentive Program—Practice Stream replaced the Practice Nurse Incentive Program. The program targets financial incentives to support general practices to engage nurses, Aboriginal and Torres Strait Islander Health Workers and Health Practitioners, and allied health professionals in multidisciplinary and team-based primary health care across Australia.

Table 18: Workforce Incentive Program—Practice Stream

	2017–18	2018–19	2019–20
Number of practices participating	5,166	5,393	5,542
Amount paid to practices ^(a)	\$364.3 million	\$375.9 million	\$387.6 million

(a) Amount paid to practices includes the DVA loading paid to eligible practices.

SUPPORT FOR HEALTH PRACTITIONERS IN RURAL AREAS

The agency administers two rural health programs that offer incentives and support for medical practitioners who are providing services in rural areas:

- the **Workforce Incentive Program—Doctor Stream** which encourages medical practitioners to practise in rural and remote communities and to promote careers in rural medicine (see Table 19)
- the **Rural Procedural Grants Program** which assists GPs to deliver procedural or emergency medicine services in rural and remote areas, to attend training courses to maintain and improve their skills. This support up to \$20,000 per GP per year (see Table 20).

Table 19: Workforce Incentive Program—Doctor Stream

	2017–18	2018–19	2019–20
Medical practitioners paid (GPs and specialists)	8,229	8,292	8,292
Payments made	8,273	8,405	8,467
Amount paid	\$117.3 million	\$117.7 million	\$116.7 million

Table 20: Rural Procedural Grants Program^(a)

	2017–18	2018–19	2019–20
GPs paid	1,737	1,757	1,824
Amount paid	\$17.2 million	\$17.9 million	\$14.2 million

(a) From 1 July 2020, the Australian College of Rural and Remote Medicine and the Royal Australian College of General Practitioners will administer this program.

CHILD DENTAL BENEFITS SCHEDULE

The Child Dental Benefits Schedule provides families, teenagers and approved care organisations with financial support for basic dental services for eligible children. Dental services include examinations, X-rays, cleaning, fissure sealing, fillings, root canals and extractions.

Benefits for basic dental services are capped at \$1,000 per child over two consecutive calendar years. In 2019–20 Services Australia processed 4.6 million services and paid \$283.5 million in benefits under the Child Dental Benefits Schedule. This compares with 5.4 million services and \$324.9 million in benefits paid in 2018–19.

NATIONAL BOWEL CANCER SCREENING PROGRAM

The National Bowel Cancer Screening Program aims to reduce illness and death from bowel cancer through early detection or prevention of the disease.

Services Australia ceased its administration of the National Bowel Cancer Screening Register on 14 November 2019. This Register transitioned to the National Cancer Screening Register, which is administered by Telstra Health on behalf of the Department of Health.

Table 21: National Bowel Cancer Screening Program

	2017–18	2018–19	2019–20
Invitations distributed	2,700,703	3,036,959	1,181,797
Information line calls received	262,582	290,265	134,232

AUSTRALIAN IMMUNISATION REGISTER

The Australian Immunisation Register is a national register that records all vaccines given to people of all ages in Australia. The register has over 27 million registrations. In 2019–20 the register was expanded to record:

- historical vaccines held by state/territory health department systems
- vaccines given in state/territory school immunisation programs.

Table 22: Australian Immunisation Register

	2017–18	2018–19	2019–20
Vaccine episodes ^(a)	14.8 million	26.6 million	30.6 million
Amount paid to vaccination providers ^(b)	\$9.9 million	\$9.5 million	\$9.3 million

- (a) Vaccine episodes: the number of vaccines administered by vaccination providers and recorded on the Australian Immunisation Register. A vaccine can consist of multiple antigens. For example, the measles, mumps, rubella vaccine has three antigens
- (b) Payments are made to eligible vaccination providers on completion of the childhood National Immunisation Program schedule for a child aged under seven years, or for vaccinating a child aged under seven years who is more than two months overdue for their childhood National Immunisation Program schedule vaccines.

AUSTRALIAN ORGAN DONOR REGISTER

The Australian Organ Donor Register is a national register that records people's decisions about becoming organ and/or tissue donors for transplantation after death.

The register enables authorised medical personnel to verify a person's decision about donating their organs and/or tissue for transplantation. People can register their donation decision online using their Medicare online account through myGov or the Express Plus Medicare mobile app.

There are two types of organ donor registrations:

- consent registration—when a person aged 18 years or older provides a signed registration form or submits a registration using their Medicare online account through myGov or the Express Plus Medicare mobile app
- intent registration—when a person registers their decision to donate through a channel that does not require a signature or electronic authentication—for example, by phone or email.

Whether registration is by consent or intent, approval will always be sought from the person's family before proceeding with the donation process.

Table 23 shows the cumulative totals of the numbers of registrations since the inception of the register.

Table 23: Organ donor registrations

	2017–18	2018–19	2019–20
Consent registrations ^(a)	2,300,828	2,471,683	2,632,151
Intent registrations ^(b) at 30 June	4,264,541	4,294,301	4,321,011
Total registrations	6,565,369	6,765,984	6,953,162
Enquiry line calls received	13,788	14,750	12,216

(a) Consent via a signed registration form using myGov or the Express Plus Medicare Mobile app.

(b) Consent that does not require a signature or electronic authentication via phone or email.

NATIONAL HEALTH FUNDING ADMINISTRATOR PAYMENTS SYSTEM

The National Health Funding Administrator Payments System facilitates payments from the Australian Government to states and territories for public hospital services through the National Health Funding Pool, as required under the National Health Reform Agreement. On 1 October 2019, responsibility for making payments transferred from the agency to the National Health Funding Administrator.

Services Australia made payments of \$11.8 billion from 1 July 2019 to 30 September 2019.

MEDICAL INDEMNITY

The Government's medical indemnity framework is designed to strengthen the longer-term viability and success of the medical insurance industry by indemnifying medical practitioners in certain circumstances.

HIGH COST CLAIMS INDEMNITY SCHEME

Under the High Cost Claims Indemnity Scheme, the Government funds 50 per cent of the cost of medical indemnity insurance payouts that are greater than the threshold amount, up to the limit of the medical practitioner's insurance cover.

Table 24: High Cost Claims Indemnity Scheme

	2017–18	2018–19	2019–20
Claims received	433	444	410
Benefits paid	\$58.6 million	\$70.4 million	\$68.1 million

PREMIUM SUPPORT SCHEME

Under the Premium Support Scheme, eligible medical practitioners receive a subsidised reduction in their insurance premiums. Insurers are then reimbursed the subsidised amount.

Table 25: Premium Support Scheme

	2017–18	2018–19	2019–20
Eligible practitioners	985	1,004	1,060
Amount paid	\$8.2 million	\$7.2 million	\$9.7 million
Administration fees	\$1.4 million	\$1.4 million	\$1.4 million

RUN-OFF COVER INDEMNITY SCHEME FOR MEDICAL PRACTITIONERS

Under the Run-off Cover Indemnity Scheme, the Government covers the cost of claims for eligible medical practitioners who have left the private medical workforce. To pay for the scheme, the Government uses funds received through the Run-off Cover Support Payment which is a tax paid by medical indemnity insurers each year.

Table 26: Run-off Cover Indemnity Scheme for medical practitioners

	2017–18	2018–19	2019–20
Claims received	79	118	137
Benefits paid	\$4.9 million	\$6.7 million	\$12.1 million

INCURRED BUT NOT REPORTED INDEMNITY SCHEME

Under the Incurred But Not Reported Indemnity Scheme, the Government covers the costs of claims from medical defence organisations that do not have adequate reserves to cover their liabilities. United Medical Protection is the only medical defence organisation actively participating in the scheme.

Table 27: Incurred But Not Reported Indemnity Scheme

	2017–18	2018–19	2019–20
Claims received	15	24	13
Benefits paid	\$0.7 million	\$6.2 million	\$0.8 million

MIDWIFE PROFESSIONAL INDEMNITY SCHEME

Under the Midwife Professional Indemnity Scheme, the Government makes a financial contribution to administration costs to help eligible insurers who provide indemnity to eligible midwives.

In 2019–20 no claims were made under this scheme.

DIGITAL HEALTH

In 2019–20 Services Australia continued to work with the Australian Digital Health Agency to deliver the following digital health services:

- the Healthcare Identifiers Service
- components of the My Health Record system
- the National Authentication Service for Health.

SUPPORT FOR HEALTH PROFESSIONALS

The agency provides high-quality, accessible information through education resources and services to assist health professionals to understand and access Medicare and other health-related programs. In 2019–20 products including eLearning programs, education guides and software simulations were enhanced to meet the agency's accessibility guidelines.

In 2019–20 there were 275,038 page views of the agency's education guides and over 326,619 views of eLearning resources. This compares with 217,068 page views of education guides and 597,644 views of eLearning resources in 2018–19.

1.5 Child support

Services Australia delivers the Child Support Program, which aims to ensure that children receive an appropriate level of financial support from parents who are separating or separated.

The agency provides child support registration, assessment, collection and disbursement services to parents and non-parent carers such as grandparents, legal guardians or other family members.

The person entitled to receive child support can either elect to have child support payments transferred to them privately by the paying parent (Private Collect) or ask us to collect on their behalf (Child Support Collect). The agency has compliance and enforcement programs to maximise the collection and transfer of payments.

Services Australia also assesses parents' applications to have their child support payments reviewed based on changed circumstances.

In 2019–20 the agency implemented several improvements to the Child Support Program, including a significant investment in new staff capability.

A number of ICT enhancements were also made by the agency, including:

- improvements to the Express Plus Child Support mobile app and Child Support online
- introduction of desktop SMS capability, to advise child support customers to expect a call from us.

CHILD SUPPORT TRANSFERS

In 2019–20 the agency worked with separated parents to facilitate the transfer of \$3.774 billion to support approximately 1.2 million children.

Table 28: Child support transferred between parents

	2017–18	2018–19	2019–20
Child Support Collect	\$1.556 billion	\$1.646 billion	\$1.698 billion
Private Collect ^(a)	\$1.996 billion	\$2.037 billion	\$2.076 billion
Total	\$3.552 billion	\$3.683 billion	\$3.774 billion

(a) The amount of Private Collect transferred assumes 100 per cent of Private Collect is collected.

Note: The amount of child support collected and transferred represents cash payments collected and transferred by the agency and other allowable payments (such as direct payment of school fees) that are credited as payments but are not collected and transferred by the agency. It does not include Private Collect transfers, where the agency assesses the amount payable but does not arrange for collection.

PRIVATE COLLECT

Where appropriate, the agency encourages separated parents to manage their child support responsibilities independently through Private Collect arrangements. In Private Collect cases, the paying parent pays child support directly to the other parent or non-parent carer. In 2019–20 51.3 per cent of cases were Private Collect.

CHILD SUPPORT COLLECT

If parents cannot make and receive child support payments directly between themselves, they can ask the agency to collect and transfer payments on their behalf. In 2019–20 the agency collected and transferred approximately \$1.7 billion in child support payments.

CHANGE OF ASSESSMENT IN SPECIAL CIRCUMSTANCES

The child support formula accommodates the majority of parents' circumstances and provides flexibility for most changes that affect the assessment. A parent can apply to have their child support assessment reviewed if there are certain special circumstances that the formula cannot accommodate and that significantly affect either parent's capacity to financially support the child or maintain themselves or a dependant.

In 2019–20 the agency received over 15,000 change of assessment in special circumstances applications—45.74 per cent of finalised applications resulted in a change to the rate of child support to better reflect the special circumstances of parents and their children. In 59.50 per cent of cases, the application related to a parent’s income, property, financial resources or earning capacity.

COMPLIANCE AND ENFORCEMENT

Services Australia focuses on reducing child support debt through its compliance and enforcement programs. This includes setting up payment arrangements to repay child support debt in the shortest possible time based on a parent’s capacity to pay. Table 29 shows the percentage of active paying parents who do not have a child support debt. It also shows the percentage of active paying parents with a child support debt who have a payment arrangement in place to repay the debt.

An active paying parent is someone who is responsible for paying child support in at least one active child support case—that is, a case where there is a current or future liability.

Table 29 does not include parents whose cases have ended (meaning there is no current or future child support liability) but who still have a child support debt.

Table 29: Active paying parents without debt and with debt under a payment arrangement

	2017–18 %	2018–19 %	2019–20 %
Active paying parents without debt	75.1	74.7	73.7
Active paying parents with a child support debt which is under a payment arrangement	48.6	50.1	62.5

In 2019–20 the agency refined its child support compliance programs by using various activities to ensure that assessments for child support are accurate. For example, the agency requests the Australian Taxation Office (ATO) to take lodgement enforcement action for mutual customers who have not submitted tax returns and have therefore prevented accurate assessment of their child support liability. Any available tax refund can also be used to reduce outstanding child support.

Whenever possible, child support is collected via employer withholding and income support payments to ensure timely and sustainable payments are made. (see Table 31: Employer withholding from wages and salaries on page 40). When voluntary compliance is not possible, we pursue collection.

This could include seeking a Departure Prohibition Order (DPO) or pursuing collection from a paying parent through the courts.

As part of the agency's compliance and enforcement work, it issued 741 DPOs, resulting in \$25 million being collected. DPOs stop child support debtors from leaving Australia without either paying, or arranging to pay, their child support.

In 2019–20 Services Australia issued 13,996 'nudge' letters to customers who had missed payments, which resulted in \$18.1 million being paid in full and a further \$12.2 million where paying parents entered into an arrangement to repay their child support debt. The wording of these letters is based on our behavioural analytics research, which helps Services Australia motivate positive customer responses.

Table 30: Child support compliance and enforcement actions

	Number of actions			Child support collected/ corrected \$ million		
	2017–18	2018–19	2019–20	2017–18	2018–19	2019–20
Lodgement of finalisations ^(a)	158,099	60,323	122,658	NA	NA	NA
Tax refund intercept payment ^(b)	108,549	106,147	124,123	127.4	123.7	161.2
Departure Prohibition Orders ^(c)	1,572	1,921	741	12.5	28.0	25.0
Litigation ^(d)	113	75	53	7.5	15.0	12.0

(a) To ensure assessments for child support are accurate, the Australian Taxation Office (ATO) takes lodgement enforcement action for mutual customers. A finalisation is defined as a tax return lodgement; an ATO determination that a return is not necessary; a further return is not necessary; or an ATO determined income. This definition has been updated to include all actions undertaken by the ATO, therefore this table will differ from previous published annual reports.

(b) Tax refund intercepts resulting from actions taken to enforce ATO taxable incomes (lodgement enforcement) are included in this figure.

(c) DPOs preventing overseas travel are issued to people who have not made satisfactory arrangements to clear substantial debts.

(d) When other enforcement options have been unsuccessful and an assets or income stream is identified, the agency takes litigation action against parents who repeatedly avoid paying their child support.

Table 31: Employer withholding from wages and salaries

	2017–18	2018–19	2019–20
Active paying parents with employer withholding payments set up ^(a)	69,110	73,378	73,663

(a) The agency may initiate employer withholding for both current liability and child support debt.

Table 32: Deductions from Centrelink and Department of Veterans' Affairs payments

	2017–18	2018–19	2019–20
Amounts collected from Centrelink and DVA payments ^{(a)(b)}	\$66.8 million	\$69.1 million	\$76.6 million

(a) Represents the total amount of deductions from both Centrelink and DVA payments.

(b) These deductions may be made for both current liability and child support debt.

1.6 Help for vulnerable people

PEOPLE AFFECTED BY FAMILY AND DOMESTIC VIOLENCE

Services Australia is strongly committed to supporting people affected by family and domestic violence by providing information and support through payments and referrals to support services, such as social work services.

Customers are supported through the agency's Risk Identification and Referral Model, which helps staff to identify customers affected by family and domestic violence and offer them support. In 2019–20:

- 20,172 Crisis Payments were granted to support customers affected by family and domestic violence
- our family and domestic violence web pages were viewed 387,693 times
- staff completed approximately 15,400 training sessions to help assist customers and/or agency staff affected by family and domestic violence.

INDIGENOUS PEOPLE

Aboriginal and Torres Strait Islander peoples can often face particular challenges in accessing services, especially if they live in remote areas.

INDIGENOUS SERVICING STRATEGY

The *Indigenous Servicing Strategy 2018–22* outlines the agency's commitment to improving outcomes for Aboriginal and Torres Strait Islander peoples by continuing its focus on effective service delivery. It provides clear direction to all agency staff who design and deliver services for Aboriginal and Torres Strait Islander Australians.

The strategy aligns with and supports the agency's *Reconciliation Action Plan 2018–22* (see *Reconciliation* on page 187 and *Supporting Aboriginal and Torres Strait Islander staff* on page 186).

For more information about the plan and the strategy see our website at servicesaustralia.gov.au

INDIGENOUS SERVICE OFFICERS

Indigenous Service Officers (ISOs) support Aboriginal and Torres Strait Islander individuals, families and communities to connect with the agency's payments, services and programs.

ISOs help Services Australia to offer more targeted, supported assistance to Indigenous customers. ISOs work through their established stakeholder and community relationships to help address operational and strategic service delivery issues and identify customer and community service gaps and trends.

At 30 June 2020 there were 61 ISOs, compared with 63 at 30 June 2019.

NATIONAL INDIGENOUS COALITION

The National Indigenous Coalition (NIC) is the agency's peak strategic and advisory forum on the effective delivery of payments and services for Aboriginal and Torres Strait Islander peoples. The NIC gives the agency's Indigenous servicing network opportunities to engage with business areas on issues affecting Aboriginal and Torres Strait Islander customers, communities and employees.

In November 2019 the agency held a NIC face-to-face conference. Another planned for May 2020 was cancelled due to the COVID-19 pandemic, but was replaced with a teleconference. Another three teleconferences were also held during the year.

REGIONAL, RURAL AND REMOTE SERVICING

Services Australia provides direct access to remote services through a mix of Agents, Access Points, Remote Service Centres and visits by Remote Servicing Teams.

MOBILE SERVICE CENTRES

The agency has two Mobile Service Centres: Golden Wattle and Desert Rose. Our Mobile Service Centres travel to rural and regional communities to ensure that those communities have access to the same range of services that are available at any other Service Centre in Australia. In 2019–20 the Mobile Service Centres:

- visited 289 towns—176 of which were greater than 50 kilometres from a Service Centre
- helped 9,179 people
- spent 75 days in 83 bushfire affected communities of Queensland, Northern New South Wales and Victoria helping over 4,064 people.

AGENTS AND ACCESS POINTS

Agents and Access Points help people in rural, regional and remote communities to access our services.

Access Points provide free self-service facilities for customers to conduct their business. Customers can access internet-enabled computers and printers, upload documents to their customer record, call us on the self-service phone, and access free Wi-Fi to use their own devices.

Agents also provide a face-to-face information service, identity document certification, and assist customers to use self-service.

At 30 June 2020 Services Australia had 350 Agents and 235 Access Points throughout regional, rural and remote Australia.

REMOTE SERVICING TEAMS

Remote servicing teams visit remote communities to provide support and access to agency payments and services. Wherever possible we recruit local Aboriginal and Torres Strait Islander staff to work in these teams. Staff from remote communities are more likely to speak local Aboriginal or Torres Strait Islander languages and understand local customs, traditions and relationships.

REMOTE SERVICE CENTRES

Remote Service Centres are located in 18 communities in the Northern Territory (10), Queensland (3) and Western Australia (5).

As with Remote servicing teams, if possible Remote Service Centre staff are recruited from the local community. This helps ensure customers have access to high quality, culturally appropriate services in their own language.

Remote Service Centres contribute positively to communities through direct employment as well as using local service and support providers, including property and maintenance services.

MULTICULTURAL SERVICES

Services Australia is committed to ensuring our services respond effectively to the needs of culturally and linguistically diverse (CALD) customers.

MULTICULTURAL SERVICING STRATEGY 2019–22

The *Multicultural Servicing Strategy 2019–22* supports the agency's commitment to the Australian Government's Multicultural Access and Equity Policy and our CALD staff, customers and communities. The strategy outlines 48 actions across 42 business areas to improve access and outcomes for CALD customers.

Highlights from the previous strategy (2016–19) included:

- over 22,000 staff completing multicultural awareness training
- in 2018–19 Multicultural Service Officers conducting over 30,600 activities reaching over 204,000 participants.

Under the new strategy, in 2019–20 we started to develop a set of mandatory multicultural service design standards across all initiatives, projects and programs. We also commenced assessing the digital literacy of CALD customers to ensure all digital products meet their needs and are in the languages most relevant to them. We continued to ensure business planning processes included specific multicultural servicing strategies, such as cultural awareness training, language services and identifying issues affecting CALD customers.

MULTICULTURAL SERVICE OFFICERS

Multicultural Service Officers (MSOs) play an integral role in connecting migrants and refugees to our information, payments and services.

There are approximately 70 MSOs around the country, providing services at urban and regional sites. In 2019 the MSO program marked its 30-year anniversary.

In 2019–20 the focus of the MSO program was to:

- target information to the community about our digital channels, debt prevention, financial literacy and family and domestic violence
- build staff cultural capability and promote and support use of the interpreter and translation service
- work with staff, refugees and the community to ensure new arrivals have the information they need to engage with Services Australia during settlement.

MULTICULTURAL COMMUNITY ENGAGEMENT

As part of our commitment to the Multicultural Access and Equity Policy, and CALD community engagement, the agency convenes representative groups.

The National Multicultural Advisory Group—This group has representatives from peak multicultural organisations representing constituents that make up the majority of multicultural organisations nationally who deliver services to our mutual customers.

The group's role is to advise Services Australia on all aspects of service to CALD customers, including:

- the quality and effectiveness of our services
- the impact of new and existing policies and/or legislation on customer service
- future service delivery developments
- opportunities to build stronger communities in partnership with the agency.

The Multicultural Community Engagement Group—This group is a forum of government agencies with an operational focus on multicultural community engagement.

In 2019–20 the group focussed its forums on agency responses to:

- local and national issues in multicultural communities
- multicultural access and equity
- community engagement frameworks
- language services and translated information
- COVID-19 pandemic.

Multicultural Advisory Forums—These forums are held in areas with high multicultural populations across all states and territories. At the forums Services Australia updates participants on major changes. They also help the agency to work more collaboratively within government, with communities, and third-party organisations at a state, territory and local level to identify and address service delivery issues affecting people from CALD backgrounds.

In 2019–20 the agency used the forums as a platform to discuss CALD community issues such as elder abuse and family and domestic violence, and challenges being experienced by refugees, people with disability, jobseekers and carers.

INNOVATIVE MULTICULTURAL SERVICES

The agency ensures that resources for CALD customers are developed to enable simpler and quicker access to our services. In December 2019 staff from across Services Australia came together to explore opportunities at a design hub workshop.

Following the workshop:

- a myGov presentation was updated to include audio in two Indigenous languages—Djambarrpuyngu and Pitjantjatjara
- changes were developed for the Express Plus Centrelink mobile app to enable users to report their employment income in four languages other than English—in Arabic, Chinese Simplified, Persian (Farsi) and Vietnamese.

LANGUAGE SERVICES

Services Australia provides customers with limited or no English free interpreter and translation services in over 200 languages, including AUSLAN to help them conduct their business with us. Interpreters can help with phone and face-to-face customer contacts.

In 2019–20 there were over 700,000 interpreter interactions, and more than 6,400 document translations were completed. More than 2,000 contracted interpreters and translators deliver these services on behalf of the agency.

INDIGENOUS INTERPRETING SERVICES

Services Australia offers free access to interpreters for multilingual Aboriginal and Torres Strait Islander customers.

In 2019–20 over 1,800 calls were made to the Aboriginal Interpreter Service on-demand interpreter services, and over 950 hours of face-to-face Indigenous interpreting services were held in service centres.

Indigenous interpreters are provided by multiple language service providers including the Northern Territory Aboriginal Interpreter Service, Aboriginal Interpreting Western Australia and ABC Multilingual Pty Ltd.

STATUS RESOLUTION SUPPORT SERVICES PAYMENT

The Status Resolution Support Services Payment provides short-term, needs-based support to asylum seekers who are unable to support themselves while resolving their immigration status. At 30 June 2020, approximately 2,300 customers were receiving the payment.

SOCIAL WORK SERVICES

Services Australia social workers are located in Service Centre and Smart Centre locations across the service delivery network. At 30 June 2020 there were 664 social workers employed in 218 locations. Social workers provide professional support, counselling and interventions to vulnerable Australians in crisis or affected by natural disasters and emergencies. They also deliver training and work with staff and the community to support individuals with multiple and complex needs. In 2019–20 social workers responded to 234,361 referrals for support.

During the year, social workers delivered targeted services for priority customer groups, particularly:

- people at risk of suicide and self-harm. Social workers responded to 6,706 referrals for people at risk
- young people without adequate support. Social workers engaged with 2,900 vulnerable and unsupported young people in targeted intervention
- support for people affected by family and domestic violence. Social workers responded to 75,640 referrals to assist people affected by family and domestic violence.

In 2019–20 agency social workers assisted people affected by both the Australian bushfires and the COVID-19 response. Social workers provided alternative services and strategies to support vulnerable and at-risk customers, while maintaining business as usual agency work requirements.

During the Australian bushfires, social workers were deployed with Mobile Service Teams, Mobile Service Centres and to state-based recovery centres and supported affected individuals and families.

In response to the COVID-19 pandemic, social workers facilitated abridged induction training to 4,745 new and redeployed Australian Public Service staff to ensure vulnerable customers were identified and referred for assistance.

See also *Responses to emergencies* on page 49 and *COVID-19 pandemic* on page xv.

COMMUNITY ENGAGEMENT OFFICERS

Community Engagement Officers (CEOs) work collaboratively with other Services Australia specialists (such as Multicultural and Indigenous Service Officers) to support vulnerable customers with complex issues. CEOs typically meet these customers in their own environment where they feel most comfortable. In 2019–20 the agency had 80 CEOs who had relationships with over 2,000 community and third-party organisations.

They:

- work collaboratively with community and third-party organisations to support people who are experiencing vulnerability and complex issues, to make them aware of the range of agency services available
- support customers to increase their capacity for greater self-sufficiency by promoting and demonstrating the agency's digital services
- deliver agency services in locations such as mental health facilities, family and domestic violence services, general crisis/support services, drug and alcohol services, specialist accommodation services and youth services.

CITIZENSHIP TESTING

The agency delivers citizenship tests on behalf of the Department of Home Affairs in 33 Service centres in regional areas. In 2019–20 there were 9,963 citizenship tests conducted in regional Service centres. This is less than the number of tests we conducted in 2018–19 due to the temporary cessation of testing from March 2020 in response to the COVID-19 pandemic.

SUPPORT FOR REFUGEES AND HUMANITARIAN ENTRANTS

Services Australia assists refugees and humanitarian entrants in Australia by offering streamlined services, including payments, information and referrals, Medicare enrolment, language services, information seminars, and support for finding work.

The agency works closely with the Department of Home Affairs and Humanitarian Settlement Program providers, as well as community groups, to ensure that refugees receive appropriate services and support on arrival. A network of specialist teams and subject matter experts deliver the services at locations with high settlement populations, including in regional areas.

1.7 Responses to emergencies

Services Australia administers the following emergency payments on behalf of the Department of Home Affairs:

- Australian Government Disaster Recovery Payment (AGDRP)
- Disaster Recovery Allowance (DRA)
- ex gratia payments that are the equivalent of AGDRP and DRA to New Zealand residents
- Additional Payment for Children (specific to 2019–20 bushfires only)
- Australian Victim of Terrorism Overseas Payment (AVTOP).

The agency also administers the MH17 Family Support Package on behalf of the Department of Foreign Affairs and Trade.

Payments are delivered so that customers are supported during emergencies. The agency can also exempt or change participation and reporting requirements for people on emergency payments.

The agency delivers the following services during an emergency:

- social work services
- assisting individuals to test their eligibility for payments or services
- assessing and paying Medicare benefits
- supporting Medicare providers
- tailoring collection and assessment services to affected Child Support customers
- offering a range of payment methods to support customers in crisis, including through the New Payments Platform that delivers payments in real time for customers who bank with organisations participating in the program.

To support the Government's emergency responses, Services Australia also participates in state, territory and local recovery committees. If requested by relevant state or territory governments, we can deliver services from established relief or recovery centres. In response to an emergency, we can deploy:

- Emergency Reserve staff (see page 50) and other staff to recovery centres
- staff to take emergency calls and process claims for emergency payments
- social workers to Australian and overseas locations to help Australians in emergency affected areas or when they return from offshore disasters
- mobile computing support
- Australian Government Mobile Service Centres and Mobile Servicing Teams to affected areas.

EMERGENCY RESERVE

Called the Emergency Reserve, Services Australia maintains a register of staff willing to assist in recovery efforts. We can call on Emergency Reserve staff at short notice to help us respond quickly to emergencies. There are 4,517 staff registered for the Emergency Reserve. Staff have a range of skills that are used in various roles, including:

- assisting people affected by emergencies at field locations
- supporting affected Service Centres
- backfilling business as usual roles to fill gaps where staff were deployed to provide emergency support.

In 2019–20 over 362 Emergency Reserve staff were deployed to assist during emergency events.

MAJOR EMERGENCY EVENTS IN 2019–20

In 2019–20 Services Australia managed emergency events across several states and territories. Australian Government disaster assistance payments were activated for eight emergencies, including a 2018–19 event that was retrospectively activated:

- Australian Capital Territory bushfires, December 2019
- Tasmanian bushfires, December 2019
- Victorian bushfires, December 2019
- Eastern Queensland bushfires, November 2019
- South Australian bushfires, November 2019
- New South Wales bushfires, September 2019
- Queensland bushfires, September 2019
- Victorian bushfires, February 2019 (retrospective activation).

The 2019–20 bushfire events were unprecedented with activation of emergency payments covering six of the eight states and territories and incorporating 109 declared Local Government Areas and the introduction of 36 new Medicare items to support bushfire victims.

The agency's response to emergencies included providing the Australian Government Disaster Recovery Payment (AGDRP) on behalf of the Department of Home Affairs.

At 30 June 2020 the agency had:

- completed more than 230,000 claims
- paid more than 203,000 claims
- paid over \$250 million dollars.

Helping communities during horror bushfires

The Black Summer bushfire season was one of Australia's worst. The fires burnt 46 million acres—destroying around 10,000 buildings and killing 34 people. Smoke blanketed many areas of the country, and even spread across the Pacific Ocean to New Zealand and South America.

Thousands of communities were affected, and the personal, mental and financial impacts of the fires will remain for years to come. Many of the agency's Service Centres were located in areas damaged by the fires.

The agency sent out its Mobile Service Centres and deployed Mobile Servicing Teams to assist people in affected areas. They visited over 90 locations, helping people with social work services and referrals to counselling and other community services.

Between September 2019 and February 2020, Services Australia answered 160,000 calls and distributed millions in payments to people affected by the fires. Thanks to our use of the New Payment Platform, many of these payments were in people's bank accounts within minutes.

In all, over \$280 million in bushfire assistance was delivered to Australians for the Black Summer bushfires.

Ex-gratia Disaster Recovery Payment (DRP) for New Zealand Non-Protected Special Category Visa Holders was activated for individuals affected by the events listed on page 50. At 30 June 2020, the agency had:

- completed more than 530 claims
- paid more than 440 claims
- paid over \$537,000.

In 2019–20 the agency also delivered the ex-gratia **Additional Payment for Children**. Introduced in 2019 for the 2019–20 bushfire events, this \$400 payment per child was to support eligible AGDRP or ex-gratia DRP principal carer recipients with the costs associated with children returning to school.

In 2019–20 the agency's response to emergencies included payment of **Disaster Recovery Allowance (DRA)** on behalf of the Department of Home Affairs. Activated for the events listed on page 50, this payment supports eligible individuals, who experience a loss of income as a direct result of a disaster.

At 30 June 2020 the agency had:

- completed nearly 5,000 claims
- paid more than 3,000 claims
- paid nearly \$16 million.

Ex-gratia DRA for New Zealand Non-Protected Special Category Visa Holders was activated for individuals affected by the events listed on page 50.

At 30 June 2020 the agency had:

- completed over 50 claims
- paid over 30 claims
- paid over \$130,600.

MH17 FAMILY SUPPORT PACKAGE (EX-GRATIA)

During 2019–20 the agency also delivered the MH17 Family Support Package on behalf of the Department of Foreign Affairs and Trade, which supports families of Australian MH17 victims to attend legal proceedings in the Netherlands.

At 30 June 2020 the agency had:

- completed and paid 37 claims
- paid over \$123,000.

AUSTRALIAN VICTIM OF TERRORISM OVERSEAS PAYMENT

This assistance is a one-off payment on behalf of the Department of Home Affairs to Australians who were harmed (primary victims) or close family members of a person who died (secondary victims) as a direct result of a declared overseas terrorist act. The Australian Victim of Terrorism Overseas hotline answered 158 calls.

In 2019–20 20 claims were paid, totalling over \$1.3 million.

DISASTER HEALTH CARE ASSISTANCE SCHEME

The Disaster Health Care Assistance Scheme helps with reasonable health-related out-of-pocket costs for individuals who have suffered an injury as a direct result of specific international acts of terrorism and natural disaster events. Under the scheme, we administer assistance to Australians affected by:

- Balimed—bombing in Bali, Indonesia, on 12 October 2002
- Tsunami—Indian Ocean tsunami on 26 December 2004
- London—bombing in London, United Kingdom, on 7 July 2005
- Bali 2005—bombing in Bali, Indonesia, on 1 October 2005
- Dahab Egypt—bombing in Dahab, Egypt, on 24 April 2006.

CLAIMING AND EMERGENCY INFORMATION

EMERGENCY CLAIM LODGEMENT CHANNELS

Table 33: Disaster recovery claims completed, per cent by claiming channel

Claiming channel	2016–17 %	2017–18 %	2018–19 %	2019–20 %
Phone	91	74	98	98
Paper and in person	9	26	2	2

AUSTRALIAN GOVERNMENT EMERGENCY INFORMATION LINE

Table 34: Calls to the Australian Government Emergency Information Line

	2016–17	2017–18	2018–19	2019–20
Calls answered	59,570 ^(a)	1,920 ^(a)	144,110 ^(b)	350,410

(a) Tropical Cyclone Debbie.

(b) Tasmanian bushfires, Far North Queensland floods, Northern NSW bushfires

NATIONAL EMERGENCY CALL CENTRE SURGE CAPABILITY

Services Australia provides support through the National Emergency Call Centre Surge Capability, which allows state and territory government agencies to overflow calls to their emergency (non-000) lines to the agency. In 2019–20 the agency was not asked to activate this capability.

NATIONAL SECURITY HOTLINE

The National Security Hotline is the single point of contact for people to report possible signs of terrorism or to request information. Services Australia provides surge assistance for the National Security Hotline on request from the Department of Home Affairs. In 2019–20 the agency was not asked to assist with the hotline.

1.8 Money management

Services Australia provides services to help customers in challenging circumstances to manage their money.

FINANCIAL INFORMATION SERVICE

The Financial Information Service (FIS) offers free, independent and confidential information, tools and resources to help customers make informed decisions about their current and future financial needs. FIS can assist financially vulnerable people to improve their financial capability, and fosters self-sufficiency by looking at financial options beyond the payments offered by Services Australia.

FIS is available by phone, by appointment and through seminars. All FIS face-to-face services stopped in March 2020 due to the COVID-19 pandemic. Outreach, seminar and interview figures are from July 2019 to March 2020. Phone call figures are for the full financial year. In 2019–20 FIS officers:

- answered more than 56,000 phone calls
- conducted more than 40,200 interviews
- delivered 3,881 hours of outreach services
- held 1,387 seminars for more than 29,600 participants.

CENTREPAY

Centrepay is a free voluntary bill-paying service for Centrelink customers. It helps them manage their expenses by giving the option of making regular deductions directly from their income support payment to an approved business. Businesses approved to use Centrepay are charged a fee to recover operating costs. At 30 June 2020:

- 649,124 customers were using Centrepay
- 11,441 businesses received a Centrepay deduction.

In 2019–20 26.1 million deductions were made to the value of \$2.76 billion.

CENTRELINK CONFIRMATION ESERVICES

Sometimes businesses and organisations—for example, utility providers, local councils, housing providers, financial planners and superannuation funds—need information from the agency to determine a person's eligibility to receive a concession, rebate or service they provide.

The agency's online Centrelink Confirmation eServices allow approved businesses and organisations to confirm that a person is entitled to a concession, or rebate, obtain income and assets and payment information, and help to determine eligibility for the early release of superannuation due to financial hardship. With the person's consent, businesses and organisations can electronically:

- confirm that a customer is eligible to receive a concession, rebate or service (Customer Confirmation)
- confirm the customer's income, assets and payment details (Income Confirmation)
- confirm whether superannuation can be released early due to financial hardship (Superannuation Confirmation).

RENT DEDUCTION SCHEME

The Rent Deduction Scheme gives customers the option of having their public housing payments deducted from their income support payment and sent directly to their state or territory housing authority.

At 30 June 2020, 331,060 customers were using the scheme. In 2019–20 9.23 million rent deductions were made using the scheme.

TAX DEDUCTION SERVICE

The Tax Deduction Service allows customers who receive taxable Centrelink income support payments to choose to have tax withheld from their payments. The service is an easy and free way for customers to meet their tax obligations.

At 30 June 2020, 387,214 customers deducted tax from their income support payments to the value of \$65 million.

INCOME MANAGEMENT

Income Management helps groups of people in specific locations who receive income support to manage their money to meet essential household expenses.

Under Income Management, a percentage of a person's income support, and 100 per cent of lump-sum payments, are allocated to pay for priority items such

as food, housing, clothing, utilities, education and medical care. The remaining percentage of the person's payment is paid to them in the usual way to be used at their discretion. Money that is income managed cannot be spent on alcohol, tobacco, pornography or gambling.

ACCESSING INCOME-MANAGED MONEY

Services Australia works with people on Income Management to identify how their income support can be used to pay organisations for items they and their families need.

Organisations can be paid in a variety of ways, including with a customer BasicsCard, the customer making direct deposit via BPAY, the agency arranging a direct deposit, and, in some urgent cases, making a credit card payment over the phone.

Customers can also access their Income Management money account through the Express Plus Centrelink mobile app and online services to complete transactions, such as transferring funds between their Income Management and BasicsCard account and checking their BasicsCard balance.

At 30 June 2020, 17,276 stores and businesses accepted the BasicsCard. The agency investigates public complaints and conducts random sample reviews to ensure stores and businesses are complying with the terms and conditions.

In 2019–20:

- 98 per cent of income-managed customers used the BasicsCard
- \$255.8 million was spent using the BasicsCard.

DATA ON INCOME MANAGEMENT

Table 35: Numbers of Income Management customers^(a)

Measure	2017–18	2018–19	2019–20
Cape York Income Management	136	129	140
Child Protection Income Management	185	147	122
Disengaged Youth	4,096	4,020	4,592
Long Term Welfare Payment Recipient	14,944	15,592	16,868
Supporting People at Risk	<5	64	50
Voluntary Income Management	3,857	3,510	3,155
Vulnerable Welfare Payment Recipient	1,581	1,481	1,762

(a) The numbers are point-in-time at the dates specified and do not represent recipient movements between measures and on and off Income Management.

CASHLESS DEBIT CARD

The Cashless Debit Card provides customers with greater financial stability while reducing the social harm resulting from alcohol, drugs and gambling. Where a customer is using a Cashless Debit Card, up to 80 per cent of regular fortnightly payments and 100 per cent of lump sum payments are paid to their card.

The card can be used at most shops that accept EFTPOS or Visa. The card looks and operates like a normal bank card, except that it cannot be used to buy alcohol, gambling products, cash-like products or to withdraw cash.

Currently the Cashless Debit Card operates in:

- Ceduna and surrounding regions, South Australia
- East Kimberley and the Goldfields regions, Western Australia
- Bundaberg and Hervey Bay region, Queensland.

The card provider (Indue Ltd) issues cards and all associated banking services to customers.

At 30 June 2020, 12,508 customers were using the Cashless Debit Card.

OTHER SERVICES AND SUPPORT

FARM HOUSEHOLD ALLOWANCE

Farm Household Allowance is a payment for farming families in financial hardship. Help is available to eligible farmers and their partners to improve their financial self-reliance. It is a time-limited payment that customers can receive for four in each 10-year period. In 2019–20 the agency finalised more than 6,500 claims. This compares with 11,230 claims in 2018–19 when the eligibility rules were expanded.

Investing in Australia's farming future

While Australia faced both Black Summer bushfires and COVID-19 in 2020, many of its rural communities also continued to battle ongoing drought.

Farmers can access support through the Farm Household Allowance payment, where they'll be supported by one of Services Australia's specialist Farm Household Case Officers.

Once a farmer's claim for Farm Household Allowance has been approved, their dedicated case officer will help them develop a Financial Improvement Plan. The case officer supports them by checking every few months on how the plans are progressing.

For many farmers, improving their finances can mean pursuing new opportunities within agriculture. Farm Household Case Officers have supported farmers back to financial independence by working with them on ventures such as turning cattle farms into tourism businesses, and using old fruit trees to expand into natural oils.

In June 2020 the support available for farmers to pursue training or advice was increased from up to \$4,000 for a four-year period to \$10,000 over the lifespan of the Farm Household Allowance.

Through accessing this support, farmers can attain the qualifications and skills they need to boost and diversify their income.

SPECIAL BENEFIT

Special Benefit payment helps people in severe financial hardship who are unable to support themselves and their dependants and are not eligible for another payment.

BEREAVEMENT PAYMENTS

Bereavement payments help customers adjust to changed financial circumstances following the death of their partner, child or care receiver. The type of bereavement payment a customer receives and the amount they can receive will depend on their individual circumstances and when the agency is notified of the death of their partner, child or care receiver. Bereavement payments are usually paid as a lump sum. However, some payments, such as the Family Tax Benefit Bereavement Payment, can be paid fortnightly.

On 20 March 2020 Bereavement Allowance was closed to new claimants. On the same date, Partner Bereavement Payment was introduced for JobSeeker Payment and Youth Allowance customers, including new claimants, whose partner had recently died.

PAYMENTS WHILE OUTSIDE AUSTRALIA

Called 'portability', some customers may continue receiving social security payments when they are outside Australia. A datalink between the agency and the Department of Home Affairs identifies social security customers who depart from or return to Australia. This information is used to automatically review payments for people who have departed from Australia.

TASMANIAN TRANSPORT SCHEMES

Services Australia administers two Tasmanian transport equalisation schemes:

- the **Tasmanian Freight Equalisation Scheme**—which helps to alleviate the sea freight cost disadvantage for shippers of eligible non-bulk goods that are moved by sea between mainland Australia and Tasmania
- the **Bass Strait Passenger Vehicle Equalisation Scheme**—which helps to alleviate the cost of sea travel across Bass Strait between Tasmania and mainland Australia.

In 2019–20 the agency received 17,275 claims for assistance and processed \$197.8 million in payments through the two schemes. This compares with 16,579 claims and \$204.9 million in 2018–19.

SERVICES TO INCARCERATED CUSTOMERS

Services Australia provides services to incarcerated Centrelink, Medicare and child support customers in approximately 150 correctional facilities (including youth justice centres, prison work camps and mental health units) across Australia.

The services offered are aligned with three stages:

- on entry into custody—suspend or cancel payments to prevent debt and check that child support assessments are correct
- during custody—help for customers who remain eligible for payments, assist with access to highly specialised drugs and conduct child support reassessments
- on release from custody—reconnect customers to appropriate payments and services.

For more information on other services and support see our website at **servicesaustralia.gov.au**

1.9 Compliance and business integrity

The agency's compliance and business integrity capabilities seek to ensure that only eligible people receive payments and that they receive the right amount. When a customer receives money they are not entitled to, they are required to repay their debt.

Services Australia focuses its compliance action on ensuring people receive correct payments, helping them to meet their obligations, protecting customer identities, and preventing the exploitation of welfare payments by criminals.

In cases of fraud or other relevant crimes, the agency investigates those matters and may refer offenders to the Commonwealth Director of Public Prosecutions (CDPP) for prosecution.

During the year Services Australia's compliance work led to:

- 1,014 criminal investigations
- 564 administrative investigations
- referring 454 cases to the CDPP
- preventing the payment of fraudulent Medicare claims worth over \$250,000
- preventing fraud involving \$400,000 worth of welfare payments
- finalising the *2019 Matching of Centrelink and Medicare data protocol*, designed to detect fraud earlier, in particular to prevent identity and payment fraud.

FRAUD ASSURANCE

Services Australia has a long-standing record of success managing fraud and corruption risks. We have a comprehensive approach to managing these risks, articulated in the agency's *Fraud and Corruption Control Plan*. We have built our approach around four key pillars:

- *predict*—to prevent or minimise fraud or corruption occurring, we keep abreast of emerging threats through a range of intelligence sharing and data analytics
- *prevent*—we proactively assess the fraud and corruption environment, ensuring that staff understand their role in managing these risks, and embed fraud and corruption control in policy and process design
- *control and assure*—we ensure effective fraud and corruption risk management by implementing robust controls with continuous monitoring, evaluating and reporting
- *detect and disrupt*—we run sophisticated detection and disruption strategies to help us identify and respond to fraud in a timely, appropriate and proportionate manner, with a focus on disrupting further criminal activity.

FRAUD DETECTION AND DISRUPTION

The agency operates a sophisticated fraud detection program, with data analytics and profiling that includes near real-time detection of fraud, targeting identity and qualification fraud as the main risks.

We run robust fraud disruption strategies that help us respond to instances of fraud in a timely, appropriate and proportionate manner, with a focus on disrupting further criminal activity.

Disruption activities include:

- making it easy for staff to report suspicious activity, and communicating outcomes so that staff recognise the benefit of their actions
- using a comprehensive internal and external tip-off program to identify criminal activity
- when necessary, undertaking joint investigations with other law enforcement bodies and agencies, and referrals to the Australian Federal Police with a focus on disrupting serious, organised and complex fraud activities
- pursuing disciplinary, administrative, and civil or criminal sanctions, where appropriate
- working with partners to respond to scams that affect customers and their personal information.

Services Australia continues to build its capabilities to address fraud and corruption risks through a range of initiatives including establishment of the joint Services Australia – Australian Federal Police Taskforce Integrity in July 2019. The taskforce seeks to strengthen our capacity to target serious welfare non-compliance and criminal activity. During the year we expanded our forensic capability with the opening of our Brisbane Forensics Laboratory. This doubled the agency's capacity to quickly turn around forensic analysis of digital evidence.

We also built stronger relationships with partners including, for example, becoming a member of the Fintel Alliance, which brings together a range of organisations involved in the fight against money laundering, terrorism financing and other serious crime.

We continued to contribute to whole-of-government efforts to combat fraud, with a particular focus in 2019–20 on people exploiting COVID-19 stimulus payments and bushfire emergency payments. We were a significant contributor to the COVID-19 Counter-Fraud Taskforce established to support Australian Government agencies to prevent fraud against the COVID-19 stimulus measures. The taskforce produced a range of tools, intelligence products and advice for agencies to help them counter fraud.

INTERNAL FRAUD

The agency has a strong integrity framework that guides how we develop, promote and maintain a culture of integrity, and how we embed this culture in our business. We have a broad range of integrity-related policies, practices and staff training. On-boarding for new senior executives ensures they understand their responsibilities to both individually and collectively promote a positive integrity culture. We back up these measures with an institutional focus on accountability and capability.

To illustrate our success, staff across the agency worked to build integrity into the design of programs to deliver the Government's responses to the COVID-19 pandemic. Recent Australian Public Service staff surveys show improvement in staff awareness of integrity-related matters.

Services Australia also deploys a range of specialist capabilities, including intelligence and investigations, to identify and disrupt internal threats such as fraud and corruption.

IDENTITY MANAGEMENT

To help ensure that people are who they say they are and to protect them from identity theft, Services Australia implements a range of strategies to check, confirm and protect the identity of customers who interact with the agency.

During the 2019 bushfires, we trialled the Department of Home Affairs' Face Verification Service, using facial biometrics in some service centres and Mobile Service Centres. We used the service to help customers prove their identity for Australian Government Disaster Recovery Payments without having to present documents such as an Australian passport or driver's licence. We also work with the Digital Transformation Agency to support the development of the digital identity initiative.

As part of the agency's rapid response to COVID-19, we temporarily removed the requirement for customers to come into a service centre to do a facial identity check and instead verified identity through the telephony channel or the online identity verification and registration solution (Connected ID) released in myGov, using the Department of Home Affairs document verification service. The interim identity arrangements were critical in making timely payments to individuals experiencing a loss of employment or income due to COVID-19. This reduced the need for customers to be out in the community and the risk of exposure for both our customers and service staff. (See also *COVID-19 pandemic* on page xv.)

We continue to support customers who are potential victims of scams or identity theft through the Scams and Identity Theft Helpdesk. The helpdesk assesses the risk of compromise to a customer's identity and, if necessary, secures their agency records and refers customers to other services such as IDCare, Australia's national identity support service.

In 2019–20 the agency:

- confirmed the identities of over 704,000 customers
- successfully matched over 2.5 million identity documents from customers with the Department of Home Affairs document verification service
- responded to over 11,000 calls and more than 2,000 emails to the Scams and Identity Theft Helpdesk
- referred more than 2,000 customers to IDCare.

HELPING PEOPLE TO MEET THEIR OBLIGATIONS

To improve the accuracy of payments, Services Australia educates and assists people in meeting their obligations. The agency also provides support to customers who have mistakenly not met their obligations.

The agency works with people at important life events, such as when they start new employment, move house or commence studies. We contact people by phone, in writing, or by sending an SMS message.

For example, in 2019–20 approximately 160,000 interventions asking customers to confirm their rent and accommodation circumstances enabled those customers to receive the correct entitlements/rent assistance.

PAYMENT ACCURACY AND CORRECTNESS

The agency aims to pay the right person the right amount through the right program at the right time.

RANDOM SAMPLE SURVEY

To help ensure accurate social welfare payments are made, we conduct random sample surveys. These are point-in-time assessments of a customer's circumstances for major payment types. The surveys are used to identify both staff and customer errors. They also measure our ability to pay customers the exact payment they are entitled to, known as payment correctness; and allow the Department of Social Services to measure the integrity of outlays, known as payment accuracy.

In 2019–20 the agency achieved 98.53 per cent payment correctness, against a target of 95 per cent. See also *Criterion 5 Achievement of payment quality standards: Centrelink: Delivery of correct customer payments* on page 79.

COMPLIANCE PROGRAM

The agency sources information from other government agencies and third parties to help ensure accurate social welfare payments are made and resolve discrepancies in information provided by our customers.

In 2019–20 the agency completed 174,043 reviews targeting early intervention and prevented \$52.7 million in outlays.

Table 36: Social welfare compliance activity

	2017–18	2018–19	2019–20
Compliance interventions	1,263,926	1,693,110	898,574
Reductions in fortnightly payments	49,230	101,859	71,841
Value of fortnightly reductions	\$20.5 million	\$26.5 million	\$25.2 million
Prevented outlays	\$36.4 million	\$72.2 million	\$52.7 million
Debts raised	209,313	325,677	142,155
Total debt value	\$468.7 million	\$885.8 million	\$364.4 million

DEBT MANAGEMENT

Services Australia works with people to minimise the chances of incurring a debt through measures that help them to understand their obligations. However, in circumstances where people have not been paid the right amount, and a debt is incurred, we work with customers taking into account their personal circumstances to recover overpayments.

When a person is finding it difficult to repay a debt, the agency is flexible. For instance, the agency can pause recovery of a debt for a specified period for those experiencing financial hardship and those in vulnerable situations. The agency also provides support to customers through our network of social workers where more specialised assistance is needed.

It is standard practice for the agency to temporarily pause debt raising and recovery activities for customers living in areas impacted by natural disasters, such as those experienced by many of our customers during the 2019–20 bushfires. This includes pausing referrals to external collection agencies, as well as garnisheeing of tax refunds.

On 3 April 2020 in response to the COVID-19 pandemic, the Australian Government announced a temporary six-month national debt pause to help Australians affected by the unprecedented crisis. The agency implemented this pause on a range of social welfare debt raising and recovery activities, with the exception of fraud and serious non-compliance work.

Table 37: Debts raised from customers who received social welfare payments

	2017–18	2018–19	2019–20
Number of debts raised	2,493,474	2,270,117	1,758,484
Amount raised	\$3.2 billion	\$3.4 billion	\$2.4 billion

Table 38: Social welfare debt recovered

	2017–18	2018–19	2019–20
Total debts recovered	\$1.70 billion	\$1.85 billion	\$1.75 billion
Amount recovered by contracted agents ^(a)	\$125.7 million	\$147.8 million	\$105.0 million
% of total recovered by contracted agents ^(a)	7.4	8.0	6.0

(a) "contracted agents" refers to external collection agents

Performance



2

2.1 Annual Performance Statement 2019–20

STATEMENT OF PREPARATION

As the accountable authority of Services Australia, I present the 2019–20 annual performance statement of Services Australia, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, the 2019–20 annual performance statement is based on properly maintained records, accurately presents the performance of Services Australia, and complies with subsection 39(2) of the PGPA Act.



Rebecca Skinner
Chief Executive Officer
Services Australia

SERVICES AUSTRALIA'S PURPOSE, OUTCOME AND PROGRAMS

The purpose stated in the *Services Australia 2019–20 Corporate Plan* was:

'Delivering high-quality government services and payments to Australia'

Following Machinery of Government changes announced by the Prime Minister in December 2019, Services Australia **Outcome 1** was updated in the Department of Social Services *Portfolio Additional Estimates Statements 2019–20* to remove the reference to policy advice:

'Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of 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.'

To support this purpose, the agency is responsible for delivering three programs:

- Program 1.1 Services to the Community—Social Security and Welfare
- Program 1.2 Services to the Community—Health
- Program 1.3 Child Support

ANALYSIS OF PERFORMANCE AGAINST PURPOSE

In 2019–20 the agency met 22 of 30 annual performance measure targets, in comparison, the agency met 20 of 27 in 2018–19.

To support the agency's focus on improving service delivery by listening to 'what matters to customers', the agency introduced new performance measures relating to customer trust to each of its three programs in the Services Australia 2019–20 Corporate Plan. No set targets were established for the three new performance measures, as the agency was using 2019–20 to baseline.

During 2019–20 there was an unprecedented demand placed on the agency's services due to the bushfires and COVID-19 pandemic. To help manage this demand, approximately 12,000 additional staff were redeployed or trained at the peak to support COVID-19 related activities. This included internal redeployment within Services Australia, mobilisation of employees from across the Australian Public Service and employment of additional staff both directly and through our service delivery partners. These new staff contributed on a range of fronts including processing Jobseeker Payment claims, handling simple Medicare enquiries and processing child support payments. COVID-19 also significantly increased demand on our online channel and myGov. As a result, the agency introduced a new online identity verification in myGov resulting in fewer customers having to call the agency or visit a Service Centre. For more information, see *Identity management* page 65.

The agency's response to the COVID-19 pandemic had a significant impact on the majority of performance measure results. The volume of work for many performance measures significantly increased, while demand in some areas reduced. For more information see *Responses to emergencies* on page 49, *COVID-19 pandemic* on page xv, *Social work services* on page 47, and *Improving customer experiences* on page 4.

Despite the challenges the agency faced during the year, the delivery of critical payments and services to Australians remained the focus. The strong performance of the three programs demonstrates that the agency met its purpose of *delivering high-quality government services and payments to Australia*.

PERFORMANCE MEASURE SUMMARY OF RESULTS

The table below provides a comparison of the number of annual performance measures targets that were met in 2018–19 and 2019–20.

	2018–19	2019–20
Met	20	22
Not met	7	5
No target ^(a)	0	3
Total	27	30

(a) Three customer trust measures introduced in 2019–20, with no set target to report against.

The table below provides a comparison of year-to-year changes to performance measure results.

	2018–19	2019–20
Improved	12	18
Similar/no change	8	2
Declined	5	7
No target	0	3
Total	27	30

PROGRAM 1.1 SERVICES TO THE COMMUNITY—SOCIAL SECURITY AND WELFARE

Performance measure	Met
1. Customer satisfaction: Achievement of customer satisfaction standards	×
2. Customer satisfaction: Trust: customers are confident in the integrity of the advice provided to them	—
3. Achievement of digital service level standards: Departmental interactions completed through digital channels	✓
4. Achievement of digital service level standards: Availability of ICT services excluding scheduled maintenance periods that support 24/7 customer access	✓
5. Achievement of payment quality standards: Centrelink: Delivery of correct customer payments	✓
6. Achievement of face-to-face service level standards: Average wait time	✓
7. Achievement of telephony service level standards: Average speed of answer	✓
8. Achievement of processing service level standards: Claims processed within standard	×
9. Internal reviews: Percentage of decision reviews requested by Centrelink customers finalised within standard	✓
10. Achievement of payment integrity standards: Centrelink: Debt under recovery	✓

The agency met 7 of 10 Social Security and Welfare performance measures in 2019–20, noting, there was no set target for the Trust performance measure.

The program achieved consistent results against its service level standards for its face-to-face, telephony and digital servicing channels—even though demand was unprecedented due to the COVID-19 pandemic. For example, in 2019–20 the agency successfully answered more than 17.3 million phone calls, 12.3 million visits to Service Centres and administered approximately \$137.2 billion in payments, and interactions completed digitally grew by 31 per cent. This compares with around 16.2 million answered phone calls, 13.7 million visits to Service Centres and \$120.2 billion in payments, and an 11.4 per cent increase in digital interactions in 2018–19.

Although the agency did not meet the 2019–20 target for customer satisfaction and achievement of processing service level standards—claims processed within standard—the agency can report that there was a 2.8 point increase over the 2018–19 results for customer satisfaction, and there was an 11.8 percentage point increase for processing.

Between 1 April and 30 June 2020, the agency received almost 2 million claims, the equivalent of what would normally be received in 7 months. The majority of claims were for people who had lost their jobs or were under financial stress. Almost 950,000 JobSeeker Payment claims were received (representing 47.5 per cent of total claims). In the same period 2.36 million claims were finalised, the equivalent of 8 months' work.

Underpinning this work were reliable ICT systems available 99 per cent of the time, enabling greater uptake of digital services and providing customers with 24/7 access.

Overall, the 2019–20 results for the Social Security and Welfare Program performance measures demonstrate that the agency has achieved its purpose of delivering high quality government services and payments to Australia.

CRITERION 1—Customer satisfaction: Achievement of customer satisfaction standards (*Portfolio Budget Statements (PBS)*)
Customer satisfaction: Customer satisfaction with their service delivery experience (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≥85 out of 100	79.5	×	+2.8
2018–19	≥85 out of 100	76.7	×	NA ^(a)

(a) Due to a change in how the measure is calculated, the results for 2018–19 are not directly comparable with previous years

ANALYSIS

Although the agency did not meet the 2019–20 target there was a 2.8 point increase over the 2018–19 result. The results for mobile applications improved by 5.9 points, telephony improved by 3.8 points, face-to-face improved by 3.5 points, and online declined by 1.9 points. The highest performing drivers were fair treatment (91.3) and personalised service (85.9). The lowest performing drivers were time to receive service (71.2) and effort (76.3).

COVID-19 saw the agency respond almost immediately to support millions of Australians while navigating significant logistical challenges and as policy continued to evolve. During this time, the level of customer satisfaction improved substantially, with Centrelink results now higher than ever.

Pre-COVID-19, customer's satisfaction with Centrelink services was nearing 80 out of 100. An initial drop in agency performance due to unprecedented demand saw satisfaction briefly drop, and the mobile applications channel was unavailable from September to December 2019 due to cyber security concerns with the survey method of using hyperlinks to emails. However, the agency's pandemic response saw improvements to service delivery and processes. Customers responded positively to the streamlined service model and customer demand management strategies put in place, which saw customer satisfaction increase each week.

In addition to strong service delivery performance and a range of policy and process related initiatives, it was identified that improvements in the rate of request resolution was also a driving force behind the increased customer satisfaction in late 2019–20.

The strategies implemented by the agency culminated in the highest customer satisfaction results ever recorded. For more information, see *Improving customer experiences* on page 4.

The table below compares the satisfaction drivers across 2018–19 and 2019–20:

Satisfaction drivers	2018–19	2019–20
Perceived quality	76.0	79.6
Personalised service	82.2	85.9
Communication	80.8	84.2
Time to receive service	68.5	71.2
Fair treatment	91.7	91.3
Effort	73.0	76.3

METHOD Customer survey.

(The margin of error for this performance measure is less than 5 per cent.)

RATIONALE This performance measure supports the agency's:

- 'service excellence' and 'service enablers' strategic pillars
- 'customer satisfaction' key performance area.

REFERENCE 2019–20 PBS, page 30; 2019–20 Corporate Plan, page 14 (pdf), 9 (doc).

DATA SOURCE Survey provider: Colmar Brunton.

CRITERION 2—Customer satisfaction: Trust: customers are confident in the integrity of the advice provided to them (This performance measure was introduced in the Services Australia 2019–20 Corporate Plan)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	Baseline	73.6	NA	NA

ANALYSIS

The agency baselined customer trust in 2019–20 by asking customers a question as part of its satisfaction and experience survey 'Thinking about Centrelink overall. Using a scale of 1 to 5 where 1 is 'don't trust them at all' and 5 is 'trust them completely', to what extent would you say you trust Centrelink?'

Based on the current single trust question asked as part of the satisfaction and experience survey, customer trust results for Centrelink trended upwards throughout 2019–20, increasing from 72.5 in July 2019 to 76.9 in June 2020. Increased customer trust results between March and May align with the improvements observed with customer satisfaction results and reflects the agency's timely response to COVID-19; however, no conclusions can be made regarding which business initiatives had a direct impact on trust.

The agency has engaged its external social and market research provider Colmar Brunton to provide additional insights into the factors that influence an individual's level of trust. This will assist the agency develop a more comprehensive trust measure throughout 2020–21 and help transform the relationship it holds with customers and effectively respond to issues associated with customer trust. It is noted that for 2019–20, there was a difference between the title of the customer trust performance measure and the data used to measure it. The agency will address this in developing a more comprehensive trust measure during 2020–21.

For more information, see *Improving customer experiences* on page 4.

METHOD	Customer survey. (The margin of error for this performance measure is less than 5 per cent.)
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' and 'service enablers' strategic pillars• 'customer satisfaction' key performance area.
REFERENCE	2019–20 Corporate Plan, page 14 (pdf), 9 (doc).
DATA SOURCE	Survey provider: Colmar Brunton.

CRITERION 3—Achievement of digital service level standards:
Departmental interactions completed through digital channels (*PBS*)
Customers interacting digitally: Interactions conducted through digital channels (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved
2019–20	≥5% increase	31.0% increase	✓
2018–19	≥5% increase	11.4% increase	✓
2017–18	≥5% increase	6.6% increase	✓

ANALYSIS

During 2019–20 the agency has continued to expand its digital service offer by using advances in technology to enable customers to engage with us simply, at a time of their choosing.

During the bushfires of 2019–20 and COVID-19, the agency saw an unprecedented surge in demand for online, ‘contactless’ support, driven in part by COVID-19 movement restrictions limiting the number of customers able to visit a Service Centre.

The agency rapidly increased its online capacity and the range of transactions customers could complete without attending Service Centres, to help keep our staff and customers safe. For more information, see *Digital Services* on page 2.

As a result, the online and mobile applications growth in transactions increased significantly, with more customers choosing digital options to claim and report changes in their circumstances. There was an overall 31 per cent increase in Social Security and Welfare interactions completed through the agency's digital channels compared to an 11.4 per cent increase in 2018–19.

The following table shows a comparison of interactions across 2018–19 and 2019–20.

Interactions	2018–19	2019–20	Change
Online and mobile applications	204.4 million	293.8 million	+43.7%
Online letters	56.6 million	59.9 million	+5.8%
Electronic data exchange	51.4 million	56.7 million	+10.3%
Phone self-service	2.9 million	2.8 million	-0.9%

METHOD	Data Mining.
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' and 'service enablers' strategic pillars• 'customer satisfaction', ease and timeliness of service', and 'customers interacting digitally' key performance areas.
REFERENCE	2019–20 PBS, page 30; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).
DATA SOURCE	Enterprise Data Warehouse, Business Activity Reporting and Analytics and the Outbound Correspondence Report.

**CRITERION 4—Achievement of digital service level standards:
Availability of ICT services excluding scheduled maintenance periods
that support 24/7 customer access (*PBS*)**

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥98%	99.0%	✓	No change
2018–19	≥98%	99.0%	✓	–0.1
2017–18	≥98%	99.1%	✓	–0.2

ANALYSIS

The agency met digital service level standards relating to availability of ICT services, with customers able to access ICT systems 99 per cent of the time throughout 2019–20.

The digital experience of self-service customers using Centrelink online accounts and Express Plus Centrelink mobile applications, continued to perform above the 98 per cent availability target, for 24/7 customer access.

Multiple IT changes between March 2020 and June 2020 enabled Centrelink online accounts to play a major role in delivering COVID-19 economic stimulus measures to customers in need. In addition, the Express Plus Centrelink mobile applications delivered significant improvements through simpler processes for students and the Update Study Details service. For more information, see *Digital Services* on page 2.

A push notification for Express Plus Centrelink mobile applications was released during 2019–20, significantly improving communication to customers during outages.

The COVID-19 pandemic affected the Centrelink online accounts and Express Plus Centrelink mobile applications from Sunday 22 March until Monday 30 March following the Government's announcement of the economic stimulus package. Some customers experienced access issues due to increased traffic during this period.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' and 'service enablers' strategic pillars
- 'customer satisfaction', 'ease and timeliness of service' and 'customers interacting digitally' key performance areas.

REFERENCE 2019–20 PBS, page 30.

DATA SOURCE Internal data sources including incident records, problem records, and scheduled maintenance periods are used to calculate availability results.

CRITERION 5—Achievement of payment quality standards: Centrelink: Delivery of correct customer payments (*PBS*)
Correct payments: Customers receive payments free of administrative and/or processing errors (social security and welfare) (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥95%	98.5%	✓	+0.2
2018–19	≥95%	98.3%	✓	–0.2
2017–18	≥95%	98.5%	✓	+0.2

ANALYSIS

The agency met the annual target in 2019–20, with a slight improvement on the 98.3 per cent result in 2018–19.

Payment correctness results are extracted from the Random Review Results System (RRRS) and Integrated Review Systems, administrative error detected from Random Sample Survey Reviews are recorded within the RRRS and Integrated Review Systems.

Payment correctness for the 2019–20 financial year was calculated based on Trimester 1 (July to October) and Trimester 2 (November to February) due to the impact of COVID-19. Payment correctness assurance will be further strengthened with the removal of the limitation of recording no more than four errors within the RRRS.

Payment correctness is expected to improve as the agency continues to expand self-service options and automated actions, which will reduce the risk of staff error. Payment correctness is supported by the modernisation of systems, appropriate staff training, and the agency's 2025 vision for integrity of 'the right payment, to the right person, at the right time, without their active involvement'. For more information see *Payment accuracy and correctness* on page 66.

METHOD	Data mining.
RATIONALE	<p>This performance measure supports the agency's:</p> <ul style="list-style-type: none">• 'service excellence' and 'people and culture' strategic pillars• 'customer satisfaction' and 'correct payments' key performance areas.
REFERENCE	2019–20 PBS, page 31; 2019–20 Corporate Plan, page 14 (pdf), 9 (doc).
DATA SOURCE	Extracts from the Random Review Results System (RRRS) and Integrated Review Systems.

CRITERION 6—Achievement of face-to-face service level standards:
Average wait time (PBS)
Ease and timeliness: Face-to-face service level standards—average wait time (Corporate Plan)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≤15 minutes	14 min 16 sec	✓	–54 seconds
2018–19	≤15 minutes	15 min 10 sec	×	+21 seconds
2017–18	≤15 minutes	14 min 49 sec ^(a)	✓	+2 min 45 sec

(a) The annual result for 2017–18 was incorrectly reported in the 2017–18 and 2018–19 annual report performance tables as 14 minutes and 29 seconds; the correct result of 14 minutes 49 seconds is now included.

ANALYSIS

In 2019–20 the average wait time for customers reduced by 54 seconds compared to 2018–19.

The impact of COVID-19 required the agency to implement health and safety measures to ensure social distancing was maintained in Service Centres. This included controlled entry and screening questions; suspending the self-service support role; additional support for face-to-face customers; and social distancing arrangements to limit customer numbers in Service Centres, which led to reduced customer demand for face-to-face services—heavily influencing the 2019–20 annual result.

The number of daily face-to-face customer contacts has been significantly impacted by COVID-19, with an increase in customers conducting their business through digital channels. During April, May and June 2020, there was a 40 per cent reduction of face-to-face contacts compared to the same period in 2019.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'ease and timeliness of service' key performance area.

REFERENCE 2019–20 PBS, page 31; 2019–20 Corporate Plan, page 15 (pdf), 9 (doc).

DATA SOURCE SAPUI5 Front of House application, including Virtual Waiting Room and resolved enquiry data. (This is a single browser-based application that operates on both desktop and mobile devices to manage front-of-house customer contacts.)

CRITERION 7—Achievement of telephony service level standards:
Average speed of answer (PBS)

Ease and timeliness of service: Telephony service level standards—average speed of answer: Social security and welfare customers (Corporate Plan)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≤16 minutes	14 min 11 sec	✓	–1 min 21 sec
2018–19	≤16 minutes	15 min 32 sec	✓	–26 seconds
2017–18	≤16 minutes	15 min 58 sec	✓	+14 seconds

ANALYSIS

In 2019–20 the average speed of answer for customers reduced by 1 minute and 21 seconds. The annual result of 14 minutes and 11 seconds is the lowest on record. Performance was aided by additional staff supporting the agency’s COVID-19 response. The agency responded to unprecedented customer demand for services across all channels due to the economic impacts of COVID-19, answering approximately 1 million more calls than in 2018–19.

To manage this demand additional staff were quickly trained to support this unprecedented demand on telephony services. See *COVID-19 pandemic* on page xv and *Workforce strategies and planning* on page 182.

METHOD	Data mining.
RATIONALE	This performance measure supports the agency’s: <ul style="list-style-type: none">• ‘service excellence’ strategic pillar• ‘ease and timeliness of service’ key performance area.
REFERENCE	2019–20 PBS, page 31; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).
DATA SOURCE	Telstra Computer Telephony Interface files (1 July 2019 to 13 April 2020). Genesys Interactive Insights reporting tool (14 April to 30 June 2020).

CRITERION 8—Achievement of processing service level standards:
Claims processed within standard (*PBS*)
Ease and timeliness of service: Processing service level standards—
claims processed within standard (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥82%	79.8%	×	+11.8
2018–19	≥82%	68.0%	×	–14.1
2017–18	≥82%	82.1%	✓	No change

ANALYSIS

The agency did not meet the 2019–20 annual target, but did improve significantly compared to 2018–19 with a focus on processing older claims, and despite the diversion of resources due to the bushfires.

The COVID-19 pandemic resulted in the agency receiving the highest volume of claims ever, with the need to mobilise and train thousands more staff to meet demand. See *COVID-19 pandemic* on page xv and *Workforce strategies and planning* on page 182.

To support the COVID-19 response, the agency also implemented a range of measures aimed at streamlining claims processes to meet the unprecedented demand and to ensure our IT systems were enhanced to process an unprecedented number of claims over a short time frame. The measures included a streamlined claim lodgement process, reduced means testing, and increased automated processing. See also *Rapid changes to deliver critical payments* on page xvi.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'ease and timeliness of service' key performance area.

REFERENCE 2019–20 PBS, page 31; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).

DATA SOURCE Enterprise data Warehouse/SAS Enterprise Guide.

CRITERION 9—Internal reviews: Percentage of decision reviews requested by Centrelink customers finalised within standard (*PBS*)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥70%	72.4%	✓	–12.2
2018–19	≥70%	84.6%	✓	–12.5
2017–18	≥70%	97.1%	✓	+22.6

ANALYSIS

While this performance measure was achieved, the bushfires and COVID-19 pandemic events saw a reduction in the number of reviews finalised in 2019–20.

Diversion of staff within the agency to undertake bushfire and COVID-19 pandemic-related activity also affected the flow of appeals and the age of work on hand for internal review. The total number of review applications reduced from 66,083 in 2018–19 to 52,773 in 2019–20.

The age of work on hand was also impacted by the pause of income compliance internal review activity in November 2019. There was an increase in the average time taken to review decisions, from an average of 31 days in 2018–19 to 67 days in 2019–20.

For information about external reviews of the agency's decisions see *Administrative Appeals Tribunal* on page 172.

METHOD	Data mining.
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' strategic pillar• 'customer satisfaction'; 'correct payments'; and 'ease and timeliness of service' key performance areas.
REFERENCE	2019–20 PBS, page 31.
DATA SOURCE	Key date values in the appeals system, as captured in Statistical Analysis System (SAS) dataset.

**CRITERION 10—Achievement of payment integrity standards:
Centrelink: Debt under recovery (PBS)**

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥60%	95.8%	✓	26.3
2018–19	≥60%	69.5%	✓	10.5
2017–18	≥60%	59.0%	×	−2.8 ^(a)

(a) The performance measure was updated in October 2018 to include debts referred to external collection agents for debt recovery. The historical results prior to 2018–19 provide context for performance. However, the results are not directly comparable to results from 2018–19 onwards.

ANALYSIS

The agency met the 2019–20 annual target. The result indicates an increase in the percentage of debts under recovery by 26.3 percentage points compared to 2018–19. The outcome has been inflated for 2019–20 by the pause on debt raising and recovery activity announced on 3 April 2020 due to the COVID-19 pandemic.

Legislation requires the agency to manage and pursue the recovery of debts. The agency negotiates suitable payment arrangements with customers based on their capacity to repay their debt. This pause seeks to help ease pressure on people's budgets during the COVID-19 pandemic and has significantly impacted the current levels of outstanding debt.

The definition of 'debt' for the measure excludes those debts that are currently paused. As at 30 June 2020 there were a total of 1.3 million debts with a value of \$4.53 billion that had been paused, this equating to 96 per cent of all outstanding debt. As a result, the total value of debt used to calculate the 2019–20 annual result was \$207.9 million—in 2018–19 it was \$4.57 billion.

Work relating to fraud and serious non-compliance has continued throughout the debt pause in order to maintain the integrity of the welfare system. This reflects only a small proportion of overall outstanding debt.

For more information see *Debt management* on page 67.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'correct payments' key performance area.

REFERENCE 2019–20 PBS, page 31.

DATA SOURCE Enterprise Data Warehouse.

PROGRAM 1.2—SERVICES TO THE COMMUNITY—HEALTH

Performance measure	Met
1. Satisfaction with Medicare provider service delivery: Practitioners, pharmacists and practice managers	✓
2. Customer satisfaction: Achievement of customer satisfaction standards	✓
3. Customer satisfaction: Trust: customers are confident in the integrity of the advice provided to them	—
4. Achievement of digital service level standards: Medicare Benefits Schedule digital claiming rate	✓
5. Achievement of digital service level standards: Departmental interactions completed via digital channels	✓
6. Achievement of digital service level standards: Availability of ICT services excluding scheduled maintenance periods that support 24/7 customer access	✓
7. Achievement of payment quality standards: Medicare: Delivery of accurate medical benefits and services	✓
8. Achievement of face-to-face service level standards: Average wait time	✓
9. Achievement of telephony service level standards: Average speed of answer: Pharmaceutical Benefits Scheme Authorities and My Health Record Providers	×
10. Achievement of telephony service level standards: Average speed of answer: Providers	✓
11. Achievement of telephony service level standards: Average speed of answer: Customers	✓
12. Achievement of processing service level standards: Claims processed within standard	✓

Services Australia met 10 of 12 Health performance measures in 2019–20, noting, there was no set target for the Trust performance measure. For more information about the Health Program see *1.4 Health* on page 16.

This achievement demonstrates the agency's commitment to delivering on its purpose to provide high-quality government services and payments to Australia.

The program achieved consistent results against its service level standards for its face-to-face, processing and digital servicing channels.

For example, in 2019–20 25.9 million people were enrolled in Medicare and \$25.0 billion was paid in benefits.

The percentage of digital claims continues to grow, with 99.2 per cent of Medicare services claimed digitally in 2019–20. Approximately 80 per cent of all health practices lodge 100 per cent of their Medicare claims digitally at their practice.

The encouragement of digital claiming resulted in the use of the agency's 24/7 digital channels growing, with a 9.5 per cent increase in 2019–20.

Although the agency did not meet the 2019–20 target for Average speed of answer: Pharmaceutical Benefits Scheme Authorities and My Health Record Providers—the agency answered over 278,000 more calls than in 2018–19.

The unprecedented pressure on the country's health system in 2019–20, as a result of the bushfires and COVID-19 pandemic has required the agency to be nimble in implementation and delivery in a fast changing environment.

We have supported Australian's continued access to critical health services including the introduction of new bushfire mental health and telehealth Medicare Benefits Schedule items, enabling digital lodgement of all remaining Medicare Services rather than customers presenting in the face-to-face environment; and supporting health professionals to deliver.

CRITERION 1—Satisfaction with Medicare provider service delivery: Practitioners, pharmacists and practice managers (PBS)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥70%	85.2%	✓	–11.6
2018–19	≥70%	96.8%	✓	NA ^(a)

(a) The three Medicare provider performance measures from 2017–18 were consolidated into a single performance measure in 2018–19. Because of this change, results are not directly comparable to those of previous years.

ANALYSIS

In 2019–20 the agency implemented changes to Medical Benefits Scheme to support Australians' access to essential Medicare subsidised health services and support processes to minimise the impacts on our customers in response to the bushfires in early 2020 and the COVID-19 pandemic. These events changed the way that providers delivered services and kept their businesses running. See *Medicare* on page 16 and *COVID-19 pandemic* on page xv.

For 2019–20 the provider survey for this measure was conducted online from February to April, increasing practitioner and practice manager participation which resulted in more diverse provider profiles completing the survey than previous years—also resulting in a notable decrease to their satisfaction result. For example, in 2019–20, 355 Practitioners and 155 Practice Managers participated in the survey, compared to 98 Practitioners and 101 Practice Managers in 2018–19. The agency will analyse the results to identify concerns from the sector with the aim of addressing these.

Provider	2018–19	2019–20 ^(a)
Practitioners	100%	78.6%
Pharmacists	100%	99.6%
Practice managers	91.1%	77.4%

(a) For 2019–20 the survey was conducted online from February to April increasing practitioner and practice manager participation which resulted in more diverse provider profiles than previous years.

METHOD	Survey of Practitioners, pharmacists and practice managers.
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' strategic pillar• 'customer satisfaction' key performance area.
REFERENCE	2019–20 PBS, page 32.
DATA SOURCE	Survey provider: Colmar Brunton.

CRITERION 2—Customer satisfaction: Achievement of customer satisfaction standards (PBS)
Customer satisfaction: Customer satisfaction with their service delivery experience (Corporate Plan)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≥85 out of 100	86.1%	✓	No change
2018–19	≥85 out of 100	86.1%	✓	NA ^(a)

(a) Due to a change in how the measure is calculated, the results for 2018–19 are not directly comparable with previous years.

ANALYSIS

The agency met the annual target, achieving the same level of customer satisfaction in 2019–20 as 2018–19.

A strong increase across all customer satisfaction drivers in late 2019–20 enabled the agency to meet the annual target. 'Fair treatment' was consistently the highest performing driver, while 'Time to receive service' was the lowest performance driver across the financial year.

During the COVID-19 period, the agency focused on broadening the transactions available online that previously required a customer to attend in person. This resulted in a reduction in customers needing to attend a Service Centre and led to improved customer satisfaction with the 'Time to receive service' and 'effort' drivers. 'Time to receive service' increased by 14.2 points while 'effort' improved by 5.2 points.

The agency will continue to transition customers to our digital and telephony channels and reduce the need for customers to attend a Service Centre.

The table below compares the satisfaction drivers across 2018–19 and 2019–20:

Satisfaction drivers	2018–19	2019–20
Perceived quality	84.6	84.5
Personalised service	91.4	91.1
Communication	92.6	92.2
Time to receive service	71.0	71.6
Fair treatment	94.5	94.6
Effort	83.2	83.4

METHOD Customer survey.

(The survey margin of error for this performance measure is less than 5 per cent.)

RATIONALE This performance measure supports the agency's:

- 'service excellence' and 'service enablers' strategic pillars
- 'customer satisfaction' key performance area.

REFERENCE 2019–20 PBS, page 32; 2019–20 Corporate Plan, page 14 (pdf), 9 (doc).

DATA SOURCE Survey provider: Colmar Brunton.

CRITERION 3—Customer satisfaction: Trust: customers are confident in the integrity of the advice provided to them (This performance measure was introduced in the *Services Australia 2019–20 Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	Baseline	85.2	NA	NA

ANALYSIS

The agency baselined customer trust in 2019–20 by asking customers a question as part of its satisfaction and experience survey 'Thinking about Medicare overall. Using a scale of 1 to 5 where 1 is 'don't trust them at all' and 5 is 'trust them completely', to what extent would you say you trust Medicare?'

Based on the current single trust question asked as part of the satisfaction and experience survey, customer trust results for Medicare trended upwards throughout 2019–20, increasing from 85.0 in July 2019 to 86.9 in June 2020. Increased customer trust results between March and May align with the improvements observed with customer satisfaction and reflects the agency's timely response to COVID-19; however, no conclusions can be made regarding which business initiatives had a direct impact on trust.

The agency has engaged its external social and market research provider Colmar Brunton to provide additional insights into the factors that influence an individual's level of trust. This will assist the agency develop a more comprehensive trust measure throughout 2020–21 and help transform the relationship it holds with customers and effectively respond to issues associated with customer trust.

It is noted that for 2019–20, there was a difference between the title of the customer trust performance measure and the data used to measure it. The agency will address this in developing a more comprehensive trust measure during 2020–21.

For more information, see *Improving customer experiences* on page 4.

METHOD	Customer survey. (The survey margin of error for this performance measure is less than 5 per cent.)
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' and 'service enablers' strategic pillars• 'customer satisfaction' key performance area.
REFERENCE	2019–20 Corporate Plan, page 14 (pdf), 9(doc).
DATA SOURCE	Survey provider: Colmar Brunton.

CRITERION 4—Achievement of digital service level standards: Medicare Benefits Schedule (MBS) digital claiming rate (PBS)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥97%	99.2%	✓	+0.6
2018–19	≥97%	98.6%	✓	+0.7
2017–18	≥96%	97.9%	✓	+0.8

ANALYSIS

At 99.2 per cent, the Medicare digital claiming rate has consistently exceeded the target of 97 per cent. The lodgement of manual claims continued to decline as digital claiming increases.

The agency continues to explore options to further increase the use of digital claiming and minimise manual claiming, with a specific service delivery improvement focus.

The following table includes a breakdown of contributing indicators since the start of 2017–18.

Indicators	2017–18	2018–19	2019–20
Medicare services processed	419.9 million	429.6 million	433.1 million
Benefits paid	\$23.5 billion	\$24.4 billion	\$25.0 billion
Digital bulk bill claiming	99.1%	99.3%	99.5%
Digital patient claiming	89.6%	93.8%	96.7%
Digital simplified billing claiming	99.6%	99.7%	99.8%

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' and 'service enablers' strategic pillars
- 'customer satisfaction' key performance area.

REFERENCE 2019–20 PBS, page 32.

DATA SOURCE Extracted from internal data sources.

**CRITERION 5—Achievement of digital service level standards:
Departmental interactions completed via digital channels (*PBS*)
Customers interacting digitally: Interactions conducted through digital
channels (*Corporate Plan*)**

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥5% increase	9.5% increase	✓	+3.8
2018–19	≥5% increase	5.7% increase	✓	–2.5
2017–18	≥5% increase	8.2% increase	✓	+2

ANALYSIS

The annual result exceeded the target by 4.5 per cent in 2019–20. This was achieved by an increase in the take up of Health Provider Online Services (HPOS) by providers and an increase in the use of Medicare Online Account (MOA) by customers.

Decommissioning of the patient verification telephony line on 1 July 2019 saw a natural transition of providers to complete patient verifications through the online channel of HPOS, contributing to the overall increase of digital interaction by providers.

The increased use of MOA is reflective of customers utilising the online channel more broadly than claiming, with increases in customers checking their safety net eligibility and their immunisation records.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'customers interacting digitally' key performance area.

REFERENCE 2019–20 PBS, page 32; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).

DATA SOURCE Enterprise Data Warehouse.

CRITERION 6—Achievement of digital service level standards: Availability of ICT services excluding scheduled maintenance periods that support 24/7 customer access (*PBS*)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥98%	99.6%	✓	+0.2
2018–19	≥98%	99.4%	✓	–0.2
2017–18	≥98%	99.6%	✓	+0.2

ANALYSIS

The agency met digital service level standards for availability of ICT services, with customers able to access ICT systems 99.6 per cent of the time throughout 2019–20.

The digital experience of self-service customers using Medicare online accounts and the Express Plus Medicare mobile application continued to perform above the 98 per cent availability target for 24/7 customer access.

During 2020 a re-development project for Medicare online accounts improved usability, readability, accessibility and web responsiveness across existing Medicare services. These enhancements were based on user feedback and have resulted in Medicare customers being able to complete their business simply online with the experience tailored to personal circumstances.

The COVID-19 pandemic affected the Medicare Online accounts and Express Plus Medicare Mobile applications from Sunday 22 March until Monday 30 March following the Government's announcement of the economic stimulus package. Some customers experienced access issues due to increased traffic during this period.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' and 'service enablers' strategic pillars
- 'customer satisfaction', 'ease and timeliness of service' and 'customers interacting digitally' key performance areas.

REFERENCE 2019–20 PBS, page 32.

DATA SOURCE Internal data sources including incident records, problem records, and scheduled maintenance periods are used to calculate the availability result.

**CRITERION 7—Achievement of payment quality standards:
Medicare: Delivery of accurate medical benefits and services (PBS)**

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥98%	98.9%	✓	+0.1
2018–19	≥98%	98.8%	✓	No change
2017–18	≥98%	98.8%	✓	–0.3

ANALYSIS

The agency met the 2019–20 annual target, with a 0.1 per cent increase over the 2018–19 annual results.

The reason for the continued strong performance against this measure is the agency automated the assessment and processing of most claims for services, particularly high rates of digital bulk-bill claiming which is straight-through processed.

The agency still has a large volume of claims that require manual assessment and processing and therefore continues to ensure quality checking is in place. The agency has invested in developing the skills of staff to meet the quality outcomes for manual claiming.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'correct payments' key performance area.

REFERENCE 2019–20 PBS, page 32.

DATA SOURCE Enterprise Data Warehouse.

CRITERION 8—Achievement of face-to-face service level standards:**Average wait time (*PBS*)****Ease and timeliness of service: Face-to-face service level standards—average wait time (*Corporate Plan*)****OVERVIEW**

Year	Target	Result	Achieved	Change
2019–20	≤15 minutes	13 min 48 sec	✓	+39 sec
2018–19	≤15 minutes	13 min 9 sec	✓	–5 sec
2017–18	≤15 minutes	13 min 14 sec	✓	+2 min 43 sec

ANALYSIS

To address COVID-19, the agency implemented a number of health and safety measures to ensure social distancing was maintained within Service Centres. More broadly, community concern about COVID-19 led to fewer customers accessing face-to-face services.

The response to COVID-19 required the agency to suspend most face-to-face services to limit the number of customers in our Service Centres. However, customers were still able to conduct their business with the agency online.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillars
- 'customer satisfaction' and 'ease and timeliness of service' key performance areas.

REFERENCE 2019–20 PBS, page 32; 2019–20 Corporate Plan, page 15 (pdf), 9 (doc).

DATA SOURCE SAPUI5 Front of House application, including Virtual Waiting Room (VWR) and resolved enquiry data.

CRITERION 9—Achievement of telephony service level standards:
Average speed of answer: Pharmaceutical Benefits Scheme Authorities and My Health Record Providers (*PBS*)
Ease and timeliness of service: Telephony service level standards—average speed of answer: Pharmaceutical Benefits Scheme Authorities and My Health Record providers (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≤30 seconds	34 seconds	x	+6 seconds
2018–19	≤30 seconds	28 seconds	✓	–2 seconds
2017–18	≤30 seconds	30 seconds	✓	–10 seconds

ANALYSIS

The agency did not meet the annual target, with the average speed of answer increasing by 6 seconds compared to 2018–19. Demand increased in 2019–20, with the agency answering over 278,000 more phone calls than in 2018–19. As part of the response to COVID-19, work from home was enabled for high risk staff, affecting the agency's capacity to respond to the call volumes. See *COVID-19 pandemic* on page xv and *Workforce strategies and planning* on page 182.

In addition, the Department of Health changed access arrangements to antibiotics in May and opioids in June, which significantly increased the average handling time of calls for prescribers further compounding the pressure of increased call volumes.

METHOD	Data mining.
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' strategic pillar• 'ease and timeliness of service' key performance area.
REFERENCE	2019–20 PBS, page 32; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).
DATA SOURCE	Telstra Computer Telephony Interface files (1 July 2019 to 13 April 2020). Genesys Interactive Insights reporting tool (14 April to 30 June 2020).

CRITERION 10—Achievement of telephony service level standards:
Average speed of answer: Providers (PBS)
Ease and timeliness of service: Telephony service level standards—
average speed of answer: Providers (Corporate Plan)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≤2 minutes	1 min 59 sec	✓	+5 seconds
2018–19	≤2 minutes	1 min 54 sec	✓	+1 second
2017–18	≤2 minutes	1 min 53 sec	✓	–3 seconds

ANALYSIS

The agency met the annual target, despite a 5 second increase in the average speed of answer compared to 2018–19. There was a 15 per cent reduction in the number of provider calls the agency answered in 2019–20 compared to 2018–19. This was due to providers shifting to greater levels of self-service through online channels rather than telephony.

The bushfires had some impact on performance, with the number of calls answered greater than forecast. During this period many of these calls were also more complex in nature. COVID-19 increased demand for services and significantly impacted the agency's workforce capacity. To help successfully balance the workload with reduced staff due to employee health and safety concerns, the agency redeployed staff, took on board extra staff from across the Australian Public Service, and used labour hire companies. See *COVID-19 pandemic* on page xv and *Workforce strategies and planning* on page 182.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'customer satisfaction' and 'ease and timeliness of service' key performance areas.

REFERENCE 2019–20 PBS, page 32; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).

DATA SOURCE Telstra Computer Telephony Interface files (1 July 2019 to 13 April 2020). Genesys Interactive Insights reporting tool (14 April to 30 June 2020).

CRITERION 11—Achievement of telephony service level standards:
Average speed of answer: Customers (*PBS*)
Ease and timeliness of service: Telephony service level standards—
average speed of answer: Health customers (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≤7 minutes	6 min 58 sec	✓	–1 second
2018–19	≤7 minutes	6 min 59 sec	✓	+3 seconds
2017–18	≤7 minutes	6 min 56 sec	✓	+22 seconds

ANALYSIS

In 2019–20 the agency improved the average speed of answer by 1 second compared to 2018–19.

The bushfires and the COVID-19 pandemic significantly affected the agency's workforce capacity. To help successfully balance the workload the agency redeployed existing staff, took on board extra staff from across the Australian Public Service, and used labour hire companies. See *COVID-19 pandemic* on page xv and *Workforce strategies and planning* on page 182.

METHOD	Data mining.
RATIONALE	<p>This performance measure supports the agency's:</p> <ul style="list-style-type: none">• 'service excellence' strategic pillar• 'ease and timeliness of service' key performance area.
REFERENCE	2019–20 PBS, page 32; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).
DATA SOURCE	Telstra Computer Telephony Interface files (1 July 2019 to 13 April 2020). Genesys Interactive Insights reporting tool (14 April to 30 June 2020).

**CRITERION 12—Achievement of processing service level standards:
Claims processed within standard (*PBS*)
Ease and timeliness of service: Processing service level standards—
claims processed within standard (*Corporate Plan*)**

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥82%	90.4%	✓	+0.1
2018–19	≥82%	90.3%	✓	–7.1
2017–18	≥82%	97.4%	✓	+2.0

ANALYSIS

During 2019–20, 391.5 million of 433.1 million Medicare claimed services were processed within the target. This is an increase from 388 million of 430 million claims in 2018–19.

Over the past three years, the average time to process a claim has reduced from 2.3 days to 0.81 days. This reflects the increased use of digital claiming.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'ease and timeliness of service' key performance area.

REFERENCE 2019–20 PBS, page 33; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).

DATA SOURCE Enterprise Data Warehouse.

PROGRAM 1.3—CHILD SUPPORT

Performance measure	Met
1. Customer satisfaction: Achievement of customer satisfaction standards	x
2. Customer satisfaction: Trust: customers are confident in the integrity of the advice provided to them	—
3. Achievement of digital service level standards: Departmental interactions completed via digital channels	✓
4. Achievement of digital service level standards: Availability of ICT services excluding scheduled maintenance periods that support 24/7 customer access	✓
5. Child Support collection: Percentage of domestic active paying parents with less than one month Child Support collect liability	✓
6. Achievement of telephony service level standards: Average speed of answer	x
7. Achievement of processing service level standards: New registrations completed within standard	✓
8. Achievement of payment quality standards: Child Support: Debt under arrangement	✓

Services Australia met 5 of 8 Child Support performance measures in 2019–20, noting, there was no set target for the Trust performance measure. For more information about the Child Support Program see *1.5 Child support* on page 36.

The program met annual targets for its child support collection, achievement of payment quality standards, digital service level standards for interactions and availability performance measures. In 2019–20 the agency worked with separated parents to facilitate the transfer of \$3.774 billion to support approximately 1.2 million children. Interactions completed through digital channels grew by 10.2 per cent, with increases to electronic payments (200,000), online letters (800,000), Child Support online accounts (134,000) and online registrations (2,500).

Underpinning this work were reliable ICT systems that were available 99.5 per cent of the time.

Overall, the 2019–20 performance measure results for the Child Support Program have improved over the previous years, demonstrating that the agency has achieved its purpose of delivering high-quality government services and payments to Australia.

CRITERION 1—Customer satisfaction: Achievement of customer satisfaction standards (*PBS*)

Customer satisfaction: Customer satisfaction with their service delivery experience (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≥85 out of 100	79.0	x	+3.8
2018–19	≥85 out of 100	75.2	x	NA ^(a)

(a) Due to a change in how the measure is calculated, the results for 2018–19 are not directly comparable with previous years.

ANALYSIS

Although the 2019–20 annual result remained below the target, there was a 3.8 point increase over the 2018–19 result.

The highest performing drivers were fair treatment (87.9) and communication (85.5). These results highlight the capabilities of staff in helping customers. The lowest performing drivers were time to receive service (60.1) and effort (74.2). All six satisfaction drivers improved over the 2018–19 results. These improvements reflect the agency's focus on improving self-service and digital options for customers and improving staff capabilities.

The COVID-19 pandemic had an impact on the 'time to receive service' results, which can be attributed to Child Support staff working to support the agency's response. As the agency began implementing strategies to manage the increased demand for services, Child Support staff returned to normal duties and performance for the driver improved.

The following table shows a comparison of satisfaction drivers across 2018–19 and 2019–20:

Satisfaction drivers	2018–19	2019–20
Perceived quality	80.3	84.4
Personalised service	81.6	84.1
Communication	83.1	85.5
Time to receive service	56.3	60.1
Fair treatment	85.6	87.9
Effort	70.3	74.2

METHOD	Customer survey. (The survey margin of error for this performance measure is less than 5 per cent.)
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' and 'service enablers' strategic pillars• 'customer satisfaction' key performance area.
REFERENCE	2019–20 PBS, page 34; 2019–20 Corporate Plan, page 14 (pdf), 9 (doc).
DATA SOURCE	Survey provider: Colmar Brunton.

CRITERION 2—Customer satisfaction: Trust: customers are confident in the integrity of the advice provided to them (this performance measure was introduced in the *Services Australia 2019–20 Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	Baseline	70.8	NA	NA

ANALYSIS

The agency baselined customer trust in 2019–20 by asking customers a question as part of its satisfaction and experience survey 'Thinking about Child Support overall. Using a scale of 1 to 5 where 1 is 'don't trust them at all' and 5 is 'trust them completely', to what extent would you say you trust Child Support?'

Based on the current single trust question asked as part of the satisfaction and experience survey, customer trust results for Child Support trended upwards throughout 2019–20, increasing from 68.5 in July 2019 to 73.6 in June 2020. Increased customer trust results between March and June align with the improvements observed with customer satisfaction and reflects the agency's timely response to COVID-19; however, no conclusions can be made regarding which business initiatives had a direct impact on trust.

The agency has engaged its external social and market research provider Colmar Brunton to provide additional insights into the factors that influence an individual's level of trust. This will assist the agency develop a more comprehensive trust measure throughout 2020–21 and help transform the relationship it holds with customers and effectively respond to issues associated with customer trust.

It is noted that for 2019–20, there was a difference between the title of the customer trust performance measure and the data used to measure

it. The agency will address this in developing a more comprehensive trust measure during 2020–21.

For more information, refer to *1.2 Improving customer experiences* at page 4.

METHOD	Customer survey. (The survey margin of error for this performance measure is less than 5 per cent.)
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none"> • 'service excellence' and 'service enablers' strategic pillars • 'customer satisfaction' key performance area.
REFERENCE	2019–20 Corporate Plan, page 14 (pdf), 9 (doc).
DATA SOURCE	Survey provider: Colmar Brunton.

CRITERION 3—Achievement of digital service level standards:
Departmental interactions completed via digital channels (PBS)
Customers interacting digitally: Interactions conducted through digital channels (Corporate Plan)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥5% increase	10.2% increase	✓	+1.9
2018–19	≥5% increase	8.3% increase	✓	+7
2017–18	≥5% increase	1.3% increase	x	+3.7

ANALYSIS

Electronic payment transactions and electronic letters continue to be the highest volume interactions. Changes in these volumes have the greatest influence on whether or not the agency meets the annual target.

A promotional campaign was initiated with targeted communications sent to staff to encourage Child Support customers to receive their mail online rather than by surface mail.

Launched on 16 November 2019, the upgraded Express Plus Child Support mobile application also contributed to the increase in online account transactions, in particular due to a simpler way for customers to upload documents.

The majority of Child Support Registrations (new applications for child support) are completed online (90.1 per cent).

The bushfires and COVID-19 did not affect the agency's ability to meet the annual target.

METHOD	Data mining.
RATIONALE	This performance measure supports the agency's: <ul style="list-style-type: none">• 'service excellence' strategic pillar• 'customers interacting digitally' key performance area.
REFERENCE	2019–20 PBS, page 34; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).
DATA SOURCE	Internal data sources, including: Online IMS Reporting, COGNOS, Infoserve Reporting, SAP Outbound Correspondence, Pluto Online Services, Excel workbooks for electronic payments, and Child Support Adams System.

**CRITERION 4—Achievement of digital service level standards:
Availability of ICT services excluding scheduled maintenance periods
that support 24/7 customer access (PBS)**

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥98%	99.5%	✓	–0.1
2018–19	≥98%	99.6%	✓	–0.1
2017–18	≥98%	99.7%	✓	+0.2

ANALYSIS

The agency met digital service level standards relating to the availability of ICT services, with customers able to access ICT systems 99.5 per cent of the time throughout 2019–20.

The digital experience of self-service customers using Child Support online accounts and the upgraded Express Plus Child Support mobile app, continued to perform above the 98 per cent availability target, for 24/7 customer access.

The Express Plus Child Support mobile application was upgraded in 2019–20, to include new features such as the ability to upload documents and improved usability. These improvements align the Express Plus Child Support mobile application more closely with other Services Australia Express Plus mobile applications. The COVID-19 pandemic affected the Child Support online accounts and Express Plus Child Support mobile application from Sunday 22 March until Monday 30 March following the Government's

announcement of the economic stimulus package. Some customers experienced access issues due to increased traffic during this period.

METHOD Data mining of internal metrics and records.

RATIONALE This performance measure supports the agency's:

- 'service excellence' and 'service enablers' strategic pillars
- 'customer satisfaction', 'ease and timeliness of service' and 'customers interacting digitally' key performance areas.

REFERENCE 2019–20 PBS, page 34.

DATA SOURCE Internal data sources including incident records, problem records, and scheduled maintenance periods are utilised to calculate the availability result.

CRITERION 5—Child Support collection: Percentage of domestic active paying parents with less than one month Child Support collect liability^(a) (PBS)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥63%	65.2%	✓	+0.6
2018–19	≥63%	64.6%	✓	No change
2017–18	≥63%	64.6%	✓	–1.4

(a) An active paying parent is a parent who is part of a child support case and based on their income and the care arrangements of the child/ren of the case are required to pay child support on a current and ongoing basis.

ANALYSIS

Child Support works with paying parents to ensure that they understand their child support commitments and are encouraged to make voluntary child support payments. Where a customer misses a child support payment, we attempt to work directly with them to get them back on track as quickly as possible. Where customers won't make child support payments, we proactively explore administrative options to collect child support. This could include working with employers to deduct child support from salary and wages, making deductions from Centrelink benefits and intercepting tax refunds.

There was negligible effect on this annual result despite the bushfires and the COVID-19 pandemic. The agency remained focussed on working with paying parents to create sustainable payment arrangements and encourage compliance.

METHOD	Data mining.
RATIONALE	<p>This performance measure supports the agency's:</p> <ul style="list-style-type: none">• 'service excellence' strategic pillar• 'customer satisfaction'; 'correct payments'; 'ease and timeliness of service'; and 'customers interacting digitally' key performance areas.
REFERENCE	2019–20 PBS, page 34.
DATA SOURCE	Enterprise Data Warehouse.

CRITERION 6—Achievement of telephony service level standards:
Average speed of answer (*PBS*)
Ease and timeliness of service: Telephony service level standards—
average speed of answer: Child Support customers (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change
2019–20	≤3 minutes	13 min 55 sec	x	+1 min 10 sec
2018–19	≤3 minutes	12 min 45 sec	x	+3 min 40 sec
2017–18	≤3 minutes	9 min 5 sec	x	+4 min 53 sec

ANALYSIS

In 2019–20, the average speed of answer for customers increased by 1 minute and 10 seconds. Despite all available staff contributing to the management of inbound telephony demand, the agency's existing workforce capacity for Child Support was insufficient to achieve the Child Support average speed of answer target. And, due to legislative constraints which limit this work to Australian Public Service staff, the program is unable to use service delivery partners to help create additional telephony capacity.

During the year, some Child Support staff were also diverted to support customers and employers in areas affected by the bushfires. Child Support staff also supported the agency more widely in its early response to the COVID-19 pandemic, when community requests support was at its peak.

All these factors limited the agency's capacity to meet Child Support inbound telephony demand during 2019–20.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'ease and timeliness of service' key performance area.

REFERENCE 2019–20 PBS, page 34; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).

DATA SOURCE Telstra Computer Telephony Interface files (1 July 2019 to 13 April 2020). Genesys Interactive Insights reporting tool (14 April to 30 June 2020).

CRITERION 7—Achievement of processing service level standards: registrations completed within standard (*PBS*)
Ease and timeliness of service: Processing service level standards—claims processed within standard (*Corporate Plan*)

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥82%	83.9%	✓	+3.2
2018–19	≥82%	80.7%	x	+4.5
2017–18	≥82%	76.2%	x	–7.4

ANALYSIS

In 2019–20 the agency met the annual target, achieving a 3.2 percentage point increase compared to 2018–19. This is the first time the agency has met the annual target since 2016–17.

During the year, there was a strong focus on priorities of work being delivered by Child Support staff in order to optimise performance, which resulted in better management of work on hand to maximise timeliness of applications processed.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'ease and timeliness of service' key performance area.

REFERENCE 2019–20 PBS, page 34; 2019–20 Corporate Plan, page 15 (pdf), 10 (doc).

DATA SOURCE Child Support Enterprise Data Warehouse.

**CRITERION 8—Achievement of payment quality standards:
Child Support: Debt under arrangement (PBS)**

OVERVIEW

Year	Target	Result	Achieved	Change (% points)
2019–20	≥40%	45.2%	✓	+9.8
2018–19	≥39%	35.4%	x	NA ^(a)

(a) This performance measure commenced in 2018–19.

ANALYSIS

The effects of the COVID-19 pandemic saw approximately 24,000 additional Child Support customers receiving Centrelink payments. The debt that these customers held is now considered 'under arrangement' as child support deductions are being made automatically from their Centrelink benefits. This directly contributed to the increase in total Child Support debt under arrangement.

For information about debt under arrangement, see *Compliance and enforcement* on page 38.

METHOD Data mining.

RATIONALE This performance measure supports the agency's:

- 'service excellence' strategic pillar
- 'customer satisfaction'; 'correct payments'; and 'ease and timeliness of service' key performance areas.

REFERENCE 2019–20 PBS, page 34.

DATA SOURCE Enterprise Data Warehouse.

2.2 Responsibility to the Australian community

THE AGENCY'S SERVICE COMMITMENTS

Service Australia's service commitments are a public expression of its vision of delivering excellent services to the Australian people while delivering on the outcomes and expectations of government.

The agency's service commitments underpin our business priorities (see our website at servicesaustralia.gov.au)

SUMMARY OF PERFORMANCE AGAINST SERVICE COMMITMENTS

Services Australia regularly assesses and reports on its performance against each of the four service commitment themes. The results are based on responses to a survey conducted throughout 2019–20 that asked about each respondent's most recent interaction with the agency. Respondents who were unable to provide an answer were removed from the calculation of results.

Respect

We will listen and work with you to understand your individual and cultural needs—measured by people's assessment of staff behaviour:

- 91.4 per cent of people surveyed about Centrelink services agreed that staff treated them with respect and 85.4 per cent agreed that staff took into account their individual circumstances
- 95.6 per cent of people surveyed about Medicare services agreed that staff treated them with respect and 91.9 per cent agreed that staff took into account their individual circumstances
- 87.4 per cent of people surveyed about Child Support services agreed that staff treated them with respect and 83.3 per cent agreed that staff took into account their individual circumstances.

Quality information

We are committed to providing consistent and accurate information—measured by people's assessment of the consistency and accuracy of information:

- 85.4 per cent of people surveyed about Centrelink services agreed that information was accurate and consistent
- 93.4 per cent of people surveyed about Medicare services agreed that information was accurate and consistent
- 85.2 per cent of people surveyed about Child Support services agreed that information was accurate and consistent.

Honesty and integrity

We will be open and honest and follow through on our commitments—measured by people's assessment of requests being actioned as promised:

- 79.7 per cent of people surveyed about Centrelink services were confident their requests were actioned as promised
- 95.3 per cent of people surveyed about Medicare services were confident their requests were actioned as promised
- 82.7 per cent of people surveyed about Child Support services were confident their requests were actioned as promised.

Efficiency

We will simplify the way we deliver services to you—measured by people's assessment of achieving what they wanted:

- 79.6 per cent of people surveyed about Centrelink services agreed that they achieved what they wanted in their interaction
- 95.3 per cent of people surveyed about Medicare services agreed that they achieved what they wanted in their interaction
- 84.5 per cent of people surveyed about Child Support services agreed that they achieved what they wanted in their interaction.

Satisfaction Research Program

The Satisfaction Research Program includes a number of survey modules which measure satisfaction with the agency's service delivery:

- The **Satisfaction and Experience Survey** measures people's perceptions of the quality of service they received in their most recent interaction with the agency.
- The **Strategic Survey** measures people's general perceptions of, and engagement with, the agency.
- The **Health Provider Survey** measures satisfaction with the agency's services from health professionals, including pharmacists, general practitioners and practice managers.

Table 39: Summary of the agency's satisfaction survey activities

Survey title	Target audience, timing and sample size	Results 2018–19	Results 2019–20
Satisfaction and Experience Survey	<p>Random selection of current users who have recently interacted with the agency</p> <p>Continuously throughout the year</p> <p>Approximately 140,782 surveys completed</p>	<p>Satisfied with:</p> <p>Centrelink services: 76.7 out of 100</p> <p>Medicare services: 86.1 out of 100</p> <p>Child Support services: 75.2 out of 100</p>	<p>Satisfied with:</p> <p>Centrelink services: 79.5 out of 100</p> <p>Medicare services: 86.1 out of 100</p> <p>Child Support services 79.0 out of 100</p>
Strategic Survey	<p>Random selection of users who have had any interaction with the agency in the previous 12 months</p> <p>Every 6 months</p> <p>4,017 surveys completed</p>	<p>Satisfied with:</p> <p>Centrelink: 51.4%</p> <p>Medicare: 85.2%</p> <p>Child Support: 29.6%</p>	<p>Satisfied with:</p> <p>Centrelink 56.2%</p> <p>Medicare 81.9%</p> <p>Child Support 37.0%</p>
Health Provider Survey	<p>Random selection of health professionals who have interacted with the agency in the previous 6 months</p> <p>Annually 903 surveys completed</p>	<p>Satisfied with or neutral about the agency's services:</p> <p>Health Provider: 96.8%</p>	<p>Satisfied with or neutral about the agency's services:</p> <p>Health Provider 85.2%^(a)</p>

(a) Due to changes in survey methodology for 2019–20, the results are not comparable with those of previous years.

FEEDBACK ON SERVICES

The agency is committed to delivering high-quality services to the Australian people. We value the feedback we receive as it helps us improve our business processes and deliver better services.

We are committed to ensuring that people are aware of their right to complain or provide feedback. They can do so:

- by calling the complaints and feedback line
- online via their myGov account or at **servicesaustralia.gov.au**
- by calling one of our international phone numbers from overseas—listed at **servicesaustralia.gov.au/individuals/contact-us/phone-us/international-phone-numbers**
- by mail (no postage stamp required)
- by calling the National Relay Service for people who are deaf or have a hearing or speech impairment
- by speaking to a service officer at any Service Centre or on the phone.

The number of complaints we received in 2019–20 about our services was 276,350, or 0.07 per cent of the more than 395 million interactions (including calls handled, visits to Service Centres and self-serve interactions).

In 2019–20 we received 15,803 compliments. Of these, 80.8 per cent were about the service provided by staff, 12.7 per cent were about programs, and 6.5 per cent were about products.

We actively encourage feedback and suggestions about programs, services and new initiatives. In 2019–20 we received 15,028 suggestions.

Centrelink feedback

In 2019–20 the agency recorded 276,589 feedback contacts about Centrelink services. Of these, 247,862 were complaints. The top three complaint reasons, by volume, were:

- dissatisfaction with **a claim, application or assessment process**, including waiting too long, not being updated on progress, and needing to contact us multiple times to progress the matter (34.7 per cent)
- dissatisfaction with **a decision, outcome or payment**, including waiting too long, not receiving a payment, and rejection of an application or claim (32.1 per cent)
- difficulties with **digital services**, including being unable to update details, inability to access services, and inability to complete a transaction (8.0 per cent).

The agency resolved 51 per cent of Centrelink complaints within 10 working days.

Medicare feedback

In 2019–20 the agency recorded 9,864 feedback contacts about Medicare services. Of these, 8,221 were complaints. The top three complaint reasons, by volume, were:

- dissatisfaction with **a decision, outcome or payment**, including not receiving a payment, waiting too long, or disagreeing with a decision (29.8 per cent)
- dissatisfaction with **a claim, application or assessment process**, including waiting too long, incorrect information, and requests for information regarding the progress of a claim (29.4 per cent)
- difficulties with **digital services**, including inability to access services, inability to complete a transaction, and being unable to update details (15.4 per cent).

The agency resolved 91 per cent of Medicare complaints within 10 working days.

Child Support feedback

In 2019–20 the agency recorded 20,728 feedback contacts about Child Support services. Of these, 20,267 were complaints. The top three types of complaints, by volume, were to do with:

- **quality of service**, including lack of courtesy, poor advice, and phone wait times (34.7 per cent)
- **collection**, including lack of collection, issues with account balance, and issues with employer withholding (30.0 per cent)
- **assessment**, including income used, care level used, and change of assessment (21.4 per cent).

The agency resolved 93 per cent of Child Support complaints within 10 working days.

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Financial Statements



3

3.1 Report on financial performance

FINANCIAL PERFORMANCE

The Australian Parliament, via Appropriation Acts, provides the agency with two types of funding: departmental and administered.

Departmental resources are used to deliver high quality accessible social, health and child support services and other payments.

We also act as an intermediary in the transfer of child support payments. A shaded background in the Financial Statements indicates information that relates to an administered resource.

The financial statements, which detail the significant drivers of change from budget and the previous year, are set out in Part 3.3 on page 123. See also *Appendix A: Statements and expenses for Outcome 1* on page 210.

Table 40: Trends in departmental finances

	2019–20 \$ million	2018–19 \$ million	Change \$ million
Revenue from Government	5,063.5	4,546.3	517.2
Other revenue	281.7	277.5	4.2
Total income	5,345.2	4,823.8	521.4
Employee benefits	2,804.3	2,814.5	(10.2)
Suppliers	1,859.9	2,023.2	(163.3)
Other expenses	751.7	316.6	435.1
Total expenses	5,415.9	5,154.3	261.6
Surplus/(deficit) attributed to Government	(70.7)	(330.5)	259.8
Adjust for unfunded depreciation and amortisation expense and principal lease payments	401.0	296.7	104.3
Adjust for changes in asset revaluation reserves	16.3	13.0	3.3
Surplus attributed to the agency	346.6	(20.8)	367.4

		2019–20 \$ million	2018–19 \$ million	Change \$ million
Financial assets	A	1,466.0	1,249.0	217.0
Non-financial assets	B	3,826.5	1,421.6	2,404.9
Liabilities	C	3,599.0	1,507.4	2,091.6
Net assets (A + B - C)		1,693.5	1,163.2	530.3

Table 41: Trends in administered finances

	2019–20 \$ million	2018–19 \$ million	Change \$ million
Child support maintenance revenue	1,715.2	1,657.1	58.1
Other revenue	318.3	139.0	179.3
Total income	2,033.5	1,796.1	237.4
Child support maintenance expense	1,915.7	1,611.8	303.9
Other expenses	51.4	69.9	(18.5)
Total expenses	1,967.1	1,681.7	285.4
Financial assets	1,386.9	1,138.0	248.9
Liabilities	1,363.5	1,030.0	333.5

SIGNIFICANT NON-COMPLIANCE

No matters of significant non-compliance with finance law were reported under section 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* during the reporting period.

ASSET MANAGEMENT

We manage our assets in accordance with relevant accounting standards and Department of Finance requirements.

The agency's asset management policies and procedures cover whole-of-life asset management. Guidance and procedures are published for staff, and the agency regularly confirms the existence and validity of our assets.

The agency's asset base comprises software, leasehold improvements, data centre equipment and with the introduction of accounting standard AASB 16 *Leases*, right-of-use assets relating mainly to property leases.

The agency plans and maintains assets to support the effective delivery of our programs.

We manage capital investment in our property portfolio through our annual Capital Management Plan to maintain customer engagement areas in our Service Centres and our sites to acceptable standards.

Capital investment in ICT software and hardware is managed in accordance with the ICT technology plan and roadmap, supported by an investment plan.

3.2 Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Government Services

Opinion

In my opinion, the financial statements of Services Australia for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of Services Australia as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of Services Australia, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Budget Variance Reporting;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Services Australia in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key audit matter**Valuation of Software**

Refer to Note B2.2 'Non-Financial Assets'

Services Australia has various information technology systems to manage its operations and the payments made on behalf of other entities. These systems are recognised as software assets in Services Australia's financial statements.

I considered this area a key audit matter due to:

- judgements involved in determining whether the costs of internally developed software assets have been appropriately capitalised;
- significant assumptions and judgements involved in considering whether a software asset may be impaired, such as whether current or expected changes in Services Australia's operating environment may reduce the usefulness of the software asset and whether software under development will achieve expected benefits; and
- judgements in determining the appropriate useful lives for software assets.

As at 30 June 2020, the carrying value of these software assets was \$623,077,000. This carrying value was net of an allowance for write down and impairment of \$15,853,000.

How the audit addressed the matter

To address this key audit matter, I have:

- assessed the design and operating effectiveness of key controls related to capturing the costs of internally generated software assets;
- on a sample basis evaluated the application of Services Australia's policies on capitalisation and impairment of software assets for conformity with Australian Accounting Standards and undertaken testing, on a sample basis, to assess the application of those policies;
- assessed the appropriateness of management's judgements about the current and future usefulness of software assets against project owners' assessments and internal reporting on the operating environment and the expected benefits from software under development.; and
- evaluated the reasonableness of management's judgements in assigning useful lives of software assets against project owners' assessments and Services Australia's policy.

Key audit matter**Valuation of receivables related to the Child Support Scheme**

Refer to Note B7.3 'Child Support Receivables'

I considered this area a key audit matter as the valuation of child support receivables involves significant judgements about the rates of collection. The valuation is based on historical collection rates and these may not be consistent with future rates due to changes in government policy or economic conditions.

The judgements relate to the amount and timing of future cash flows including estimating the period over which payments are expected to be received by Services Australia and use of an appropriate discount rate. These judgements rely on the completeness and accuracy of the underlying data used in the estimation process.

As at 30 June 2020, the carrying value of receivables relating to the child support scheme were \$1,209,905,000. This carrying value was net of an allowance for unrecoverable receivables of \$450,174,000.

How the audit addressed the matter

To address this key audit matter, I have:

- assessed the design and operating effectiveness of information technology application controls designed to prevent and detect the inaccurate recording of information in the systems from which data is extracted;
- assessed the competence, capability and objectivity of the actuary engaged by Services Australia to assist in making the estimation;
- evaluated Services Australia's review and approval process to assess the reasonableness of actuarial assumptions used in the estimation of receivables;
- assessed the reasonableness of the discount rate applied in the estimation against the risk faced by the Commonwealth and market evidence of the time value of money;
- assessed the reasonableness of the assumed rate of collection against historical actual repayment of the Child Support Scheme; and
- assessed the data used in the estimation process for accuracy and completeness.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of Services Australia, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of Services Australia to continue as a going concern, taking into account whether Services Australia's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Services Australia's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Services Australia's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Services Australia to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

A handwritten signature in blue ink, appearing to read 'S Benfield', is positioned above the printed name.

Sean Benfield

Executive Director

Delegate of the Auditor-General

Canberra

28 August 2020

3.3 Financial Statements

Services Australia Financial Statements for the year ended 30 June 2020

SERVICES AUSTRALIA
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SERVICES AUSTRALIA
STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Services Australia will be able to pay its debts as and when they fall due.



Rebecca Skinner
Chief Executive Officer

28 August 2020



Angela Diamond
Chief Financial Officer

28 August 2020

SERVICES AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2020

		2020	2019	Original Budget ¹ 2020
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	A1.1	2,804,278	2,814,542	2,875,128
Supplier expenses ²	A1.2	1,859,940	2,023,162	1,674,646
Depreciation and amortisation ²	B2.2	699,744	296,662	304,655
Finance costs ²	A1.3	30,960	670	721
Impairment loss on financial instruments		79	418	129
Write-down and impairment of other assets	B2.2	18,641	17,039	-
Other expenses	A1.4	2,260	1,820	3,454
Total expenses		5,415,902	5,154,313	4,858,733
Own-source income				
Own-source revenue				
Revenue from contracts with customers		234,735	258,297	219,556
Rental income		16,266	14,325	12,611
Resources received free of charge	A2.1	26,692	2,148	3,387
Other revenue		393	336	-
Total own-source revenue		278,086	275,106	235,554
Gains				
Reversal of write-downs and impairment		-	23	-
Other gains		3,643	2,343	-
Total gains		3,643	2,366	-
Total own-source income		281,729	277,472	235,554
Net cost of services		(5,134,173)	(4,876,841)	(4,623,179)
Revenue from Government		5,063,501	4,546,335	4,323,524
Surplus/(deficit) after income tax on continuing operations		(70,672)	(330,506)	(299,655)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve ³	B2.2, B6.1	16,341	13,002	-
Total other comprehensive income		16,341	13,002	-
Total comprehensive surplus/(deficit)		(54,331)	(317,504)	(299,655)

¹ Budget reported in the 2019-20 Portfolio Budget Statements published in April 2019.

² The agency adopted AASB 16 *Leases* using the modified retrospective approach and as such the comparative information presented for 2018-19 is not restated.

³ Changes in asset revaluation reserve includes revaluations recognised in note B2.2 (\$20.9 million) offset by make good adjustments in note B6.1 (\$4.6 million).

The above statement should be read in conjunction with the accompanying notes.

SERVICES AUSTRALIA
STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

		2020	2019	Original Budget ¹ 2020
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash		20,795	11,800	15,000
Trade and other receivables	B1.1	1,445,183	1,237,219	1,319,261
Total financial assets		1,465,978	1,249,019	1,334,261
Non-financial assets				
Other non-financial assets ²	B2.1	134,396	254,629	206,828
Plant and equipment (including right-of-use) ³	B2.2	473,195	307,909	303,840
Land and buildings (including right-of-use) ³	B2.2	2,595,875	387,265	363,711
Software	B2.2	623,077	471,762	474,177
Total non-financial assets		3,826,543	1,421,565	1,348,556
Total assets		5,292,521	2,670,584	2,682,817
LIABILITIES				
Payables				
Employee benefits		48,812	28,913	43,948
Suppliers ³	B4.1	238,481	511,107	399,416
Other payables ²	B4.2	17,484	107,692	88,115
Total payables		304,777	647,712	531,479
Interest bearing liabilities				
Leases ³	B5.1	2,395,995	-	-
Total interest bearing liabilities		2,395,995	-	-
Provisions				
Other provisions	B6.1	37,640	33,987	33,912
Employee provisions	B6.2	860,570	825,731	911,803
Total provisions		898,210	859,718	945,715
Total liabilities		3,598,982	1,507,430	1,477,194
Net assets		1,693,539	1,163,154	1,205,623
EQUITY				
Contributed equity		3,094,003	2,639,388	2,951,706
Reserves		215,745	199,404	186,402
Accumulated deficit		(1,616,209)	(1,675,638)	(1,932,485)
Total equity		1,693,539	1,163,154	1,205,623

¹ Budget reported in the 2019-20 Portfolio Budget Statements published in April 2019.

² Comparative figure for 2018-19 includes lease incentives as per disclosure requirements prior to AASB 16 *Leases* being implemented on 1 July 2019.

³ The agency adopted AASB 16 *Leases* using the modified retrospective approach and as such the comparative information presented for 2018-19 is not restated.

The above statement should be read in conjunction with the accompanying notes.

SERVICES AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2020

		2020	2019	Original Budget ¹
	Notes	\$'000	\$'000	2020 \$'000
CONTRIBUTED EQUITY				
Balance carried forward from previous year		2,639,388	2,317,526	2,639,376
Transactions with owners				
Distributions to owners				
Returns of capital				
Repealed appropriation		(616)	(9,563)	-
Restructuring	D6.1	109,455	12	-
Contributions by owners				
Departmental capital budget	C1.1	196,936	183,121	183,689
Equity injection - appropriations	C1.1	148,840	148,292	128,641
Total transactions with owners		454,615	321,862	312,330
Total at year end		3,094,003	2,639,388	2,951,706
RESERVES				
Balance carried forward from previous year		199,404	186,402	186,402
Changes in asset revaluation reserve				
Revaluations of property, plant and equipment	B2.2	20,924	13,237	-
Revaluations of property make good provision	B6.1	(4,583)	(235)	-
Total at year end		215,745	199,404	186,402
ACCUMULATED DEFICIT				
Balance carried forward from previous year		(1,675,638)	(1,347,881)	(1,632,830)
Adjustment on initial application of AASB 16		130,101	-	-
Adjustments in prior year ²		-	2,749	-
Adjusted opening balance		(1,545,537)	(1,345,132)	(1,632,830)
Surplus/(deficit) for the year		(70,672)	(330,506)	(299,655)
Total at year end		(1,616,209)	(1,675,638)	(1,932,485)
Total equity at year end		1,693,539	1,163,154	1,205,623

¹ Budget reported in the 2019-20 Portfolio Budget Statements published in April 2019.

² Includes \$4.0 million adjustment to lease incentives and \$0.2 million opening balance adjustment relating to the introduction of AASB 9, offset by \$1.4 million adjustment to revaluation reserve.

The above statement should be read in conjunction with the accompanying notes.

SERVICES AUSTRALIA
CASH FLOW STATEMENT
for the year ended 30 June 2020

	2020	2019	Original Budget ¹ 2020
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	5,484,584	5,480,761	4,725,837
Rendering of goods and services	240,876	282,403	239,676
GST received	235,003	235,281	173,677
Other	108,439	98,900	45,718
Total cash received	6,068,902	6,097,345	5,184,908
Cash used			
Employees	2,773,309	2,877,895	2,867,384
Suppliers ²	2,301,086	2,469,586	1,849,999
Section 74 receipts transferred to the Official Public Account	584,862	616,717	459,071
Interest payments on lease liabilities ²	30,432	-	-
Borrowing and other financing costs	17	33	-
Other	5,502	5,780	3,000
Competitive neutrality	240	447	454
Total cash used	5,695,448	5,970,458	5,179,908
Net cash from/(used by) operating activities	373,454	126,887	5,000
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment	544	133	-
Total cash received	544	133	-
Cash used			
Purchase of buildings, plant and equipment	189,816	275,164	208,264
Purchase of software	220,376	206,008	109,066
Total cash used	410,192	481,172	317,330
Net cash from/(used by) investing activities	(409,648)	(481,039)	(317,330)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - departmental capital budget	195,936	188,121	183,689
Contributed equity - equity injection	148,115	172,592	128,641
Total cash received	344,051	360,713	312,330
Cash used			
Principal payments of lease liabilities ²	298,862	-	-
Returns of capital - appropriations	-	9,563	-
Total cash used	298,862	9,563	-
Net cash from/(used by) financing activities	45,189	351,150	312,330
Net increase/(decrease) in cash held	8,995	(3,002)	-
Cash at the beginning of the year	11,800	14,802	15,000
Cash at the end of the year	20,795	11,800	15,000

¹ Budget reported in the 2019-20 Portfolio Budget Statements published in April 2019.

² The agency adopted AASB 16 *Leases* using the modified retrospective approach and as such the comparative information presented for 2018-19 is not restated.

The above statement should be read in conjunction with the accompanying notes.

SERVICES AUSTRALIA BUDGET VARIANCE REPORTING

for the year ended 30 June 2020

Departmental budget variations

The below table provides explanations for significant variances between the agency's original budget estimates, as published in the 2019-20 Portfolio Budget Statements (PBS), and the actual financial performance and position for the year. The budget is not audited. Variances are treated as significant when it is considered important for a reader's understanding or is relevant to an assessment of the discharge of accountability and for analysis of the agency's performance. The nature and timing of the Commonwealth's budget process can also contribute to the variances.

Reason for variance	Explanation	Affected Line Items
Government measures taken subsequent to the 2019-20 Portfolio Budget Statements (PBS)	<p>The original budget refers to the 2019-20 PBS published in April 2019. Since that time, the agency has recognised a net increase in 2019-20 appropriation revenue of \$746.0 million.</p> <p>Government decisions reflected in the 2019-20 Portfolio Additional Estimates Statements, released on 11 March 2020, include the provision of increased funding of \$208.1 million to enhance the agency's front line smart centre capacity (such as responding to customer enquiries and undertaking claims processing).</p> <p>A further \$521.0 million¹ was subsequently provided to the agency as part of the Government's response to the COVID-19 pandemic. This funding has allowed the agency to deliver additional economic stimulus payments, make changes to existing payments and respond to a significant increase in demand for its services, particularly related to the economic benefit payment and the JobSeeker supplement.</p> <p>The agency has applied this increased funding to supplement its existing workforce through the employment of additional temporary and contract staff and has also incurred additional supplier expenses in meeting this increased demand. A number of other Commonwealth entities have provided staffing and other resources to the agency free of charge to assist as part of a whole of government response to the pandemic. The appropriations receivable balance reflects the additional COVID-19 and economic stimulus funding available as at 30 June 2020.</p>	<ul style="list-style-type: none"> • Employee benefits expense • Suppliers expense • Resources received free of charge • Revenue from Government • Trade and other receivables (Appropriations receivable) • Non-financial assets • Cash received (Appropriations) • Cash used (Employees) • Cash used (Suppliers) • Cash used (Section 74 receipts paid to the OPA)
Government restructure - Transfer of the Information Technology (IT) functions from the Department of Social Services	<p>The Government made a decision to transfer the IT functions of the Department of Social Services to the agency as part of a Machinery of Government change during 2019-20. This restructure was not included in the original budget and included transferring control of \$75.2 million in capitalised software assets to deliver government outcomes within the Social Services portfolio.</p> <p>The restructure was treated as a contribution by owners in the statement of changes in equity. Refer to note D6.1 for further information on other assets and liabilities transferred as part of this restructure.</p>	<ul style="list-style-type: none"> • Revenue from Government • Non-financial assets (Software) • Distributions to owners (Restructuring)

¹ Includes \$321.0 million from *Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020* and \$200.0 million from *Appropriation Act (No. 5) 2019-2020*.

SERVICES AUSTRALIA
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for year ended 30 June 2020

		2020	2019	Original Budget ¹ 2020
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses	A3			
Child support maintenance expenses		1,915,745	1,611,825	1,583,771
Impairment loss on financial instruments	A3.1	51,377	69,598	102,969
Other expenses		-	271	-
Total expenses		1,967,122	1,681,694	1,686,740
Income	A4			
Non-taxation revenue				
Child support maintenance revenue		1,715,227	1,657,141	1,676,734
Compensation recoveries ²		51,114	82,432	-
Competitive neutrality revenue ³		5,955	13,912	14,461
Dividends ³		-	9,825	12,192
Fees and fines		8,804	8,091	9,192
Other revenue		441	779	330
Total non-taxation revenue		1,781,541	1,772,180	1,712,909
Gains				
Reversal of write-downs and impairment	A4.1	251,988	23,951	10,000
Total gains		251,988	23,951	10,000
Total income		2,033,529	1,796,131	1,722,909
Net contribution by services		66,407	114,437	36,169
Surplus/(deficit)		66,407	114,437	36,169
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Gain on investment ³		-	6,775	-
Total other comprehensive income		-	6,775	-
Total comprehensive income		66,407	121,212	36,169

¹ Budget reported in the 2019-20 Portfolio Budget Statements published in April 2019.

² The decision to report Recovery of Compensation for Health Care and Other Services, transferred from the Department of Health on 1 July 2018, was finalised after the 2019-20 budget had been prepared.

³ From 1 February 2020 the Government's investment in Hearing Australia transferred to the Department of Social Services as per the Administrative Arrangements Order of 5 December 2019. Services Australia has not recognised revenue in relation to Hearing Australia since this date.

The above schedule should be read in conjunction with the accompanying notes.

SERVICES AUSTRALIA
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2020

		2020	2019	Original Budget ¹
	Notes	\$'000	\$'000	2020 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	B7.1	159,979	120,021	123,184
Other receivables	B7.2	17,012	21,882	6,245
Child support receivables	B7.3	1,209,905	917,156	944,049
Other investments ²	B8, D6.2	-	78,989	72,214
Total assets administered on behalf of Government		1,386,896	1,138,048	1,145,692
LIABILITIES				
Payables				
Child support payments received in advance		22,558	23,228	20,702
Child support and other payables	B9.1	34,318	34,119	31,664
Recovery of compensation payable		8,022	9,126	70,818
Total payables		64,898	66,473	123,184
Provisions				
Child support maintenance provisions	B10	1,207,942	914,766	942,165
Recovery of compensation provision	B10	90,646	48,739	-
Total provisions		1,298,588	963,505	942,165
Total liabilities administered on behalf of Government		1,363,486	1,029,978	1,065,349
Net assets		23,410	108,070	80,343

¹ Budget reported in the 2019-20 Portfolio Budget Statements published in April 2019.

² From 1 February 2020 the Government's investment in Hearing Australia transferred to the Department of Social Services as per the Administrative Arrangements Order of 5 December 2019.

The above schedule should be read in conjunction with the accompanying notes.

SERVICES AUSTRALIA
ADMINISTERED RECONCILIATION SCHEDULE
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Opening assets less liabilities as at 1 July		108,070	81,970
Net contribution by services			
Income		2,033,529	1,796,131
Expenses to other than corporate Commonwealth entities		(1,967,122)	(1,681,694)
Other comprehensive income			
Gain on investment		-	6,775
Transfers (to)/from the Australian Government			
Appropriation transfers from the Official Public Account			
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		1,247	1,153
Special accounts (unlimited)			
Payments to entities other than corporate Commonwealth entities ¹		40,621	37,498
Appropriation transfers to the Official Public Account			
Annual appropriations		(64,829)	(69,890)
Special accounts		(49,117)	(63,873)
Restructuring ²	D6.2	(78,989)	-
Closing assets less liabilities as at 30 June		23,410	108,070

Accounting Policy

Income administered and managed on behalf of the Australian Government is administered income. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under parliamentary appropriations (including from special accounts) on behalf of the Government. These transfers to and from the OPA are reported in the administered cash flow statement, in this schedule and through the special accounts.

¹ Amounts relate to section 77 and section 78 of the *Child Support (Registration and Collection) Act 1988* credited directly to the Child Support Special Account.

² From 1 February 2020 the Government's investment in Hearing Australia transferred to the Department of Social Services as per the Administrative Arrangements Order of 5 December 2019.

The above schedule should be read in conjunction with the accompanying notes.

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SERVICES AUSTRALIA
ADMINISTERED CASH FLOW STATEMENT
for the year ended 30 June 2020

		2020	2019	Original Budget ¹
	Notes	\$'000	\$'000	2020 \$'000
OPERATING ACTIVITIES				
Cash received				
Child support		1,623,060	1,529,098	1,535,898
Health compensation receipts		354,506	303,281	322,986
Competitive neutrality ²		9,412	12,241	14,461
Dividends ²		3,959	11,079	12,994
Fees and fines		8,892	8,167	9,192
Other		1,734	1,352	1,424
Total cash received		2,001,563	1,865,218	1,896,955
Cash used				
Child support		1,622,986	1,524,642	1,535,898
Health compensation payments		264,966	259,544	322,986
Other		1,575	1,074	1,100
Total cash used		1,889,527	1,785,260	1,859,984
Net cash from/(used by) operating activities		112,036	79,958	36,971
Cash and cash equivalents at the beginning of the year		120,021	135,175	123,184
Cash from the Official Public Account				
Appropriations		41,868	38,651	63,471
Total cash from the Official Public Account		41,868	38,651	63,471
Cash to the Official Public Account				
Appropriations		42,353	38,052	63,171
Special accounts		49,117	63,873	-
Other		22,476	31,838	37,271
Total cash to the Official Public Account		113,946	133,763	100,442
Total cash from/(to) the Official Public Account		(72,078)	(95,112)	(36,971)
Cash and cash equivalents at the end of the year	B7.1	159,979	120,021	123,184

¹Budget reported in the 2019-20 Portfolio Budget Statements published in April 2019.

²From 1 February 2020 the Government's investment in Hearing Australia transferred to the Department of Social Services as per the Administrative Arrangements Order of 5 December 2019.

The above statement should be read in conjunction with the accompanying notes.

SERVICES AUSTRALIA
ADMINISTERED BUDGET VARIANCE REPORTING
for the year ended 30 June 2020

Administered budget variations

The below table provides explanations for significant variances between the agency's original administered budget estimates, as published in the 2019-20 Portfolio Budget Statements (PBS), and the actual financial performance and position for the year. The budget is not audited. Variances are treated as significant when it is considered important for a reader's understanding or is relevant to an assessment of the discharge of accountability and for analysis of the agency's performance. The nature and timing of the Commonwealth's budget process can also contribute to the variances.

Reason for variance	Explanation	Affected Line Items
Child support program movements	<p>The child support program acts as the intermediary in the transfer of child support payments, which are collected from the paying parent and paid to the receiving parent. The agency recognises an asset and a corresponding liability under the child support program in the administered financial statements for payments due to receiving parents from paying parents.</p> <p>In 2019-20, a review of the impairment methodology was undertaken which found that payment rates have been higher than previously estimated. This has resulted in a significant decrease to the impairment rate used against the child support receivables compared to the original budget, and an increase to the child support maintenance provision which reflects the associated higher payments expected to be made to receiving parents.</p> <p>The reduction led to a reversal of previous impairment with a gain recognised in the administered schedule of comprehensive income and a corresponding increase in child support maintenance expense.</p> <p>The cash flows related to the child support program show the increased flow of funds between parents. Refer to note B7.3 for further information.</p>	<ul style="list-style-type: none"> • Child support maintenance expenses • Reversal of write-downs and impairment • Child support receivables • Child support maintenance provisions • Cash received (child support) • Cash used (child support)

SERVICES AUSTRALIA NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the year ended 30 June 2020*

Overview

Objectives of Services Australia

Services Australia (the agency) is an Australian Government controlled not-for-profit entity. The agency's vision is to provide 'customer-centered, trusted services that are respectful, simple, helpful and transparent'. The objectives of the agency are reflected in its outcome statement which is to:

Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of 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.

As part of the Machinery of Government changes announced on 5 December 2019, Services Australia was established as an Executive Agency within the Social Services portfolio on 1 February 2020. In line with this change, Services Australia's outcome statement has been amended to omit reference to the provision of policy advice, whilst continuing to provide advice on service delivery.

The agency's activities are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenue and expenses controlled or incurred by the agency in its own right. Administered activities involve the management and oversight by the agency, on behalf of the Australian Government, of items controlled or incurred by the Australian Government.

The continued existence of the agency is dependent on government policy and on continuing funding by Parliament for the agency's activities and programs.

Basis of preparation of the financial statements

The financial statements are general purpose financial statements required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

They have been prepared in accordance with:

- Division 4 of Part 2-3, *Public Governance, Performance and Accountability Rule 2014*
- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR)
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results of the financial position. The financial statements are presented in Australian dollars. Revenues, expenses, assets and liabilities are recognised net of Goods and Services Tax (GST) except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office
- for receivables and payables.

Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and notes and relate to: child support, compensation recoveries, fees and fines, foreign countries transactions, dividends and competitive neutrality items. These items are shown with grey shading throughout the financial statements.

Unless otherwise stated, administered items are accounted for on the same basis, using the same policies as for departmental items including the application of Australian Accounting Standards.

Taxation

The agency is exempt from all forms of taxation except fringe benefits tax and GST. The agency provides Centrepay services which are subject to the Australian Government's competitive neutrality policy including a requirement to make payroll taxation equivalent payments.

New accounting standards

Application of AASB 16 Leases

The agency adopted AASB 16 on 1 July 2019. Consistent with Department of Finance advice, this new standard has been applied using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018-19 is not restated (it is presented as previously reported under AASB 117 *Leases* and related interpretations).

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

As a lessee, the agency previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. AASB 16 requires the recognition of a right-of-use (ROU) asset, an associated lease liability in the statement of financial position and the recognition of depreciation expenses and finance costs in the statement of comprehensive income for lease contracts that are within the scope of the standard. The agency has a significant number of lease contracts that are impacted by this new standard including an Australia-wide network of service centres and office accommodation, IT equipment and vehicles that are used to support the agency's activities. These were previously classified as operating leases.

Under AASB 16, the agency recognises ROU assets and lease liabilities for most leases. The agency has elected not to recognise ROU assets and lease liabilities for some leases. These include low value leases, based on the value of the underlying asset when new, or for short-term leases with a lease term of 12 months or less. The agency recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The agency has elected to apply optional practical expedients in the initial adoption of AASB 16 to:

- Exclude initial direct costs from the measurement of ROU assets at the date of initial application for leases where the ROU asset was determined as if AASB 16 had been applied since the commencement date;
- Rely on previous assessments as to whether leases are onerous as opposed to preparing an impairment review under AASB 136 *Impairment of Assets* as at the date of initial application; and
- Apply the exemption not to recognise ROU assets and liabilities for leases with less than 12 months of the lease term remaining as at the date of initial application.

The below table reconciles the departmental minimum lease commitments disclosed in the agency's 2018-19 financial statements to the amount of lease liabilities recognised on 1 July 2019 following the transition.

	1 July 2019
	\$'000
Minimum operating lease commitments at 30 June 2019	1,608,268
Less: GST	(142,591)
Less: short-term leases not recognised under AASB 16	(28,450)
Less: low value leases not recognised under AASB 16	(5,881)
Less: future leases	(157,875)
Plus: effect of extension options reasonably certain to be exercised	1,256,690
Undiscounted lease payments	2,530,161
Less: effect of change in methodology relating to implementation ¹	(61,834)
Lease liabilities recognised at 1 July 2019	2,468,327

¹ The variance is due to the change in the addition of Data Centre leases of \$99.4 million less \$161.5 million relating to the effect of discounting using the incremental borrowing rate. The remaining balance is due to the change in the calculation method from average future costs to future forecast payments.

Related balances and disclosures for leases accounted for under AASB 16 at 30 June 2020 are contained in notes A1.3, B2.2 and B5.1.

On transition the lease liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or the zero coupon rate. The weighted average rate applied was 1.2%. ROU assets were measured as follows:

- Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- All other leases: the carrying value that would have resulted from AASB 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

On transition Services Australia recognised \$2,517.4 million in additional ROU assets and \$2,468.3 million in additional lease liabilities. Other adjustments of \$130.1 million were recognised in retained earnings.

Application of AASB 15 Revenue from Contracts with Customers/ AASB 1058 Income of Not-For-Profit Entities

Services Australia previously adopted AASB 15 and AASB 1058 during 2018-19 with no material impact on the financial statements therefore no adjustments were required during 2019-20.

The agency accounts for revenue under AASB 15 which predominantly includes the provision of shared services to other government agencies. It accounts for other income under AASB 1058 including appropriations from

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Government. Refer to note A2 for further information on the agency’s accounting policies for revenue and income and note C1 for details of the agency’s appropriations.

Application of other new and revised accounting standards

All other new and revised accounting standards and interpretations issued prior to the signing of the financial statements and applicable to the current reporting period did not have a material financial impact and are not expected to have significant future financial impact on the financial statements.

Future accounting standard requirements

There are no new accounting standards or interpretations issued prior to signing that apply to future accounting periods that have been assessed as having a significant financial impact on the agency.

Significant estimates and judgments

In the preparation of the financial statements, management adopts a number of estimates and judgments relating to the treatment of transactions and balances under Australian Accounting Standards. Individually significant estimates and judgments are outlined in the notes to which they relate:

Significant accounting estimate/judgement	Note
Reasonable certainty of option exercise in relation to ROU assets	B2.2
Impairment of child support receivables	B7.3

Impact of COVID-19

The agency has been impacted by the COVID-19 pandemic with an increased demand for its services, including additional payments made on behalf of partner agencies. Management, in conjunction with external independent advisors, have assessed the impact of the current economic uncertainty on the financial statements, including the potential for movements in the fair value of non-current assets and impairment of child support receivables. These assessments have indicated minimal impact on fair values. COVID-19 is not expected to have a significant impact on other transactions and balances recorded in the financial statements.

Events after the reporting period

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the agency.

Breach of section 83 of the Constitution

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. Payments made which are not supported by an appropriation are not consistent with section 83 of the Constitution. The agency has implemented procedures to minimise any instances of non-compliance with section 83 wherever possible, however it is not practical to completely eliminate the potential for non-compliance. The agency has not identified any instances of non-compliance resulting from serious mismanagement in the current or prior years. The identified non-compliance represents a small proportion of the total payments made, by volume and value, generally caused by inaccurate customer supplied bank account data and minor administrative errors.

In 2019-20, the agency identified 285 payments totalling \$84,988 from the Child Support Special Account that were not consistent with section 83 of the Constitution. The agency undertook recovery action or offsets of an amount against future payments to the customer. As at 30 June 2020 \$19,711 of this amount had been recovered or offset. In 2019, the agency identified 336 payments totalling \$29,891 and as at 30 June 2019, \$14,096 had been recovered or offset.

In 2019-20, the agency identified 2 payments totalling \$18,229 from the Recovery of Compensation for Health Care and Other Services Special Account that were not consistent with section 83 of the Constitution. The agency undertook recovery action and as at 30 June 2020 \$12,579 of this amount had been recovered. In 2019, the agency identified seven payments totalling \$61,160 and as at 30 June 2019, \$12,796 had been recovered.

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

A: Financial Performance

A1: Expenses

	2020 \$'000	2019 \$'000
<u>A1.1: Employee benefits</u>		
Wages and salaries	1,968,965	1,957,064
Superannuation		
Defined benefit plans	213,680	224,095
Defined contribution plans	186,186	174,778
Leave and other entitlements	415,644	397,775
Separations and redundancies	17,298	56,900
Other employee expenses	2,505	3,930
Total employee benefits	2,804,278	2,814,542

Accounting Policy

Staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or non-government superannuation funds. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other non-government super funds are defined contribution schemes.

The agency made employer contributions to defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The agency accounts for these amounts as if they were contributions to defined contribution plans.

A1.2: Supplier expenses

Goods and services supplied or rendered		
Consultants and contractors	1,003,058	843,509
IT maintenance	259,592	242,797
Communications	242,336	214,672
Property operating	132,383	130,082
Customer related	55,661	51,530
Travel and motor vehicles	29,081	53,431
Staff related	33,600	41,300
Legal services and compensation	24,917	28,970
Fees and charges	22,010	24,230
Other	13,245	15,920
Total goods and services supplied or rendered¹	1,815,883	1,646,441
Goods supplied	13,968	113,252
Services rendered	1,801,915	1,533,189
Total goods and services supplied or rendered	1,815,883	1,646,441
Other supplier expenses		
Operating lease rentals - external parties ²	-	355,848
Short-term leases ³	20,626	-
Low value leases ³	3,687	-
Workers compensation premium	19,744	20,873
Total other suppliers	44,057	376,721
Total supplier expenses	1,859,940	2,023,162

¹ Includes \$222.2 million (2019: \$172.0 million) in related entity transactions.

² The agency has applied AASB 16 *Leases* using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 *Leases*.

³ The agency has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets or for leases with a lease term of 12 months or less. The agency recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The agency has short-term lease commitments of \$2.0 million as at 30 June 2020.

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
<u>A1.3: Finance costs</u>		
Interest on lease liabilities	30,432	-
Other finance costs	528	670
Total finance costs	30,960	670

The above lease disclosures should be read in conjunction with the accompanying notes A1.2, B2.2 and B5.1.

<u>A1.4: Other expenses</u>		
Resolution of claims	1,948	1,373
Competitive neutrality - state tax equivalent ¹	240	447
Losses from asset sales	72	-
Total other expenses	2,260	1,820

¹ The agency provides Centrepay services which are subject to the Australian Government's competitive neutrality policy. The agency is required to make payroll taxation equivalent payments to the Australian Government.

A2: Income

Revenue from contracts with customers primarily relates to the provision of shared services to other government entities.

Gains include incidental transactions and events outside of ordinary operations such as contributions of assets at no cost or for nominal consideration, gains arising from the disposal of non-current assets and reversals of provisions and previous asset write-downs and impairment.

Rental income primarily relates to the provision of accommodation to the National Disability Insurance Agency at Services Australia sites under co-location agreements. These agreements do not constitute sublease arrangements under AASB 16. Co-located agencies do not control the use of the property lease and the risks and rights to the leased assets remain with Services Australia.

<u>A2.1: Resources received free of charge</u>		
Seconded staff	22,487	28
Australian Taxation Office processing fees	1,179	1,160
Australian National Audit Office financial statement audit fee	900	960
Office space	2,126	-
Total resources received free of charge	26,692	2,148

Accounting Policy

Revenue is recognised when the agency has satisfied performance obligations contained within customer contracts. In relation to the sale of goods, this is ordinarily when control of the goods has been transferred to the buyer. In relation to the provision of services, revenue is recognised over time as the services are delivered to the customer. Amounts paid by customers in advance are treated as unearned income until the related performance obligations are satisfied (refer note B4.2).

Resources received free of charge are recognised as revenue when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Amounts appropriated for departmental outputs for the year (adjusted to reflect the agency's funding agreement, formal additions, reductions and restructures) are recognised as revenue from Government when the agency gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts (refer note B1.1).

Amounts appropriated which are designated as equity injections (less any formal reductions) and the departmental capital budget are recognised directly in contributed equity in that year.

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

A3: Administered - Expenses

	2020	2019
	\$'000	\$'000
<u>A3.1: Impairment loss on financial instruments</u>		
Child support maintenance discharge	48,748	65,565
Child support write-down and impairment	77	281
Child support waivers	2,375	3,707
Child support cost recovery discharge	2	-
Child support cost recovery write-down and impairment	-	34
Child support cost recovery waivers	3	11
Other debt repayment write-down and impairment	172	-
Total impairment loss on financial instruments	51,377	69,598

Accounting Policy

Child support maintenance expenses are recognised and measured in line with child support maintenance revenue (refer note A4).

A4: Administered - Income

<u>A4.1: Reversal of write-downs and impairment</u>		
Reversal of impairment - child support	251,934	23,929
Reversal of impairment - other fees and fines	54	22
Total reversal of write-downs and impairment	251,988	23,951

Accounting Policy

All administered revenue relates to ordinary activities performed by the agency on behalf of the Australian Government.

Child support maintenance revenue

The child support program acts as the intermediary in the transfer of child support payments, which are collected from the paying parent and then paid to the receiving parent.

Revenue from the assessment and collection of child support is recognised in the administered schedule of comprehensive income at the nominal amounts. The revenue is recognised at the point when a child support assessment, private child support agreement administered by the agency or maintenance court order is registered for collection by the child support registrar under the *Child Support (Registration and Collection) Act 1988*. In accordance with this Act, the revenue is adjusted when a private settlement is agreed by both parents for a particular period of payment.

Compensation recoveries revenue

The Recovery of Compensation for Health Care and Other Services Special Account (the Special Account) is used to manage monies received by the agency as part of the compensation recovery program. The agency manages this on behalf of the Department of Health, who has administrative responsibility of the *Health and Other Services (Compensation) Act 1995*. The Special Account itself was established by the *PGPA Act (Recovery of Compensation for Health Care and Other Services Special Account 2015 – Establishment) Determination 2015/06*.

Compensation recovery amounts are recognised as revenue when a notice of charge is issued and the recoverable benefits owed to the Government have been determined.

Competitive neutrality and dividend revenue

Following the Administrative Arrangements Order of 5 December 2019 the Government's investment in Hearing Australia was transferred to the Department of Social Services (DSS). Accordingly from 1 February 2020 Services Australia no longer recognises any revenue resulting from competitive neutrality or dividends relating to Hearing Australia.

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Under competitive neutrality arrangements, Hearing Australia is required to make payroll tax and income tax equivalent payments to the Australian Government. The amounts received prior to 31 January 2020 have been recognised and paid to the OPA.

Fees and fines

Under section 67 of the *Child Support (Registration and Collection) Act 1988*, a late payment penalty is applied whenever a paying parent fails to make their child support payment to the receiving parent by the due date and where the outstanding maintenance debt exceeds \$1,000. Late payment penalties are recognised as revenue at the time the cash is received. Of the \$8.8 million (2019: \$8.1 million) of fees and fines revenue in administered income, \$8.7 million (2019: \$8.0 million) relates to penalty revenue receipts.

Other revenue

Other revenue consists of cost recovery revenue and Centrelink receipts from international sources. Cost recovery revenue is recognised when the court orders a child support customer to pay the agency's costs in relation to a court case with the customer.

B: Financial Position

B1: Financial Assets

	2020	2019
	\$'000	\$'000
<u>B1.1: Trade and other receivables</u>		
Trade receivables in connection with		
Goods and services ¹	<u>106,686</u>	<u>75,836</u>
Total trade receivables	<u>106,686</u>	<u>75,836</u>
Appropriations receivable		
Existing programmes - operating	1,327,948	1,105,461
Departmental capital budget	1,000	-
Equity	7,025	6,300
Funding agreement adjustment - operating	<u>(61,693)</u>	<u>(9,353)</u>
Total appropriations receivable	<u>1,274,280</u>	<u>1,102,408</u>
Other receivables		
Goods and service tax	<u>64,337</u>	<u>59,052</u>
Total other receivables	<u>64,337</u>	<u>59,052</u>
Total trade and other receivables (gross)	<u>1,445,303</u>	<u>1,237,296</u>
Less impairment loss		
Trade receivables	<u>(120)</u>	<u>(77)</u>
Total impairment loss	<u>(120)</u>	<u>(77)</u>
Total trade and other receivables (net)	<u>1,445,183</u>	<u>1,237,219</u>

¹ Receivables related to contracts with customers total \$104.7 million (2018-19: \$73.1 million).

Accounting Policy

The agency classifies its financial assets at the time of initial recognition depending on the nature and purpose of the asset. All receivables are classified as trade and other receivables and are expected to be recovered within 12 months unless otherwise indicated.

Trade receivables are recognised when the agency becomes party to an agreement and has the right to receive cash. Trade receivables have 30 day terms (2019: 30 days) and are recognised at the nominal amount due less any impairment loss allowance. The collectability of debts are reviewed at the end of the reporting period and an impairment loss allowance is recognised.

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

B2: Non-Financial Assets

	2020	2019
	\$'000	\$'000
B2.1: Other non-financial assets		
Prepayments expected to be amortised	134,396	201,252
Lease incentive assets ¹	-	53,377
Total other non-financial assets²	134,396	254,629

¹ Following the application of AASB 16 *Leases* lease incentives are included in right-of-use assets from 1 July 2019.

² No indicators of impairment were found for other non-financial assets.

B2.2 Property, plant and equipment and software

The asset thresholds and useful lives for each asset class remain unchanged from 2019.

Departmental assets	2020 Useful life	2020 Threshold
Land	Unlimited	nil
Buildings	50 years	nil
Leasehold improvements	Shorter of unexpired lease term or useful life	\$20,000
General plant and equipment	3 to 10 years	\$3,000
ICT plant and equipment	3 to 10 years	nil
Purchased software	5 to 10 years	\$100,000
Internally developed software	5 to 10 years ¹	\$1,000,000
Right-of-use assets	Lease term	\$10,000 ²

¹ In limited circumstances, a longer useful life has been applied to more appropriately reflect the use of the software asset.

² Refers to the underlying asset value, not the calculated right-of-use asset.

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Reconciliation of the opening and closing balances of property, plant and equipment and software

	Plant and equipment		Land and buildings		Software	
	Owned	Right-of-use	Owned	Right-of-use	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total as at 30 June 2019	307,909	-	387,265	-	387,265	471,762
Gross book value	401,895	-	412,179	-	412,179	1,156,664
Accumulated depreciation and amortisation	(93,986)	-	(24,914)	-	(24,914)	(803,802)
Total as at 1 July 2019	307,909	-	387,265	-	387,265	471,762
Recognition of right-of-use assets on 1 July 2019	-	97,225	-	2,420,180	-	-
Adjusted total as at 1 July 2019	307,909	97,225	387,265	2,420,180	471,762	2,517,405
Additions						
Purchases	147,426	-	21,090	-	21,090	13,881
Internally developed	-	-	-	-	-	199,310
Right-of-use assets	-	23,013	-	205,977	205,977	-
Restructure	18,176	8	1,165	7,339	8,504	75,234
Revaluations recognised in other comprehensive income	(611)	-	21,535	-	21,535	-
Write-down and impairment recognised in net cost of services	(148)	-	(2,640)	-	(2,640)	(15,853)
Depreciation and amortisation expense	(94,431)	(25,945)	(108,811)	(349,300)	(458,111)	(121,257)
Other movements ¹	1,105	1	81	(8,006)	(7,925)	-
Disposals	(533)	-	-	-	-	(533)
Total as at 30 June 2020	378,893	94,302	319,685	2,276,190	2,595,875	623,077
Gross book value ²	444,151	120,247	354,854	2,625,490	2,980,344	1,367,511
Accumulated depreciation and amortisation	(65,258)	(25,945)	(35,169)	(349,300)	(384,469)	(744,434)
Total as at 30 June 2020	378,893	94,302	319,685	2,276,190	2,595,875	623,077

¹Includes early termination of ROU assets; assets received at no cost; found assets and increase to make good assets.

²Includes asset under construction amounts for land and buildings of \$17.6 million (2019: \$35.3 million) and software of \$184.5 million (2019: \$145.5 million).

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B2.3 Capital commitments payable

	<1 year	Between 1-5 years	Total	<1 year	Between 1-5 years	Total
	2020	2020	2020	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land and buildings	9,940	-	9,940	11,021	-	11,021
Plant and equipment ¹	15,818	2,419	18,237	7,233	-	7,233
Total	25,758	2,419	28,177	18,254	-	18,254

¹ Contractual obligation primarily for the purchase of Information and Communication Technology hardware.

Accounting Policy

Property, Plant and Equipment

Unless otherwise stated, depreciation rates are applied on a straight-line basis. Rates, useful lives and indicators of impairment are assessed annually, with any necessary adjustments recognised as appropriate.

All property, plant and equipment is reported at fair value (refer note B3). Revaluations are conducted by an independent valuer. Assets under construction are carried at cost, which is considered an acceptable fair value proxy. An indexation test is applied annually to verify the carrying amount is acceptable.

Intangibles

Software assets are carried at cost less accumulated amortisation and impairment.

Where material software assets have not been budgeted to be enhanced, replaced, or retired, a minimum remaining useful life of two years is applied. A longer useful life has been applied if this is determined to more appropriately reflect the use of the software asset.

All software assets are assessed annually for indicators of impairment and, where appropriate, the asset's carrying value is adjusted. Impairment is assessed by management applying professional judgement. This assessment reviews the remaining useful life, takes into account how assets are being used and is impacted by factors such as legislative changes, program cessations and platform changes.

Leased right-of-use (ROU) assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount and option terms where sufficient certainty exists, initial direct costs incurred when entering into the lease less any lease incentives received. Subsequently, ROU assets are measured at cost and accounted for as separate asset classes to owned assets.

On initial adoption of AASB 16, the agency has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review was undertaken and an impairment loss was recognised against any ROU asset with indicators of impairment.

Significant Judgement

Reasonable certainty of option exercise in relation to ROU assets

The agency enters into property lease arrangements for its national network of service centres as well as office accommodation. A significant number of leases have options for the agency to extend its ROU beyond the initial term. These option periods are included in the measurement of the ROU asset and lease liability when management makes the judgment that the option is reasonably certain to be exercised based on historical experience and the circumstances of a particular location.

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B3: Fair Value Measurement

In 2019-20 Jones Lang LaSalle Advisory Services Pty Ltd conducted a revaluation of leasehold improvement assets and related make good, and data centre equipment (2019: leasehold improvements and related make good, ICT desktop equipment, and general plant and equipment). Results of the revaluation are disclosed at note B2.2.

The following table provides an analysis of assets that are measured at fair value. The remaining assets disclosed in the statement of financial position do not apply the fair value hierarchy.

Fair value measurements as at 30 June	Level ¹	2020 \$'000	2019 \$'000
Non-financial assets			
Freehold land and buildings	2	12,831	8,777
Freehold land and buildings	3	9,175	10,637
Leasehold improvements	3	297,679	367,851
Plant and equipment	2	229,272	235,842
Plant and equipment	3	149,621	72,067
Total non-financial assets		698,578	695,174

¹ In 2020, \$116.0 million of assets (2019: \$0.3 million) transferred from level 2 to level 3 due to a change in observable inputs.

Accounting Policy

The agency adopts a risk-based asset valuation approach to measure non-financial assets at fair value in accordance with AASB 13 *Fair Value Measurement*. Each class of non-financial assets, excluding software and ROU assets, is subject to a formal independent valuation at least once every three years dependent upon an annual risk assessment. In years where a formal valuation is not undertaken, non-financial assets are subject to a desktop review.

Fair value is a market-based, rather than entity specific, measurement. The objective in all cases is to estimate the price at which an orderly transaction to sell the asset would take place between market participants under current market conditions at the measurement date. Where possible, assets are valued based upon observable inputs, such as quoted prices in active markets or other market transactions or information. Where this information is not available, valuation techniques rely upon unobservable inputs.

The different levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.

Level 3: Unobservable inputs for the asset.

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B4: Payables

	2020 \$'000	2019 \$'000
B4.1: Suppliers		
Trade creditors and accruals	238,481	428,756
Operating lease rentals ¹	-	82,351
Total suppliers	238,481	511,107
B4.2: Other payables		
Unearned income ²	17,205	5,716
Fringe benefits tax	279	848
Lease incentives ¹	-	101,128
Total other payables	17,484	107,692

¹ The agency has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 *Leases*.

² Unearned income represents amounts paid by customers in advance of services (refer note A2).

Accounting Policy

Supplier and other payables are recognised at the present value of expected future cash flows. Trade creditors and accruals are recognised to the extent that the goods and services have been received (irrespective of having been invoiced). Maximum payment terms for goods and services are expected to be settled within 30 days for contracts over \$1 million, 5 days for contracts up to \$1 million that are through e-Invoicing or 20 days for contracts up to \$1 million that are not through e-Invoicing (2019: Payment terms for all contracts were expected to be settled within 30 days).

B5: Interest Bearing Liabilities

B5.1: Leases

Lease liabilities¹

Land	983	-
Buildings	2,299,819	-
Plant and equipment	95,193	-
Total leases²	2,395,995	-

¹ The agency has applied AASB 16 *Leases* using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 *Leases*.

² Total cash outflow for leases for the year ended 30 June 2020 was \$329.3 million.

B6: Provisions

B6.1: Other provisions

Movements in other provisions

	Property make good ¹ \$'000	Resolution of claims \$'000	Total \$'000
As at 1 July 2019	32,002	1,985	33,987
Additional provisions made ²	4,302	469	4,771
Amounts used	(428)	(453)	(881)
Amounts reversed	(219)	(481)	(700)
Unwinding of discount or change in discount rate	463	-	463
Total as at 30 June 2020	36,120	1,520	37,640

¹ There are 404 (2019: 417) agreements for the leasing of premises, which have provisions requiring the agency to restore the premises to their original condition at the conclusion of the lease.

² The total additional provision includes property make good revaluations for existing arrangements. The revaluation conducted by Jones Lang LaSalle Advisory Services Pty Ltd increased the provision and resulted in a \$4.6 million decrement to the asset revaluation reserve, less \$0.4 million recognised in goods and services expense (property operating) and other gains.

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	2020	2019
	\$'000	\$'000
B6.2: Employee provisions		
Leave	860,570	825,731
Total employee provisions	860,570	825,731

Accounting Policy

Employee provisions include annual and long service leave. No provision is made for personal leave, which is non-vesting.

Liabilities for short-term employee benefits and termination benefits expected to be settled wholly within twelve months of the end of reporting period are measured at their nominal amounts. In accordance with AASB 119 *Employee Benefits*, recreation and long service leave liabilities are measured at the present value of the estimated future cash outflows. The interest rates used in discounting future cash flows relate to market yields on government bonds which have a comparable term to the leave obligations. In 2019, the agency engaged the Australian Government Actuary to undertake a triennial actuarial assessment of the leave provisions taking into account the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates.

The agency recognises a provision for separations and redundancies where there is a detailed formal plan that has been communicated to the affected staff.

B7: Administered - Financial Assets

B7.1: Cash and cash equivalents

Special account cash - held by agency	103,097	62,674
Special account cash - held in the OPA	56,882	57,347
Total cash and cash equivalents	159,979	120,021

B7.2: Other receivables

Fees and fines	2,686	2,775
Less: impairment loss	(2,589)	(2,644)
Net fees and fines receivables	97	131

Cost recovery	2,078	1,850
Less: impairment loss	(1,291)	(1,438)
Net cost recovery receivables	787	412

Debt repayment	172	172
Less: impairment loss	(172)	-
Net debt repayment receivables	-	172

Compensation recoveries	16,128	13,751
Dividends ¹	-	3,959
Competitive neutrality ¹	-	3,457
Other	16,128	21,167
Total net other receivables	17,012	21,882

¹ From 1 February 2020 the Government's investment in Hearing Australia transferred to the Department of Social Services (DSS) as per the Administrative Arrangements Order of 5 December 2019.

All significant receivables are expected to be collected within 12 months.

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	2020 \$'000	2019 \$'000
<u>B7.3: Child support receivables</u>		
Maintenance receivables	1,654,861	1,607,677
Less: impairment loss	(446,919)	(692,911)
Net maintenance receivables	1,207,942	914,766
Customer miscellaneous receivables	3,705	5,883
Less: impairment loss	(2,606)	(4,629)
Net customer miscellaneous receivables	1,099	1,254
Client top up receivables	1,513	1,932
Less: impairment loss	(649)	(796)
Net client top up receivables	864	1,136
Total net child support receivables	1,209,905	917,156
Child support receivables (gross) in connection with		
External parties	1,660,079	1,615,492
Total child support receivables (gross)	1,660,079	1,615,492

Accounting Policy

Child support maintenance receivables and impairment loss

The child support program acts as the intermediary in the transfer of child support payments, which are collected from the paying parent and paid to the receiving parent. The majority of the receivable balance relates to maintenance debt for which the Australian Government does not have any financial exposure given that the child support program acts as the intermediary only.

Child support penalty receivables

Child support late payment penalty revenue is recognised at the time cash is received not when the debt is raised (refer note A4). As at 30 June 2020, amounts not recorded in the financial statements included total outstanding penalty debt of \$986.7 million (2019: \$945.0 million), penalty debts raised during 2019-20 of \$128.0 million (2019: \$136.2 million) and total penalty debts remitted, written off, waived or discharged of \$77.5 million (2019: \$85.8 million).

Significant Judgement

Impairment of child support receivables

In the administered financial statements, the agency recognises an asset and corresponding liability under the child support program. The agency actively manages the collection of child support debt on a continual basis and engages an independent actuary annually to perform a review of the impairment provision for child support maintenance debt. In the current year a review of the impairment methodology and an impairment rate assessment was performed by Ernst and Young (EY). The review included an in depth analysis of the previous five years of child support data to determine recent payment patterns. The review found the agency has experienced a significant level of payment persistency and that in some segments, payment rates have been higher than previously estimated.

Based on the analysis, EY determined the appropriate impairment rate for child support maintenance debt in 2019-20 is 26.83 per cent (2019: 42.84 per cent). This resulted in a movement to the impairment provision of \$299.8 million as at 30 June 2020.

AASB 136 *Impairment of Assets* requires that payments are discounted at a rate reflecting the estimated timing of the payments. As at 30 June 2020 EY's assessment was that the mean term for child support receivables was 6.2 years and the 6 year bond rate was applied (2019: 6.75 mean term and weighted average bond rate) (refer note B7.3 above).

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B8: Administered - Fair Value Measurement

Services Australia holds no administered non-financial assets at the close of the 2019-20 financial year. The fair value in the comparative year relates to the investment Services Australia held in Hearing Australia that transferred to DSS following the Administrative Arrangements Order announced on 5 December 2019.

Fair value measurements at 30 June	Level ¹	2020 \$'000	2019 \$'000
Financial assets			
Other investments - Hearing Australia	3	-	78,989

¹ Refers to the fair value level and valuation technique applied in 2018-19.

B9: Administered - Payables

Child support maintenance payables reflect amounts collected to be transferred to the receiving parent. All payables are expected to be settled within 12 months and are measured at their nominal amount.

Recovery of compensation payable reflects amounts collected from insurers and third parties for compensation recovery claims to be transferred to the claimant or the OPA following finalisation of the assessment.

B9.1: Child support and other payables

Child support maintenance	34,290	34,031
Other	28	88
Total child support and other payables	34,318	34,119

B10: Administered - Provisions

The child support maintenance provision reflects child support obligations to the receiving parent that are due but not yet received.

Recovery of compensation provision reflects amounts collected from insurers and third parties for compensation recovery claims where the assessment to determine the appropriate allocation of funds has not yet been performed. Once an assessment is complete, amounts previously recognised in the provision are transferred to the recovery of compensation payable to be returned to the claimant or the OPA.

Movements in provisions

	Child support maintenance \$'000	Recovery of compensation \$'000
As at 1 July 2019	914,766	48,739
Additional provisions made	1,715,227	354,506
Amounts used	(1,622,596)	(322,813)
Amounts reversed	200,545	10,214
Total as at 30 June 2020	1,207,942	90,646

Accounting Policy

The child support maintenance provision liability is calculated on the basis of the present value of the estimated future cash flows to be made to receiving parents at the reporting date. Estimated future cash flows are calculated with reference to the past experience of the recoverability of gross child support receivables from paying parents. The estimate does not include future cash outflows that may result from child support re-assessments, prior to the reporting date, that are requested by paying or receiving parents after the reporting date.

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C: Funding

C1: Appropriations

C1.1: Annual appropriations (recoverable GST exclusive)

	Annual appropriation \$'000	Adjustments to appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in current and prior years \$'000	Variance \$'000
Annual appropriations for 2020					
Departmental					
Ordinary annual services ²	5,115,340	359,298	5,474,638	5,230,223	244,415
Capital budget ³	182,757	14,179	196,936	195,936	1,000
Other services					
Equity injections	150,056	5,081	155,137	148,115	7,022
Total departmental	5,448,153	378,558	5,826,711	5,574,274	252,437
Administered					
Ordinary annual services ⁴	1,643	1,251	2,894	1,251	1,643
Total administered	1,643	1,251	2,894	1,251	1,643
Annual appropriations for 2019					
Departmental					
Ordinary annual services ⁴	4,365,433	375,880	4,741,313	5,224,566	(483,253)
Capital budget ³	183,121	-	183,121	188,121	(5,000)
Other services					
Equity injections	151,592	-	151,592	172,592	(21,000)
Total departmental	4,700,146	375,880	5,076,026	5,585,279	(509,253)
Administered					
Ordinary annual services ⁴	1,595	1,112	2,707	1,149	1,558
Total administered	1,595	1,112	2,707	1,149	1,558

¹ Total departmental adjustments include PGPA Act section 74 receipts (\$344.8 million) recognised in ordinary annual services and PGPA Act section 75 transfers (\$33.8 million).

² In 2019-20 the revenue from Government reported in the statement of comprehensive income is \$5,063.5 million, \$51.8 million less than the ordinary annual services appropriation of \$5,115.3 million. The difference reflects a funding model adjustment (\$61.7 million) and PGPA Act section 51 quarantine (\$4.7 million), offset by PGPA Act section 75 transfers (\$14.5 million, included in the adjustments to appropriations).

³ Departmental capital budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

⁴ Adjustments include PGPA Act section 74 receipts.

Figures in text have been rounded. Discrepancies between totals and sums of components are due to rounding.

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<u>C1.2: Unspent annual appropriations (recoverable GST exclusive)</u>		
Authority	2020 \$'000	2019 \$'000
Departmental		
<i>Appropriation Act (No. 1) 2016-17¹</i>	-	57,116
<i>Appropriation Act (No. 4) 2016-17¹</i>	-	29,000
<i>Appropriation Act (No. 1) 2018-19²</i>	62,638	1,064,911
<i>Appropriation Act (No. 2) 2018-19³</i>	9,597	9,600
<i>Appropriation Act (No. 3) 2018-19</i>	-	98,035
<i>Supply Act (No. 1) 2019-2020</i>	136,301	-
<i>Appropriation Act (No. 1) 2019-2020⁴</i>	746,825	-
<i>Appropriation Act (No. 1) 2019-2020 - DCB</i>	1,000	-
<i>Appropriation Act (No. 2) 2019-2020</i>	2,616	-
<i>Appropriation Act (No. 3) 2019-2020</i>	287,502	-
<i>Appropriation Act (No. 4) 2019-2020</i>	4,409	-
<i>Appropriation Act (No. 5) 2019-2020</i>	175,794	-
Total departmental	1,426,682	1,258,662
Administered		
<i>Appropriation Act (No. 1) 2017-18⁵</i>	1,498	1,498
<i>Appropriation Act (No. 1) 2018-19⁶</i>	1,558	1,558
<i>Supply Act (No. 1) 2019-2020</i>	685	-
<i>Appropriation Act (No. 1) 2019-2020</i>	958	-
Total administered	4,699	3,056
Reconciliation of unspent departmental annual appropriation		
Unspent annual appropriation as at 30 June	1,426,682	1,258,662
Cash at bank	(20,795)	(11,800)
Operating appropriations withheld through PGPA Act section 51 ^{2,4}	(50,965)	(102,801)
Capital appropriations withheld under PGPA Act section 51 ³	(9,597)	(32,300)
Reduction to appropriation receivable for funding model adjustments ^{2,4}	(71,045)	(9,353)
Appropriation receivable balance as at 30 June	1,274,280	1,102,408

¹ Includes quarantined funds, repealed on 1 July 2019.

² *Appropriation Act (No.1) 2018-19* includes operating appropriations withheld under PGPA Act section 51 (\$46.3 million) and a funding model adjustment (\$9.4 million).

³ *Appropriation Act (No.2) 2018-19* includes capital appropriations withheld under PGPA Act section 51 (\$9.6 million).

⁴ *Appropriation Act (No.1) 2019-2020* includes operating appropriations withheld under PGPA Act section 51 (\$4.7 million), a funding model adjustment (\$61.7 million) and cash at bank (\$20.8 million).

⁵ This amount reflects unspent appropriation from 2017-18 relating to the child support program.

⁶ This amount reflects unspent appropriation from 2018-19 relating to the child support program.

<u>C1.3: Special appropriations applied (recoverable GST exclusive)</u>		
Authority		
<i>Public Governance, Performance and Accountability Act 2013¹</i>	307	1,141
Total special appropriations applied	307	1,141

¹ Refund appropriation to enable payments to be made for repayment of amounts earlier received under the Centrelink master program.

Figures in text have been rounded. Discrepancies between totals and sums of components are due to rounding.

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C1.4: Disclosure by agent in relation to annual and special appropriations (recoverable GST exclusive)

Payments are made from appropriations administered by other agencies. The related revenue, expense, assets, liabilities and cash flows are disclosed in the financial statements of the relevant government agency which is responsible for the outcomes to which the items relate. Total receipts and total payments in any year may not be equal due to timing differences.

Department	Total receipts 2020 \$'000	Total payments 2020 \$'000	Total receipts 2019 \$'000	Total payments 2019 \$'000	Purpose of Payment
Department of Agriculture, Water and the Environment	133,888	133,888	112,026	112,026	Farm Household Allowance
Department of Education, Skills and Employment	8,589,062	8,589,062	-	-	Child Care Subsidies and PaTH Internship Incentive payments
Department of Education	-	-	7,822,892	7,822,892	Child Care Subsidies
Department of Employment, Skills, Small and Family Business	-	-	2,639	2,639	PaTH Internship Incentive payments
Department of Foreign Affairs and Trade	124	124	-	-	MH17 Family Support Package
Department of Health	62,619,431	61,815,067	59,922,750	59,013,103	Aged care, medical and pharmaceutical benefits
Department of Home Affairs	326,869	326,869	186,801	186,801	Asylum seeker support, disaster recovery relief and payments for victims of terrorism
Department of Infrastructure, Transport, Regional Development and Communications	197,836	197,836	204,977	204,977	Tasmanian freight equalisation scheme and Bass Strait passenger vehicle equalisation scheme
Department of Social Services	127,961,218	127,961,218	111,899,225	111,899,225	Age Pension, Disability Support Pension, Carer Payment, Family Tax Benefit, Austudy, ABSTUDY, Youth Allowance, Newstart Allowance and JobSeeker Payments.
Department of Veterans' Affairs	2,186,279	2,990,644	2,300,607	3,210,304	Aged care, medical and pharmaceutical benefits
Total	202,014,707	202,014,708	182,451,917	182,451,967	

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C2: Special Accounts

Child Support Special Account

This special account was established under the *Child Support (Registration and Collection) Act 1988*, section 73. It is used for the receipt and payment of child support maintenance obligations. Monies received are required to be paid to the relevant recipients. As such, net child support receivables reported in the administered schedule of assets and liabilities are offset by equivalent child support provisions.

Recovery of Compensation for Health Care and Other Services Special Account (RCHCOS)

This special account was established under the *PGPA Act (Recovery of Compensation for Health Care and Other Services Special Account 2015–Establishment) Determination 2015/06*. It is used for the recovery of Medicare benefits, residential care and home care subsidies where the recipient receives compensation from a third party as a result of the injury or illness for which they have received benefits. The agency is responsible for making payments under the *Health and Other Services (Compensation) Act 1995* including for case management and the recovery of benefits back to the Australian Government. No expense is recognised in relation to recovery of compensation, amounts returned to the OPA are recognised as revenue in the administered schedule of comprehensive income and transfers to the OPA in the administered reconciliation schedule.

Services for Other Entities and Trust Moneys Special Account (SOETM)

This special account is now established under *PGPA Act Determination (Services Australia SOETM Special Account 2020)* which replaced the *Financial Management and Accountability (Establishment of Special Account for Department of Human Services) Determination 2011/13* on 30 June 2020. It is a multi-purpose account, used for receipts and payments of amounts held on trust or otherwise for the benefit of persons other than the Commonwealth. This includes amounts associated with departure prohibition orders, an administrative enforcement option that requires a paying parent with an outstanding child support liability to deposit the balance prior to leaving Australia. The special account is also used for receipts and refunds of foreign countries' transactions relating to administrative agreements with other countries.

	Child Support		RCHCOS		SOETM	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward at 1 July	74,117	70,882	72,112	91,090	88	-
Increases						
Appropriations credited	1,101	1,153	-	-	-	-
Other receipts	1,624,118	1,510,194	354,506	303,283	1,601	941
Total increases	1,625,219	1,511,347	354,506	303,283	1,601	941
Available for payments	1,699,336	1,582,229	426,618	394,373	1,689	941
Decreases						
Payments made	(1,661,250)	(1,545,743)	(314,791)	(322,261)	(1,655)	(853)
Total decreases	(1,661,250)	(1,545,743)	(314,791)	(322,261)	(1,655)	(853)
Balance at 30 June	38,086	36,486	111,827	72,112	34	88
Represented by:						
Special account cash - held by agency	-	-	111,827	72,112	-	-
Special account cash - held in OPA	38,086	36,486	-	-	34	88
Section 77 crediting clause ¹	40,621	37,631	-	-	-	-
Balance carried forward	78,707	74,117	111,827	72,112	34	88
Reconciliation to cash and cash equivalents reported in the administered schedule of assets and liabilities and statement of cash flows						
Balance carried forward	78,707	74,117	111,827	72,112	34	88
Less timing differences ²	(21,853)	(16,858)	(8,730)	(9,438)	(6)	-
Cash and cash equivalents	56,854	57,259	103,097	62,674	28	88

¹ Special Appropriations credited to the child support special account relate to budget adjustments which are excluded from note C1.3 Special Appropriations applied, *Child Support (Registration and Collection) Act 1988*.

² Timing differences are due to special accounts being reported on a cash basis. Cash and cash equivalents in the administered schedule of assets and liabilities and administered cash flow statement are reported on an accruals basis. The timing differences relate to payments that have not yet been reflected in the cash balance.

SERVICES AUSTRALIA
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C3: Net Cash Appropriation Arrangements

	2020	2019
	\$'000	\$'000
Total comprehensive surplus/(deficit) as per the statement of comprehensive income	(54,331)	(317,504)
Add: depreciation and amortisation expenses previously funded through revenue appropriation	324,499	296,662
Add: depreciation of right-of-use assets	375,245	-
Less: principal repayments for leased assets	(298,862)	-
Total comprehensive surplus/(deficit) less depreciation and amortisation expense previously funded through revenue appropriations	346,551	(20,842)

From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation and amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are appropriated in the period when cash payment for capital expenditure is required.

D: Other Items

D1: Contingent Assets and Liabilities

Contingent assets and liabilities may arise from uncertainty as to the existence of an asset or liability, or where the amount cannot be reliably measured.

The agency had a number of legal claims for which it has denied liability and is defending, and also claims which the agency is pursuing. It is not possible to estimate the amount of any eventual payments or compensation in relation to these claims.

Contingent assets

As at 1 July	5,654	2,477
New contingent assets recognised	122	213
Re-measurement	1,518	2,964
Assets realised	(1,769)	-
Total contingent assets as at 30 June¹	5,525	5,654

Contingent liabilities

As at 1 July	1,306	829
New contingent liabilities recognised	572	1,239
Re-measurement	(114)	(26)
Liabilities realised	(419)	(796)
Obligations expired	(767)	60
Total contingent liabilities as at 30 June²	578	1,306
Net contingent assets/(liabilities) as at 30 June	4,947	4,348

¹Contingent assets include insurance and legal claims.

²Contingent liabilities include compensation claims.

There were no quantifiable or unquantifiable administered contingent assets or liabilities in 2020 and 2019.

Accounting Policy

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of an asset or liability or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

SERVICES AUSTRALIA
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D2: Financial Instruments

	2020 \$'000	2019 \$'000
D2.1: Categories of financial instruments		
Financial assets at amortised cost		
Cash	20,795	11,800
Trade and other receivables	106,566	75,759
Total assets at amortised cost	127,361	87,559
Total financial assets	127,361	87,559
Financial liabilities		
Financial liabilities measured at amortised cost		
Suppliers	238,481	428,756
Total financial liabilities measured at amortised cost¹	238,481	428,756
Total financial liabilities	238,481	428,756

¹ Prior year comparatives have been adjusted to ensure compliance with AASB 7 *Financial Instruments: Disclosures* and AASB 9 *Financial Instruments* (AASB 9).

D2.2: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	159,979	120,021
Other receivables	16,128	17,882
Total financial assets at amortised cost	176,107	137,903
Financial assets at fair value through other comprehensive income		
Other investments	-	78,989
Total financial assets at fair value through other comprehensive income	-	78,989
Total financial assets¹	176,107	216,892
Financial liabilities		
Financial liabilities measured at amortised cost		
Recovery of compensation payable	8,022	9,126
Total financial liabilities measured at amortised cost	8,022	9,126
Total financial liabilities¹	8,022	9,126

¹ These figures exclude statutory receivables and payables, which are not within the scope of AASB 9.

Accounting Policy

Financial assets

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date. They are classified and measured at amortised cost determined using the effective interest method and are assessed for impairment at the end of each reporting period based on expected credit losses.

Financial liabilities

Financial liabilities, including trade and other payables are classified as other financial liabilities which are recognised and derecognised upon 'trade date'. Financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

SERVICES AUSTRALIA
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D3: Aggregate Assets and Liabilities

	2020 \$'000	2019 \$'000
<u>D3.1: Departmental</u>		
Assets expected to be recovered		
No more than 12 months	1,560,444	1,441,686
More than 12 months	3,732,077	1,228,898
Total assets	5,292,521	2,670,584
Liabilities expected to be settled		
No more than 12 months	911,838	741,927
More than 12 months	2,687,144	765,503
Total liabilities	3,598,982	1,507,430

<u>D3.2: Administered</u>		
Assets expected to be recovered		
No more than 12 months	569,451	446,672
More than 12 months	817,445	691,376
Total assets	1,386,896	1,138,048
Liabilities expected to be settled		
No more than 12 months	557,205	426,571
More than 12 months	806,281	603,407
Total liabilities	1,363,486	1,029,978

D4: Key Management Personnel Remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly. The agency has determined the KMP to be the Chief Executive Officer and Deputy Chief Executive Officers (previously these roles were referred to as the Secretary and Deputy Secretaries). The agency's KMP currently consists of eight positions. During 2019-20, the total number of senior executives that occupied a KMP role was 15 (2019: 11), and includes acting arrangements where it is determined the individual meets the definition of a KMP. The Portfolio Minister's remuneration and other benefits are excluded as it is set by the Remuneration Tribunal and are not paid by the agency. KMP remuneration is reported in the table below.

	2020 \$'000	2019 \$'000
Key management personnel remuneration expenses		
Short-term employee benefits	4,103	3,548
Post-employment benefits	571	551
Other long-term employee benefits	121	112
Termination benefits	1,036	-
Total key management personnel remuneration expenses	5,831	4,211

SERVICES AUSTRALIA
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D5: Related Party Disclosures

Related party relationships

Services Australia is an Australian Government controlled entity. Related parties to the agency are KMP, Cabinet Ministers and other Australian Government entities.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans
- the purchase of goods and services
- asset purchases, sales transfers or leases
- debts forgiven
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the agency, it has been determined there are no significant related party transactions to be separately disclosed.

D6: Restructuring

Following the Machinery of Government changes effective from 1 February 2020, the following functions have transferred between Services Australia and the Department of Social Services (DSS):

- The Information Technology (IT) function of DSS has transferred staff, contractors (effective 6 February) and related IT assets (effective 1 May) to Services Australia.
- Staff and contractors in the Commonwealth Redress Scheme Branch have transferred from Services Australia to DSS (effective 6 February).
- The Government's administered investment in Hearing Australia has transferred from Services Australia to DSS (effective 6 February).

In the prior year, the agency relinquished the Early Release of Superannuation function to the Australian Taxation Office (ATO) under an administrative re-arrangement order made on 27 June 2018 and transferred on 1 July 2018.

D6.1: Departmental Restructuring

	2020 Commonwealth Redress Scheme DSS \$'000	2019 Early Release of Superannuation ATO \$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Cash	-	39
Appropriations receivable	1,313	-
Total assets relinquished	1,313	39
Liabilities relinquished		
Trade creditors and accruals	1,754	-
Employee provisions	1,448	51
Total liabilities relinquished	3,202	51
Net (assets)/liabilities relinquished¹	1,889	12

¹ The net liabilities relinquished to all entities were \$1.9 million in 2019-20.

SERVICES AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2020 Information Technology DSS \$'000
FUNCTIONS ASSUMED	
Assets recognised	
Appropriations receivable	8,297
Trade receivables	5,515
Prepayments	11,342
Property, plant and equipment	19,341
Right-of-use property, plant and equipment	7,347
Software	75,234
Total assets recognised	127,076
Liabilities recognised	
Unearned income	3,722
Lease liabilities	7,421
Employee provisions	8,367
Total liabilities recognised	19,510
Net assets/(liabilities) recognised¹	107,566
Income assumed	
Recognised by the receiving entity	33,265
Recognised by the losing entity	53,568
Total income assumed	86,833
Expenses assumed	
Recognised by the receiving entity ²	-
Recognised by the losing entity	51,640
Total expenses assumed	51,640

¹ The net assets assumed from all entities were \$107.6 million in 2019-20.

² Expenses have not been separately identified as these functions have been integrated into the operations of the agency.

D6.2: Administered Restructuring

	2020 Hearing Australia DSS \$'000
FUNCTIONS RELINQUISHED	
Assets relinquished	
Other investments	78,989
Total assets relinquished	78,989
Net (assets)/liabilities relinquished¹	(78,989)

¹ The net assets relinquished to all entities were \$79.0 million in 2019-20.

There were no transfers of administered functions in 2018-19.

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Management and accountability



4

4.1 Agency overview

Services Australia's purpose, as set out in our 2019–20 Corporate Plan, is 'delivering high-quality Government services and payments to Australia'.

ROLE AND FUNCTIONS

Services Australia designs, develops, delivers, coordinates and monitors government services and payments relating to social security, child support, students, families, aged care and health programs. We provide advice to government on the delivery of these services and payments, and collaborate with other agencies, providers and businesses to provide convenient, accessible and efficient services to individuals, families and communities.

PORTFOLIO STRUCTURE

The department known as Services Australia (formerly known as the Department of Human Services) was established as a new executive agency, within the Social Services portfolio under the Administrative Arrangements Order issued on 5 December 2019, with effect from 1 February 2020.

OUTCOME AND PROGRAMS

Following the establishment of Services Australia within the Social Services portfolio Services Australia's outcome statement (as set out in the *Portfolio Budget Statements 2019–20*) was amended to remove a single reference to the delivery of 'policy' advice. Also references to 'the department' in our programs were replaced with 'Services Australia'.

Services Australia has one outcome and three programs.

Figure 1: Outcome and program structure

Outcome 1
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of 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.
Program 1.1
Services to the Community—Social Security and Welfare: Services Australia supports individuals, families and communities to achieve greater self-sufficiency by providing access to social security and welfare payments and services on behalf of the Australian Government.
Program 1.2
Services to the Community—Health: Services Australia supports individuals, families and communities to achieve greater self-sufficiency by providing access to health payments and services on behalf of the Australian Government.
Program 1.3
Child Support: Services Australia's Child Support Program is designed to ensure that both parents contribute to the cost of their children, according to their capacity.

MINISTERS

The Minister responsible for Services Australia throughout 2019–20 was the Minister for Government Services, the Hon. Stuart Robert, MP.

At 30 June 2020 the Minister for the Social Services portfolio was the Minister for Families and Social Services, Senator the Hon. Anne Ruston.

CORPORATE GOVERNANCE

The 2019–20 Corporate Plan set out our objectives for the year and is our primary planning document. It outlines Services Australia's operating context, key activities, capabilities, risk management and cooperation with other entities. The plan includes details on how performance is measured and assessed. See the 2019–20 Corporate Plan at servicessaustralia.gov.au

ENTERPRISE RISK MANAGEMENT APPROACH

In July 2019 Services Australia adopted a new Enterprise Risk Management Model. To support this model and strengthen our approach to risk management, the agency implemented a new Risk Management Policy and Framework. These documents clearly outline accountabilities for risk management and set the risk appetite and tolerances for the agency.

Our approach to risk management is based on the *ISO 31000: 2018 Risk Management—Guidelines*. It aligns with the *Commonwealth Risk Management Policy 2014*, meeting our obligations under section 16 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Audit Committee reviews and provides written advice on risk management to the Chief Executive Officer.

STRATEGIC GOVERNANCE COMMITTEES

The agency's strategic committees are fundamental to the way Services Australia ensures accountability in all aspects of executive management, decision making and strategic alignment. The committee structure comprises the Executive Committee, the Audit Committee, three sub-committees and two sub-groups. The sub-committees provide advice and assurance to the Executive Committee.

The roles and functions of these committees and sub-committees are set out below.

Executive Committee—chaired by the Chief Executive Officer, the Executive Committee is the agency's most senior governance committee. The Executive Committee guides the agency's overall strategic direction, priorities, management and performance. The committee also oversees the agency's financial position by allocating resources, monitoring performance and risks, and ensuring compliance with accountability and regulatory requirements are met.

Implementation Committee—provides oversight and direction to the agency's programs and projects. It reports to the Executive Committee.

Strategic Data and Analytics Sub-Group—provides advice to the Executive Committee, through the Implementation Committee, to ensure the enterprise data and analytics investment portfolio is transparent, strategically managed and aligned to the priorities of the agency and government.

Service Delivery Committee—provides advice and assurance to the Executive Committee that the agency's service delivery is achieving government outcomes.

People Committee—provides advice and assurance to the Executive Committee on all agency workforce and people matters, including average staffing level, to ensure the agency can deliver government priorities and outcomes.

Work Health and Safety Sub-Group—provides advice to the Executive Committee, through the People Committee, in relation to managing identified health and safety risks.

Audit Committee—reports directly to the Chief Executive Officer. It has an independent chair and the majority of its members are not officials of the agency. The committee's functions include reviewing and giving independent advice on the appropriateness of the agency's financial and performance reporting, as well as systems of internal control and risk oversight.

The Audit Committee includes an independent chair, three independent members, and two members from within the agency with relevant qualifications, knowledge, skills and experience to advise the agency's Accountable Authority and carry out the functions of the Audit Committee, as outlined in the Audit Committee Charter. The Audit Committee Charter is available at <https://www.servicesaustralia.gov.au/organisations/about-us/corporate-publications-and-resources/audit-and-risk-committee-charter>

The Chief Financial Officer, General Manager Governance, Audit and Risk, National Manager Agency Strategy and Secretariat, and Australian National Audit Office representatives also attend Audit Committee meetings as observers.

Table 42 provides details of Audit Committee independent members who at various times during the year sat on the committee. It also details the Services Australia committee members during the year.

Table 42: Audit Committee members 2019–20

Member name: qualifications, knowledge, skills or experience	Number of meetings attended	Maximum annual remuneration \$ (excluding GST)
<p>Jennifer Clark (Chair)</p> <p>Ms Clark has an extensive background in business, finance and governance through a career as an investment banker and as a non-executive director.</p> <p>Ms Clark is an independent board director and she has been the chair or member of over 20 audit, risk and finance committees in the Australian Government and private sectors over the past 30 years. Ms Clark is a Fellow of the Australian Institute of Company Directors and has substantial experience in financial and performance reporting, audit and risk management.</p>	9	\$109,253.76
<p>Carol Lilley (member, Chair of Financial Statement Sub-Committee)</p> <p>Ms Lilley is an independent board director and chair or member of a number of Australian Government audit committees. She was a partner at PricewaterhouseCoopers and has over 20 years' experience in financial statement audit, internal audit, and project and risk management, with a particular focus on government.</p> <p>Ms Lilley holds a Bachelor of Commerce from the University of Western Australia. She is a graduate of the Australian Institute of Company Directors, a Fellow of Chartered Accountants Australia and New Zealand, a certified internal auditor, and was a registered company auditor.</p>	9	\$56,625.00

Member name: qualifications, knowledge, skills or experience	Number of meetings attended	Maximum annual remuneration \$ (excluding GST)
<p>Andrew Dix (member)</p> <p>Mr Dix holds the degree of Bachelor of Commerce, majoring in Accounting, Economics, and Commercial Law. Mr Dix was a board member of the Institute of Internal Auditors in Australia from 2005 to 2012, and served as National President from 2009 to 2011. Mr Dix retired from Telstra Corporation as the Executive Director responsible for Risk Management and Internal Audit. He is now on the boards of the University of Technology, Western Leisure Services Pty Ltd and the Victorian Farmers Federation. He is also the Chair of the Bureau of Meteorology Audit and Risk Committee.</p> <p>Mr Dix is a Fellow of the Institute of Chartered Accountants, a Certified Member of the Institute of Internal Auditors, and a Graduate Member of the Australian Institute of Company Directors.</p>	9	\$61,478.71
<p>Shireane McKinnie PSM (member)</p> <p>Ms McKinnie has extensive experience in acquisition and sustainment of defence systems and governance of complex enterprises gained through many years of experience in senior executive leadership positions. She holds a number of governance positions in the public and private sectors as a Board Chair, Director and Audit Committee member.</p> <p>She was awarded the Public Service Medal for outstanding achievement in the field of engineering and defence acquisition, and an Honorary Fellowship of Engineers Australia for conspicuous service to the engineering profession. Ms McKinnie is a member of the Australian Institute of Company Directors.</p>	9	\$56,625.00

Member name: qualifications, knowledge, skills or experience	Number of meetings attended	Maximum annual remuneration \$ (excluding GST)
Services Australia committee members		
Amanda Cattermole PSM Chief Operating Officer, Amanda Cattermole is responsible for the agency's governance, ministerial and parliamentary services and corporate functions including finance, human resources, audit, legal, property and procurement. Ms Cattermole was appointed as the Chief Operating Officer on 27 March 2020.	1	0 ^(a)
Paul Creech Paul Creech is responsible for the agency's health program and payments, including aged care, Medicare, the Pharmaceutical Benefits Scheme, private health insurance, the Australian Immunisation Register, and the Practice Incentives Program, as well as a range of specialty health programs.	9	0 ^(a)

Member name: qualifications, knowledge, skills or experience	Number of meetings attended	Maximum annual remuneration \$ (excluding GST)
Former Services Australia members		
Roxanne Kelley PSM GAICD Roxanne Kelley is a highly qualified senior public servant having held numerous senior positions within various departments of the Australian Public Service, including the former Department of Human Services, the Department of Social Services, the Department of Defence, the former Australian Customs and Border Protection Service and Centrelink.	1	0 ^(a)
Jennifer Teece Ms Teece has widespread experience within the Australian Public Service as an employee since 1978. Throughout this period Ms Teece held numerous senior positions across various agencies and departments including the former Department of Social Security, Centrelink, the former Department of Human Services, the Department of Parliamentary Services and Services Australia.	5	0 ^(a)

(a) Australian public servants are not paid as Audit Committee members.

Financial Statements Sub-Committee—reports directly to the Audit Committee. It provides advice and assists the Audit Committee by overseeing the preparation of the Annual Financial Statements and the Certificate of Compliance. It also considers financial matters referred by the Audit Committee.

FRAUD CONTROL

In accordance with section 10 of the *Public Governance, Performance and Accountability Rule 2014*, Services Australia has prepared fraud risk assessments and fraud control plans, and we have taken all reasonable action to prevent, detect and respond to fraud.

For more information about fraud control see *Compliance and business integrity* on page 38.

PUBLIC TIP-OFFS

Tip-offs about suspected public health, welfare and child support fraud are integral to maintaining compliance integrity and contribute to community confidence in our social support system.

Specialist staff assess all public tip-offs and work alongside our compliance and intelligence partners to identify emerging concerns.

People can share tip-off information with Services Australia by:

- visiting the Reporting Fraud page on our website **servicesaustralia.gov.au** and filling out the online form, or
- phoning the Australian Government Services Fraud Tip-off Line on **131 524**.

In 2019–20 the agency received more than 22,300 tip-offs through the Australian Government Services Fraud Tip-off Line and more than 66,900 tip-offs from other sources.

PURCHASING

Accountable Authority Instructions are an important element of the Services Australia control framework. They give practical effect to matters in the PGPA Act framework, including procurement and other key requirements for officials in the agency. We periodically review our instructions to ensure they remain aligned with the PGPA Act framework, other requirements, and reflect best practice. The most recent changes to the instructions took effect on 1 February 2020 to align with the establishment of Services Australia.

4.2 External scrutiny

Services Australia's activities and operations are subject to scrutiny from a number of external bodies, among them the Australian National Audit Office, various parliamentary committees, the courts and administrative tribunals, the Australian Information Commissioner, the Privacy Commissioner and the Commonwealth Ombudsman.

JUDICIAL DECISIONS

In 2019–20 there were no judicial decisions that had a significant effect on the operations of Services Australia. However, two actions filed in the Federal Court in 2019 have had a significant impact on Services Australia's operations.

In *Amato v Commonwealth of Australia* (Federal Court of Australia, (VID611/2019)), the Federal Court issued consent orders on 27 November 2019, which noted that the assumption underlying the use of apportioned fortnightly income based on Australian Taxation Office (ATO) data ('income averaging') was not capable of supporting a conclusion that a debt had arisen in the circumstances.

On 20 November 2019 Gordon Legal commenced a class action against the Commonwealth as represented by Services Australia (*Prygodicz v Commonwealth of Australia*, (VID1252/2019)). This matter is currently before the Federal Court.

Taking account of these court actions, on 18 November 2019 Services Australia implemented changes to its compliance programs so that it would no longer raise debts in sole reliance on apportioned ATO data. On 29 May 2020, the Government announced a decision to refund all repayments made on Income Compliance Program debts that were raised wholly or partially using income averaging of ATO data. The value of debt repayments to be refunded is estimated at \$721 million.

ADMINISTRATIVE APPEALS TRIBUNAL

If a person disagrees with a decision made by Services Australia in relation to social welfare payments, they may, after a formal internal review by an Authorised Review Officer, apply for merits review by the Social Services and Child Support Division of the Administrative Appeals Tribunal (AAT) first review. A party who is dissatisfied with the outcome of an AAT first review may apply for further review of the decision by the AAT General Division (AAT second review).

The decisions most commonly challenged in the AAT in 2019–20 were raising or recovering debts; rejection of claims for Disability Support Pension; rate of payment; start date of payment; and cancellation of payment or benefit.

In 2019–20 the AAT made no decisions that had, or may have, a significant effect on the operations of Services Australia.

Table 43: Social welfare payments merits review applications and outcomes 2019–20

	Applications received	Unchanged decisions ^(b)	Changed decisions
AAT first review	9,138	6,964	2,740
AAT second review—customer initiated	1,781	1,332	458
AAT second review—Secretary applications ^(a)	76	23	31

- (a) Refers to the Secretary of any department where the relevant minister is responsible, under the Administrative Arrangements Order, for that part of social security law that allows for appeal of a decision to the AAT.
- (b) Unchanged decisions include applications for review that were affirmed by the AAT, withdrawn or dismissed.

The Social Services and Child Support Division of the AAT is also responsible for independently reviewing objections to child support decisions. The two most common reasons for parents seeking review of child support decisions by the AAT were change of assessment decisions, and disputed care arrangements for their children.

Table 44: Child support assessment merits review applications and outcomes 2019–20

	Applications received	Unchanged decisions	Changed decisions
AAT first review	2,594	1,439	880

DECISIONS OF THE AUSTRALIAN INFORMATION COMMISSIONER

In 2019–20 the Australian Information Commissioner made no decisions that had, or may have, a significant effect on the operations of Services Australia.

AUDITOR-GENERAL REPORTS

In 2019–20 the Australian National Audit Office (ANAO) tabled one performance audit—Report No. 30, *Bilateral Agreement Arrangements Between Services Australia and Other Entities*, tabled 2 April 2020—involving Services Australia and made three recommendations, all agreed by the agency.

The agency was not required to attend any public hearings of the committee during 2019–20 relating to ANAO performance audits.

For more information about this and other ANAO audit reports see anao.gov.au

PARLIAMENTARY COMMITTEE REPORTS

In 2019–20 Services Australia supported a range of parliamentary inquiries, which involved providing written submissions, attending public hearings and private briefings, and submitting answers to a large number of questions on notice. Support for inquiries included:

Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

On 25 July 2019 the Senate referred this matter to the Senate Community Affairs References Committee for inquiry and report. The agency provided input to a whole-of-government written submission on 30 September 2019. Agency representatives attended a public hearing on 10 October 2019. Agency responses to three questions on notice were tabled. The committee tabled its final report on 30 April 2020.

Centrelink's compliance program

On 31 July 2019 the Senate referred this matter to the Senate Community Affairs References Committee for inquiry and report. The agency provided a written submission on 20 September 2019. Agency representatives attended public hearings on 3 October 2019 and 16 December 2019. The agency provided 150 responses to questions on notice within the timeframe ordered by the Senate. The committee also invited the agency to provide a supplementary written submission by August 2020.

Human Services Amendment (Photographic Identification and Fraud Prevention) Bill 2019

On 1 August 2019 the Senate referred this bill to the Senate Community Affairs Legislation Committee for inquiry and report. The agency lodged a written submission on 2 September 2019. Agency representatives attended a public hearing on 16 September 2019. Agency responses to five questions on notice were tabled. The committee tabled its final report on 17 October 2019.

Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019

On 1 August 2019 the Senate referred this bill to the Senate Community Affairs Legislation Committee for inquiry and report. The agency provided input to the written submission by the Department of Social Services, lodged on 19 August 2019. Agency representatives attended a public hearing on 30 August 2019. The agency response to one question on notice was tabled. The committee tabled its final report on 5 September 2019. The Government response to the report was tabled on 17 February 2020.

Impact of changes to service delivery models on the administration and running of Government

On 1 August 2019 the Senate referred this matter to the Senate Legal and Constitutional Affairs References Committee for inquiry and report. The agency provided a written submission on 23 August 2019. The committee tabled its final report on 27 February 2020.

Identity-Matching Services Bill 2019 and the Australian Passports Amendment (Identity-matching Services) Bill 2019

The Parliamentary Joint Committee on Intelligence and Security reviewed these bills. The agency lodged a written submission on 10 September 2019. The committee tabled its final report on 24 October 2019.

Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019

On 12 September 2019 the Senate referred this bill to the Senate Community Affairs Legislation Committee for inquiry and report. The agency and the Department of Social Services lodged a joint written submission on 11 October 2019. Agency representatives attended a public hearing on 14 October 2019. The committee tabled its final report on 7 November 2019.

Social Services Legislation Amendment (Drug Testing Trial) Bill 2019

On 12 September 2019 the Senate referred this bill to the Senate Community Affairs Legislation Committee for inquiry and report. The agency provided input to the written submission by the Department of Social Services, lodged on 27 September 2019. Agency representatives attended a public hearing on 2 October 2019. Agency responses to four questions on notice were tabled. The committee tabled its final report on 10 October 2019.

Australia's Family Law system

On 19 September 2019 the House of Representatives agreed to a Senate resolution to establish a Joint Select Committee on Australia's Family Law System. The agency provided input to the written submission by the Department of Social Services, lodged on 18 December 2019. Agency representatives attended a public hearing on 14 February 2020. Agency responses to two questions on notice were tabled.

Family Assistance Legislation Amendment (Building on the Child Care Package) Bill 2019 [Provisions]

On 19 September 2019 the Senate referred the provisions of the bill to the Education and Employment Legislation Committee for inquiry and report. The agency lodged a written submission on 1 October 2019. The committee tabled its final report on 11 October 2019.

Farm Household Support Amendment (Relief Measures) Bill (No. 1) 2019 [Provisions]

On 17 October 2019 the Senate referred the provisions of the bill to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report. The agency provided input to the submission by the then Department of Agriculture, lodged on 24 October 2019. The committee tabled its final report on 7 November 2019.

Services, support and life outcomes for autistic people and the associated need for a National Autism Strategy

On 27 November 2019 the Senate established a Select Committee on Autism to inquire into and report on the services, support and life outcomes for autistic people in Australia and the associated need for a National Autism Strategy. The agency was invited to provide a submission by the due date of 17 July 2020.

National Consumer Credit Protection Amendment (Small Amount Credit Contract and Consumer Lease Reforms) Bill 2019 (No. 2)

On 5 December 2019 the Senate referred this bill for inquiry and report. Agency representatives attended a public hearing on 13 March 2020. Agency responses to 14 questions on notice were tabled.

Lessons to be learned in relation to the bushfire season 2019–20

On 5 February 2020 the Senate referred this matter to the Finance and Public Administration References Committee for inquiry and report. The agency provided a written submission to the committee on 29 May 2020.

Paid Parental Leave Amendment (Flexibility Measures) Bill 2020

On 6 February 2020 the Senate referred this bill to the Senate Community Affairs Legislation Committee for inquiry and report. The agency provided input to the written submission by the Department of Social Services, lodged on 6 March 2020. The committee tabled its final report on 19 March 2020.

Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020

On 6 February 2020 the Senate referred this bill to the Senate Community Affairs Legislation Committee for inquiry and report. The agency provided input to a whole-of-government submission, lodged on 14 February 2020. Agency representatives attended a public hearing on 17 February 2020. Agency responses to two questions on notice were tabled. The committee tabled its final report on 20 February 2020.

Australian Government's response to the COVID-19 pandemic

On 8 April 2020 the Senate established a Select Committee on COVID-19 to inquire into and report on the Australian Government's response to the pandemic. The agency attended a public hearing on 30 April 2020 and answered 70 questions on notice.

COMMONWEALTH OMBUDSMAN REPORTS

Services Australia maintains a collaborative and productive working relationship with the Office of the Commonwealth Ombudsman. Services Australia monitors the implementation of recommendations from reports published by the Commonwealth Ombudsman.

In 2019–20 the Commonwealth Ombudsman did not publish any reports about Services Australia.

AGENCY CAPABILITY REVIEWS

In 2019–20 no capability reviews were conducted into Services Australia.

4.3 Our people

SERVICES AUSTRALIA CULTURE

Culture continues to be an important priority for the agency to support day-to-day service delivery operations, as well as the broader transformation agenda.

In November 2019 an all-staff survey was conducted to establish an organisational culture baseline. The survey focussed on five core cultural attributes—customer focus; innovation; collaboration; respect; and empowerment.

Analysis of the survey results will help guide future culture initiatives and broader workforce strategies.

EXECUTIVE AND MANAGEMENT STRUCTURE

Figure 2 outlines the organisational structure for Services Australia at 30 June 2020. It shows the reporting lines from General Managers (GMs) to Deputy CEOs, and from Deputy CEOs to the Chief Executive Officer (CEO).



Rebecca Skinner
Chief Executive
Officer

Figure 2: Organisational structure at 30 June 2020



**Charles
McHardie**

Deputy Chief
Executive Officer
*Transformation
Projects*



**Michelle
Lees**

Deputy Chief
Executive Officer
*Customer Service
Delivery*



**Russell
Egan A/g**

Deputy Chief
Executive Officer
*Customer Service
Design*

Lisa Carmody
Chief of Staff

Greg Divall
GM, Business
Transformation

Stephen Planincic
GM, Delivery
Modernisation
Portfolio

Bianca Ruut A/g
GM, Enterprise
Project Management
Office

Nick Henderson A/g
GM, Health Strategy

Chris Horsley
GM,
Telecommunications
Services Programme

Michelle Kelly
GM, Child Support,
Indigenous and
Tailored Services

Matt Clarke A/g
GM, Digital Services

Sandy Mamo A/g
GM, Face to Face
Services

Alastair Glass
GM, Operations
Management

Susan Black
GM, Health Service
Delivery

Mark le Dieu
GM, Service Delivery
Excellence

Jennifer Rufati
GM, Smart Centres
Operations

Debbie Mitchell
GM, COVID-19
Closure Taskforce

Maree Bridger
GM, Customer
Outcomes

Kirsty Faichney
GM, Families,
Child Support and
Veterans

Vanessa Beck A/g
GM, Health and Aged
Care Programmes

Brendan Moon A/g
GM, Social Services
and Welfare
Programme



**Michael
McNamara**

Chief Information
Officer
CIO Group

Fay Flevaras

GM, Architecture and
Innovation

Suzanne Aitken

GM, ICT Strategy and
Implementation

Brynten Taylor A/g

GM, Infrastructure
and Operations

Peter Qui

GM, Production
Systems Delivery
Centre

Matt Smith A/g

GM, Adelaide Delivery
Centre

Bob Lyons

GM, Brisbane
Delivery Centre

Garrett McDonald

GM, Canberra
Delivery Centre

Andrew Larkin

GM, WPIT ICT



**Paul
Creech A/g**

Deputy Chief
Executive Officer
*Payments and
Integrity*

Anthony Seebach

GM, Business
Integrity

Robert McKellar A/g

GM, Compliance
Assurance

Jason McNamara

GM, Debt and
Appeals

Matt Corkhill A/g

GM, Integrity
Modernisation



**Amanda
Cattermole**

Chief Operating
Officer
*Corporate
Enabling*

Angela Diamond

Chief Financial
Officer

Craig Storen

GM, Governance,
Audit and Risk

Lisa Keeling A/g

Chief Counsel,
Legal Services

Ian Fitzgerald

GM, People

Robert Higgins

GM, Portfolio Shared
Services

Rachel Houghton

GM, Workforce
Innovation



**Grant
Tidswell**

Deputy Chief
Executive Officer
*Strategy and
Performance*

Hank Jongen

Agency
Spokesperson

Maria Milosavljevic

Chief Data Officer

Susie Smith

GM, Communications

Lisa Carmody A/g

GM, Enterprise
Strategy

William Garton A/g

GM, Enterprise
Transformation

THE EXECUTIVE

Chief Executive Officer—Responsible for supporting the Minister for Government Services in the delivery of portfolio responsibilities and the development of strategic policy advice. The CEO provides strategic oversight, leadership and management of the agency, ensuring collaborative implementation and delivery of government policy and programs and a whole-of-government approach to service delivery. The CEO also manages key stakeholder relationships and contributes to the stewardship of the Australian Public Service.

Deputy Chief Executive Officer, Major Transformation Projects—Responsible for projects across the agency, with core responsibility for major programs including Welfare Payment Infrastructure Transformation, Health Delivery Modernisation, Veteran Centric Reform, Telephony and Enhanced myGov.

Deputy Chief Information Officer, Customer Service Delivery—Responsible for the agency's face-to-face Service Centres, as well as phone and processing centres which deliver a range of government services including Child Support, Centrelink, the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme and other health and aged care programs. The DCEO is also responsible for coordinating the agency's responses to emergencies and for developing and delivering the agency's Indigenous and multicultural servicing strategies. The DCEO is the Chief Executive Centrelink under section 7(2)(b) of the *Human Services (Centrelink) Act 1997*.

Deputy Chief Executive Officer, Customer Service Design—Responsible for the design and overall program management of the services delivered by Services Australia, including social welfare, health and aged care services. The DCEO leads the Strategic Data and Analytics Sub-Group, which is responsible for delivering a customer-focused approach to designing user experiences, and for relationships with partner agencies across the Australian Government.

Chief Information Officer—Responsible for developing and delivering the agency's information and communications technology (ICT) capability. This includes ensuring the reliability of the agency's ICT systems, partnering with technology providers and shared services to develop fit-for-purpose technology to support the agency's future direction, and contributing to the Government's broader digital agenda. The Chief Information Officer works closely with the Chief Transformation Officer to deliver the agency's transformation strategy.

Deputy Chief Executive Officer, Payments and Integrity—Responsible for administering the agency's fraud, non-compliance and payment integrity programs, including management of debt recovery and appeals processes. These measures aim to protect the integrity of government outlays for health and welfare services.

Chief Operating Officer, Corporate Enabling—Responsible for the agency's governance, ministerial and parliamentary services, and corporate functions including finance, human resources, audit, legal, property and procurement.

Deputy Chief Executive Officer, Strategy and Performance—Responsible for operating the strategic centre for the agency by setting the strategic direction and enterprise transformation agenda. The DCEO is also responsible for monitoring and reporting on progress on the agency's strategy and performance.

REMUNERATION FOR SENIOR EXECUTIVES

The CEO establishes salary ranges for Senior Executive Service (SES) staff based on:

- the Australian Government Workplace Bargaining Policy 2018
- the annual Australian Public Service SES remuneration survey
- the performance of the agency
- value for money.

The CEO reviews salaries for individual SES staff each year after the end of the annual performance cycle. As well as individual performance, the CEO takes into account factors such as organisational performance, comparable remuneration data, and the size and complexity of the role.

Table 45: Salary ranges for SES classifications effective at 30 June 2020

Classification	Salary range ^(a)
SES Band 3	\$315,300–\$374,600
SES Band 2	\$223,700–\$275,800
SES Band 1	\$167,600–\$216,000

(a) The salary ranges in the table cover base salary rates only. They do not include motor vehicles allowance, reportable fringe benefits or other allowances. The CEO may approve salary rates outside of these ranges.

See Appendix B for remuneration for key management personnel and other highly paid staff.

WORKPLACE PROFILE

OUR STAFF

At 30 June 2020 Services Australia employed 31,753 people, of whom 27,549 (86.8 per cent) were ongoing, 805 (2.5 per cent) were non-ongoing and 3,399 (10.7 per cent) were irregular/intermittent.

Changes to the agency's workforce size reflect government priorities, Budget measures, service delivery demands, ongoing efficiencies and natural attrition. See Appendix B for statistics by classification, location, employment status, employment type, gender, and Aboriginal and Torres Strait Islander identity. It also sets out salary ranges and employment arrangements.

WORKFORCE STRATEGIES AND PLANNING

In 2019 Services Australia developed its *2019–23 Strategic Workforce Plan*. This is an overview of the changing expectations of our business, the internal and external factors influencing workforce change, and workforce planning priorities. During the year the agency's workforce planning capability enabled quick mobilisation of surge personnel in response to the bushfires and the COVID-19 pandemic (see *Responses to emergencies* on page 49 and *COVID-19 pandemic* on page xv).

RECRUITMENT AND REDEPLOYMENT

Through the Job Placement Scheme, Services Australia is committed to retaining and redeploying staff whose roles may be affected by organisational change. The scheme aims to ensure that the agency retains valuable skills, experience and capabilities. In 2019–20 171 people in the Job Placement Scheme were found ongoing positions or left the agency.

In 2019–20 the agency advertised approximately 336 vacancy notices in the APS employment gazette, generating approximately 31,660 applications. We also use labour hire and other contractors to supplement the ongoing workforce as needed.

NATIONAL GRADUATE PROGRAM

The agency's National Graduate Program offers both professional and generalist pathways to successful applicants. The 2020 intake comprised 20 professional and 37 generalist pathway participants.

DIGITAL APPRENTICESHIP AND DIGITAL CADETSHIP PROGRAMS

The Digital Apprenticeship program offers a career for people finishing year 12 or looking for a career change. In 2020 one apprentice joined Services Australia.

The Digital Cadetship program gives cadets opportunities to gain on-the-job skills while still studying at university. In 2020 11 cadets started in the agency.

DIVERSITY AND INCLUSION

Services Australia is committed to creating workplaces that are accessible and inclusive for all staff. In 2019–20 the agency continued to implement the *Workplace Inclusion and Diversity Strategy 2019–23*. This strategy acknowledges the importance of diversity and inclusion to the agency, and sets out renewed commitments to realise positive employment experiences and outcomes for all staff. This includes people who identify from one or many diversity groups.

CULTURAL AND LINGUISTIC DIVERSITY

Services Australia recognises the value and importance of cultural and linguistic diversity. This includes membership of the Government's National Anti-Racism Partnership, which is implementing the National Anti-Racism Strategy.

The agency also has multicultural awareness training for staff. In 2019–20 over 10,750 staff received this training, compared to 14,573 staff in 2018–19. Training paused as a result of COVID-19. The agency also celebrated events of significance such as Harmony Day and Refugee Week.

Services Australia pays a Community Language Allowance to staff in line with the *Department of Human Services Enterprise Agreement 2017–2020* (see also *Language services* on page 46).

EMPLOYMENT OF PEOPLE WITH DISABILITY

Services Australia continued its commitment to disability inclusion through the implementation of our *Workplace Inclusion and Diversity Strategy 2019–23* and *Inclusion Action Plan 2019–20*.

The strategy and plan outline recruitment and retention strategies for attracting, supporting and retaining people with disability. In 2019–20 the agency implemented and piloted new programs and initiatives, including:

- internship opportunities through the Australian Network On Disability 'Stepping Into Program'
- a disability employment pathway for university graduates with disability through our National Graduate Program
- a traineeship pilot program for Year 12 school leavers with disability.

Through a contract arrangement with Koomarri, the agency also supports employment of people with intellectual disability who work in administrative and office support services.

EMPLOYMENT OF PEOPLE ON THE AUTISM SPECTRUM

During 2019–20 Services Australia continued its commitment to employment opportunities for people on the autism spectrum. An additional 10 people were engaged in three-year ICT traineeships through the Dandelion and Autism Talent Hub programs. Under these programs the agency has created a total of 51 employment opportunities since 2015.

Another nine people were engaged in specialist fraud and compliance roles during 2019–20 as part of the Aurora Program, a neurodiversity initiative developed in partnership with Specialisterne Australia—a specialist provider in employment of people with autism.

OTHER DIVERSITY INITIATIVES

Other initiatives to promote workplace diversity in 2019–20 included:

- participating in the 2019 Australian Workplace Equality Index, where Services Australia achieved Bronze Employer status
- developing an Adoption, Fostering and Surrogacy Leave Information Sheet
- developing a Gender Affirmation Information Sheet
- participating in the Australian Network on Disability Access and Inclusion Index, with the agency placed in the top five organisations for disability inclusion
- launching a new LGBTI+ resource hub
- hosting five staff diversity networks to share information and to support Indigenous staff, staff with disability, mature age staff, staff with culturally and linguistically diverse backgrounds, and LGBTI staff.

WORKPLACE ACCESSIBILITY

In 2019–20 Services Australia provided support, training and advice to approximately 450 staff with disability who use assistive technology software, and to 350 staff with disability who use accessible telecommunications products. The agency also maintained an accessibility service desk which aims to remove barriers to workplace participation for employees with accessibility requirements.

During the year Services Australia continued to deliver accessibility support shared services to the:

- Department of Social Services
- National Disability Insurance Agency
- Australian Taxation Office
- Department of Veterans' Affairs
- National Disability Insurance Agency Quality and Safeguards Commission.

CARER RECOGNITION ACT 2010 REPORT

Services Australia complies with its obligations under the *Carer Recognition Act 2010* and adheres to the principles of the Statement for Australia's Carers. Internal human resources policies take account of the Statement for Australia's Carers in areas that may significantly affect an employee's caring role.

The agency supports staff with caring responsibilities through:

- flexible working arrangements
- part-time work
- home-based work
- an elder care advisory service
- the agency's Employee Assistance Program.

We also work with partner agencies to ensure that carer policies and service delivery align with the statement and the six priority areas identified in the Australian Government's *National Carer Strategy Action Plan (2011–2014)*.

EMPLOYMENT OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

At 30 June 2020 Services Australia had 1,753 Aboriginal and Torres Strait Islander staff self-identifying. This equates to 5.5 per cent representation across Services Australia.

Under section 26 of the APS Public Commissioner's Directions, government agencies can advertise employment opportunities restricted to Aboriginal and Torres Strait Islander applicants only. In 2019–20 we placed 192 Indigenous-only vacancy advertisements in the APS employment gazette. From these, 64 Indigenous people were recruited to the agency.

SUPPORTING ABORIGINAL AND TORRES STRAIT ISLANDER STAFF

During the year activities under the agency's *Aboriginal and Torres Strait Islander Employees Strategy 2018–22* included:

- continuing participation in the Indigenous Mentoring Program, the Indigenous Buddy Program, Indigenous Employee Network meetings, regional presence forums
- aligning the Indigenous Cultural Capability Framework with the Australian Public Service Commission's Aboriginal and Torres Strait Islander Cultural Capability Framework
- launching the Indigenous Cultural Capability Learning Pathway, which aims to ensure all employees have the knowledge, skills and practices to perform their duties in a culturally informed way
- 7,007 staff accessing and completing Indigenous cultural awareness eLearning training, and 1,222 participating in second tier face-to-face training
- four internal Indigenous Champions who advocate for improved recruitment, retention and developmental outcomes for Aboriginal and Torres Strait Islander employees.

INDIGENOUS GRADUATES

In 2019–20 six applicants applied for the 2020 National Graduate Program through the Affirmative Measure—Indigenous provisions, and one Indigenous graduate was recruited into the program.

INDIGENOUS APPRENTICESHIPS PROGRAM

The entry-level Indigenous Apprenticeships Program is a whole-of-government program designed to attract Aboriginal and Torres Strait Islander peoples into the APS. In 2019–20 179 apprentices commenced with the agency under this program. Services Australia supported an additional 67 apprentices to commence across our 18 partner agencies.

RECONCILIATION

Services Australia is a committed reconciliation leader in the APS. The agency's *Reconciliation Action Plan (RAP) 2018–22* outlines how we will contribute to better outcomes for all Aboriginal and Torres Strait Islander peoples.

The RAP complements two other agency internal Indigenous strategies—the *Indigenous Servicing Strategy 2018–22* and the *Aboriginal and Torres Strait Islander Employees Strategy 2018–22*. These two strategies support reconciliation by ensuring the agency is an employer of choice for Aboriginal and Torres Strait Islander people and that services are designed to meet Indigenous service standards.

In 2019–20 the agency achieved 27 of its 32 commitments against the 2019–20 RAP targets. Some of the actions in the RAP were realigned to 2020–21 to reflect the disruption caused by the COVID-19 pandemic.

PERFORMANCE MANAGEMENT

Services Australia's performance management process is designed to foster a culture of high performance by providing staff with a clear link between their work effort and agency priorities.

In 2019–20 96.1 per cent of Services Australia staff negotiated individual performance agreements with their managers. Nearly all of those who did not (3.9 per cent) were on long-term leave or had not yet completed more than eight weeks of duties during the performance cycle.

LEARNING AND DEVELOPMENT

DEVELOPING SERVICE DELIVERY STAFF SKILLS

In 2019–20 Services Australia completed a review of its Service Skills Learning Program. This program develops the service and communication skills of service delivery staff, and builds competencies in de-escalation techniques and dealing with aggressive behaviours.

The review found that the development, implementation and uptake of the program was an effective intervention to assist staff in dealing with customer aggression. Following the review, the program will apply new opportunities to increase the program's impact.

LEADERSHIP PROGRAMS AND TALENT MANAGEMENT

The Executive Development Program is a talent and leadership development program targeted to high performing and high potential Executive Level 2, SES Band 1 and SES Band 2 staff. Between July 2019 and March 2020, 51 participants completed the program across three cohorts. Each cohort had a blend of staff at all three levels. The learning component consisted of four leadership modules. In total, the agency delivered 12 modules to the three cohorts.

National Leadership Programs strengthen the resilience and leadership qualities of more than 5,000 managers and supervisors across the agency. Learn2Lead (for APS5 and 6 level staff), Lead2Inspire (for Executive Level 1 staff), and Exceed (for Executive Level 2 staff) each provide six days of leadership training spread over nine months. In 2019–20:

- 266 participants completed the EL2 Leadership program across 10 cohorts
- 539 participants (31 cohorts) attended the Learn2Lead program
- 94 participants commenced in the Lead2Inspire program, with the first workshop delivered in November 2019.

DEVELOPING INDIGENOUS LEADERSHIP AND MANAGEMENT

Services Australia offers a number of cultural and career development opportunities to support the leadership and development of Aboriginal and Torres Strait Islander staff. During the year:

- nine Indigenous employees graduated from the Australian Graduate School of Management Executive Leadership program and four employees commenced the program
- one Indigenous Senior Executive had a placement with the Stories of Female Leadership Malparara Leadership Program
- six Indigenous staff participated in the Coolamon Advisors' Talent Management program for APS levels 5 and 6
- two Indigenous staff took part in the APS excELerate Program
- two Indigenous scholars were supported with their first undergraduate degree through the Australian Government Indigenous Scholarship Program
- four Indigenous staff were supported to undertake Pat Turner Scholarships.

DIGITAL LEARNING

Services Australia continues to prioritise awareness of digital technologies for learning. A growing proportion of staff are engaging with technology to increase their capability in the workplace, and support the agency's digital transformation. In 2019–20 the agency:

- used virtual learning extensively during the COVID-19 pandemic response to train new staff quickly in customer service delivery functions
- offered a variety of learning programs that use virtual meeting technology
- focussed on building staff awareness of digital learning
- launched a self-service learning intranet site
- introduced a mobile device application which enables staff to access a wide range of learning products at any time.

STAFF ENGAGEMENT AND RECOGNITION

NATIONAL CONSULTATIVE COMMITTEE

In 2019–20 the agency's peak staff consultation body, the National Consultative Committee, met five times to discuss matters of strategic significance for staff, including new technologies and systems.

EXTERNAL AWARDS

In 2019–20 the following public sector and private sector industry association awards programs recognised individuals and teams from Services Australia:

- Public Service Medal—Australia Day Honours:
 - Penny Damianakis for exemplary leadership in the provision of Centrelink services to vulnerable customers and refugee communities
- Public Service Medal—Queen's Birthday Honours:
 - Norman Wotherspoon for his outstanding leadership by going above and beyond to support his community and staff
 - Alan Davidson for his exceptional leadership, tireless effort and commitment to the Single Touch Payroll project
 - Cheryl Jenkins for her unerring commitment to both her staff and her customers, and for being a role model to her fellow social workers
- Institute of Public Administration Australia Innovation Awards—Culture and Capability: Finalist—Innovation across Human Services—Make it Happen project
- Australian Institute of Training Development Excellence Awards—Best Diversity and Inclusion Program: Gold Winner—SES Changing Mindsets Program

- Australian Institute of Training Development Excellence Awards—Best Leadership Development Programme: Finalist—EL2 Leadership Program
- Australian Association of Graduate Employers—Graduate Recruitment Industry Awards: Finalist—National Graduate Program
- Digital Transformation Agency—Australian Government Digital Awards: Finalist—New Payments Platform Real Time Payments Capability for Department of Human Services Customers project
- Chartered Accountants Australia and New Zealand: Finalist—Robert Mintel.

INTERNAL AWARDS

Service Australia's Awards and Honours Program recognises and rewards excellent performance. Its main national award program is for exceptional service delivery, successful innovation, inspiring leadership, and business excellence for individuals and teams. In 2019–20:

- Two individuals and six teams won Pinnacle Achievement Awards for their exceptional contribution and performance, and 24 nominees were highly commended.
- Ten staff were recognised in the Australia Day Achievement Awards for their commitment and dedication to their work.
- Two individuals and three teams won achievement awards for Indigenous servicing, and two individuals were highly commended for their work in Indigenous servicing.

PERFORMANCE PAY

Services Australia made no performance payments in 2019–20.

EMPLOYMENT ARRANGEMENTS

ENTERPRISE AGREEMENTS

The *Department of Human Services Enterprise Agreement 2017–2020* offers a range of allowances for staff who meet eligibility criteria. For example, social workers can claim reimbursement for professional association membership fees associated with the performance of their duties.

Some staff can access salary sacrifice benefits, including additional superannuation and leased motor vehicles. Non-salary benefits can include a health insurance discount. Some SES staff have a car park at their local office.

The 2017–2020 agreement expires on 2 November 2020. An option for future pay increases to be provided through a determination under section 24(1) of the *Public Service Act 1999*, with no other changes to conditions, was accepted by 93 per cent of voting staff. On 23 December 2019, the then Secretary made a determination to give effect to pay and allowance increases of 2 per cent on 3 November 2020, 3 November 2021 and 3 November 2022.

As a result of the COVID-19 pandemic, in April 2020 the Government decided to defer salary increases for six months in Australian Government employment. Our initial 2 per cent pay increases were deferred from 3 November 2020 and will take effect on 3 May 2021.

The agency helps staff balance their work and personal commitments through access to flexible working hours. At 30 June 2020, 7,573 staff members (23.85 per cent) worked part time (excluding irregular/intermittent staff).

INDIVIDUAL FLEXIBILITY ARRANGEMENTS

In exceptional circumstances, Services Australia makes individual flexibility arrangements with staff. For example, individual flexibility arrangements are used to attract and retain staff in remote and isolated places. In 2019–20 the agency had 95 individual flexibility arrangements.

4.4 Shared services and partnerships

SHARED SERVICES

Services Australia continued to offer shared services in 2019–20, with the agency providing corporate and ICT services to the National Disability Insurance Agency and the Department of Veterans' Affairs.

The suite of corporate shared services includes procurement, assistive technology support, human resources and payroll services, credit card management, accounts payable and receivable, travel, fleet management, records management, co-located accommodation, and security. The agency also delivers internet gateway services for nine Australian Government entities.

PARTNERSHIPS WITH AUSTRALIAN GOVERNMENT AGENCIES

Services Australia delivers payments and services on behalf of a wide range of Australian Government agencies. We also support collaboration between Australian Government agencies through data exchange; shared expertise on customer-centric approaches and user testing; service delivery co-design; corporate shared services; co-location; myGov and ICT infrastructure support; and the National Emergency Call Centre Surge Capability.

The agency works collaboratively with other agencies on whole-of-government initiatives. For example, the agency has a strong collaborative relationship with the Digital Transformation Agency to deliver:

- the Australian Government's largest digital platform, myGov
- whole-of-government Digital Identity capabilities, in partnership with the Department of Home Affairs, the Department of Foreign Affairs and Trade, and the Australian Taxation Office
- whole-of-government architecture, by working with the Digital Transformation Agency and other agencies to make targeted investments in government capabilities which lead to reuse and savings.

PARTNERSHIPS WITH STATE AND TERRITORY GOVERNMENTS AND OTHER ORGANISATIONS

Services Australia manages bilateral arrangements with state and territory government agencies and with some third-party organisations. These arrangements include services such as rent deduction, prison servicing, National Emergency Call Centre Surge Capability, and sharing premises.

COMMUNITY PEAK BODY PARTNERSHIPS

Service Australia's Civil Society Advisory Group (CSAG) currently comprises 10 peak body organisations. CSAG represents a rich and diverse network of communities across Australia, from people with disability, carers, seniors and young people, to people from culturally and linguistically diverse backgrounds and people affected by poverty, disadvantage and inequality. CSAG members are valued for their rich insight on customer experiences and advice on where we could make improvements. The agency can draw on CSAG's expertise at any time for input on service design and delivery topics.

INTERNATIONAL PARTNERSHIPS

Services Australia administers formal social security agreements with 31 countries. These agreements outline the shared responsibility for social security coverage and entitlements when people move between the agreement countries. In 2019–20 80,210 people received an Australian pension under international agreements.

4.5 Consultants

CONSULTANCY CONTRACTS

Services Australia engages consultants to provide specialist professional services, independent research or assessment and necessary skills that are otherwise unavailable in the agency. Services Australia's need for consultants is determined by its particular requirements at a point in time and therefore can vary significantly from year to year.

The agency categorises consultancy contracts in accordance with the *Public Governance, Performance and Accountability Rule 2014* for annual reports and the guidance from the Department of Finance on reporting consultancies. In addition to the requirements of the agency's procurement guidelines and policies, all consultancy service proposals undergo a compliance assessment by two procurement specialists before they go to the relevant delegate for approval.

During 2019–20 35 new consultancy contracts were entered into, involving total actual expenditure of \$12,650,418 (including GST).

In addition, 20 active ongoing consultancy contracts were still in place during the period, involving total actual expenditure of \$5,236,324 (including GST), bringing total expenditure on consultancy services for the year to \$17,886,742.

Table 46 shows total expenditure (including GST) on consultancy contracts for 2019–20 and the previous two financial years.

Table 46: Expenditure on consultancy services

	2017–18 \$ (including GST)	2018–19 \$ (including GST)	2019–20 \$ (including GST)
New consultancy services expenditure	8,069,859	16,373,253	12,650,418
Ongoing consultancy services expenditure	1,133,992	4,577,554	5,236,324
Total consultancy services expenditure	9,203,851	20,950,807	17,886,742

Annual reports contain information about actual expenditure on contracts for consultancies. For information on the value of contracts and consultancies see tenders.gov.au

4.6 Other mandatory reporting information

ANAO ACCESS CLAUSE

All the agency's contract templates include a standard clause giving the Auditor-General appropriate access to a contractor's premises and records.

EXEMPT CONTRACTS

In 2019-20 the agency had no exempt contracts.

PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS

Services Australia recognises the importance of ensuring that small businesses are paid on time. For the results of the Government Pay On-Time Survey to small business see employment.gov.au/pay-time-survey-results

We support small business participation in the Australian Government procurement market. For information about Small and Medium Enterprise (SME) participation see finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts

The agency supports SMEs through a range of procurement measures including:

- using the Commonwealth Contracting Suite for low-risk procurements valued under \$1 million
- implementing the Supplier Diversity Strategy to increase the level of activity between the agency and supplier groups such as Australian Disability Enterprises and Indigenous SMEs
- being a member of Supply Nation—a non-profit organisation that supports growth in the Aboriginal and Torres Strait Islander business sector by promoting supplier diversity
- mandatory reporting against the Australian Government's Indigenous Procurement Policy and the agency's Reconciliation Action Plan (RAP) on the number of contracts, contract values and expenditure for all Indigenous SMEs. In 2019–20 the agency spent \$35 million (including GST) with Aboriginal and Torres Strait Islander businesses, exceeding the RAP target of \$7 million
- using Australian Industry Participation Plans in whole-of-government procurement where applicable
- encouraging credit card use to expedite payments
- in support of the Supplier Pay On-Time or Pay Interest Policy, implementing a standard payment term of 20 business days and a five-day payment term for compliant e-invoicing capable suppliers.

ADVERTISING AND MARKET RESEARCH

COMMUNICATION AND ADVERTISING CAMPAIGNS

The agency did not undertake any communication or advertising campaigns in 2019–20.

ADVERTISING COSTS—MEDIA ADVERTISING

In 2019–20 the agency's total payments on advertising was \$1,683,735.62. This included spending on print and online advertising in areas such as recruitment, public notices and tenders.

Table 47: Payments associated with advertising at 30 June 2020

Payee	Purpose	Cost \$ (including GST)
Sensis Pty Ltd	White Pages	1,039,500.00
Universal McCann Pty Ltd	Advertising	644,235.62
Total		1,683,735.62

MARKET RESEARCH PAYMENTS

The agency commissioned vendors for projects and services as listed in Table 48.

Table 48: Payments associated with market research organisations at 30 June 2020

Vendor	Research type	Cost \$ (including GST)
Colmar Brunton Pty Ltd	Satisfaction research program	1,884,326
Instinct and Reason Pty Ltd	Health professionals and medical communication research	199,949
Instinct and Reason Pty Ltd	Rural and remote student communication research	16,500
Kookaburra Consulting	Community Agent Program customer survey	46,067
Lonergan Research Pty Ltd	Validation of Vision and Customer Experience	53,900

Vendor	Research type	Cost \$ (including GST)
Lonergan Research Pty Ltd	Recruitment of participants	187,767
McNair yellowSquares Pty Ltd	Website enhancement testing and evaluation	62,925
McNair yellowSquares Pty Ltd	Recruitment of participants	36,839
Whereto Research Based Consulting Pty Ltd	Services Australia brand and communication research	395,562
Total		2,883,835

DISABILITY REPORTING

Since 1994 Australian Government departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy (now the *National Disability Strategy 2010–2020*).

In 2007–08 reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. (See these reports at apsc.gov.au.) Since 2010–11 departments and agencies have no longer been required to report on these functions.

The *National Disability Strategy 2010–2020* sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. The development of a new 10-year National Disability Strategy for beyond 2020 was deferred due to the events surrounding the Australian response to the COVID-19 pandemic. The delays do not directly affect the provision of services for people with disability. For more information see dss.gov.au

For more information about the agency's specialised services and support for and engagement with carers and people with disability, see:

- *Carers* on page 9
- *People with disability* on page 9
- 'People with disability' at servicesaustralia.gov.au

FREEDOM OF INFORMATION

REQUIRED FOI REPORTING—INFORMATION PUBLICATION SCHEME

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. For information about Services Australia's IPS Plan see our website at servicesaustralia.gov.au

WORK HEALTH AND SAFETY

INJURY MANAGEMENT, WORK HEALTH AND SAFETY

Services Australia complies with its obligations under the *Work Health and Safety Act 2011*.

The agency's *Work Health and Safety Strategy* contains a commitment to reduce serious injury rates (claims resulting in one or more weeks of absence) by 30 per cent by 2022. The rate of serious injury for 2019–20 was a reduction of 87 per cent from the 2011–12 rate.

Supporting mental health and wellbeing at work remains a strong focus for the agency. We have a Mental Health Safety Policy to ensure the implementation of effective risk management and controls in relation to psychological health.

The agency has a number of initiatives to enable early return to work and, in turn, reduce the likelihood of matters progressing to a claim for workers compensation. Work health and safety outcomes in 2019–20 included a 52 per cent reduction in the number of workers compensation claims and a 65 per cent reduction in the number of body stress injury claims (compared with 2011–12).

The breakdown of injury claims in the agency that were accepted in 2019–20 were:

- falls, trips and slips 33%
- hitting objects with part of the body 1%
- being hit by moving object 12%
- sound and pressure 1%
- body stressing 33%
- heat, electricity and environment 3%
- chemicals and other substances 0%
- biological factors 0%
- mental stress 13%
- vehicle incidents and other 3%.

In 2019–20 Services Australia responded quickly to assure the safety and wellbeing of our staff and customers during the COVID-19 pandemic (see *COVID-19 pandemic* on page xv).

WORK HEALTH AND SAFETY ACT 2011—REPORTING FOR 2019–20

In 2019–20 Comcare undertook three reactive workplace inspections in the agency. One was made in response to a dangerous incident, one was determined not to be a work-related incident and one was made in response to a request for assistance. Further contact was made in response to five complaints relating to COVID-19 pandemic measures.

Comcare identified no contraventions of the *Work Health and Safety Act 2011* and issued nil improvement notices under the Act.

A total of 27 incidents in the agency were notified to Comcare in 2019–20 (compared with 34 in 2018–19).

Table 49: Incidents notified to Comcare in 2019–20

Type of incident	Number
Death	0
Serious injury or illness	11
Dangerous incidents	16
Total	27

4.7 Information required by other legislation

REPORT UNDER THE DATA-MATCHING PROGRAM (ASSISTANCE AND TAX) ACT 1990

The agency performed Data-matching Program activities in 2019–20 solely on behalf of the Department of Veterans' Affairs (DVA).

For results of *Data-matching Program (Assistance and Tax) Act 1990* (DMP Act) activities required under guideline 12 of the Schedule to the DMP Act, see the Department of Veterans' Affairs annual report for 2019–20 at dva.gov.au

Table 50 shows the number of residual debts raised under the DMP Act in previous financial years that were paid in full or commenced a repayment arrangement in 2019–20.

Table 50: Results of debt recovery activity in 2019–20

Cases	Number
Cases where recovery action was initiated ^(a)	7,058
Cases where the debt was fully recovered ^(b)	1,781

- (a) The number of cases where recovery action commenced on a debt. The executive agency recovers debts through withholding part of a customer's payment or cash repayments.
- (b) Recovery of a debt can take place over a number of years, so the number and value of debts raised in a year does not necessarily correspond to the number and value of recoveries.

PROGRAM SAVINGS AND COSTS

The program has three direct savings components:

- downward variations in rate or stopping payments
- raised debts
- ceasing payments to new recipients for failure to comply with Tax File Number requirements.

Savings from the program are generated solely from new recipients failing to comply with Tax File Number requirements.

Repaid debts of former recipients of each assistance agency also contribute to savings.

In 2019–20 the Data-matching Program achieved \$9.08 million in savings.

Administrative costs—Administrative costs include computer and associated costs. The equipment used to run the program cycles has some ongoing administrative costs associated with computer hardware and software maintenance.

Salary costs—The program's main salary costs were associated with:

- managing and supporting the program within the agency
- the agency's network review activity, including its management and coordination.

Direct cost–benefit summary—When the costs and benefits (direct savings) are compared, the net benefits of the program are significant. In 2019–20 the net benefit of the program was \$8.06 million.

Table 51: Direct cost–benefit summary

	2019–20 actual
Benefits ^(a)	\$9,079,800
Costs	\$1,023,400
Net benefits ^(b)	\$8,056,400
Cost–benefit ratio ^(c)	1:8.9

(a) Net savings, including the effect of upward variations.

(b) Calculated by subtracting costs from benefits.

(c) Calculated by dividing benefits by costs.

CHRONOLOGY

The events listed below include data-matching cycles run in accordance with the DMP Act with the Office of the Australian Information Commissioner during 2019–20.

- 24 July 2019 Cycle 3/2019 commenced
- 23 August 2019 Cycle 3/2019 completed
- 24 October 2019 Cycle 4/2019 commenced
- 08 November 2019 Cycle 4/2019 completed
- 04 February 2020 Cycle 1/2020 commenced
- 28 February 2020 Cycle 1/2020 completed.

DATA MANAGEMENT

During the year our Chief Data Officer continued to lead the governance and use of the agency's data. This includes building data and analytics capabilities to help drive better service delivery.

INFORMATION ASSETS

As the Government's primary service delivery agency, we collect, store, create, use and release large amounts of data. We have to ensure that the data we collect is stored securely and used appropriately and effectively in accordance with the Australian Government Public Data Policy Statement. To protect its data, Services Australia uses its:

- Data Governance Framework to support legislative requirements and the whole-of-government data agenda, and ensure that the agency only provides data in ways that comply with legislation and safeguard customer privacy
- Data and Analytics Strategy which sets out how the agency will use better governance practices, new technologies and analytical advances to increase appropriate and lawful access to data.

For more information on statistical information and data see servicesaustralia.gov.au

CORPORATE RECORD KEEPING

The Australian Government's *Digital Continuity 2020 Policy* promotes a consistent approach to information governance. See the policy on the National Archives of Australia website at naa.gov.au/information-management/information-management-policies/digital-continuity-2020-policy

Services Australia prefers to create and maintain administrative records digitally, thus reducing paper records. This is in line with our goal to transition to a complete digital record keeping model, including converting incoming paper to digital records whenever possible. The continued focus on online and self-service capabilities for customers has further reduced the volume of paper received and stored in 2019–20.

ENVIRONMENTAL MANAGEMENT

Services Australia's environmental management system aligns with international standard ISO 14001:2015. The standard allows Services Australia to manage and report on greenhouse gas emissions, energy use, resource use and waste arising from building operations, motor vehicle and air travel, ICT and stationery supplies.

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Australian Government agencies to report annually on their contribution to the principles of ecologically sustainable development (ESD) and the measures taken to minimise their effect on the environment.

The ecologically sustainable development principles are set out in section 3A of the *Environment Protection and Biodiversity Conservation Act 1999*.

HOW ADMINISTERED PROGRAMS ACCORD WITH ESD PRINCIPLES—SECTION 516A(6)(A)

In 2019–20 Services Australia administered the Centrelink, Medicare and Child Support programs in accordance with the principles of ESD.

Fundamental considerations in administering these programs are the economic, environmental, equity and social consequences in short-term and long-term decision making.

HOW OUTCOME 1 CONTRIBUTED TO ESD PRINCIPLES—SECTION 516A(6)(B)

In 2019–20 Services Australia continued to contribute to the principles of ecologically sustainable development in delivering efficient and convenient services. Our activities that made a direct contribution to ecologically sustainable development included:

- increasing the number of online self services
- improving the functionality of Express Plus mobile apps
- exploring new ways of providing digital services through a technology innovation centre.

EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516A(6)(C)

To assess the risk of our activities affecting the environment, Services Australia uses the international standard *Risk Management ISO 31000:2018* and the Standards Australia handbook *Managing environment-related risk HB203:2012*. We manage activities that pose the most significant risk through the agency's environmental management system, which aligns with the international standard *EMS ISO 14001:2015*.

In general, our activities that most affect the environment are those that consume considerable resources and generate significant waste. They include:

- building operations and refurbishments
- use of information and communications technology
- use and disposal of stationery supplies, including paper
- operating vehicles.

Table 52: Resources use

	Units	2017–18	2018–19	2019–20
Stationary energy (electricity and gas)	gigajoules	313,955	328,674	NA ^(a)
Transport energy (fuels)	gigajoules	21,060	19,574	NA ^(a)
Total energy use	gigajoules	335,015	348,248	NA^(a)
Internal paper use	tonnes	571	538	462
Letters to customers ^(b)	A4 sheets	89,212,087	87,887,078	73,978,608
Property use	square metres	722,799	741,694	730,385 ^(c)

(a) Stationary and transport energy reporting for 2019–20 is unavailable prior to finalising the annual report. Services Australia's energy reporting is in line with the *National Greenhouse and Energy Reporting Act 2007*.

(b) Paper procured by Services Australia and letters printed by an external print provider.

(c) Figures are for the commercial lease portfolio only and exclude car parking licences and staff housing leases.

Table 53: Waste, resource recovery and pollution

	Measure	2017–18	2018–19	2019–20
Net greenhouse gas emissions—energy use	tonnes of carbon dioxide equivalents	80,619	84,312	NA ^(a)
Office copy paper recycling	% coverage (square metres)	98	98	98
Mobile phone recycling	kilograms	155	145	108
Fluorescent and other lamps recycled	units	6,334	4,795	5,100

(a) Stationary and transport net greenhouse gas emissions for 2019–20 is unavailable prior to finalising the annual report. Services Australia's energy reporting is in line with the *National Greenhouse and Energy Reporting Act 2007*.

MEASURES TAKEN TO MINIMISE THE EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516(6)(D)

Services Australia's Environmental Sustainability Policy (available at [servicessaustralia.gov.au](https://www.servicessaustralia.gov.au)) guides our efforts to minimise the effect of our activities on the environment and to drive better practice, performance and accountability.

We assess any proposed environmental initiative or measure by conducting a cost–benefit analysis that includes other business benefits associated with the initiative.

Table 54: Measures taken to minimise effect on the environment

Activity	Measures
Air travel	<ul style="list-style-type: none"> Services Australia encourages staff to use online conferencing rather than air travel to attend meetings.
Building operations	<ul style="list-style-type: none"> The Green Lease Schedule requirements for landlords and tenants have improved overall energy efficiency in our large offices. National Australian Built Environment Rating System (NABERS) energy assessments are undertaken at offices over 2000m² with Green Leases. Services Australia continued to consider sites to roll out a photovoltaic solar installation program to reduce greenhouse emissions and energy costs and to support local electricity grid stability. Services Australia uses reputable eco-labels and other environmental standards to improve environmental performance—such as Green Star for selected building designs and fit-out, and the Energy Rating Label star system for electrical appliances. Services Australia supports the FluoroCycle scheme to ensure that hazardous fluorescent lamps are recycled on disposal. Services Australia participates in Earth Hour each year to promote sustainability.
ICT	<ul style="list-style-type: none"> Data centres are located in highly energy-efficient premises. Services Australia continues to virtualise server applications, which avoids the need to purchase additional servers. Services Australia continues to roll out docked tablets to enable better workforce mobility. Desktop computers automatically shut down after three hours of inactivity. Services Australia uses the Electronic Product Environmental Assessment Tool eco-label in making decisions on ICT equipment purchasing. Printers and multifunction devices are allocated to maximise resource efficiency. Relevant contracts contain better practice e-waste clauses.

Activity	Measures
Management and communication	<ul style="list-style-type: none"> • Services Australia's Environmental Sustainability Policy continues to strengthen our environmental management program. • Services Australia uses an online sustainability reporting system to improve reporting and performance capability. • Clauses in the Services Australia Leasing Heads of Agreement require lessors to consider installing photovoltaic solar systems and/or upgrading to LED lighting. • Services Australia continues to promote and communicate environmental initiatives within our offices. • Services Australia uses reputable eco-labels and environmental standards in making relevant procurement decisions, to improve environmental performance at product and supplier levels.
Motor vehicle travel	<ul style="list-style-type: none"> • Services Australia procures energy-efficient vehicles in accordance with the Australian Government Fleet Vehicle Selection Policy. • An electronic log book system continues to accurately monitor and manage vehicle use and to improve reporting quality.
Stationery (including paper)	<ul style="list-style-type: none"> • 90 per cent of the paper purchased for internal printers, photocopiers and multifunction devices was 100 per cent recycled content paper. • Services Australia has increased its digital record-keeping capability and has significantly reduced the number of paper-based files.
Waste	<ul style="list-style-type: none"> • Services Australia supports Mobile Muster to transform the components from mobile phone waste into valuable materials for reuse. • Services Australia supports MRI E-cycle Solutions to recover and recycle non-renewable resources from all battery types. This keeps toxic substances out of landfill. • Services Australia is trialling organics waste bins in an ACT tenancy. A local ACT business collects the organic waste to feed to insects. This process of 'insect biomass conversion' results in the production of a nutritious soil conditioner and a high protein insect meal. This initiative has diverted 1.2 tonnes of waste from landfill.

MECHANISMS TO REVIEW AND INCREASE THE EFFECTIVENESS OF THOSE MEASURES—SECTION 516(6)(E)

In 2019–20 Services Australia continued to review and report on our environmental performance and seek ways to achieve further improvements. Table 55 below outlines our performance against the *Energy Efficiency in Government Operations (EEGO)* policy targets.

Table 55: Office energy performance

Measures	EEGO target	Actual 2017–18	Actual 2018–19 ^(a)	2019–20
Office—tenant light and power (megajoules per person)	7,500	4,994	6,649	NA ^(b)
Office—central services (megajoules per square metre)	400	323	294	NA ^(b)

- (a) The decrease in office energy performance is due to the reclassification of data.
- (b) Stationary energy reporting for 2019–20 is unavailable prior to finalising the annual report. Services Australia's energy reporting is in line with the *National Greenhouse and Energy Reporting Act 2007*.

Appendices



5

Appendix A: Statements and expenses for Outcome 1

Outcome 1: Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of 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.

Table 56: Services Australia resource statement 2019–20

	Actual available appropriation	Payments made	Balance remaining
	\$'000	\$'000	\$'000
	(a)	(b)	(a)–(b)
Departmental			
Annual appropriations—ordinary annual services ¹	6,517,273	5,230,223	1,287,050
Annual appropriations—capital budget ²	196,936	195,936	1,000
Total annual appropriations—ordinary annual services	6,714,209	5,426,159	1,288,050
Annual appropriations—other services—non-operating ³	155,140	148,115	7,025
Total departmental annual appropriations	6,869,349	5,574,274	1,295,075
Total departmental resourcing	6,869,349	5,574,274	1,295,075
Administered			
Annual appropriations—ordinary annual services ¹	2,894	1,251	
Total administered annual appropriations	2,894	1,251	
Special accounts	2,168,264	1,977,696	190,568
Total special accounts	2,168,264	1,977,696	190,568

	Actual available appropriation	Payments made	Balance remaining
	\$'000	\$'000	\$'000
	(a)	(b)	(a)–(b)
less administered appropriations drawn from annual/special appropriations and credited to special accounts	1,101	1,101	
Total administered resourcing	2,170,057	1,977,846	
Total resourcing and payments for Services Australia	9,039,406	7,552,120	

- 1 *Supply Act (No. 1) 2019–2020, Appropriation Act (No. 1) 2019–2020, Appropriation Act (No. 3) 2019–2020 and Appropriation Act (No. 5) 2019–2020.* This may also include prior year departmental appropriation and external revenue under section 74 of the PGPA Act.
- 2 Departmental capital budgets are not separately identified in the Appropriation Act (Nos. 1, 3, 5) and Supply Act (No. 1) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as 'contribution by owner'.
- 3 *Supply Act (No. 2) 2019–2020, Appropriation Act (No. 2) 2019–2020 and Appropriation Act (No. 4) 2019–2020.*

Table 57: Services Australia expenses by Outcome 2019–20

	Budget ¹	Actual expenses	Variation
	\$'000	\$'000	\$'000
	(a)	(b)	(a)–(b)
Program 1.1: Services to the Community–Social Security and Welfare			
Administered expenses			
Expenses not requiring appropriation in the Budget year	–	172	(172)
Administered total	–	172	(172)
Departmental expenses			
Departmental appropriation ²	3,839,191	4,052,157	(212,966)
Expenses not requiring appropriation in the Budget year ³	227,801	268,151	(40,350)
Departmental total	4,066,992	4,320,308	(253,316)
Total expenses for Program 1.1	4,066,992	4,320,480	(253,488)
Program 1.2: Services to the Community–Health			
Departmental expenses			
Departmental appropriation ²	622,680	606,169	16,511
Expenses not requiring appropriation in the Budget year ³	52,856	55,803	(2,947)
Departmental total	675,536	661,972	13,564
Total expenses for Program 1.2	675,536	661,972	13,564
Program 1.3: Child Support			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1 and 3)	1,642	1,101	541
Special accounts	1,636,510	1,914,645	(278,135)
Expenses not requiring appropriation in the Budget year	102,565	51,204	51,361
Administered total	1,740,717	1,966,950	(226,233)

	Budget ¹	Actual expenses	Variation
	\$'000	\$'000	\$'000
	(a)	(b)	(a)–(b)
Departmental expenses			
Departmental appropriation ²	416,218	405,922	10,296
Expenses not requiring appropriation in the Budget year ³	26,118	27,700	(1,582)
Departmental total	442,336	433,622	8,714
Total expenses for Program 1.3	2,183,053	2,400,572	(217,519)
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1 and 3)	1,642	1,101	541
Special accounts	1,636,510	1,914,645	(278,135)
Expenses not requiring appropriation in the Budget year	102,565	51,376	51,189
Administered total	1,740,717	1,967,122	(226,405)
Departmental expenses			
Departmental appropriation ²	4,878,089	5,064,248	(186,159)
Expenses not requiring appropriation in the Budget year ³	306,775	351,654	(44,879)
Departmental total	5,184,864	5,415,902	(231,038)
Total expenses for Outcome 1	6,925,581	7,383,024	(457,443)
	Budget ¹	Actual	Variation
Average staffing level (number)	27,325	26,682	643

1 2019–20 Budget, including any subsequent adjustment made at Additional Estimates.

2 Departmental appropriation combines ordinary annual services (Appropriation Acts No.1 and No.3) and revenue from independent sources (section 74).

3 Includes unfunded depreciation and amortisation expenses (excluding depreciation of right-of-use assets) and resources received free of charge.

Appendix B: Staffing statistics and remuneration

STAFF PROFILE

This section includes staffing statistics for 30 June 2020 and 2019. It has statistics on ongoing and non-ongoing employees by full-time, part-time, gender and location and employees who identify as Indigenous. There is no table for performance pay as this was not paid to any Services Australia employees during the reporting year.

Table 58: Australian Public Service Act ongoing employees at 30 June 2020

	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
NSW	1,340	190	1,530	3,246	2,097	5,343	4	1	5
QLD	1,328	97	1,425	2,754	1,245	3,999	4	0	4
SA	716	78	794	945	568	1,513	5	0	5
TAS	387	70	457	564	496	1,060	4	0	4
VIC	1,308	140	1,448	2,327	1,467	3,794	4	0	4
WA	388	29	417	865	481	1,346	2	0	2
ACT	1,726	98	1,824	1,730	444	2,174	13	0	13
NT	75	3	78	241	69	310	0	0	0
External territories	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0
Total	7,268	705	7,973	12,672	6,867	19,539	36	1	37
									27,549

Table 59: Australian Public Service Act ongoing employees at 30 June 2019

	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
NSW	1,402	189	1,591	3,285	2,254	5,539	3	0	3
QLD	1,362	94	1,456	2,777	1,262	4,039	4	1	5
SA	716	68	784	945	605	1,550	1	0	1
TAS	390	67	457	584	505	1,089	4	1	5
VIC	1,318	142	1,460	2,330	1,562	3,892	2	0	2
WA	389	31	420	887	488	1,375	2	0	2
ACT	1,693	93	1,786	1,752	453	2,205	9	0	9
NT	84	3	87	270	65	335	0	0	0
External territories	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0
Total	7,354	687	8,041	12,830	7,194	20,024	25	2	27
									28,092

Table 60: Australian Public Service Act non-ongoing employees at 30 June 2020^(a)

	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
NSW	74	188	262	125	659	784	2	12	14
QLD	56	265	321	124	641	765	2	0	2
SA	30	88	118	61	154	215	1	0	1
TAS	13	20	33	24	61	85	0	0	0
VIC	58	223	281	79	598	677	1	6	7
WA	15	68	83	34	293	327	1	4	5
ACT	14	52	66	24	86	110	2	1	3
NT	2	12	14	5	26	31	0	0	0
External territories	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0
Total	262	916	1,178	476	2,518	2,994	9	23	32
									4,204

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 61: Australian Public Service Act non-ongoing employees at 30 June 2019^(a)

	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
NSW	30	87	117	85	282	367	4	2	6
QLD	34	178	212	75	357	432	1	2	3
SA	21	53	74	31	110	141	2	1	3
TAS	18	4	22	20	15	35	0	0	0
VIC	50	144	194	48	423	471	3	2	5
WA	10	49	59	34	229	263	1	2	3
ACT	3	21	24	8	40	48	0	1	1
NT	0	9	9	0	14	14	0	0	0
External Territories	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0
Total	166	545	711	301	1,470	1,771	11	10	21

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 62: Australian Public Service Act ongoing employees at 30 June 2020

Substantive classification	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
SES 3	2	0	2	3	0	3	0	0	0
SES 2	15	2	17	11	1	12	1	0	1
SES 1	50	0	50	56	1	57	0	0	0
EL 2	388	11	399	398	45	443	0	0	0
EL 1	1,050	40	1,090	1,157	281	1,438	2	0	2
APS 6	1,715	106	1,821	2,462	1,167	3,629	6	1	7
APS 5	1,025	56	1,081	1,741	571	2,312	8	0	8
APS 4	2,312	390	2,702	5,143	4,014	9,157	10	0	10
APS 3	574	73	647	1,473	750	2,223	8	0	8
APS 2	32	3	35	28	16	44	0	0	0
APS 1	26	7	33	32	7	39	0	0	0
Other	79	17	96	168	14	182	1	0	1
Total	7,268	705	7,973	12,672	6,867	19,539	36	1	37

Table 63: Australian Public Service Act ongoing employees at 30 June 2019

Substantive classification	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
SES 3	1	0	1	4	0	4	0	0	5
SES 2	18	0	18	13	1	14	0	0	32
SES 1	60	0	60	63	2	65	0	0	125
EL 2	372	8	380	376	46	422	0	0	802
EL 1	1,022	43	1,065	1,089	280	1,369	0	0	2,434
APS 6	1,554	111	1,665	2,212	1,188	3,400	3	0	5,068
APS 5	993	53	1,046	1,583	496	2,079	6	1	3,132
APS 4	2,547	380	2,927	5,565	4,272	9,837	10	1	12,775
APS 3	615	68	683	1,675	863	2,538	5	0	3,226
APS 2	41	3	44	47	23	70	0	0	114
APS 1	29	7	36	37	9	46	0	0	82
Other	102	14	116	166	14	180	1	0	297
Total	7,354	687	8,041	12,830	7,194	20,024	25	2	28,092

Table 64: Australian Public Service Act non-ongoing employees at 30 June 2020^(a)

Substantive classification	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
SES 3	1	0	1	0	0	0	0	0	1
SES 2	1	0	1	0	0	0	0	0	1
SES 1	0	0	0	0	0	0	0	0	0
EL 2	0	1	1	1	0	1	0	0	2
EL 1	2	1	3	5	4	9	0	0	12
APS 6	1	1	2	8	7	15	0	0	17
APS 5	9	10	19	6	9	15	1	0	35
APS 4	17	76	93	26	141	167	0	1	261
APS 3	231	827	1,058	428	2,357	2,785	8	22	3,873
APS 2	0	0	0	2	0	2	0	0	2
APS 1	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Total	262	916	1,178	476	2,518	2,994	9	23	32 4,204

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 65: Australian Public Service Act non-ongoing employees at 30 June 2019^(a)

Substantive classification	Male			Female			Non-binary		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
SES 3	1	0	1	0	0	0	0	0	1
SES 2	1	1	2	0	0	0	0	0	2
SES 1	0	0	0	0	0	0	0	0	0
EL 2	1	1	2	1	0	1	0	0	3
EL 1	0	1	1	1	0	1	0	0	2
APS 6	2	0	2	5	5	10	0	0	12
APS 5	1	0	1	5	0	5	0	0	6
APS 4	2	2	4	13	0	13	0	0	17
APS 3	151	539	690	261	1,460	1,721	11	10	21
APS 2	7	0	7	15	5	20	0	0	27
APS 1	0	1	1	0	0	0	0	0	1
Other	0	0	0	0	0	0	0	0	0
Total	166	545	711	301	1,470	1,771	11	10	21
									2,503

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 66: Australian Public Service Act by full-time and part-time status at 30 June 2020

Substantive classification	Ongoing			Non-ongoing ^(a)			Total
	Full-time	Part-time	Total Ongoing	Full-time	Part-time	Total Non-ongoing	
SES 3	5	0	5	1	0	1	6
SES 2	27	3	30	1	0	1	31
SES 1	106	1	107	0	0	0	107
EL 2	786	56	842	1	1	2	844
EL 1	2,209	321	2,530	7	5	12	2,542
APS 6	4,183	1,274	5,457	9	8	17	5,474
APS 5	2,774	627	3,401	16	19	35	3,436
APS 4	7,465	4,404	11,869	43	218	261	12,130
APS 3	2,055	823	2,878	667	3206	3,873	6,751
APS 2	60	19	79	2	0	2	81
APS 1	58	14	72	0	0	0	72
Other	248	31	279	0	0	0	279
Total	19,976	7,573	27,549	747	3,457	4,204	31,753

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 67: Australian Public Service Act by full-time and part-time status at 30 June 2019

Substantive classification	Ongoing			Non-ongoing ^(a)			Total
	Full-time	Part-time	Total Ongoing	Full-time	Part-time	Total Non-ongoing	
SES 3	5	0	5	1	0	1	6
SES 2	31	1	32	1	1	2	34
SES 1	123	2	125	0	0	0	125
EL 2	748	54	802	2	1	3	805
EL 1	2,111	323	2,434	1	1	2	2,436
APS 6	3,769	1,299	5,068	7	5	12	5,080
APS 5	2,582	550	3,132	6	0	6	3,138
APS 4	8,122	4,653	12,775	15	2	17	12,792
APS 3	2,295	931	3,226	423	2,009	2,432	5,658
APS 2	88	26	114	22	5	27	141
APS 1	66	16	82	0	1	1	83
Other	269	28	297	0	0	0	297
Total	20,209	7,883	28,092	478	2,025	2,503	30,595

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 68: 17AG (4)(b)(v) Australian Public Service Act employment type by location at 30 June 2020

	Ongoing	Non-ongoing ^(a)	Total
NSW	6,878	1,060	7,938
QLD	5,428	1,088	6,516
SA	2,312	334	2,646
TAS	1,521	118	1,639
VIC	5,246	965	6,211
WA	1,765	415	2,180
ACT	4,011	179	4,190
NT	388	45	433
External territories	0	0	0
Overseas	0	0	0
Total	27,549	4,204	31,753

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 69: Australian Public Service Act employment type by location at 30 June 2019

	Ongoing	Non-ongoing ^(a)	Total
NSW	7,133	490	7,623
QLD	5,500	647	6,147
SA	2,335	218	2,553
TAS	1,551	57	1,608
VIC	5,354	670	6,024
WA	1,797	325	2,122
ACT	4,000	73	4,073
NT	422	23	445
External territories	0	0	0
Overseas	0	0	0
Total	28,092	2,503	30,595

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 70: Australian Public Service Act Indigenous employment at 30 June 2020

	Total
Ongoing	1,672
Non-ongoing ^(a)	81
Total	1,753

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 71: Australian Public Service Act Indigenous employment at 30 June 2019

	Total
Ongoing	1,653
Non-ongoing ^(a)	73
Total	1,726

(a) Non-ongoing employees includes irregular/intermittent staff.

Table 72: Australian Public Service Act employment arrangements at 30 June 2020

	SES	Non-SES	Total
Section 24(1) of the <i>Public Service Act 1999</i>	143	3	146
Individual flexibility agreements	0	92	92
Common law contract	1	0	1
Total	144	95	239

Table 73: Australian Public Service Act employment arrangements at 30 June 2019

	SES	Non-SES	Total
Section 24(1) of the <i>Public Service Act 1999</i>	165	1	166
Individual flexibility agreements	0	90	90
Common law contract	1	0	1
Total	166	91	257

Table 74: Australian Public Service Act employment salary ranges by classification level (minimum/maximum) 2019–20

	Minimum salary^(a)	Maximum salary^(a)
SES 3	315,300	374,600
SES 2	223,700	275,800
SES 1	167,600	216,000
EL 2	118,503	140,926
EL 1	102,402	113,471
APS 6	81,870	94,670
APS 5	73,959	79,806
APS 4	66,313	73,472
APS 3	59,498	66,312
APS 2	53,672	57,952
APS 1	48,030	51,499
Medical Officer Class 4	171,793	183,066
Medical Officer Class 3	158,083	165,196
Medical Officer Class 2	124,830	148,433
Deputy General Counsel—EL 2 (Legal Job Stream)	149,659	
Senior Rehabilitation Consultant—APS 6 (Professional Job Stream)	99,763	
Rehabilitation Consultant 2+—APS 6 (Professional Job Stream)	94,983	
Graduate APS	59,498	66,313
Cadet ICT (Technical Trainee)	53,672	66,313
APS Trainee (Apprentice)	53,672	66,313
APS Trainee (ICT Apprentice)	48,030	57,208
Cadet APS	27,378	59,498
APS Trainee (School-based pathway) Year 12	24,016	
APS Trainee (School-based pathway) Year 11	21,787	

(a) The salary ranges in this table cover base salary rates only. They do not include reportable fringe benefits, allowances and salary sacrifice arrangements.

NON-SALARY BENEFITS

The *Department of Human Services Enterprise Agreement 2017–2020* provides for a range of allowances for staff who meet eligibility criteria. For more information see *Enterprise Agreements* on page 191.

REMUNERATION FOR KEY MANAGEMENT PERSONNEL

Key management personnel (KMP) are people having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly. The agency has determined the KMP to be the Chief Executive Officer and Deputy Chief Executive Officers (previously these roles were referred to as the Secretary and Deputy Secretaries).

The agency's KMP currently consists of eight positions. During 2019–20 the total number of senior executives that occupied a KMP role was 15, and includes acting arrangements where it was determined the individual meets the definition of a KMP.

Table 75: Key management personnel

Name	Position	Term as KMP
Renée Leon	Secretary	Part year—Ceased on 31 January 2020
Rebecca Skinner	Chief Executive Officer	Part year—Commenced on 16 March 2020
John Murphy	Deputy Chief Executive Officer	Full year
Michael McNamara	Chief Information Officer	Full year
Amanda Cattermole	Chief Operating Officer	Full year
Michelle Lees	Deputy Chief Executive Officer	Full year
Annette Musolino	Deputy Chief Executive Officer	Part year—Acting in role from 1 July 2019 to 3 November 2019 and promoted on 10 February 2020
Roxanne Kelley	Chief Operating Officer	Part year—Ceased on 15 March 2020
Catherine Rule	Deputy Chief Executive Officer	Part year—Ceased on 9 February 2020
Grant Tidswell	Deputy Chief Executive Officer	Part year—Commenced on 25 March 2020
Jennifer Teece	Deputy Chief Executive Officer	Part year—Acting in the role from 12 August 2019 to 9 February 2020
Russell Egan	Deputy Chief Executive Officer	Part year—Commenced on 3 February 2020
Roslyn Baxter	Deputy Chief Executive Officer	Part year—Commenced on 28 October 2019. Ceased on 9 February 2020
Paul Creech	Deputy Chief Executive Officer	Part year—Acting in role from 29 August 2019 to 1 December 2019
Charles McHardie	Deputy Chief Executive Officer	Part year—Commenced on 11 May 2020

Table 76: Key management personnel remuneration for the year ended 30 June 2020

Name	Position	Short-term benefits ^(a)			Post-employment benefits ^(b)	Other long-term benefits ^(c)			Termination benefits	Total remuneration
		Base salary \$	Bonuses \$	Other benefits and allowances ^(d) \$		Superannuation contributions \$	Long service leave \$	Other long-term benefits \$		
Renée Leon	Secretary	379,886	0	27,899	57,909	10,639	0	692,266	1,168,599	
Rebecca Skinner	Chief Executive Officer	214,194	0	436	25,635	5,814	0	0	246,079	
John Murphy	Deputy Chief Executive Officer	562,490	0	64,105	108,420	20,243	0	344,114	1,099,372	
Michael McNamara	Chief Information Officer	462,218	0	65,522	69,079	13,936	0	0	610,755	
Amanda Cattermole	Chief Operating Officer	404,600	0	28,167	60,583	14,110	0	0	507,460	
Michelle Lees	Deputy Chief Executive Officer	266,952	0	44,850	51,099	13,837	0	0	376,738	
Annette Musolino	Deputy Chief Executive Officer	255,237	0	23,145	35,480	12,083	0	0	325,945	
Roxanne Kelley	Chief Operating Officer	247,617	0	22,325	45,949	8,628	0	0	324,519	
Catherine Rule	Deputy Chief Executive Officer	191,023	0	19,308	36,176	6,291	0	0	252,798	
Grant Tidswell	Deputy Chief Executive Officer	230,441	0	385	0	0	0	0	230,826	

Name	Position	Short-term benefits ^(a)			Post-employment benefits ^(b)		Other long-term benefits ^(c)	Termination benefits	Total remuneration
		Base salary \$	Bonuses \$	Other benefits and allowances ^(d) \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	Total remuneration \$
Jennifer Teece	Deputy Chief Executive Officer	167,131	0	15,557	22,358	5,349	0	0	210,395
Russell Egan	Deputy Chief Executive Officer	139,294	0	12,671	21,276	3,697	0	0	176,938
Roslyn Baxter	Deputy Chief Executive Officer	93,375	0	9,051	16,149	1,707	0	0	120,282
Paul Creech	Deputy Chief Executive Officer	87,372	0	8,019	11,702	2,818	0	0	109,911
Charles McHardie	Deputy Chief Executive Officer	55,267	0	4,465	9,304	1,588	0	0	70,624
Total	15	3,757,097	0	345,905	571,119	120,740	0	1,036,380	5,831,241

(a) Includes base salary, annual leave benefit, bonuses, allowances and other benefits.

(b) Includes contributed superannuation depending on the scheme the employee is in. Where an employee is in a defined contribution scheme, such as PSSap, this will be the superannuation amount on the individual's pay slip. Where an employee is in a defined benefits scheme, such as PSS and CSS, this will include the Notional Employer Contribution Amount and Employer Productivity Superannuation Contribution.

(c) Includes long service leave and the discounting of long service leave.

(d) Includes motor vehicle allowance and other benefits such as the provision of a car park.

REMUNERATION FOR SENIOR EXECUTIVES

Table 77:A report of the full and part-year substantive SES officers; long-term SES acting arrangements (staff who have acted in an SES role for the full 12-month period); and SES seconded to the agency who received remuneration during the reporting year and are not classified as a KMP, for the year ended 30 June 2020

Remuneration band	Number of Senior Executive Staff	Short-term benefits ^(a)			Post-employment benefits ^(b)		Other long-term benefits ^(c)	Termination benefits	Total remuneration
		Average base salary \$	Average bonuses \$	Average other benefits and allowances ^(d) \$	Average superannuation contributions \$	Average long service leave \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$0 – \$220,000	42	74,936	0	10,835	14,331	2,259	0	10,915	113,276
\$220,001 – \$245,000	39	168,656	0	27,410	29,925	7,210	0	2,073	235,274
\$245,001 – \$270,000	33	186,599	0	26,343	33,317	8,937	0	645	255,841
\$270,001 – \$295,000	30	205,948	0	25,891	35,530	9,065	0	4,788	281,222
\$295,001 – \$320,000	17	226,049	0	28,319	40,022	11,527	0	0	305,917
\$320,001 – \$345,000	7	205,494	0	25,293	35,625	9,132	0	53,718	329,262

Remuneration band	Number of Senior Executive Staff	Short-term benefits ^(a)				Post-employment benefits ^(b)	Other long-term benefits ^(c)	Termination benefits	Total remuneration
		Average base salary \$	Average bonuses \$	Average other benefits and allowances ^(d) \$	Average superannuation contributions \$	Average long service leave \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$345,001 – \$370,000	6	274,561	0	24,889	45,490	13,840	0	0	358,780
\$370,001 – \$395,000	6	277,493	0	25,246	47,993	12,796	0	16,562	380,090
\$395,001 – \$420,000	3	259,229	0	26,924	41,664	12,181	0	59,502	399,500
\$445,001 – \$470,000	2	358,204	0	28,634	62,339	12,013	0	0	461,190
\$495,001 – \$520,000	1	403,535	0	29,608	59,076	13,411	0	0	505,630
Total	186								

(a) Includes base salary, annual leave benefit, bonuses, allowances and other benefits.

(b) Includes contributed superannuation depending on the scheme the employee is in. Where an employee is in a defined contribution scheme, such as PSSap, this will be the superannuation amount on the individual's pay slip. Where an employee is in a defined benefits scheme, such as PSS and CSS, this will include the Notional Employer Contribution Amount and Employer Productivity Superannuation Contribution.

(c) Includes long service leave and the discounting of long service leave.

(d) Includes motor vehicle allowance and other benefits such as the provision of a car park.

REMUNERATION FOR OTHER HIGHLY PAID STAFF

Table 78 shows the number of other highly paid staff on remuneration of \$225,001 or more during the year ending 30 June 2020.

Table 78: Average remuneration for other highly paid staff

Remuneration band	Number of other highly paid staff	Short-term benefits ^(a)			Post-employment benefits ^(b)		Other long-term benefits ^(c)	Termination benefits	Total remuneration
		Average base salary \$	Average bonuses \$	Average other benefits and allowances ^(d) \$	Average superannuation contributions \$	Average long service leave \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$225,001 – \$250,000	15	158,771	0	15,097	25,700	7,035	0	27,165	233,768
\$250,001 – \$275,000	13	119,306	0	82	18,883	4,041	0	118,200	260,512
\$275,001 – \$300,000	4	120,034	0	1,651	24,270	4,225	0	134,877	285,057
\$300,001 – \$325,000	3	134,674	0	41	24,159	5,960	0	147,439	312,273
\$325,001 – \$350,000	1	150,804	0	28	25,657	5,377	0	151,282	333,148
Total	36								

(a) Includes base salary, annual leave benefit, bonus, allowances and other benefits.

(b) Includes contributed superannuation depending on the scheme the employee is in. Where an employee is in a defined contribution scheme, such as PSSap, this will be the superannuation amount on the individual's pay slip. Where an employee is in a defined benefits scheme, such as PSS and CSS, this will include the Notional Employer Contribution Amount and Employer Productivity Superannuation Contribution.

(c) Includes long service leave and the discounting of long service leave.

(d) Includes motor vehicle allowance and other benefits such as the provision of a car park, where applicable.

Appendix C: List of requirements

PGPA Rule Reference	Description	Requirement	Location in report
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	viii
17AD(h)	Aids to access		
17AJ(a)	Table of contents.	Mandatory	iii–vii
17AJ(b)	Alphabetical index.	Mandatory	252–260
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	246–251
17AJ(d)	List of requirements.	Mandatory	235–245
17AJ(e)	Details of contact officer.	Mandatory	ii
17AJ(f)	Entity's website address.	Mandatory	ii
17AJ(g)	Electronic address of report.	Mandatory	ii
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	ix–xii
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	162
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	177–179
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	162–163

PGPA Rule Reference	Description	Requirement	Location in report
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	162
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	177–181
17AE(1)(aa)(ii)	Position of the accountable authority or each member of the accountable authority.	Mandatory	177–181
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	228–229
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory	Not applicable
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	162–163
17AD(c)	Report on the performance of the entity		
	Annual Performance Statements		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	70–108
17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	116–159

PGPA Rule Reference	Description	Requirement	Location in report
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	210–213
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	Not applicable
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	170
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	viii
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	viii

PGPA Rule Reference	Description	Requirement	Location in report
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	viii
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	163–165
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	117
	Audit Committee		
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	165
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	166–169
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	166–169
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	166–169
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	166–169
	External Scrutiny		
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	171–176

PGPA Rule Reference	Description	Requirement	Location in report
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	171–173
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	173–176
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	176
	Management of Human Resources		
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	182–190
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory	214–225

PGPA Rule Reference	Description	Requirement	Location in report
17AG(4)(b)	<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <ul style="list-style-type: none"> • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous. 	Mandatory	223–226
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	226
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	181 232–233
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	227
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	191 228
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	Not applicable

PGPA Rule Reference	Description	Requirement	Location in report
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	Not applicable
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	Not applicable
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	Not applicable
	Assets Management		
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory	117–118
	Purchasing		
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	170
	Consultants		
17AG(7)(a)	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	194

PGPA Rule Reference	Description	Requirement	Location in report
17AG(7)(b)	A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory	194
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	194
17AG(7)(d)	A statement that <i>"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."</i>	Mandatory	194
	Australian National Audit Office Access Clauses		
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	Not applicable

PGPA Rule Reference	Description	Requirement	Location in report
	Exempt contracts		
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	Not applicable
	Small business		
17AG(10)(a)	A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i>	Mandatory	195
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	195

PGPA Rule Reference	Description	Requirement	Location in report
17AG(10)(b)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."</i>	Mandatory	195
	Financial Statements		
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	119–159
	Executive Remuneration		
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	181 230–233
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, Mandatory	196

PGPA Rule Reference	Description	Requirement	Location in report
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	196
17AH(1)(b)	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, Mandatory	Not applicable
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	197
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	198
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, mandatory	Not applicable
17AH(2)	Information required by other legislation.	Mandatory	200–208

Appendix D: Glossary

ACCOUNTABLE AUTHORITY

The Chief Executive Officer of Services Australia.

ADMINISTERED ITEMS

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 for a particular purpose.

AUSTENDER

The Australian Government's web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.

CLAIMS FINALISED

Claims for payments and cards that are granted or rejected.

COMMONWEALTH PROCUREMENT RULES

Whole-of-government rules that establish the core procurement policy framework and articulate the Government's expectations for government agencies and their officials when performing duties related to procurement.

CORPORATE GOVERNANCE

The process by which an agency is directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.

CORPORATE PLAN

An outline of the strategies Services Australia will follow to achieve its objectives and how it will measure success. The agency reports on the performance measures contained in the corporate plan in annual reports and updates the plan every year.

COVID-19 PANDEMIC

The worldwide pandemic of the 2019 coronavirus disease.

CUSTOMER-CENTRIC

The agency's approach to doing business that focusses on creating a positive customer experience by maximising service delivery and building relationships.

eLEARNING

Web-based training: anywhere, any-time instruction delivered over the internet or a corporate intranet to browser-equipped learners.

MOBILE APP

A software application designed to run on smartphones, tablet computers and other mobile devices. Usually, they are downloaded from a platform to a target device such as an iPhone, Android phone or Windows phone; an iPad or other tablet; and a laptop or desktop computer.

ONLINE SERVICES

Web-based services that provide users with a wide variety of data transmitted over telecommunications networks. Services Australia offers a range of online services to recipients and other subscribers, such as health professionals.

The agency's online services include sending electronic messages and online letters, accepting payment and benefit claims, handling Low Income Card renewals and offering health professionals secure access to Medicare electronic services.

OUTCOMES

The intended result, consequence or effect of government actions on the Australian community.

PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

Statements that inform senators, members of parliament, government departments and agencies, and the public, of changes to the proposed allocation of resources to government outcomes since the Budget.

PORTFOLIO BUDGET STATEMENTS

Budget-related statements which explain how the Government intends to spend the money included in the Appropriation Bills (Budget Bills).

PROGRAM

An 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.

SERVICE DELIVERY EXECUTIVE AGENCY

Services Australia is an Australian Government Executive agency within the Social Services Portfolio. As the Government's main service delivery agency, it is responsible for designing, developing and delivering government services and payments and providing the Government with advice on their delivery. The agency delivers payments and services on behalf of a number of Australian Government policy departments and agencies.

SMART CENTRES

Virtual centres located within the department which carry out telephony and processing work. In practical terms smart centres mean recipients have better experiences, more personalised phone calls from staff, and access to agency-wide assistance tailored to their individual circumstances.

TELEPHONY

The construction or operation of telephones and telephonic systems. The term is also used to refer to computer hardware, software, and computer network systems that carry out functions traditionally performed by telephone equipment.

Appendix E: Abbreviations and acronyms

AASB	Australian Accounting Standards Board
AAT	Administrative Appeals Tribunal
A/g	Acting
AGDRP	Australian Government Disaster Recovery Payment
ANAO	Australian National Audit Office
APS	Australian Public Service
ATO	Australian Taxation Office
AUSLAN	Australian Sign Language
AVTOP	Australian Victim of Terrorism Overseas Payment
CALD	culturally and linguistically diverse
CDPP	Commonwealth Director of Public Prosecutions
CEO	Chief Executive Officer
CEOs	Community Engagement Officers
CSAG	Civil Society Advisory Group
CSS	Commonwealth Superannuation Scheme
DCEO	Deputy Chief Executive Officer
DMP	<i>Act Data-matching Program (Assistance and Tax) Act 1990</i>
DPO	Departure Prohibition Order
DRA	Disaster Recovery Allowance
DRP	Disaster Recovery Payment
DSP	Disability Support Pension
DSS	Department of Social Services
DVA	Department of Veterans' Affairs
ECLIPSE	Electronic Claim Lodgement and Information Processing Service Environment

EEOG	Energy Efficiency in Government Operations
EFT	Electronic Funds Transfer
EFTPOS	Electronic Funds Transfer at Point of Sale
EL	Executive Level
ESAt	Employment Services Assessment
ESD	ecologically sustainable development
FIS	Financial Information Service
FOI	freedom of information
FOI Act	<i>Freedom of Information Act 1982</i>
FTB	Family Tax Benefit
GAICD	Graduate of the Australian Institute of Company Directors
GMs	General Managers
GP	General Practitioner
GST	Goods and Services Tax
HPOS	Health Provider Online Services
ICT	Information and Communications Technology
IPS	Information Publication Scheme
ISO	Indigenous Service Officer
JCA	Job Capacity Assessment
KMP	Key management personnel
LGBTI	lesbian, gay, bisexual, transgender and intersex
MAT	Medical Assessment Team
MBS	Medicare Benefits Schedule
MOA	Medicare Online Account
MP	Member of Parliament
MSO	Multicultural Service Officer
NA	Not applicable
NABERS	National Australian Built Environment Rating System

NIC	National Indigenous Coalition
OPA	Official Public Account
PBS	Pharmaceutical Benefits Scheme
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PIP	Practice Incentives Program
PSM	Public Service Medal
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Scheme accumulation plan
RAP	Reconciliation Action Plan
ROU	right-of-use
RPBS	Repatriation Pharmaceutical Benefits Scheme
RRRS	Random Review Results System
SAS	Statistical Analysis System
SES	Senior Executive Service
SME	small and medium enterprises
SMS	Short message service
WPIT	Welfare Payment Infrastructure Transformation

Appendix F: Index

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