



BUDGET*

PORTFOLIO BUDGET STATEMENTS 2013-14
BUDGET RELATED PAPER NO. 1.10

HUMAN SERVICES PORTFOLIO

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

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Dear Mr President
Dear Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2013–14 Budget for the Human Services portfolio.

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

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

Yours sincerely


JAN MCLUCAS

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2013-14 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts) and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2013-14 (or Appropriation Bill [Parliamentary Departments] No. 1 2013-14 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' for the interpretation of the Acts under section 15AB of the *Acts Interpretation Act 1901*.

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

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

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PORTFOLIO OVERVIEW

HUMAN SERVICES PORTFOLIO OVERVIEW

Minister and Portfolio Responsibilities

On 1 July 2011 the *Human Services Legislation Amendment Act 2011* integrated Medicare Australia and Centrelink into the Department of Human Services (the department).

The department provides policy advice on service delivery matters to government to ensure effective, innovative and efficient implementation of government service delivery. The department delivers a range of government and other payments and services to Australians, including through its three main programs:

- **Centrelink** delivers a range of government payments and services for retirees, the unemployed, families, carers, parents, people with disabilities, Indigenous Australians, and people from diverse cultural and linguistic backgrounds, and provides services at times of major change.
- **Medicare** looks after the health of Australians through efficient services and payments such as Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register, and the Australian Organ Donor Register.
- **Child Support** provides support to separated parents to provide the financial and emotional support necessary for their children's wellbeing.

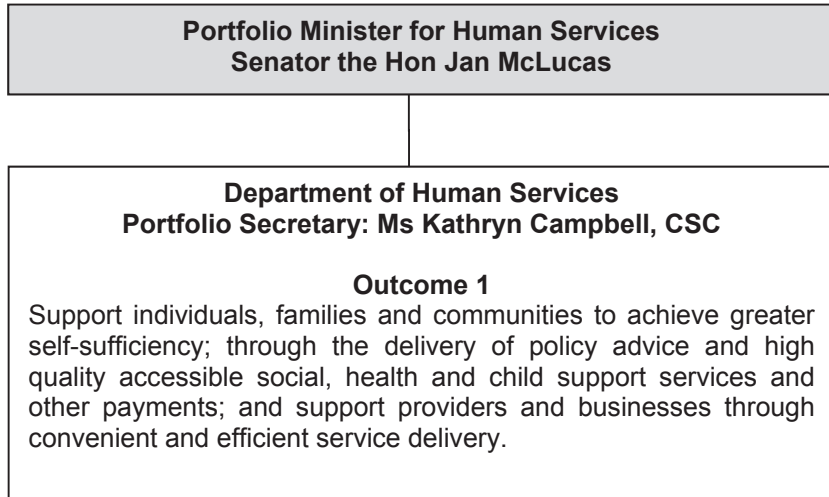
The department also delivers other programs including CRS Australia, the Healthcare Identifiers Service, the Small Business Superannuation Clearing House and Early Release of Superannuation.

The Human Services portfolio includes Australian Hearing which is a non-General Government Sector entity. As such, Australian Hearing is not consolidated into the Commonwealth general government sector fiscal estimates. Accordingly, Australian Hearing is not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements.

More comprehensive information on the department's activities is available at the following website:

<http://www.humanservices.gov.au>

Figure 1: Human Services Portfolio Structure and Outcomes



PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2013-14 budget year by agency.

Table 1: Portfolio Resources 2013-14

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Human Services					
Administered appropriations	17.0	-	83.2	1,350.4	1,450.6
Departmental appropriations	4,008.9	39.2	-	284.7	4,332.8
Total:	4,025.9	39.2	83.2	1,635.2	5,783.4
Portfolio total					5,783.4
			Resources available within portfolio:		5,783.4

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Human Services

Agency Resources and Planned Performance

DEPARTMENT OF HUMAN SERVICES

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DEPARTMENT OF HUMAN SERVICES

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Human Services delivers social and health related services, through its Centrelink, Medicare, CRS Australia and Child Support programs. The department builds on its foundation of service excellence to improve the delivery of services to the Australian community. Through close collaboration with the community and partner agencies, the department plays an active role in developing new approaches to social and health related policy and service delivery.

The contribution of the department to the government's agenda is reflected in its Outcome Statement which is to:

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

The department works with other government agencies to provide access to government social and health related services that support self-sufficiency through:

- the development of innovative and flexible service delivery policy that supports the implementation of government policy and programs;
- the design and development of service delivery systems that are convenient and accessible; and meet the diverse needs of the community;
- the provision of payments and services that match the circumstances of members of the community;
- support for people to help them understand their rights and responsibilities and meet their obligations;
- work with the public, private and non-government organisations, state and territory governments and other Australian Government departments and agencies to build partnerships for the delivery of services.

The department is the face of government to the majority of Australians and underpins the Commonwealth's relationship with its people – as children and parents; as patients and carers; in study, in work and in retirement.

The department provides support to Australians facing financial hardship or structural adjustment and works with them through every stage of their lives.

The department's payments and services support government outcomes in policy and program areas such as Aged Care, Personally Controlled Electronic Health Records, Clean Energy Future Household Assistance Package, Closing the Gap, Welfare Reform, the National Health Reforms, the National Health Funding Body, the Building Australia's Future Workforce package and Emergency Management.

The department's priorities include the following:

- Improve our responsiveness to government and ensure that we understand and meet the priorities of the Minister and broader government.
- Ensure we have controls and processes in place in order to meet our strategic objectives, manage risks and make effective use of our resources.
- Make access to our services easier and more efficient. Where appropriate, move transactions from a personal service basis (face-to-face or phone) to self-managed mechanisms. Where possible, provide access to our services online, including from mobile devices.
- Through direct involvement with the community and users of our services, build services that better meet the needs of individuals and more closely match the way that people wish to interact with government.
- Seek input from relevant specialist sources, including service providers, practitioners and domain experts during the development of our services.
- Work closely with our partner agencies to shape government policy on service delivery and to develop new and innovative services.
- Continually evaluate the effectiveness of all our services using input from the community, users, service providers and our partner agencies.
- Develop new, innovative and effective service approaches that support self-sufficiency and increase efficiency, while identifying and supporting those most in need.
- Work with other government agencies at all levels (including state, territory and local) to develop service approaches that maximise the ease of access to government services for all Australians, regardless of the level of government.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of Prior ⁺ year amounts available in 2013-14 \$'000	Proposed at Budget ⁼ 2013-14 \$'000	Total Estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	706,175	-	706,175	770,267
Departmental appropriation ³		4,008,936	4,008,936	4,039,132
s31 Relevant agency receipts ⁴		284,724	284,724	294,691
Total	706,175	4,293,660	4,999,835	5,104,090
Administered expenses				
Outcome 1 ⁵	-	16,958	16,958	14,874
Total	-	16,958	16,958	14,874
Total ordinary annual services A	706,175	4,310,618	5,016,793	5,118,964
Other services⁶				
Departmental non-operating				
Prior year departmental appropriation ²	-	-	-	7,515
Equity injections	-	39,161	39,161	46,245
Total	-	39,161	39,161	53,760
Total other services B	-	39,161	39,161	53,760
Total available annual appropriations	706,175	4,349,779	5,055,954	5,172,724
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Child Support (Registration and Collection) Act 1988</i>				
Section 77 - unremitted deductions	-	83,137	83,137	82,732
Section 78 - unexplained remittances	-	50	50	50
Total Special appropriations C	-	83,187	83,187	82,782
Total appropriations excluding Special accounts	706,175	4,432,966	5,139,141	5,255,506

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013 (continued)

	Estimate of Prior + year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total Estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Special Accounts				
Opening balance ⁷	58,838	-	58,838	58,838
Appropriation receipts ⁸	-	85,327	85,327	84,912
Non-appropriation receipts to Special Accounts ⁹	-	1,350,444	1,350,444	1,343,869
Total Special Account D	58,838	1,435,771	1,494,609	1,487,619
Total resourcing A+B+C+D	765,013	5,868,737	6,633,750	6,743,125
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	85,327	85,327	84,912
Total net resourcing for the Department of Human Services	765,013	5,783,410	6,548,423	6,658,213

Reader note: All figures are GST exclusive.

1. Appropriation Bill (No.1) 2013-14.
2. Estimated adjusted balance carried forward from previous year for annual appropriations.
3. Includes an amount of \$115.2 million in 2013-14 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount is designated as 'contributions by owners'.
4. Section 31 Relevant Agency receipts — estimate.
5. The Department of Human Services does not have any funding for an Administered Capital Budget for 2013-14.
6. Appropriation Bill (No.2) 2013-14.
7. Estimated opening balance for Special Accounts (excluding 'Special Public Money' held in accounts such as Services for Other Entities and Trust Moneys Special Accounts (SOETM)). For further details on special accounts see Table 3.1.2.
8. Includes Appropriation receipts of \$2.140 million from the Department of Human Services annual Administered appropriation relating to Child Support payments and special appropriations of \$83.187 million for 2013-14 included above.
9. Includes receipts from non-custodial parents for the Child Support Account.

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013 (continued)**Third party payments on behalf of and receipts from other agencies**

	2013-14 \$'000	2012-13 \$'000
Payments made on behalf of other agencies (disclosed in the respective Agency Resource Statement)		
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)		
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	62,542,601	58,073,946
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	21,362,101	20,600,438
Special Appropriation - <i>Paid Parental Leave Act 2010</i>	1,609,306	1,449,144
Annual Appropriation - Ex Gratia and Act of Grace Payments	3,775	8,821
Total FaHCSIA	<u>85,517,783</u>	<u>80,132,349</u>
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE)		
Annual Appropriation - Liquefied Petroleum Gas Vehicle Scheme	21,818	10,000
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	3,051,846	2,988,034
Total DIICCSRTE	<u>3,073,664</u>	<u>2,998,034</u>
Attorney-General's Department (AG)		
Special Appropriation - <i>Social Security (Administration) Act 1999</i> - National Security and Criminal Justice	8,000	212,258
Annual Appropriation - Ex Gratia assistance - New Zealand citizens	1,000	10,784
Annual Appropriation - Disaster Income Recovery Subsidy	1,000	-
Total AG	<u>10,000</u>	<u>223,042</u>
Department of Infrastructure and Transport (DIT)		
Annual Appropriation - Bass Strait Passenger Vehicle Equalisation Scheme	42,000	41,100
Annual Appropriation - Tasmanian Freight Equalisation Scheme	114,300	112,200
Annual Appropriation - Tasmanian Wheat Freight Scheme	1,050	-
Total DIT	<u>157,350</u>	<u>153,300</u>
Department of Education, Employment and Workplace Relations (DEEWR)		
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	5,048,234	4,661,007
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	15,463,900	14,788,807
Special Appropriation - <i>Student Assistance Act 1973</i>	294,025	288,816
Annual Appropriation - Compensation and Debt Relief	198	198
Annual Appropriation - Child Care For Eligible Parents Undergoing Training	82,941	110,900
Total DEEWR	<u>20,889,298</u>	<u>19,849,728</u>
Department of Agriculture, Fisheries and Forestry (DAFF)		
Annual Appropriation - Transitional Farm Family Payment	7,608	11,949
Total DAFF	<u>7,608</u>	<u>11,949</u>
Department of Veterans' Affairs (DVA)		
Special Appropriation - <i>Veterans' Entitlements Act 1986</i> & Related Acts	4,046,737	3,991,779
Special Appropriation - <i>Military Rehabilitation and Compensation Act 2004</i>	16,587	14,299
Special Appropriation - <i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	274	406
Total DVA	<u>4,063,598</u>	<u>4,006,484</u>

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013 (continued)

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

	2013-14 \$'000	2012-13 \$'000
Payments made on behalf of other agencies (continued)		
Department of Health and Ageing (DoHA)		
Special Appropriation - <i>Health Insurance Act 1973</i> - Medical Benefits	18,838,215	18,459,874
Special Appropriation - <i>Dental Benefits Act 2008</i>	244,034	83,087
Special Appropriation - <i>National Health Act 1953</i> - Pharmaceutical Benefits	9,882,989	9,471,178
Special Appropriation - <i>National Health Act 1953</i> - Aids and Appliances	300,095	279,772
Special Appropriation - <i>Private Health Insurance Act 2007</i>	4,916,721	5,135,350
Special Appropriation - <i>Medical Indemnity Agreement Act 2002</i>	98,602	96,589
Special Appropriation - <i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	1,391	334
Special Appropriation - <i>Aged Care Act 1997</i> (Total)	9,853,374	9,309,702
Special Account - Australian Childhood Immunisation Register Payment	9,388	6,457
Total DoHA	44,221,673	42,905,669
Australian Bureau of Statistics (ABS)		
Annual Appropriation - Annual Health Survey	5	63
Total ABS	5	63
Total Third party payments	157,940,979	150,280,618
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)		
Attorney-General's Department (AG)	1,183	1,943
Australian Electoral Commission (AEC)	4,058	272
Australian Taxation Office (ATO)	997	330
Department of Broadband, Communications and the Digital Economy (DBCDE)	451	1,034
Department of Education, Employment and Workplace Relations (DEEWR)	155,150	155,318
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)	6,660	8,121
Department of Foreign Affairs and Trade (DFAT)	5,458	5,458
Department of Health and Ageing (DoHA)	15,876	14,982
Department of Immigration and Citizenship (DIAC)	291	689
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE)	25	633
Department of Veterans' Affairs (DVA)	35,339	27,883
Total s31 Relevant agency receipts received for the provision of services	225,488	216,663

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department of Human Services are detailed in Budget Paper No. 2 and summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures ¹						
Call Centre supplementation – reducing waiting times						
Departmental expenses	1.1	9,999	19,997	-	-	-
Child Support System (Cuba) – Replacement						
Departmental expenses	1.1	-	(12,933)	(7,207)	(9,953)	(4,025)
Department of Human Services – efficiencies						
Departmental expenses	1.1	358	(6,784)	(18,639)	(18,636)	(18,693)
Fraud prevention and compliance - improve billing practices within public hospitals ²						
Departmental expenses	1.1	-	-	-	-	-
- increase compliance for customers with earned income						
Departmental expenses	1.1	-	8,775	-	-	-
Income Security Integrated System Business Case						
Departmental expenses	1.1	-	-	-	-	-
Attorney-General's Department						
Natural disaster support – Commonwealth Disaster Recovery Allowance						
Departmental expenses	1.1	-	-	-	-	-
Department of Agriculture, Fisheries and Forestry						
National Drought Program Reform						
Departmental expenses	1.1	-	9,094	6,780	7,135	8,907
Department of Education, Employment and Workplace Relations						
Child Care Rebate – indexation pause – extension						
Departmental expenses	1.1	2	14	6	6	-
Improving incentives to study – extension of the Pensioner Education Supplement for single parents						
Departmental expenses	1.1	54	1,472	138	127	125

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2013-14 Budget measures (continued)

Part 1: Measures announced since the 2012-13 MYEFO (continued)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Department of Education, Employment and Workplace Relations (continued)						
Improving incentives to work – extended Pensioner Concession Card entitlements for single parents						
Departmental expenses	1.1	9	354	31	31	31
Jobs, Education and Training Child Care Fee Assistance – continuation of bridging and foundation courses ³						
Departmental expenses	1.1	289	394	-	-	-
Supporting jobseekers in the transition to work – increase and index the income free area for eligible income support recipients						
Departmental expenses	1.1	-	1,215	54	48	44
Youth Attainment and Transitions – extension						
Departmental expenses	1.1	-	173	26	-	-
Department of Families, Housing, Community Services and Indigenous Affairs						
Cape York Welfare Reform – Embedding and Building						
Departmental expenses	1.1	-	3,061	2,616	1,253	-
Family and Parental Payments – change to rules for receiving payments overseas						
Departmental expenses	1.1	-	2,701	1,728	569	642
Family payments reform - continuing indexation pauses on upper income limits and supplements						
Departmental expenses	1.1	-	267	(1,810)	(2,407)	(3,177)
- replacing the Baby Bonus						
Departmental expenses	1.1	381	10,322	7,246	4,019	4,654
Family Tax Benefit and Child Care Assistance – realignment of time period for income reconciliation						
Departmental expenses	1.1	1,435	6,003	2,199	749	(251)
Family Tax Benefit Part A – Changes to age of eligibility						
Departmental expenses	1.1	-	3,458	1,037	392	267

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2013-14 Budget measures (continued)**Part 1: Measures announced since the 2012-13 MYEFO (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Department of Families, Housing, Community Services and Indigenous Affairs (continued)						
Income Management						
- continuation and expansion in Western Australia						
Departmental expenses	1.1	-	6,373	-	-	-
- enhanced service delivery						
Departmental expenses	1.1	-	-	-	-	-
Not proceeding with the additional increase to Family Tax Benefit Part A payments						
Departmental expenses	1.1	-	(76)	(2,443)	(1,473)	(151)
Pension Bonus Scheme – cease late registrations						
Departmental expenses	1.1	38	1,326	275	38	-
Supporting Senior Australians – Housing Help for Seniors – pilot						
Departmental expenses	1.1	-	3,400	2,325	2,471	2,495
Superannuation reforms – extending the normal deeming rules to new superannuation account-based income streams						
Departmental expenses	1.1	-	881	5,191	1,175	799
Department of Health and Ageing						
Extended Medicare Safety Net – increasing the general threshold						
Departmental expenses	1.1	-	-	558	-	-
Living Longer. Living Better – staying at home – improvements						
Departmental expenses	1.1	59	263	-	-	-
Medicare Benefits Schedule						
- realigning indexation with the financial year						
Departmental expenses	1.1	-	42	46	-	-
- remove out-of-hospital Medicare rebate for selected items ⁴						
Departmental expenses	1.1	-	-	-	-	-
- removing double billing						
Departmental expenses	1.1	-	-	(408)	(806)	(946)

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2013-14 Budget measures (continued)**Part 1: Measures announced since the 2012-13 MYEFO (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Department of Health and Ageing (continued)						
Mental Health Nurse Incentive Program						
Departmental expenses	1.1	-	529	-	-	-
Pharmaceutical Benefits Scheme						
- additional funding for further pricing reform ⁵						
Departmental expenses	1.1	-	-	-	-	-
- new and amended listings ⁶						
Departmental expenses	1.1	27	12	13	12	11
- price changes						
Departmental expenses	1.1	-	-	-	-	-
World Leading Cancer Care – National Bowel Cancer Screening Program – additional funding						
Departmental expenses	1.1	-	2	2	2	2
Department of Immigration and Citizenship						
Integrated Service Delivery Framework						
Departmental expenses	1.1	-	10,942	14,158	12,246	12,177
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education						
Student Start-up Scholarships – conversion to Income Contingent Loans						
Departmental expenses	1.1	610	5,533	2,577	3,363	3,635
Department of Veterans' Affairs						
Mental health services – expansion						
Departmental expenses	1.1	-	-	(15)	(20)	(25)
Total expense measures						
Administered		-	-	-	-	-
Departmental		13,261	76,810	16,484	341	6,521
Total		13,261	76,810	16,484	341	6,521

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2013-14 Budget measures (continued)**Part 1: Measures announced since the 2012-13 MYEFO (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Capital measures ¹						
Child Support System (Cuba) – Replacement						
Departmental Capital	1.1	-	13,157	7,333	10,044	4,179
Department of Agriculture, Fisheries and Forestry						
National Drought Program Reform						
Departmental Capital	1.1	-	5,196	202	-	-
Department of Families, Housing, Community Services and Indigenous Affairs						
Family and Parental Payments – change to rules for receiving payments overseas						
Departmental Capital	1.1	-	2,200	-	-	-
Family payments reform – replacing the Baby Bonus						
Departmental Capital	1.1	94	3,814	4,946	1,530	987
Family Tax Benefit Part A – Changes to age of eligibility						
Departmental Capital	1.1	-	1,828	207	125	-
Superannuation reforms – extending the normal deeming rules to new superannuation account-based income streams						
Departmental Capital	1.1	-	256	323	-	-
Supporting Senior Australians – Housing Help for Seniors – pilot						
Departmental Capital	1.1	-	1,332	-	-	-
Department of Health and Ageing						
Pharmaceutical Benefits Scheme – additional funding for further pricing reform ⁵						
Departmental Capital	1.1	-	-	-	-	-
Department of Immigration and Citizenship						
Integrated Service Delivery Framework						
Departmental Capital	1.1	-	1,776	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2013-14 Budget measures (continued)

Part 1: Measures announced since the 2012-13 MYEFO (continued)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education						
Student Start-up Scholarships – conversion to Income Contingent Loans						
Departmental Capital	1.1	361	3,405	85	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		455	32,964	13,096	11,699	5,166
Total		455	32,964	13,096	11,699	5,166

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Measures						
Cross Portfolio						
Targeted savings – public service efficiencies ⁷						
Departmental expenses	1.1	-	(7,748)	(5,247)	(4,208)	(2,862)
Total measures						
Administered		-	-	-	-	-
Departmental		-	(7,748)	(5,247)	(4,208)	(2,862)
Total		-	(7,748)	(5,247)	(4,208)	(2,862)

Prepared on a Government Financial Statistics (fiscal) basis.

1. Measures are listed by lead Portfolio agency where applicable. The full measure description and package details appear in the 2013-14 Budget Paper No. 2 under the relevant lead portfolio.
2. This measure was a 'decision taken but not yet announced' in the 2012-13 Budget (refer page 76 of the 2012-13 Budget Paper No. 2). The funding provided to the department in the 2012-13 Budget was: 2012-13 \$0.344 million; 2013-14 \$0.348 million; 2014-15 \$0.350 million; 2015-16 \$0.122 million.
3. This measure was published in the Human Services Portfolio Additional Estimates Statements 2012-13 with funding as follows: 2012-13 \$0.533 million; 2013-14 \$0.067 million. The amounts shown above represent additional funding provided for decisions made after 2012-13 Additional Estimates. The amounts shown in the 2013-14 Budget Paper No. 2 reflect the total funding for this measure.
4. This measure was published in the Human Services Portfolio Additional Estimates Statements 2012-13 in Table 1.4 with funding of \$0.031 million for 2012-13 operating expenses. Funding for this measure is reflected in the measure description in the 2013-14 Budget Paper No. 2.
5. This measure was published in the Human Services Portfolio Additional Estimates Statements 2012-13 in Table 1.4 with funding as follows: 2012-13 \$2.478 million for operating expenses and \$0.909 million for capital expenditure, totalling \$3.387 million.

Table 1.2: Agency 2013-14 Budget measures (continued)

6. This measure was published in the Human Services Portfolio Additional Estimates Statements 2012-13. This included funding decided by the Government after MYEFO as follows: 2012-13 \$0.185 million; 2013-14 \$0.256 million; 2014-15 \$0.273 million; 2015-16 \$0.314 million; 2016-17 \$0.350 million. The amounts shown in the table above represent additional funding provided for decisions made after 2012-13 Additional Estimates. The amounts shown in the 2013-14 Budget Paper No. 2 reflect the total funding for this measure since MYEFO.
7. The fiscal impact reported for the measure “Targeted savings – public service efficiencies” is in addition to the impact previously reported for this measure in the 2012-13 Human Services Portfolio Additional Estimates Statements.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

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

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Services to the Community		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	12,584	14,818
Special accounts	-	-
Expenses not requiring appropriation in the Budget year ¹	2,006	2,006
Departmental expenses		
Departmental Appropriation ²	4,192,693	4,166,168
Expenses not requiring appropriation in the Budget year ¹	322,570	231,864
Total for Program 1.1 ³	4,529,853	4,414,856
Program 1.2: Child Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,130	2,140
Special appropriations	82,782	83,187
Special accounts	1,273,858	1,286,986
Expenses not requiring appropriation in the Budget year ¹	68,939	95,666
Total for Program 1.2 ³	1,427,709	1,467,979
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	14,714	16,958
Special appropriations	82,782	83,187
Special accounts	1,273,858	1,286,986
Expenses not requiring appropriation in the Budget year ¹	70,945	97,672
Departmental expenses		
Departmental Appropriation ²	4,192,693	4,166,168
Expenses not requiring appropriation in the Budget year ¹	322,570	231,864
Total expenses for Outcome 1	5,957,562	5,882,835
	2012-13	2013-14
Average Staffing Level (number)	32,048	30,707

1. Departmental expenses not requiring appropriation in the budget year comprise unfunded depreciation expense, amortisation expenses, resources received free of charge and operating results. Administered expenses not requiring appropriation in the Budget year comprise depreciation expense and net write-down of assets.
2. Departmental Appropriation combines expenses funded by 'Ordinary annual services' ('Appropriation Act No. 1', 'Appropriation Act No. 3' and 'Revenue from independent sources' (s31)).
3. Program Expenses by Subfunction:

Expenses by subfunction	2012-13	2013-14
	\$'000	\$'000
Program 1.1		
Health - General Administration	669,405	669,153
Assistance to People with Disabilities	176,000	175,765
Social Security and Welfare - General Administration	3,684,448	3,569,938
Total	4,529,853	4,414,856
Program 1.2		
Assistance to Families with Children	1,427,709	1,467,979
Total Expenses for Outcome 1	5,957,562	5,882,835

Contributions to Outcome 1

Program 1.1: Services to the Community

Program 1.1 Objective

Individuals, families and communities are supported to achieve greater self-sufficiency.

- Policy development and decision-making is supported by the provision of information and service delivery policy advice.
- Efficient and responsive service delivery.
- People have access to high quality social, health and child support services and payments appropriate to their circumstances.
- Providers and businesses are supported by a service delivery system that facilitates payment transfers, referrals and other services.

Linked to:

Program 1.1 – Services to the Community is linked to the Outcomes and Programs of other agencies as shown below. A detailed list of the services delivered under various service agreements is published in the Department of Human Services annual report:

- Attorney-General’s Department: 1.2, 1.7
 - AUSTRAC: 1.1
 - CRIMTRAC: 1.1
 - Family Court: 1.1
 - Federal Circuit Court: 1.1
- Department of Agriculture, Fisheries and Forestry: 1.1, 1.11, 1.12
 - Australian Fisheries Management Authority: 1.1
- Department of Broadband, Communications and the Digital Economy: 1.3
- Department of Defence:
 - Department of Veterans’ Affairs: 1.1, 1.2, 1.3, 1.4, 1.5, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6
- Department of Education, Employment and Workplace Relations: 1.1, 1.2, 2.2, 2.3, 2.8, 2.9, 3.1, 3.2, 3.5
- Department of Families, Housing, Community Services and Indigenous Affairs (including Family Assistance Office): 1.2, 1.3, 2.1, 3.1, 3.3, 3.4, 3.5, 4.1, 4.2, 5.2, 5.3

Program 1.1 Objective (*continued*)

Linked to (*continued*):

- Torres Strait Regional Authority: 1.1
- Department of Finance and Deregulation:
 - Australian Electoral Commission: 1.1, 1.2, 1.3
- Department of Foreign Affairs and Trade: 2.1, 2.2
- Department of Health and Ageing: 1.1, 1.5, 2.1, 2.2, 2.4, 3.1, 3.2, 4.4, 4.5, 4.6, 5.2, 5.3, 7.1, 8.1, 9.1, 10.2, 11.1, 12.1, 13.1, 13.2
 - Australian Organ and Tissue Donation and Transplantation Authority: 1.1
 - Professional Services Review: 1.1
- Department of Immigration and Citizenship: 2.1, 4.1, 6.1
- Department of Infrastructure and Transport: 2.2
- Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education: 1.1, 3.3, 3.4, 3.5, 3.6
- Department of the Treasury:
 - Australian Bureau of Statistics: 1.1
 - Australian Taxation Office: 1.1, 1.16
 - Australian Securities and Investments Commission: 1.1

The department also has links with various state and territory governments and countries with which Australia has an International Social Security Agreement.

Program 1.1 Expenses

Total program expenses are forecast to decrease by \$295.0 million over the estimates period. This mainly comprises an increase in service delivery expenses of \$10.2 million for health general administration, offset by a forecast decrease of \$304.7 million for social security and welfare general administration subfunctions.

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Income Management BasicsCard	5,006	5,006	3,000	-	-
Future Workforce	7,578	9,812	8,838	-	-
Administered expenses not requiring appropriation in the Budget year ¹	2,006	2,006	2,005	1,970	1,970
Annual departmental expenses funded by:					
Ordinary annual services (Appropriation Bills No. 1 & 3)	3,908,373	3,880,814	3,784,380	3,656,921	3,693,729
Revenues from other sources	284,320	285,354	273,752	274,967	275,250
Departmental expenses not requiring appropriation in the Budget year ²	322,570	231,864	228,757	247,144	263,882
Total program expenses ³	4,529,853	4,414,856	4,300,732	4,181,002	4,234,831

- Administered expenses not requiring appropriation in the Budget year comprise depreciation expense and net write-down of assets.
- Departmental expenses not requiring appropriation in the Budget year comprise unfunded depreciation expense, amortisation expense, resources received free of charge and operating results.
- Program Expenses by Subfunction:

Expenses by subfunction	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Departmental					
Health - General Administration	669,405	669,153	645,065	647,185	679,577
Assistance to People with Disabilities	176,000	175,765	175,531	175,531	175,531
Social Security and Welfare - General Administration	3,669,858	3,553,114	3,466,293	3,356,316	3,377,753
Total Departmental	4,515,263	4,398,032	4,286,889	4,179,032	4,232,861
Administered					
Social Security and Welfare - General Administration	14,590	16,824	13,843	1,970	1,970
Total Administered	14,590	16,824	13,843	1,970	1,970
Total Expenses by Sub Function	4,529,853	4,414,856	4,300,732	4,181,002	4,234,831

Program 1.1 Deliverables

The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to health payments and services on behalf of government. The department provides access through service centres (including one-stop-shop co-located offices) located across Australia; online services; call centres; and systems that support the delivery of services by providers and business.

The department also provides access to tailored services including:

- Translated information on payments and services, interpreter services and Multicultural Service Officers.
- Access points that deliver self-help facilities.
- Agents located in rural and remote communities and remote access service centres that deliver face-to-face services.
- Australian Government Mobile Offices which provide services in rural, remote and disaster-affected communities.
- Indigenous Service Officers who connect Indigenous Australians and communities with departmental services.
- Community Engagement Officers who deliver services to people who are homeless or at risk of homelessness.
- Referrals to support services and the provision of specialist services through the department's health and allied health professionals which include psychologists, social workers, occupational therapists, registered nurses, physiotherapists, exercise physiologists and rehabilitation counsellors.
- The delivery of expert assessment, injury management, vocational rehabilitation and employment services to assist people who have a disability, injury or health condition to get and keep a job through CRS Australia.

The department is also seeking to improve services and support through:

- Local Connections to Work sites which aim to connect individuals to community services under one roof.
- Case coordination sites that deliver specialist services to those who suffer from multiple disadvantages.

The department also supports policy development through the provision of service delivery policy advice and the coordination and development of specific initiatives on behalf of government.

Program 1.1 Key Performance Indicators (KPIs)

The department's performance against its objectives will be demonstrated through the following KPIs:

Key Performance Indicators ¹	2012-13 Revised budget	2013-14 Budget Target	2014-15 Forward year 1	2015-16 Forward year 2	2016-17 Forward year 3
Minister is satisfied with the quality, relevance and timeliness of ministerial briefing, correspondence and other departmental advice.	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied
Achievement of customer satisfaction standards.	≥85%	≥85%	≥85%	≥85%	≥85%
Satisfaction with Medicare provider service delivery.	≥70%	≥70%	≥70%	≥70%	≥70%
Achievement of payment quality standards.					
Centrelink: Delivery of correct payments.	≥95%	≥95%	≥95%	≥95%	≥95%
Medicare: Delivery of accurate medical and pharmaceutical benefits and services.	≥98%	≥98%	≥98%	≥98%	≥98%
Key initiatives delivered within timeframes and on budget and outcomes are achieved ²					
Service Delivery Reform.	Achieved	Achieved	Achieved	Achieved	Achieved
Income Management Budget measures. ³	Achieved	Achieved	Achieved	Achieved	N/A
Fraud Prevention and Compliance Budget measures.	Achieved	Achieved	Achieved	Achieved	Achieved
Household Assistance Package.	Achieved	Achieved	Achieved	Achieved	Achieved
Effective working arrangements with other government departments are in place which support the department's contribution to policy development through service delivery policy advice.					
Strategies in place to ensure reporting against MOU and Bilateral Management arrangements are effective.	Effective	Effective	Effective	Effective	Effective
Government stakeholder assessment of the portfolio's agility, flexibility and responsiveness. ⁴	3.6	3.8	4.0	4.0	4.0

Program 1.1 Key Performance Indicators (continued)

Key Performance Indicators	2012-13 Revised budget	2013-14 Budget Target	2014-15 Forward year 1	2015-16 Forward year 2	2016-17 Forward year 3
Support economic and social participation of Indigenous Australians through the timely delivery of appropriate departmental payments and services.					
Centrelink: Delivery of correct payments for Indigenous Australians.	≥95%	≥95%	≥95%	≥95%	≥95%
CRS Australia to maximise workforce participation rates for government at or above the market average for job seekers that remain in employment for 13 weeks.	≥70%	≥70%	≥70%	≥70%	≥70%
Increase in the proportion of self-managed transactions and electronic interactions.	1% increase on 2011-12	1% increase on 2012-13	1% increase on 2013-14	1% increase on 2014-15	1% increase on 2015-16
Achievement of face-to-face, call and processing service level standards.					
Face-to-face: Average wait time.	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes
Telephony: Average speed of answer:					
- service users.	≤16 minutes	≤16 minutes	≤16 minutes	≤16 minutes	≤16 minutes
- providers.	≤30 seconds	≤30 seconds	≤30 seconds	≤30 seconds	≤30 seconds
Processing: Percentage of claims processed within standard - service users.	≥82%	≥82%	≥82%	≥82%	≥82%
Achievement of payment integrity standards.					
Centrelink: Debt under recovery.	≥60%	≥60%	≥60%	≥60%	≥60%
Medicare: Completed audit and review cases.	2,500	2,500	2,500	2,500	2,500

1. Duplicated KPIs from 2012-13 have been removed for 2013-14.
2. The list of key initiatives is determined by government priorities each financial year.
3. Funding for Income Management Budget measures terminates in 2015-16.
4. Annual government stakeholder survey - out of 5 index points.

Program 1.2: Child Support

Program 1.2 Objective

The department's Child Support Program is designed to ensure that both parents contribute to the cost of their children, according to their capacity. The scheme is expected to transfer \$3.2 billion between parents for the benefit of approximately 1.2 million children in 2013-14.

Linked to :

Program 1.2 - Child Support is linked to Department of Families, Housing, Community Services and Indigenous Affairs Program 1.2. A detailed list of the services delivered under various service agreements is published in the Department of Human Services annual report.

Program 1.2 Expenses

Total Program Expenses are forecast to increase by \$153.3 million over the estimates period, mainly due to increases in amounts of child support, being transferred between parents through the Child Support Special Account, which are forecast to increase by 2.5 per cent per annum.

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Child Support dishonoured cheques and other shortfalls	2,130	2,140	2,194	2,249	2,305
Special Appropriations:					
Child Support Act ¹					
- s77 - unremitted deductions	82,732	83,137	85,271	87,404	89,591
- s78 - unexplained remittances	50	50	50	50	50
Special Account Expenses:					
Child Support Account	1,273,858	1,286,986	1,319,799	1,353,325	1,387,689
Administered expenses not requiring appropriation in the Budget year ²	68,939	95,666	97,532	99,435	101,385
Total program expenses ³	1,427,709	1,467,979	1,504,846	1,542,463	1,581,020

1. Child Support (Registration and Collection) Act 1988.
2. Expenses not requiring appropriation in the budget year comprise net write-down of Child Support receivables.
3. Program 1.2 expenses are classified against the Assistance to Families with Children subfunction.

Program 1.2 Deliverables

Collect and disburse child support payments.

Program 1.2 Key Performance Indicators (KPIs)

Key Performance Indicators	2012-13 Revised Budget	2013-14 Budget Target	2014-15 Forward year 1	2015-16 Forward year 2	2016-17 Forward year 3
Total amount of child support transferred between parents.	\$3.1 billion	\$3.2 billion	\$3.2 billion	\$3.2 billion	\$3.2 billion
Child support collection rate (Child Support collect only).	≥91.7%	≥91.7%	≥91.7%	≥91.7%	≥91.7%
Percentage of private collect cases to total active cases (Child Support collect and private collect cases).	≥52%	≥52%	≥52%	≥52%	≥52%
Percentage of domestic active paying parents without debt.	≥73.5%	≥73.5%	≥73.5%	≥73.5%	≥73.5%

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1: Movement of Administered Funds Between Years

There are no movements of administered funds between years for the Department of Human Services.

3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the department.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Account ¹ (A)	1	58,838	1,435,771	(1,435,771)	-	58,838
		58,838	1,428,781	(1,428,781)	-	58,838
Recovery of Compensation for Health Care & Other Services Special Account ² (A)	1	74,427	275,191	(275,803)	-	73,815
		75,029	270,591	(271,193)	-	74,427
Superannuation Clearing House Special Account ³ (A)	1	15,982	1,113,428	(1,105,530)	-	23,880
		8,948	745,159	(738,125)	-	15,982
Services for Other Entities and Trust Moneys – Department of Human Services Special Account ⁴ (A) & (D)	1	-	-	-	-	-
		-	-	-	-	-
Total special accounts 2013-14 Budget Estimate		149,247	2,824,390	(2,817,104)	-	156,533
<i>Total special accounts</i> <i>2012-13 Estimated Actual</i>		<i>142,815</i>	<i>2,444,531</i>	<i>(2,438,099)</i>	<i>-</i>	<i>149,247</i>

(A) = Administered

(D) = Departmental

1. Child Support Account - s73 *Child Support (Registration and Collection) Act 1988*. Purpose: For the receipt of maintenance payments and the making of regular and timely payments to custodial parents.
2. Recovery of Compensation for Health Care and Other Services Special Account - s20 FMA Act Determination 2005/24. Purpose: To credit monies for the purpose of recovery of compensation following a judgement or settlement under the *Health and Other Services (Compensation) Act 1995* and;
 - (a) to pay the claimant, or the claimant's authorised representative, amounts credited to the Special Account; and
 - (b) to reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment; and
 - (c) to repay amounts where an Act or other law requires or permits the repayment of an amount received.
3. Superannuation Clearing House Special Account - s20 FMA Act Determination 2010/05. Purpose: To receive amounts for the purpose of the Superannuation Clearing House and:
 - (a) make payments to superannuation funds on behalf of small business employers in performance of the functions of the Superannuation Clearing House;
 - (b) repay to the original payer, amounts credited to the Special Account, including the residual after any necessary payments are made for the purpose mentioned in paragraph (a);
 - (c) reduce the balance of the Special Account (and, therefore the available appropriation for the Special Account) without making a real or notional payment; and
 - (d) repay amounts where an Act or other law requires or permits the repayment of an amount received.
4. Services for Other Entities and Trust Moneys - Department of Human Services Special Account - s20(1) FMA Act Determination 2011/13. Purpose: To credit and debit monies for the purpose of:
 - (a) disbursing amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;

Table 3.1.2: Estimates of Special Account Flows and Balances *(continued)*

- (b) disbursing amounts in connection with services performed on behalf of other governments and bodies that are not FMA Act agencies;
- (c) repaying amounts where an Act or other law requires or permits the repayment of an amount received; and
- (d) reducing the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
	Department of Human Services						
Outcome 1							
Administered 2013-14	4,341	-	-	4,341	-	4,341	1.1
<i>Administered 2012-13</i>	<i>4,341</i>	<i>-</i>	<i>-</i>	<i>4,341</i>	<i>-</i>	<i>4,341</i>	<i>1.1</i>
Departmental 2013-14	171,083	-	-	171,083	-	171,083	1.1
<i>Departmental 2012-13</i>	<i>178,266</i>	<i>-</i>	<i>-</i>	<i>178,266</i>	<i>101</i>	<i>178,367</i>	<i>1.1</i>
Total outcome 2013-14	175,424	-	-	175,424	-	175,424	
<i>Total outcome 2012-13</i>	<i>182,607</i>	<i>-</i>	<i>-</i>	<i>182,607</i>	<i>101</i>	<i>182,708</i>	
Total Department of Human Services							
Total Administered 2013-14	4,341	-	-	4,341	-	4,341	
<i>Total Administered 2012-13</i>	<i>4,341</i>	<i>-</i>	<i>-</i>	<i>4,341</i>	<i>-</i>	<i>4,341</i>	
Total Departmental 2013-14	171,083	-	-	171,083	-	171,083	
<i>Total Administered 2012-13</i>	<i>178,266</i>	<i>-</i>	<i>-</i>	<i>178,266</i>	<i>101</i>	<i>178,367</i>	
Total AGIE 2013-14	175,424	-	-	175,424	-	175,424	
<i>Total AGIE 2012-13</i>	<i>182,607</i>	<i>-</i>	<i>-</i>	<i>182,607</i>	<i>101</i>	<i>182,708</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Agency Resourcing and Financial Statements

3.2.2 Analysis of Budgeted Financial Statements

Budgeted Departmental Comprehensive Income Statement (Table 3.2.1)

2012-13 Estimated Actual

The department is budgeting for an operating loss of \$66.0 million for 2012-13, mainly due to:

- a delay in a program of voluntary redundancies in order to bring the staffing level down to affordable levels;
- additional costs incurred for service delivery in response to the recent natural disasters; and
- other additional expenses associated with continuing integration of the former Centrelink and Medicare Australia into the department.

Expenses for the year are estimated at \$4,515.3 million, an increase of \$77.7 million since 2012-13 Additional Estimates. The department is forecasting total own source income of \$286.6 million in 2012-13, an increase of \$3.3 million since Additional Estimates, mainly due to variations in contract services provided by the department. Revenue from Government has increased by \$12.9 million, mainly as a result of new measures for the same period.

2013-14 Budget and Forward Years

The department is forecasting a break-even operating result for the budget and forward years. Expenses for 2013-14 are estimated at \$4,398.0 million, an increase of \$107.9 million since 2012-13 Additional Estimates. This change is mainly driven by new expense measures as per table 1.2. Expenses are forecast to decrease by \$165.2 million (3.8 per cent) over the Budget and forward estimates period, mainly comprising reductions of \$113.3 million in employee benefits and \$81.7 million in supplier expenses.

Total own source income in 2013-14 is estimated at \$287.6 million, an increase of \$5.0 million since Additional Estimates. This change is mainly due to variations in contract services provided by the department. Revenue from Government is forecast to decrease by \$187.1 million (4.8 per cent) over the Budget and forward estimates period.

Departmental Balance Sheet (Table 3.2.2)

2012-13 Estimated Actual

Total Assets are estimated to be \$1,751.0 million, a decrease of \$91.5 million since Additional Estimates, mainly due to reductions in receivables. Total Liabilities are estimated to be \$1,275.1 million, a decrease of \$30.5 million since Additional Estimates. This is mainly due to a reduction in supplier payables.

2013-14 Budget and Forward Years

Total Assets for 2013-14 are estimated to be \$1,636.5 million, a decrease of \$75.9 million since 2012-13 Additional Estimates, mainly due to reductions in receivables. Over the Budget and forward estimates period, total assets are forecast to decrease by \$208.4 million, mainly because depreciation expense and asset impairments exceed asset additions funded under the net cash appropriation arrangements.

Total Liabilities are estimated to be \$1,236.2 million, a decrease of \$29.0 million since Additional Estimates. This is mainly due to a reduction in supplier payables.

Departmental Statement of Changes in Equity (Table 3.2.3)

Total Equity for 2013-14 is estimated to be \$400.2 million (at 30 June 2014), a decrease of \$75.7 million from the end of 2012-13. This is mainly due to the difference between unfunded depreciation expense, as reflected in the operating result and capital funding for new and replacement assets for 2013-14.

Departmental Cash Flows (Table 3.2.4)

2012-13 Estimated Actual

Since the 2012-13 Additional Estimates, cash flows have been affected by new measures, changes in own source revenue and associated expenses, and movements of assets and liabilities. This has resulted in increased cash receipts from operating activities in 2012-13 of \$98.4 million and increased payments of \$117.0 million for operating activities. Cash used for purchase of property, plant and equipment and intangibles has decreased by \$15.2 million since Additional Estimates, due to a similar increase in capital payable at year end.

2013-14 Budget and Forward Years

Since the 2012-13 Additional Estimates, both 2013-14 cash receipts and cash payments have increased by \$76.9 million mainly resulting from new measures.

Over the Budget and forward estimates period, the movements in cash received and cash used for operations reflect the movements in total revenue and total expenses noted above. Movements in net cash flows from investing and financing activities over the forward estimates reflect government funding levels for replacement of assets and equity injections for capital expenditure as detailed in the Departmental Capital Budget (Table 3.2.5).

Departmental Capital Budget Statement (Table 3.2.5)

New capital appropriations for 2013-14 have increased by \$34.4 million since Additional Estimates. This is mainly due to capital funding for new measures as reflected in Table 1.2. Funding for 2013-14 is now estimated at \$154.4 million, a reduction of \$23.7 million compared to 2012-13 estimated actuals. Capital funding is forecast to increase to \$206.4 million in 2014-15 and remain stable over the forward years.

Statement of Asset Movements (Table 3.2.6)

The estimated net book values for 2013-14 have increased by \$15.7 million since Additional Estimates. The closing net book value for 2013-14 represents a decrease of \$77.8 million for the year because depreciation expense and asset impairments exceed total additions funded under the net cash appropriation arrangements.

Administered Income and Expenses (Table 3.2.7)

2012-13 Estimated Actual

Since 2012-13 Additional Estimates, Administered revenue in 2012-13 has decreased by \$25.8 million while expenses have also decreased by \$27.0 million. These movements are mainly due to an estimated reduction in the transfers of Child Support payments between parents.

2013-14 Budget and Forward Years

Administered expenses in 2013-14 have decreased by \$27.8 million since Additional Estimates mainly due to a forecast reduction in the transfers of Child Support payments between parents.

Child Support revenue and expenses are forecast to increase by approximately 2.5 per cent each year. Grants for the measure, 'Building Australia Future Workforce – community innovation through collaboration' and supplier expenses for 'Income Management BasicsCard' will cease in 2015-16 due to termination of the measures.

Administered Assets and Liabilities (Table 3.2.8)

Over the Budget and Forward estimates period, total Administered Assets and Liabilities are forecast to increase by approximately 3.1 per cent per annum, consistent with the trend in income and expenses for the Child Support Program.

Administered Cash Flows (Table 3.2.9)

2012-13 Estimated Actual

Since the 2012-13 Additional Estimates, Administered receipts have decreased by \$25.0 million while payments have decreased by \$25.4 million. This is mainly due to an estimated reduction in the transfers of Child Support payments between parents.

2013-14 Budget and Forward Years

Administered cash receipts and payments, and payments to or from the official public account (OPA), are forecast to increase by an average of 2.3 per cent each year over the Budget and forward years, consistent with the trend in income and expenses for the Child Support program.

3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	2,847,374	2,808,915	2,757,879	2,671,270	2,695,636
Supplier expenses	1,390,640	1,337,685	1,281,182	1,242,251	1,255,964
Depreciation and amortisation	262,355	237,595	233,912	251,509	267,167
Write-down and impairment of assets	7,514	7,514	7,514	7,514	7,514
Losses from asset sales	1,063	-	-	-	-
Finance costs	929	862	862	862	862
Other expenses	5,388	5,461	5,540	5,626	5,718
Total expenses	4,515,263	4,398,032	4,286,889	4,179,032	4,232,861
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	282,351	283,385	271,783	272,998	273,281
Rental income	969	969	969	969	969
Other	1,000	1,000	1,000	1,000	1,000
Total own-source revenue	284,320	285,354	273,752	274,967	275,250
Gains					
Other	2,240	2,240	2,239	2,239	2,239
Total gains	2,240	2,240	2,239	2,239	2,239
Total own-source income	286,560	287,594	275,991	277,206	277,489
Net cost of (contribution by) services	4,228,703	4,110,438	4,010,898	3,901,826	3,955,372
Revenue from Government	3,908,373	3,880,814	3,784,380	3,656,921	3,693,729
Surplus (Deficit)	(320,330)	(229,624)	(226,518)	(244,905)	(261,643)
Surplus (Deficit) attributable to the Australian Government	(320,330)	(229,624)	(226,518)	(244,905)	(261,643)
Total comprehensive income (loss)	(320,330)	(229,624)	(226,518)	(244,905)	(261,643)
Total comprehensive income (loss) attributable to the Australian Government	(320,330)	(229,624)	(226,518)	(244,905)	(261,643)

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

Note: Impact of Net Cash Appropriation Arrangements

	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income					
(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(66,000)	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	(254,330)	(229,624)	(226,518)	(244,905)	(261,643)
Total comprehensive Income (loss) - as per the Statement of Comprehensive Income	(320,330)	(229,624)	(226,518)	(244,905)	(261,643)

Prepared on Australian Accounting Standards basis.

- From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Act No. 1 equity appropriations. For information regarding DCBs, refer to Table 3.2.5 Departmental Capital Budget Statement.

**Table 3.2.2: Budgeted Departmental Balance Sheet
(as at 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	24,343	24,665	24,909	24,924	24,924
Trade and other receivables	759,613	721,300	699,137	633,365	652,237
Other financial assets	95	95	95	95	95
Total financial assets	784,051	746,060	724,141	658,384	677,256
Non-financial assets					
Land and buildings	331,952	292,035	280,732	259,662	241,177
Property, plant and equipment	194,435	162,796	161,848	161,387	153,338
Intangibles	382,669	376,443	359,975	333,292	292,842
Other non-financial assets	57,907	59,119	60,496	61,900	63,405
Total non-financial assets	966,963	890,393	863,051	816,241	750,762
Total assets	1,751,014	1,636,453	1,587,192	1,474,625	1,428,018
LIABILITIES					
Payables					
Suppliers	260,059	257,918	250,890	249,164	249,570
Other payables	99,198	104,097	110,542	46,711	54,984
Total payables	359,257	362,015	361,432	295,875	304,554
Provisions					
Employee provisions	855,598	813,992	785,437	778,835	783,807
Other	60,211	60,211	60,211	60,211	60,211
Total provisions	915,809	874,203	845,648	839,046	844,018
Total liabilities	1,275,066	1,236,218	1,207,080	1,134,921	1,148,572
Net assets	475,948	400,235	380,112	339,704	279,446
EQUITY*					
Parent entity interest					
Contributed equity	1,080,367	1,234,278	1,440,673	1,645,170	1,846,555
Reserves	34,291	34,291	34,291	34,291	34,291
Retained surplus (accumulated deficit)	(638,710)	(868,334)	(1,094,852)	(1,339,757)	(1,601,400)
Total parent entity interest	475,948	400,235	380,112	339,704	279,446
Total equity	475,948	400,235	380,112	339,704	279,446

Prepared on Australian Accounting Standards basis.

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

**Table 3.2.3: Departmental Statement of Changes in Equity —
Summary of Movement (Budget Year 2013-14)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(638,710)	34,291	1,080,367	475,948
Comprehensive income				
Surplus (deficit) for the period	(229,624)			(229,624)
Total comprehensive income	(229,624)	-	-	(229,624)
of which:				
Attributable to the Australian Government	(229,624)	-	-	(229,624)
Transactions with owners				
Contribution by owners				
Equity Injection - Appropriation	-	-	38,706	38,706
Departmental Capital Budget (DCB)	-	-	115,205	115,205
Sub-total transactions with owners	-	-	153,911	153,911
Estimated closing balance as at 30 June 2014	(868,334)	34,291	1,234,278	400,235
Closing balance attributable to the Australian Government	(868,334)	34,291	1,234,278	400,235

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	313,845	305,247	294,461	294,842	295,389
Appropriations	3,975,501	3,919,250	3,806,143	3,722,875	3,674,871
Section 31 receipts redrawn from OPA	317,803	306,248	295,461	295,842	296,389
Net GST received	138,835	108,848	108,268	104,351	105,629
Other	1,018	1,000	1,000	1,000	1,000
Total cash received	4,747,002	4,640,593	4,505,333	4,418,910	4,373,278
Cash used					
Employees	2,838,227	2,845,695	2,780,068	2,741,789	2,682,482
Suppliers	1,539,428	1,470,031	1,417,793	1,369,418	1,382,475
Section 31 receipts transferred to OPA	317,804	306,247	295,461	295,842	296,389
Other	5,440	5,388	5,461	5,540	5,626
Total cash used	4,700,899	4,627,361	4,498,783	4,412,589	4,366,972
Net cash from (used by) operating activities	46,103	13,232	6,550	6,321	6,306
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	2,941	-	-	-	-
Total cash received	2,941	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	230,290	167,321	212,701	210,803	207,691
Total cash used	230,290	167,321	212,701	210,803	207,691
Net cash from (used by) investing activities	(227,349)	(167,321)	(212,701)	(210,803)	(207,691)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	181,762	154,411	206,395	204,497	201,385
Total cash received	181,762	154,411	206,395	204,497	201,385
Cash used					
Finance leases	238	-	-	-	-
Total cash used	238	-	-	-	-
Net cash from (used by) financing activities	181,524	154,411	206,395	204,497	201,385
Net increase or (decrease) in cash held	278	322	244	15	-
Cash and cash equivalents at the beginning of the reporting period	24,065	24,343	24,665	24,909	24,924
Cash and cash equivalents at the end of the reporting period	24,343	24,665	24,909	24,924	24,924

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill No. 1 (DCB)	131,826	115,205	199,402	202,795	200,350
Equity injections - Bill No. 2	46,245	39,161	6,993	1,702	1,035
Total new capital appropriations	178,071	154,366	206,395	204,497	201,385
Provided for:					
Purchase of non-financial assets	175,573	153,911	206,395	204,497	201,385
Other Items	2,498	455	-	-	-
Total Items	178,071	154,366	206,395	204,497	201,385
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	44,936	38,706	6,993	1,702	1,035
Funded by capital appropriation - DCB ²	136,826	115,705	199,402	202,795	200,350
Funded internally from departmental resources ³	10,595	12,910	6,306	6,306	6,306
TOTAL	192,357	167,321	212,701	210,803	207,691
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	192,357	167,321	212,701	210,803	207,691
plus payables	37,933	-	-	-	-
Total cash used to acquire assets	230,290	167,321	212,701	210,803	207,691

Prepared on Australian Accounting Standards basis.

1. Includes both current and prior year Act 2 and Act 4 appropriations.
2. Excludes annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).
3. Includes funding from s31 relevant agency receipts.

Table 3.2.6: Statement of Asset Movements (2013-14)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013					
Gross book value	4,938	467,248	302,543	615,140	1,389,869
Accumulated depreciation/amortisation and impairment	-	(140,234)	(108,108)	(232,471)	(480,813)
Opening net book balance	4,938	327,014	194,435	382,669	909,056
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ¹	-	57	4,087	34,562	38,706
By purchase - appropriation ordinary annual services ²	-	46,468	22,152	47,085	115,705
By purchase - other	-	3,475	1,773	7,662	12,910
Total additions	-	50,000	28,012	89,309	167,321
Other movements					
Depreciation/amortisation expense	-	(89,217)	(58,555)	(89,823)	(237,595)
Other	-	(700)	(1,096)	(5,712)	(7,508)
As at 30 June 2014					
Gross book value	4,938	515,848	329,392	698,237	1,548,415
Accumulated depreciation/amortisation and impairment	-	(228,751)	(166,596)	(321,794)	(717,141)
Closing net book balance	4,938	287,097	162,796	376,443	831,274

Prepared on Australian Accounting Standards basis.

1. "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2013-14.

2. "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2013-14 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	5,006	5,006	3,000	-	-
Grants	7,578	9,812	8,838	-	-
Depreciation and amortisation	36	36	35	-	-
Write-down and impairment of assets	70,909	97,636	99,502	101,405	103,355
Other expenses ¹	1,358,770	1,372,313	1,407,314	1,443,028	1,479,635
Total expenses administered on behalf of Government	1,442,299	1,484,803	1,518,689	1,544,433	1,582,990
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	53,725	58,814	60,229	61,673	63,152
Dividends	1,431	957	1,577	1,624	1,305
Competitive Neutrality Revenue	5,060	4,609	5,188	5,365	5,286
Other revenue ²	1,385,432	1,421,520	1,457,225	1,493,655	1,530,997
Total non-taxation revenue	1,445,648	1,485,900	1,524,219	1,562,317	1,600,740
Total own-source revenues administered on behalf of Government	1,445,648	1,485,900	1,524,219	1,562,317	1,600,740
Total own-source income administered on behalf of Government	1,445,648	1,485,900	1,524,219	1,562,317	1,600,740
Net Cost of (contribution by) services	(3,349)	(1,097)	(5,530)	(17,884)	(17,750)
Surplus (Deficit)	3,349	1,097	5,530	17,884	17,750
Total comprehensive income (loss)	3,349	1,097	5,530	17,884	17,750

Prepared on Australian Accounting Standards basis.

1. Other expenses comprise Child Support payments to custodial parents.
2. Other non-tax revenue comprises Child Support revenue from non-custodial parents.

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	15	15	15	15	15
Receivables	721,517	743,325	767,154	791,814	817,434
Investments accounted for using the equity method	37,342	37,342	37,342	37,342	37,342
Total financial assets	758,874	780,682	804,511	829,171	854,791
Non-financial assets					
Property, plant and equipment	71	35	-	-	-
Total non-financial assets	71	35	-	-	-
Total assets administered on behalf of Government	758,945	780,717	804,511	829,171	854,791
LIABILITIES					
Payables					
Suppliers ¹	32,734	32,734	32,734	32,082	32,082
Other payables	17,389	17,389	17,389	17,389	17,389
Total payables	50,123	50,123	50,123	49,471	49,471
Provisions					
Other provisions	706,247	728,116	751,067	775,123	800,311
Total provisions	706,247	728,116	751,067	775,123	800,311
Total liabilities administered on behalf of Government	756,370	778,239	801,190	824,594	849,782
Net assets/(liabilities)	2,575	2,478	3,321	4,577	5,009

Prepared on Australian Accounting Standards basis.

1. Includes Child Support and Income Management BasicsCard payables.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Dividends	2,518	1,589	1,267	1,600	1,465
Competitive Neutrality	6,857	4,594	5,188	5,365	5,286
Net GST received	1,259	1,482	1,184	65	-
Other	1,352,832	1,360,273	1,394,433	1,429,287	1,465,014
Total cash received	1,363,466	1,367,938	1,402,072	1,436,317	1,471,765
Cash used					
Grant	8,336	10,793	9,722	-	-
Suppliers	5,507	5,507	3,300	717	-
Other	1,343,869	1,350,444	1,384,363	1,418,972	1,454,447
Total cash used	1,357,712	1,366,744	1,397,385	1,419,689	1,454,447
Net cash from (used by) operating activities	5,754	1,194	4,687	16,628	17,318
Net increase (decrease) in cash held					
	5,754	1,194	4,687	16,628	17,318
Cash and cash equivalents at beginning of reporting period	15	15	15	15	15
Cash from Official Public Account for:					
- Appropriations	97,496	100,145	99,353	89,703	91,946
- Special Accounts	1,258,957	1,265,117	1,296,848	1,329,269	1,362,501
- Other	1,259	1,482	1,184	717	-
	1,357,712	1,366,744	1,397,385	1,419,689	1,454,447
Cash to Official Public Account for:					
- Appropriations	84,912	85,327	87,515	89,703	91,946
- Administered Revenue	18,338	16,012	16,525	17,280	17,318
- Special Accounts	1,258,957	1,265,117	1,296,848	1,329,269	1,362,501
- Other	1,259	1,482	1,184	65	-
	1,363,466	1,367,938	1,402,072	1,436,317	1,471,765
Cash and cash equivalents at end of reporting period	15	15	15	15	15

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget Statement

The Department of Human Services does not have an Administered Capital Budget for 2013-14.

Table 3.2.11: Statement of Administered Asset Movements (2013-14)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2013					
Gross book value	-	-	161	-	161
Accumulated depreciation/amortisation and impairment	-	-	(90)	-	(90)
Opening net book balance	-	-	71	-	71
CAPITAL ASSET ADDITIONS					
Total additions	-	-	-	-	-
Other movements					
Depreciation/amortisation expense	-	-	(36)	-	(36)
Total other movements	-	-	(36)	-	(36)
As at 30 June 2014					
Gross book value	-	-	161	-	161
Accumulated depreciation/amortisation and impairment	-	-	(126)	-	(126)
Closing net book balance	-	-	35	-	35

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the Financial Statements

The Budgeted Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs); and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) which apply for the reporting period.

The department's Budgeted Financial Statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities at fair value.

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to and from the department and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an Accounting Standard.

Unless alternative treatment is specifically required by an Accounting Standard, revenues and expenses are recognised in the Comprehensive Income Statement when and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

The presentation of the Comprehensive Income Statement includes the "Impact of Net Cash Appropriation Arrangements" note, whereby the department's net operating result is adjusted by unfunded depreciation and amortisation expense. This treatment is the result of the net cash arrangement that has been implemented as part of the Operation Sunlight reform agenda.

Departmental

Departmental assets, liabilities, revenues and expenses are those items controlled by the Department that are used in producing outputs, and include:

- non-financial assets used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outputs; and
- employee, supplier and depreciation expenses incurred in providing departmental outputs.

Administered

Administered items are those items controlled by the government and managed, or overseen, by the department on behalf of the government.

PORTFOLIO GLOSSARY

Term	Meaning
Activities	The actions/functions performed by agencies to deliver government policies.
Actual Available Appropriation	The <i>Actual Available Appropriation</i> indicates the total appropriations available to the agency for 2012-13 as at the 2013-14 Budget. It includes all appropriations made available to the agency in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movements of funds). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments (Parliamentary Departments) Bill (No 2). These Bills are introduced into Parliament after the Budget Bills.
Administered Item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the agency 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. It may be a measure but will not constitute a program in its own right.
Agency	Generic term for Australian Government General Government Sector entities, including those governed by the FMA Act or CAC Act and the High Court of Australia.
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.

Glossary

Term	Meaning
Appropriations and Cash Management Module (ACM)	A module of the Central Budget Management System from which agencies draw down funds from the Consolidated Revenue Fund.
BasicsCard	The BasicsCard is a PIN-protected card that allows customers to access their income-managed money through existing EFTPOS facilities at approved stores and businesses. The BasicsCard provides customers on Income Management with a greater choice and flexibility to purchase essential goods and services from a broad range of stores and businesses.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole of government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories.
Budget Paper 4 (BP4)	Agency Resourcing. Details total resourcing available to agencies.
Commonwealth Authorities and Companies Act 1997 (CAC Act)	The CAC Act sets out the financial management, accountability and audit obligations on Commonwealth statutory authorities and companies in which the Commonwealth has at least a direct controlling interest.
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administered by the Department of Finance and Deregulation. It contains the Commonwealth program list and produces the Annual Appropriation Bills.

Term	Meaning
Clear Read Principle	Under the Outcomes arrangements there is an essential clear link between the Appropriation Bills, the Portfolio Budget Statements (PBS), the Portfolio Additional Estimates Statements (PAES), and annual reports of agencies. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PBS should be avoided. This is called the “clear read” between the different documents. Under this Principle the actual performance in the annual reports is to be provided on the same basis as the planned performance in PBS for the same period, to permit a clear read across planning and actual performance reporting documents. Agencies should take this into account in designing their performance reporting arrangements.
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Capital Budget (DCB)	Funds provided in Appropriation Bill 1/3/5 for the ongoing replacement of minor assets.
Departmental Item	Resources (assets, liabilities, revenues and expenses) that agency Chief Executives control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Depreciation	Apportionment of an asset’s capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.

Term	Meaning
Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. Appropriation funding is not provided in respect of depreciation expense. Also no funding is required for goods or services received free of charge that are then expensed: e.g. ANAO audit services – the ANAO does not charge for audit services however the expense must be recognised.
Fair Value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Financial Management and Accountability Act 1997 (FMA Act)	The FMA Act sets out the financial management, accountability and audit obligations of agencies (including Departments) that are financially part of the Commonwealth (and form part of the General Government Sector).
Finance Minister's Orders (FMOs)	The FMOs are issued each year by the Finance Minister and have the force of law under the FMA Act and the CAC Act. The FMOs outline the requirements for the preparation of Financial Reports of Australian Government Entities.
Forward Estimates Period	The three years following the budget year. For example when 2013-14 is the budget year, the forward estimates period comprises 2014-15 as forward year 1, 2015-16 as forward year 2 and 2016-17 as forward year 3. The forward estimates period does not include the current or budget year.

Term	Meaning
General Government Sector (GGS)	A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Intended Result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.
Measure	A new policy or savings decision of the government with financial impacts on the government's: underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
Official Public Account (OPA)	The OPA is the government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community.

Term	Meaning
Outcome Statement	<p>An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework:</p> <ol style="list-style-type: none">1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies;2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and3. to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives.
Output	<p>The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.</p>
Portfolio	<p>A Minister's area of responsibility as defined in the Administrative Arrangement Orders issued by the Governor General. A portfolio consists of one or more Departments of State (aka the Portfolio Departments) and a number of agencies with similar general objectives and outcomes.</p>
Portfolio Budget Statements (PBS)	<p>Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.</p>
Portfolio Additional Estimates Statements (PAES)	<p>Budget related paper presented with the Additional Estimates Bills detailing the changes in resourcing by outcome(s) since the Budget which provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.</p>
Program	<p>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.</p>

Term	Meaning
Program Support	The agency running costs allocated to a program. This is funded as part of the agency's departmental appropriations.
Revenue	Total value of resources earned or received to cover the production of goods and services or increases in future economic benefits in the form of increases in assets or reductions in liabilities of an entity.
Section 31 (s31)	Section 31 of the FMA Act.
Special Accounts	Balances existing within the CRF that are supported by standing appropriations (FMA Act sections 20 and 21). Special Accounts allow money in the CRF to be acknowledged as set aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may be spent only for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>
Target Group	A specific group being targeted for assistance by government policy.
Transfer	Cash paid to recipients of the applicable program. This includes welfare payments and tax rebates.

