

PORTFOLIO BUDGET STATEMENTS 2014-15
BUDGET RELATED PAPER NO. 1.15B

SOCIAL SERVICES PORTFOLIO
(DEPARTMENT OF HUMAN SERVICES)

**BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMMES BY AGENCY**

© Commonwealth of Australia 2014

ISBN 978-1-760046-72-9

This publication is available for your use under a [Creative Commons BY Attribution 3.0 Australia](http://creativecommons.org/licenses/by/3.0/au/legalcode) licence, with the exception of the Commonwealth Coat of Arms, the Department of Human Services logo, photographs, images, signatures and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Department of Human Services' material under a [Creative Commons BY Attribution 3.0 Australia](http://creativecommons.org/licenses/by/3.0/au/legalcode) licence requires you to attribute the work (but not in any way that suggests that the Department of Human Services endorses you or your use of the work).

Australian Government Department of Human Services' material used 'as supplied'.

Provided you have not modified or transformed Department of Human Services material in any way including, for example, by changing the Department of Human Services text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Department of Human Services statistics – then Department of Human Services prefers the following attribution:

Source: The Australian Government Department of Human Services.

Derivative material

If you have modified or transformed Department of Human Services' material, or derived new material from those of the Department of Human Services in any way, then the Department of Human Services prefers the following attribution:

Based on The Australian Government Department of Human Services' data.

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the It's an Honour website (see www.itsanhonour.gov.au).

Other Uses

Inquiries regarding this licence and any other use of this document are welcome at:

Ms Emily Canning, Acting Chief Financial Officer, CFO Division, Department of Human Services, PO Box 3959, Manuka 2603, ACT Australia.



**The Hon Kevin Andrews MP
Minister for Social Services**

PARLIAMENT HOUSE
CANBERRA ACT 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2014–15 Budget for the Social 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

A large, stylized handwritten signature in black ink, appearing to read 'Kevin Andrews', written over a horizontal line.

The Hon Kevin Andrews MP

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

Should you have any enquiries regarding this publication please contact Ms Emily Canning, Acting Chief Financial Officer in the Department of Human Services on (02) 6223 4350.

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 2014-15 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 2014-15 (or Appropriation Bill [Parliamentary Departments] No. 1 2014-15 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

CONTENTS

Portfolio Overview 1
Social Services Portfolio Overview 3

Agency Resources and Planned Performance 11
Department of Human Services 13

Glossary 63

PORTFOLIO OVERVIEW

SOCIAL SERVICES PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The Social Services portfolio is the largest area of expenditure and payments in the 2014–15 Budget, representing over one quarter of Australian Government outlays.

The ministers and parliamentary secretaries responsible for the portfolio and its agencies are:

- The Hon Kevin Andrews MP, Minister for Social Services
- Senator the Hon Marise Payne, Minister for Human Services
- Senator the Hon Mitch Fifield, Assistant Minister for Social Services
- Senator the Hon Concetta Fierravanti-Wells, Parliamentary Secretary to the Minister for Social Services.

The 2014–15 Budget sets the course for providing an approach to helping those most in need that is sustainable in the long term. The portfolio will achieve this by working collaboratively across government to deliver effective policies and programmes.

Structure of the portfolio

The portfolio comprises two departments of state, two prescribed agencies, two statutory office holders and a tribunal (established by statute whose members are statutory office holders), under the *Financial Management and Accountability Act 1997* (FMA Act). The portfolio also includes two agencies under the *Commonwealth Authorities and Companies Act 1997* (CAC Act). The FMA Act and CAC Act will be replaced by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) from 1 July 2014. Refer to Figure 1 for further information on the portfolio's structure.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services (DSS) was formed in September 2013. It is subject to the FMA Act and will be subject to the PGPA Act from 1 July 2014. DSS has five active outcomes, with an additional two outcomes for which functions have transferred to the Department of the Prime Minister and Cabinet (PM&C).

DSS is a critical source of social policy advice for the Australian Government. It works in partnership with other government and non-government organisations, particularly with the Department of Human Services, to ensure the effective development, management and delivery of a diverse range of policies, programmes and services that are focused on improving the lifetime wellbeing of people and families in Australia.

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services (DHS) provides policy advice on service delivery matters to government to ensure effective, innovative and efficient implementation of government service delivery. It is subject to the FMA Act and will be subject to the PGPA Act from 1 July 2014. DHS has one outcome and delivers a range of government and other payments and services to almost every Australian including:

- **Centrelink** payments and services for retirees, the unemployed, families, carers, parents, students, people with disabilities, Indigenous Australians, people from culturally and linguistically diverse backgrounds and provision of services at times of major change, including disaster recovery payments.
- **Aged care** payments to services funded under the *Aged Care Act 1997* including residential care, home care and flexible care services.
- **Medicare** services and payments that support the health of Australians such as Medicare, the Pharmaceutical Benefits Scheme, Private Health Insurance Rebate, the Australian Childhood Immunisation Register, the National Bowel Cancer Screening Register and the Australian Organ Donor Register.
- **Child Support** services for separated parents to provide the financial and emotional support necessary for their children's wellbeing.

DHS also delivers other services including CRS Australia, the Tasmanian Freight Equalisation Scheme and Early Release of Superannuation.

AGED CARE COMMISSIONER

The Aged Care Commissioner (the Commissioner) is a statutory office holder appointed under the *Aged Care Act 1997*. The Commissioner's primary function is to examine complaints lodged against the Aged Care Complaints Scheme and the Australian Aged Care Quality Agency (the Quality Agency). As of July 2014, the Commissioner will also have the power to examine the Quality Agency's process for conducting the quality review of home care services. The Commissioner is supported by the Office of the Aged Care Commissioner (the Office). The Office is not an agency for the purposes of the FMA Act. The Commissioner's budget is part of the budget for DSS.

AGED CARE PRICING COMMISSIONER

The Aged Care Pricing Commissioner (the Commissioner) is a statutory office holder appointed under the *Aged Care Act 1997*. The functions of the Commissioner include the approval of extra service fees, the approval of proposed accommodation payments that are higher than the maximum amount determined by the Minister, and any other function conferred on the Commissioner by the Minister or under Commonwealth law. The Commissioner is supported by the Office of the Aged Care Pricing

Commissioner (the Office). The Office is not an agency for the purposes of the FMA Act. The Commissioner's budget is part of the budget for DSS.

AUSTRALIAN AGED CARE QUALITY AGENCY

The Australian Aged Care Quality Agency (the Quality Agency) is a statutory agency established under the *Australian Aged Care Quality Agency Act 2013*. The Quality Agency was established on 1 January 2014, replacing the Aged Care Standards and Accreditation Agency Ltd as the accreditation body for residential aged care. The Quality Agency will become responsible for quality review of aged care services in the community from 1 July 2014. The Quality Agency is subject to the FMA Act and will be subject to the PGPA Act from 1 July 2014.

AUSTRALIAN HEARING

Australian Hearing is a non-General Government Sector entity established under the *Australian Hearing Services Act 1991*. 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. Australian Hearing is subject to the CAC Act and will be subject to the PGPA Act from 1 July 2014. Australian Hearing is governed by a board that is appointed by the Minister for Human Services.

AUSTRALIAN INSTITUTE OF FAMILY STUDIES

The Australian Institute of Family Studies (AIFS) is a statutory body established under the *Family Law Act 1975*. Its role is to increase understanding of factors affecting how Australian families function by conducting research and disseminating findings. AIFS' work provides an evidence base for developing policy and practice relating to the wellbeing of families in Australia. AIFS is subject to the FMA Act and will be subject to the PGPA Act from 1 July 2014.

NATIONAL DISABILITY INSURANCE AGENCY

The National Disability Insurance Agency (NDIA) is a statutory authority established under the *National Disability Insurance Scheme Act 2013* to deliver the National Disability Insurance Scheme. It provides individual control and choice in the delivery of reasonable and necessary care and support to improve the independence, and the social and economic participation of eligible people with disability, their families and carers, and associated referral services. NDIA will also play a key role in building community awareness and understanding of disability matters to reduce the barriers to community inclusion for people with disability, their families and carers. NDIA is subject to the CAC Act and will be subject to the PGPA Act from 1 July 2014.

SOCIAL SECURITY APPEALS TRIBUNAL

The Social Security Appeals Tribunal (SSAT) is a tribunal whose existence was continued by the *Social Security (Administration) Act 1999*. The SSAT reviews decisions made by delegates of the Secretary of DSS who are employed in DHS. The statutory objective of the SSAT is to provide a mechanism of review that is fair, just, economical, informal and quick. The SSAT is composed of its members who are statutory office holders. The SSAT is not an agency for the purposes of the FMA Act. The SSAT's budget is part of the budget for DSS.

Figure 1: Social Services portfolio structure and outcomes

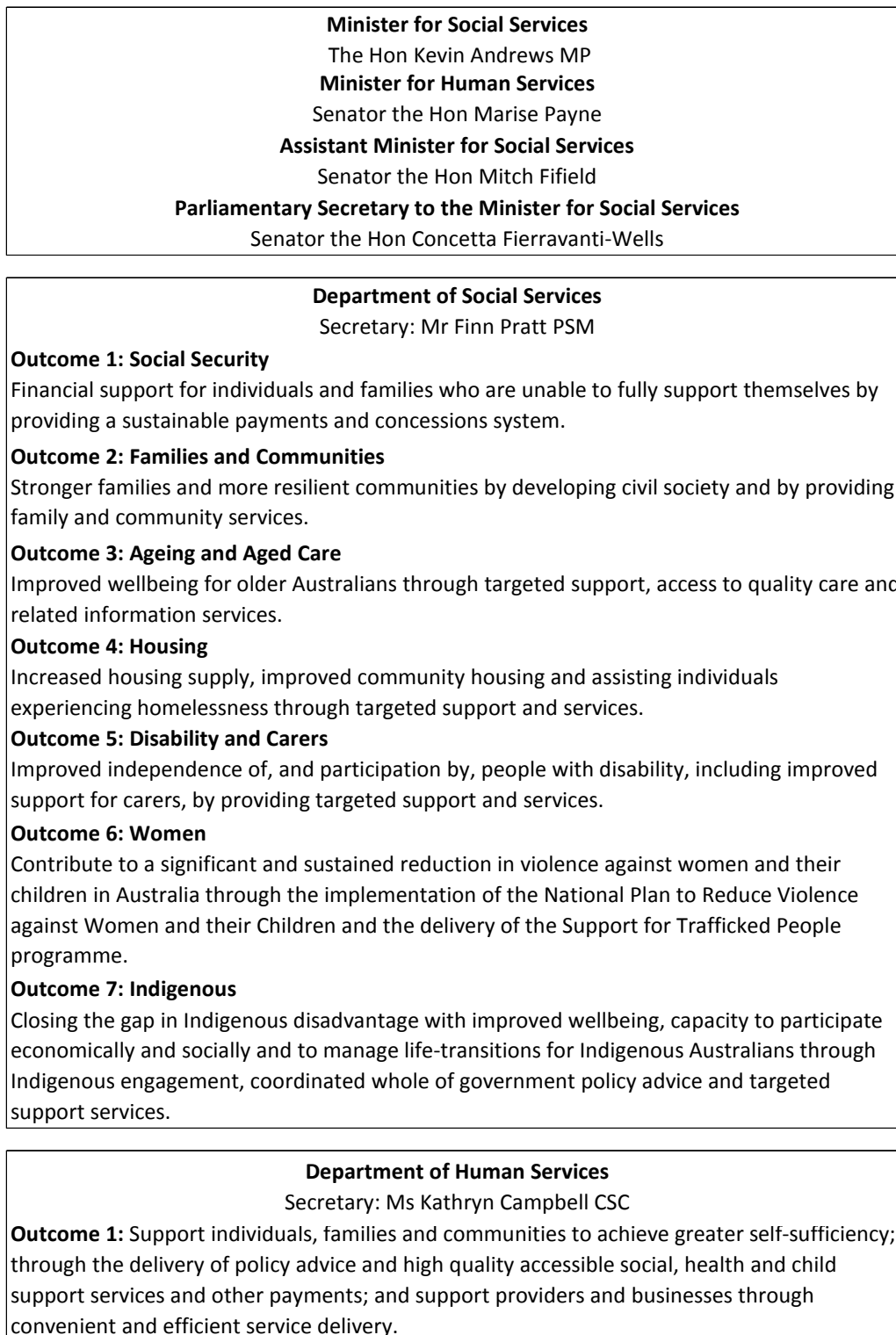


Figure 1: Social Services portfolio structure and outcomes (continued)

<p style="text-align: center;">Minister for Social Services The Hon Kevin Andrews MP</p> <p style="text-align: center;">Assistant Minister for Social Services Senator the Hon Mitch Fifield</p> <p style="text-align: center;">Parliamentary Secretary to the Minister for Social Services Senator the Hon Concetta Fierravanti-Wells</p>

<p style="text-align: center;">Aged Care Commissioner Ms Rae Lamb</p> <p>Objective To provide an independent review mechanism for the decisions and processes of the Aged Care Complaints Scheme and the processes of the Australian Aged Care Quality Agency in accrediting residential aged care services and quality review of home care services.</p>

<p style="text-align: center;">Aged Care Pricing Commissioner Ms Kim Cull</p> <p>Objective To increase the level of transparency in the pricing of residential aged care services through the approval of extra service fees and the approval of proposed accommodation payments that are higher than the maximum amount determined by the Minister.</p>
--

<p style="text-align: center;">Australian Aged Care Quality Agency Chief Executive Officer: Mr Nick Ryan</p> <p>Outcome 1: High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector.</p>
--

<p style="text-align: center;">Australian Institute of Family Studies Director: Professor Alan Hayes AM</p> <p>Outcome 1: To increase understanding of factors affecting how Australian families function by conducting research and communicating findings to policy-makers, service providers and the broader community.</p>
--

Figure 1: Social Services portfolio structure and outcomes (continued)

<p style="text-align: center;">Minister for Social Services The Hon Kevin Andrews MP</p> <p style="text-align: center;">Assistant Minister for Social Services Senator the Hon Mitch Fifield</p> <p style="text-align: center;">Parliamentary Secretary to the Minister for Social Services Senator the Hon Concetta Fierravanti-Wells</p>

<p style="text-align: center;">National Disability Insurance Agency Chief Executive Officer: Mr David Bowen</p> <p>Outcome 1: To implement a National Disability Insurance Scheme that provides individual control and choice in the delivery of reasonable and necessary care and supports to improve the independence, social and economic participation of eligible people with disability, their families and carers, and associated referral services and activities.</p>
--

<p style="text-align: center;">Social Security Appeals Tribunal Principal Member: Ms Jane Macdonnell</p> <p>Objective To conduct merit reviews of administrative decisions made under a number of enactments, in particular the social security law, family assistance law and child support law.</p>

PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2014-15 budget year by agency.

Table 1: Portfolio Resources 2014-15¹

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
DSS²					
Administered appropriations	4,409.3	-	118,385.8	17.0	122,812.1
Departmental appropriations	571.3	6.4	-	25.3	603.0
Total:	4,980.6	6.4	118,385.8	42.3	123,415.1
DHS					
Administered appropriations	8.4	-	74.1	1,423.7	1,506.2
Departmental appropriations	4,262.2	18.1	-	158.0	4,438.3
Total:	4,270.6	18.1	74.1	1,581.7	5,944.5
AIFS²					
Administered appropriations	-	-	-	-	-
Departmental appropriations	4.9	-	-	9.6	14.5
Total:	4.9	-	-	9.6	14.5
AACQA²					
Administered appropriations	-	-	-	-	-
Departmental appropriations	21.2	-	-	20.7	41.9
Total:	21.2	-	-	20.7	41.9
NDIA^{2,3}					
Administered appropriations	-	-	-	-	-
Departmental appropriations	329.8	23.4	-	343.7	696.9
Total:	329.8	23.4	-	343.7	696.9
Portfolio total	9,607.1	47.9	118,459.9	1,998.0	130,112.9
Less amounts transferred within portfolio	-	-	-	-	-
					Resources available within portfolio: 130,112.9

1. Total resourcing does not include unused appropriations or the balance of special accounts carried forward from 2013-14.
2. DSS is administered separately to DHS. Details of the allocation of resources for DSS, AIFS, AACQA and NDIA can be found in the DSS' Budget Statements in volume 1.15A of the Social Services Portfolio's 2014-15 Budget Statements.
3. Funding under Appropriation Bill (No. 1) 2014-15 is appropriated to DSS and then paid to the NDIA.

AGENCY RESOURCES AND PLANNED PERFORMANCE

Department of Human Services..... 13

Department of Human Services

Agency Resources and Planned Performance

DEPARTMENT OF HUMAN SERVICES

Section 1: Agency Overview and Resources	17
1.1 Strategic Direction Statement	17
1.2 Agency Resource Statement	19
1.3 Budget Measures	24
Section 2: Outcomes and Planned Performance	30
2.1 Outcomes and Performance Information	30
Section 3: Explanatory Tables and Budgeted Financial Statements	44
3.1 Explanatory Tables	44
3.2 Budgeted Financial Statements	48

DEPARTMENT OF HUMAN SERVICES

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Human Services (the department) delivers social and health related services, through its Centrelink, Medicare and Child Support programmes. 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 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 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 programme areas such as Aged Care, Paid Parental Leave, Australian Victims of Terrorism Overseas Payment, Closing the Gap, Practice Incentives, the National Health Funding Administrator Payments System, assistance to farmers and Emergency Management.

The department's priorities include the following:

- Improve our responsiveness to government and ensure that we understand and meet its priorities.
- Ensure that we continue to achieve our service delivery outcomes while transforming customer interactions.
- Ensure we have controls and processes in place in order to meet our strategic objectives, manage risks and make effective use of our resources.

DHS Budget Statements

- 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 community and customer involvement, build services that better meet the needs of individuals and more closely match the way that people wish to interact with government.
- Work closely with our partner agencies to contribute to government policy on service delivery and to develop new and innovative services.
- 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 citizens, regardless of which level of government the services originate from.

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 2014-15 as at Budget May 2014

	Estimate of Prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	712,928	-	712,928	745,768
Departmental appropriation ³	-	4,262,209	4,262,209	4,086,923
s31 Relevant agency receipts ⁴	-	158,013	158,013	267,498
Total	712,928	4,420,222	5,133,150	5,100,189
Administered expenses				
Prior year administered appropriation ²	719	-	719	719
Outcome 1 ⁵	-	8,366	8,366	12,856
Total	719	8,366	9,085	13,575
Total ordinary annual services	A 713,647	4,428,588	5,142,235	5,113,764
Other services⁶				
Departmental non-operating				
Equity injections	-	18,102	18,102	43,440
Total	-	18,102	18,102	43,440
Total other services	B -	18,102	18,102	43,440
Total available annual appropriations	713,647	4,446,690	5,160,337	5,157,204
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Child Support (Registration and Collection) Act 1988</i>				
Section 77 - unremitted deductions	-	74,066	74,066	72,107
Section 78 - unexplained remittances	-	50	50	50
Total special appropriations	C -	74,116	74,116	72,157
Total appropriations excluding special accounts	713,647	4,520,806	5,234,453	5,229,361

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)

	Estimate of Prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special accounts				
Opening balance ⁷	57,072	-	57,072	57,072
Appropriation receipts ⁸	-	76,353	76,353	74,335
Non-appropriation receipts to special accounts ⁹	-	1,423,714	1,423,714	1,386,374
Total special accounts	D 57,072	1,500,067	1,557,139	1,517,781
Total resourcing				
A+B+C+D	770,719	6,020,873	6,791,592	6,747,142
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(76,353)	(76,353)	(74,335)
Total net resourcing for the Department of Human Services	770,719	5,944,520	6,715,239	6,672,807

Reader note: All figures are GST exclusive.

- 1 Appropriation Bill (No.1) 2014-15.
- 2 Estimated adjusted balance carried forward from previous year for annual appropriations.
- 3 Includes an amount of \$196.9 million in 2014-15 (\$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 has been 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 2014-15.
- 6 Appropriation Bill (No.2) 2014-15.
- 7 Estimated opening balance for Special Accounts (excluding 'Special Public Money' held in accounts such as Service for Other Entities and Trust Moneys Special Accounts (SOETM)). For further details on special accounts see Table 3.1.2.
- 8 Includes appropriation receipts from the Department of Human Services' annual Administered appropriation and special appropriations relating to Child Support payments included above.
- 9 Includes receipts from non-custodial parents through the Child Support Account and relevant compensation recovery receipts included in the Recovery of Compensation for Health Care and Other Services Special Account.

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)**Third party payments on behalf of and receipts from other agencies**

	2014-15 \$'000	2013-14 \$'000
Payments made on behalf of other agencies (disclosed in the respective Agency Resource Statement)		
Australian Bureau of Statistics		
Annual Appropriation - Australian Health Survey	-	1,350
Total	-	1,350
Attorney-General's Department		
Special Appropriation - <i>Social Security (Administration) Act 1999</i> - National Security and Criminal Justice	15	8,000
Special Appropriation - <i>Social Security (Administration) Act 1999</i> - Disaster Recovery Allowance	250	5,000
Annual Appropriation - Ex Gratia assistance - New Zealand citizens	15	1,000
Annual Appropriation - Disaster Income Recovery Subsidy	-	1,000
Total	280	15,000
Department of Agriculture		
Special Appropriation - <i>Farm Household Support Act 2014</i> s.105 - payments for Farm Household Allowance	27,171	-
Special Appropriation - <i>Farm Household Support Act 1992</i> s.57(3) - Exceptional Circumstances Relief Payments	-	50
Annual Appropriation - Interim Farm Household Allowance	3,355	2,198
Annual Appropriation - Transitional Farm Family Payment	-	7,542
Total	30,526	9,790
Department of Education		
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	6,218,543	5,289,988
Annual Appropriation - Child Care For Eligible Parents Undergoing Training	117,249	107,453
Total	6,335,792	5,397,441
Department of Health		
Special Appropriation - <i>Health Insurance Act 1973</i> - Medical Benefits	20,307,671	19,079,033
Special Appropriation - <i>Dental Benefits Act 2008</i>	594,607	244,034
Special Appropriation - <i>National Health Act 1953</i> - Pharmaceutical Benefits	9,247,686	9,259,663
Special Appropriation - <i>National Health Act 1953</i> - Aids and Appliances	324,988	302,765
Special Appropriation - <i>Private Health Insurance Act 2007</i>	5,788,508	5,529,862
Special Appropriation - <i>Medical Indemnity Agreement Act 2002</i>	100,148	93,902
Special Appropriation - <i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	1,450	410
Special Account - Australian Childhood Immunisation Register	9,475	9,388
Total	36,374,533	34,519,057

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)

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

	2014-15 \$'000	2013-14 \$'000
Payments made on behalf of other agencies (continued)		
Department of Infrastructure and Regional Development		
Annual Appropriation - Tasmanian Freight Equalisation Scheme	114,300	114,300
Annual Appropriation - Bass Strait Passenger Vehicle Equalisation Scheme	37,900	37,000
Total	152,200	151,300
Department of Industry		
Annual Appropriation - Liquefied Petroleum Gas Vehicle Scheme	10,018	21,818
Total	10,018	21,818
Department of Social Services		
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	19,478,469	21,816,276
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	86,406,667	82,889,685
Special Appropriation - <i>Paid Parental Leave Act 2010</i>	1,899,260	1,681,436
Special Appropriation - <i>Student Assistance Act 1973</i>	327,333	308,371
Special Appropriation - <i>Aged Care Act 1997</i>	10,697,068	9,996,715
Special Appropriation - <i>National Health Act 1953 - s.12 - Continence Aids Payment Scheme</i>	83,422	67,676
Annual Appropriation - Compensation and Debt Relief	198	198
Annual Appropriation - Ex Gratia and Act of Grace Payments	3,784	3,775
Total	118,896,201	116,764,132
Department of Veterans' Affairs		
Special Appropriation - <i>Veterans' Entitlements Act 1986 and related acts</i>	4,016,709	3,958,265
Special Appropriation - <i>Military Rehabilitation and Compensation Act 2004</i>	22,367	19,957
Special Appropriation - <i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	421	420
Total	4,039,497	3,978,642
Total third party payments	165,839,047	160,858,530

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)

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

	2014-15 \$'000	2013-14 \$'000
Receipts received from other agencies for the provision of services		
(disclosed above within Departmental section 31)		
Attorney-General's Department	262	1,826
Australian Electoral Commission	213	5,874
Australian Taxation Office	5,206	2,298
Department of Communications	-	451
Department of Employment	150	2,455
Department of Social Services	61,782	128,615
Department of Foreign Affairs and Trade	6,867	6,867
Department of Health	16,895	22,250
Department of Immigration and Border Protection	800	965
Department of Veterans' Affairs	32,982	39,194
Total s31 relevant agency receipts received for the provision of services	125,157	210,795

1.3 BUDGET MEASURES

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

Table 1.2: Agency 2014-15 Budget measures

Part 1: Measures announced since the 2013-14 MYEFO

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures¹						
Community Innovation through Collaboration Programme - cessation						
Administered Expenses	1.1	(4,149)	(5,724)	-	-	-
Departmental expenses	1.1	-	(1,453)	-	-	-
Department of Agriculture						
Support to Drought Affected Farmers						
Departmental expenses	1.1	2,755	2,148	922	963	52
Department of Education						
Child Care: Jobs, Education and Training Child Care Fee Assistance - reforms						
Departmental expenses	1.1	28	5,024	2,762	2,088	2,111
Department of Employment						
Connection Interviews and Job Seeker Workshops - cessation						
Departmental expenses	1.1	-	(4,400)	-	-	-
Stronger compliance arrangements for job seekers who refuse or persistently fail to meet requirements						
Departmental expenses	1.1	278	3,863	2,382	2,406	2,321
Department of Health						
Doubling the Practice Incentives Programme Teaching Payment						
Departmental expenses	1.2	233	537	198	288	318
Full implementation of National Bowel Cancer Screening Programme						
Departmental expenses	1.2	-	-	5	33	50
General Practice Rural Incentives Programme - additional funding						
Departmental expenses	1.2	390	41	-	-	-
Medicare Benefits Schedule - comprehensive eye examinations						
Departmental expenses	1.2	13	647	(43)	165	(10)

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2014-15 Budget measures (continued)**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures¹ (continued)						
Department of Health (continued)						
Medicare Benefits Schedule (continued)						
- introducing patient contributions for general practitioner, pathology and diagnostic imaging services						
Departmental expenses	1.2	249	7,398	34,228	28,576	26,034
- new and amended listings						
Departmental expenses	1.2	-	13	(6)	(8)	(1)
- reduced optometry rebates and removal of charging cap						
Departmental expenses	1.2	-	86	-	-	-
- Revised Capital Sensitivity Provisions for Diagnostic Imaging Equipment						
Departmental expenses	1.2	-	625	-	-	-
Mental Health Nurse Incentive Programme - continuation						
Departmental expenses	1.2	-	965	-	-	-
Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds						
Departmental expenses	1.2	9	32	87	33	-
Personally Controlled Electronic Health Record System - continuation						
Departmental expenses	1.2	-	20,757	-	-	-
Pharmaceutical Benefits Scheme						
- increase in co-payments and safety net thresholds						
Departmental expenses	1.2	80	(13)	(934)	(1,302)	(1,775)
- medication charts for public and private hospitals						
Departmental expenses	1.2	102	4,630	3,311	1,340	595
- new and amended listings ²						
Departmental expenses	1.2	549	1,737	1,422	1,862	2,490
Simplifying Medicare safety net arrangements						
Departmental expenses	1.2	180	2,481	8,737	1,847	207

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2014-15 Budget measures (continued)**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures¹ (continued)						
Department of Health (continued)						
Transfer of Payment						
Administration Functions for Professional Pharmacy Programmes						
Departmental expenses	1.2	(614)	(1,449)	-	-	-
Department of Immigration and Border Protection						
Migration Programme						
- allocation of places for 2014-15						
Departmental expenses	1.1,1.2	(604)	(1,051)	(1,220)	(1,653)	(2,259)
Support Services and Mutual Obligations Arrangements for Illegal Maritime Arrivals						
Departmental expenses	1.1	1,493	10,222	9,310	12,268	14,188
Department of Industry						
Industry Skills Fund - establishment						
Departmental expenses	1.1	13	(115)	413	(121)	(122)
Department of Infrastructure and Regional Development						
Tasmanian Wheat Freight Scheme - cessation						
Departmental expenses	1.1	4	113	-	-	-
Department of Social Services						
Aged Care Payroll Tax Supplement - cessation						
Departmental expenses	1.1	-	620	72	72	72
Apply the One-Week Ordinary Waiting Period to all Working Age Payments						
Departmental expenses	1.1	248	4,709	1,706	1,689	1,654
Cease indexation of the Clean Energy Supplement						
Departmental expenses	1.1	499	1,812	-	-	-
Cessation of the Seniors Supplement - Commonwealth Seniors Health Card holders						
Departmental expenses	1.1	65	3,557	-	-	-
Commonwealth Seniors Health Card - annual indexation of income thresholds						
Departmental expenses	1.1	31	1,279	530	782	1,007

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2014-15 Budget measures (continued)**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures¹ (continued)						
Department of Social Services (continued)						
Commonwealth Seniors Health Card						
- include untaxed superannuation income in the eligibility assessment						
Departmental expenses	1.1	22	2,814	33	(31)	(54)
Disability Support Pension						
- compulsory participation requirements for recipients aged under 35 years						
Departmental expenses	1.1	356	5,853	3,295	2,152	2,155
- reduced portability						
Departmental expenses	1.1	108	8,756	4,120	3,848	4,296
- review recipients aged under 35 years						
Departmental expenses	1.1	373	12,598	8,454	-	-
Education Entry Payment - cessation						
Departmental expenses	1.1	833	809	-	-	-
Family Payment Reform						
- better targeting of Family Tax Benefit Part B						
Departmental expenses	1.1	-	3,354	(1,804)	(2,265)	(4,174)
- limit Family Tax Benefit Part B to families with children under six years of age						
Departmental expenses	1.1	907	16,576	16,757	9,126	(21,795)
- limit the Large Family Supplement to families with four or more children						
Departmental expenses	1.1	-	1,436	1,882	471	162
- maintain Family Tax Benefit payment rates for two years						
Departmental expenses	1.1	1,173	1,865	(250)	(1,134)	(1,147)
- new Family Tax Benefit allowance						
Departmental expenses	1.1	378	11,416	8,090	3,321	3,483
- remove the Family Tax Benefit Part A per child add-on						
Departmental expenses	1.1	-	668	726	242	225
- revise Family Tax Benefit end-of-year supplements						
Departmental expenses	1.1	636	2,302	16,226	9,936	6,042
Housing Help for Seniors						
- pilot - reversal						
Departmental expenses	1.1	489	(2,001)	(2,410)	(2,401)	(1,471)

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2014-15 Budget measures (continued)**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures¹ (continued)						
Department of Social Services (continued)						
Income Management - one year extension and expansion to Ceduna, South Australia						
Departmental expenses	1.1	-	76,321	-	-	-
Increase the Age Pension qualifying age to 70 years						
Departmental expenses	1.1	-	-	-	-	-
Increasing the age of eligibility for Newstart Allowance and Sickness Allowance						
Departmental expenses	1.1	328	17,090	38,996	48,782	46,318
Index Pension and Pension Equivalent Payments by the Consumer Price Index						
Departmental expenses	1.1	1,781	1,609	149	2,027	3,138
Limit the Six-Week Portability Period for Student Payments						
Departmental expenses	1.1	188	3,657	303	117	114
Maintain eligibility thresholds for Australian Government payments for three years						
Departmental expenses	1.1	1,908	4,528	654	1,501	4,280
Pensioner Education Supplement - cessation						
Departmental expenses	1.1	116	(1,161)	(2,714)	(2,516)	(2,369)
Remove Grandfathering of Student Start-Up Scholarship Recipients						
Departmental expenses	1.1	-	3,708	544	98	-
Remove Relocation Scholarship Assistance for Students Relocating Within and Between Major Cities						
Departmental expenses	1.1	176	6,182	681	678	686
Reprioritising the Aged Care Workforce Supplement						
Departmental expenses	1.1	78	-	-	-	-
Reset the Assets Test Deeming Rate Thresholds						
Departmental expenses	1.1	1,995	-	-	1,640	13,823
Social Security Agreement with India						
Departmental expenses	1.1	-	2,439	544	423	435
Stronger participation incentives for job seekers under 30						
Departmental expenses	1.1	356	41,686	67,593	65,689	62,998

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2014-15 Budget measures (continued)**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures¹ (continued)						
Cross Portfolio						
Efficiency Dividend - a further temporary increase of 0.25 per cent						
Departmental expenses	1.1, 1.2	-	(9,664)	(18,701)	(28,122)	(28,123)
Total expense measures						
Administered						
		(4,149)	(5,724)	-	-	-
Departmental						
		18,202	277,656	207,050	164,910	135,954
Total						
		14,053	271,932	207,050	164,910	135,954
Capital measures¹						
Department of Health						
Medicare Benefits Schedule - introducing patient contributions for general practitioner, pathology and diagnostic imaging services						
Departmental Capital	1.2	-	5,406	2,353	-	-
Personally Controlled Electronic Health Record System - continuation						
Departmental Capital	1.2	-	1,000	-	-	-
Simplifying Medicare safety net arrangements						
Departmental Capital	1.2	-	1,963	1,616	-	-
Cross Portfolio						
Efficiency Dividend - a further temporary increase of 0.25 per cent						
Departmental Capital Budget						
Departmental Capital	1.1, 1.2	-	(505)	(1,012)	(1,477)	(1,505)
Total capital measures						
Administered						
		-	-	-	-	-
Departmental						
		-	7,864	2,957	(1,477)	(1,505)
Total						
		-	7,864	2,957	(1,477)	(1,505)

Prepared on a Government Finance Statistics (fiscal) basis.

- Measures are listed by lead portfolio agency where applicable. The full measure description and package details appear in Budget Paper No. 2 under the relevant portfolio.
- Excludes March 2014 listing which was published in the department's Portfolio Additional Estimates Statements 2013 -14.

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

This part is not applicable as all MYEFO measures for the department were reported in the Portfolio Additional Estimates Statements 2013-14 Social Services Portfolio (Department of Human Services).

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 programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Outcome 1 for the department is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance 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.

Strategy for Outcome 1

The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to payments and services on behalf of government.

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

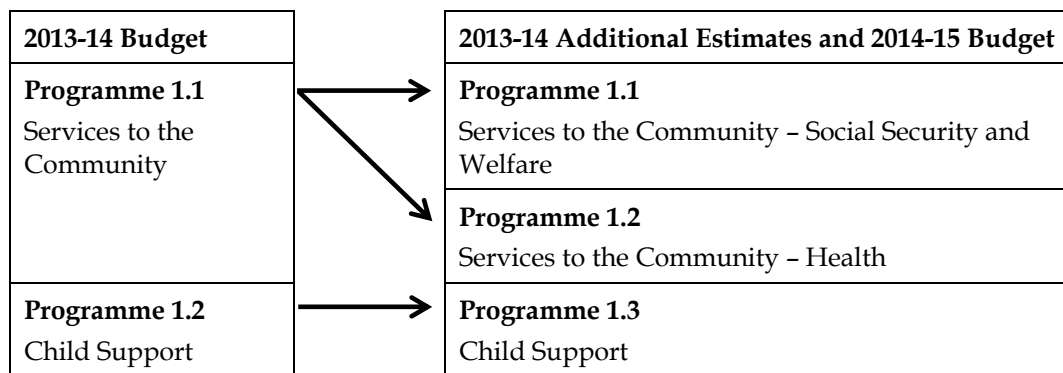
- the development of innovative and flexible service delivery policy that supports the implementation of government policy and programmes
- the design and development of service delivery systems that are convenient and accessible; and meet the diverse needs of the community
- the provision of payments and services that match customers' circumstances
- 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’s programme structure was updated and published in the 2013-14 Portfolio Additional Estimates Statements. Services to the community is now divided into two separate programmes:

- Programme 1.1 – Services to the Community – Social Security and Welfare
- Programme 1.2 – Services to the Community – Health.

Changes to programme objectives, deliverables and key performance indicators are detailed under the relevant programme headings in this section.

Figure 2: Transition Table



Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
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.		
Programme 1.1: Services to the Community - Social Security and Welfare		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	10,678	6,129
Special accounts	11,964	11,964
Expenses not requiring appropriation in the Budget year ¹	360	360
Departmental expenses		
Departmental appropriation ²	3,601,006	3,597,433
Expenses not requiring appropriation in the Budget year ¹	214,987	194,223
Total for Programme 1.1	3,838,995	3,810,109
Programme 1.2: Services to the Community - Health		
Departmental expenses		
Departmental appropriation ²	628,880	615,484
Expenses not requiring appropriation in the Budget year ¹	33,725	31,139
Total for Programme 1.2	662,605	646,623
Programme 1.3: Child Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,178	2,237
Special appropriations	72,157	74,116
Special accounts	1,339,820	1,374,814
Expenses not requiring appropriation in the Budget year ¹	78,330	79,886
Total for Programme 1.3	1,492,485	1,531,053
Outcome 1 Totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	12,856	8,366
Special appropriations	72,157	74,116
Special accounts	1,351,784	1,386,778
Expenses not requiring appropriation in the Budget year ¹	78,690	80,246
Departmental expenses		
Departmental appropriation ²	4,229,886	4,212,917
Expenses not requiring appropriation in the Budget year ¹	248,712	225,362
Total expenses for Outcome 1	5,994,085	5,987,785
	2013-14	2014-15
Average Staffing Level (number)	29,989	30,150

1. Administered expenses not requiring appropriation in the Budget year include depreciation expense and net write down of assets. Departmental expenses not requiring appropriation in the Budget year include unfunded depreciation and amortisation expense, resources consumed free of charge and operating results.

2. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

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

Contributions to Outcome 1

Programme 1.1 Services to the Community – Social Security and Welfare

Programme 1.1 Objective

The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to payments and services on behalf of government.

- 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 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:

- Attorney-General's Department: 1.2, 1.7
 - AUSTRAC: 1.1
 - CRIMTRAC: 1.1
 - Commonwealth Director of Public Prosecutions: 1.1
- Department of Agriculture: 1.1, 1.11, 1.12
 - Australian Fisheries Management Authority: 1.1
- Department of Communications: 1.1
- Department of Defence:
 - Department of Veterans' Affairs: 1.1, 1.2, 1.3, 1.4, 1.5, 2.4, 2.5
- Department of Education: 1.1, 1.2, 1.3, 3.7
- Department of Employment: 1.1

Programme 1.1 Objective (continued)

Linked to (*continued*):

- Department of Finance:
 - Australian Electoral Commission: 1.1, 1.2, 1.3
- Department of Foreign Affairs and Trade: 2.1, 2.2
- Department of Immigration and Border Protection: 1.2, 2.1, 3.1
- Department of Industry: 1.3, 3.1
- Department of Infrastructure and Regional Development: 2.2
- Department of the Prime Minister and Cabinet: 2.1, 2.2
 - Torres Strait Regional Authority: 1.1
- Department of Social Services: 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.10, 1.11, 2.1, 2.2, 3.3, 3.4, 3.5, 3.6, 4.2, 5.1
- Department of the Treasury:
 - Australian Bureau of Statistics: 1.1
 - Australian Taxation Office: 1.1, 1.3, 1.16
 - Australian Securities and Investments Commission: 1.1

Programme 1.1 Expenses

Total programme expenses are forecast to decrease by \$345.4 million over the estimates period. This is mainly due to the impact of increased efficiency dividends and other measures.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Income Management BasicsCard	5,006	3,000	-	-	-
Future Workforce	5,672	3,129	-	-	-
Total ordinary annual services (Appropriation Bill No. 1)	10,678	6,129	-	-	-
Special account expenses					
Recovery of compensation for health care & other services	11,964	11,964	11,964	11,964	11,964
Administered expenses not requiring appropriation in the Budget year ¹	360	360	324	324	324
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,390,824	3,476,396	3,294,495	3,264,776	3,237,700
Revenue from other sources	210,182	121,037	62,147	54,699	55,582
Departmental expenses not requiring appropriation in the Budget year ²	214,987	194,223	198,578	203,099	188,057
Total programme expenses	3,838,995	3,810,109	3,567,508	3,534,862	3,493,627

- Administered expenses not requiring appropriation in the Budget year include depreciation expense and net write down of assets.
- Departmental expenses not requiring appropriation in the Budget year include unfunded depreciation and amortisation expense, resources consumed free of charge and operating results.

Programme 1.1 Deliverables

The department provides access through service centres (including one-stop-shops) 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:

- Access Points located in rural and remote communities that provide self-help facilities.
- Agents located in rural and remote communities that provide self-help facilities and limited face-to-face services.
- Australian Government Mobile Service Centres which provide services in rural, regional 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.
- Multicultural Services Officers who support service delivery to people from culturally and linguistically diverse backgrounds.
- Translated information on payments and services and interpreter services.
- Remote Servicing Teams that travel to remote communities to deliver face-to-face services.
- Referrals to support services and the provision of specialist services through the department's health and allied health professionals which include social workers, psychologists, 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 also supports policy development through the provision of policy advice on service delivery and the coordination and development of specific initiatives on behalf of government.

Programme 1.1 Key Performance Indicators (KPIs)

The department's KPIs have been updated to reflect the programme structure changes in the 2013-14 PAES. The department's performance against its objectives will be demonstrated through the following KPIs.

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
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.¹	≥85%	≥85%	≥85%	≥85%	≥85%
Achievement of payment quality standards.					
Centrelink: Delivery of correct payments.	≥95%	≥95%	≥95%	≥95%	≥95%
Key initiatives delivered within timeframes and on budget and outcomes are achieved.²					
Service Delivery Reform.	Achieved	Achieved	N/A	N/A	N/A
Income Management Budget measures.	Achieved	Achieved	Achieved	N/A	N/A
Fraud Prevention and Compliance Budget measures.	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. ³	3.8	4.0	4.0	4.0	4.0

Programme 1.1 Key Performance Indicators (KPIs) (continued)

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
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%	N/A	N/A	N/A
Increase in the proportion of self-managed transactions and electronic interactions.	1% increase on 2012-13	1% increase on 2013-14	1% increase on 2014-15	1% increase on 2015-16	1% increase on 2016-17
Achievement of face-to-face, telephony and processing service level standards.¹					
Face-to-face: Average wait time.	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes
Telephony: Average speed of answer.	≤16 minutes	≤16 minutes	≤16 minutes	≤16 minutes	≤16 minutes
Processing: Percentage of claims processed within standard.	≥82%	≥82%	≥82%	≥82%	≥82%
Internal Reviews: Percentage of reviews finalised within standard.⁴	N/A	≥70%	≥70%	≥70%	≥70%
Achievement of payment integrity standards.					
Centrelink: Debt under recovery.	≥60%	≥60%	≥60%	≥60%	≥60%

1. KPI updated to reflect the new programme structure.
2. The list of key initiatives is determined by government priorities each financial year.
3. Annual government stakeholder survey – out of 5 index points.
4. New KPI for 2014–15.

Programme 1.2 Services to the Community – Health

Programme 1.2 Objective

The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to payments and services on behalf of government.

- 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 health 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:

- Department of Health: 1.1, 1.3, 2.2, 2.4, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 5.2, 5.3, 5.4, 6.1, 7.1, 7.6, 8.1
 - Australian Organ and Tissue Donation and Transplantation Authority: 1.1
 - Professional Services Review: 1.1

Programme 1.2 Expenses

Total programme expenses are forecast to decrease by \$35.8 million over the estimates period. This is mainly due to the impact of increased efficiency dividends and other measures.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	573,346	583,568	577,034	578,577	577,697
Revenue from other sources	55,534	31,916	34,564	34,409	14,327
Departmental expenses not requiring appropriation in the Budget year ¹	33,725	31,139	34,487	37,982	34,792
Total programme expenses	662,605	646,623	646,085	650,968	626,816

1. Departmental expenses not requiring appropriation in the Budget year include unfunded depreciation and amortisation expense, resources consumed free of charge and operating results.

Programme 1.2 Deliverables

The department provides access through service centres (including one-stop-shops) located across Australia; online services; call centres; and systems that support the delivery of services by providers and business.

The department pays benefits to health providers and other eligible customers which are accurate, appropriate and timely through convenient and efficient service delivery.

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

Programme 1.2 Key Performance Indicators (KPIs)

The department's KPIs have been updated to reflect the programme structure changes in the 2013-14 PAES. The department's performance against its objectives will be demonstrated through the following KPIs.

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Satisfaction with Medicare provider service delivery.	≥70%	≥70%	≥70%	≥70%	≥70%
Achievement of customer satisfaction standards.¹	≥85%	≥85%	≥85%	≥85%	≥85%
Achievement of payment quality standards.					
Medicare: Delivery of accurate medical and pharmaceutical benefits and services.	≥98%	≥98%	≥98%	≥98%	≥98%
Achievement of face-to-face, telephony and processing service level standards.¹					
Face-to-face: Average wait time.	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes
Telephony: Average speed of answer:					
Pharmaceutical Benefits Scheme Authorities and eHealth Providers.	≤30 seconds	≤30 seconds	≤30 seconds	≤30 seconds	≤30 seconds
Providers.	N/A	≤2 minutes	≤2 minutes	≤2 minutes	≤2 minutes
Customers.	N/A	≤7 minutes	≤7 minutes	≤7 minutes	≤7 minutes
Processing: Percentage of claims processed within standard.	≥82%	≥82%	≥82%	≥82%	≥82%
Achievement of payment integrity standards.					
Medicare: Completed audit and review cases.	2,500	2,500	2,500	2,500	2,500

1. KPI updated to reflect the new programme structure.

Programme 1.3 Child Support

Programme 1.3 Objective

The department's Child Support programme 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 2014-15.

Linked to:

Department of Social Services: 1.2

Programme 1.3 Expenses

Total programme expenses increase by \$142.9 million over the estimates period, mainly due to forecast increases in amounts of child support being transferred between parents through the Child Support Account.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Child Support dishonoured cheques and other shortfalls	2,178	2,237	2,285	2,337	2,395
Total Ordinary annual services (Appropriation Bill No. 1)	2,178	2,237	2,285	2,337	2,395
Special Appropriations:					
Child Support Act ¹					
- s77 - unremitted deductions	72,107	74,066	75,630	77,351	79,269
- s78 - unexplained remittances	50	50	50	50	50
Special account expenses:					
Child Support Account	1,339,820	1,374,814	1,403,895	1,435,946	1,471,648
Administered expenses not requiring appropriation in the Budget year ²	78,330	79,886	80,521	81,221	82,001
Total programme expenses	1,492,485	1,531,053	1,562,381	1,596,905	1,635,363

1. Child Support (Registration and Collection) Act 1988.

2. Administered expenses not requiring appropriation in the Budget year include net write-down of Child Support receivable.

Programme 1.3 Deliverables

Collect and disburse child support payments.

Programme 1.3 Key Performance Indicators (KPIs)

The department's KPIs have been updated to reflect the programme structure changes in the 2013-14 PAES. The department's performance against its objectives will be demonstrated through the following KPIs.

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Achievement of customer satisfaction standards.¹	≥85%	≥85%	≥85%	≥85%	≥85%
Total amount of child support transferred between parents.	\$3.2 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%
Achievement of telephony and processing service level standards.					
Telephony: Average speed of answer. ¹	N/A	≤3 minutes	≤3 minutes	≤3 minutes	≤3 minutes
Processing: Percentage of claims processed within standard. ²	N/A	≥82%	≥82%	≥82%	≥82%

1. KPI updated to reflect the new programme structure.

2. New KPI for 2014-15.

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 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme 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.

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 2014-15 2013-14	Receipts 2014-15 2013-14	Payments 2014-15 2013-14	Adjustments 2014-15 2013-14	Closing balance 2014-15 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Account ¹ (A)	1	57,072	1,488,103	(1,488,103)	-	57,072
		57,072	1,448,745	(1,448,745)	-	57,072
Recovery of Compensation for Health Care & Other Services Special Account ² (A)	1	122,183	297,660	(268,196)	-	151,647
		93,296	291,824	(262,937)	-	122,183
Superannuation Clearing House Special Account ³ (A)	1	-	-	-	-	-
		13,617	654,025	(662,842)	(4,800)	-
Services for Other Entities and Trust Moneys – Department of Human Services Special Account ⁴ (A) & (D)	1	-	-	-	-	-
		-	-	-	-	-
Total special accounts 2014-15 Budget Estimate		179,255	1,785,763	(1,756,299)	-	208,719
<i>Total special accounts 2013-14 estimated actual</i>		<i>163,985</i>	<i>2,394,594</i>	<i>(2,374,524)</i>	<i>(4,800)</i>	<i>179,255</i>

(A) = Administered
(D) = Departmental

- 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.
- 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;
 - to pay the claimant, or the claimant's authorised representative, amounts credited to the Special Account; and
 - 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
 - to repay amounts where an Act or other law requires or permits the repayment of an amount received.
- Superannuation Clearing House Special Account - s20 FMA Act Determination 2010/05. Administration of this special account was transferred to the Australian Taxation Office from 1 April 2014. Purpose: To receive amounts for the purpose of the Superannuation Clearing House and:
 - make payments to superannuation funds on behalf of small business employers in performance of the functions of the Superannuation Clearing House;
 - 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);
 - reduce the balance of the special account (and, therefore the available appropriation for the special account) without making a real or notional payment; and

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

- (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 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;
 - (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	Programme
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
	Department of Human Services						
Outcome 1							
Departmental 2014-15	60,860	-	-	60,860	-	60,860	1.1
Departmental 2014-15	3,293	-	-	3,293	-	3,293	1.2
<i>Departmental 2013-14</i>	<i>62,328</i>	<i>-</i>	<i>-</i>	<i>62,328</i>	<i>-</i>	<i>62,328</i>	<i>1.1</i>
<i>Departmental 2013-14</i>	<i>3,457</i>	<i>-</i>	<i>-</i>	<i>3,457</i>	<i>-</i>	<i>3,457</i>	<i>1.2</i>
Total outcome 2014-15	64,153	-	-	64,153	-	64,153	
<i>Total outcome 2013-14</i>	<i>65,785</i>	<i>-</i>	<i>-</i>	<i>65,785</i>	<i>-</i>	<i>65,785</i>	
Total Department of Human Services							
Total Departmental 2014-15	64,153	-	-	64,153	-	64,153	
<i>Total Departmental 2013-14</i>	<i>65,785</i>	<i>-</i>	<i>-</i>	<i>65,785</i>	<i>-</i>	<i>65,785</i>	
Total AGIE 2014-15	64,153	-	-	64,153	-	64,153	
<i>Total AGIE 2013-14</i>	<i>65,785</i>	<i>-</i>	<i>-</i>	<i>65,785</i>	<i>-</i>	<i>65,785</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Agency Resourcing and Financial Statements

3.2.2 Analysis of Budgeted Financial Statements

Departmental comprehensive income statement (Table 3.2.1)

Since the 2013-14 Additional Estimates, revenue from government in 2014-15 has increased by \$268.2 million, mainly due to new expense measures of \$277.7 million (refer Table 1.2), offset by other variations. Over the estimates period, revenue from government decreases by \$148.8 million.

Estimates of own-source revenue in 2014-15 have decreased by \$78.6 million since the 2013-14 Additional Estimates reflecting changes in revenue from service agreements with other entities including the departments of Employment; Social Services; and Foreign Affairs and Trade. The decrease of \$195.8 million in own source revenue over the estimates period reflects changes in service delivery.

Expenses in 2014-15 have increased by \$189.3 million since the 2013-14 Additional Estimates mainly reflecting the impact of new measures. Over the estimates period, expenses decrease by \$370.4 million, mainly due to the impact of the efficiency dividend and Budget measures.

Departmental balance sheet (Table 3.2.2)

Since the 2013-14 Additional Estimates net assets as at 30 June 2015 have increased by \$1.3 million (as noted below in the discussion regarding Table 3.2.3). Over the estimates period, total assets are forecast to decrease by \$213.0 million, reflecting a reduction in receivables and non-financial assets. Total liabilities are forecast to decrease by \$106.5 million over the estimates period, reflecting reductions in payables and provisions.

Departmental statement of changes in equity (Table 3.2.3)

Total equity as at 30 June 2015 has increased by \$1.3 million since the 2013-14 Additional Estimates, mainly due to the effect of net changes to unfunded depreciation, increased capital injections in 2014-15 offset by the reduction in asset revaluations in 2013-14. Over the estimates period, equity is forecast to decrease by \$106.5 million, which reflects the decline in non-financial asset balances mainly due to depreciation and amortisation not being matched by asset replacement funding provided under the Departmental Capital Budget.

Departmental cash flow (Table 3.2.4)

Since the 2013-14 Additional Estimates, cash flows have been affected by new measures, changes in expenses and changes in own-source revenue. There has been no change in the estimated cash held at 30 June 2015 or for the forward years.

Departmental Capital Budget Statement (Table 3.2.5)

Since the 2013-14 Additional Estimates, total capital appropriations in 2014-15 have increased by \$8.4 million, as a net result of capital measures (refer Table 1.2) and indexation movements. The Departmental Capital Budget for asset replacement remains relatively stable over the forward years.

Statement of departmental asset movements (Table 3.2.6)

The net book value of land, buildings, property, plant and equipment and intangible assets as at 30 June 2015 has increased by \$15.4 million since the 2013-14 Additional Estimates. This is mainly due to the net impact of capital measures (refer Table 1.2), reduced estimates of depreciation expenses and impairment of assets, offset by reduced estimates for revaluation of assets.

Schedule of administered activity

Administered income and expenses (Table 3.2.7)

Since the 2013-14 Additional Estimates, estimated administered revenue for 2014-15 has decreased by \$70.1 million and expenses have decreased by \$75.2 million. This is mainly due to an anticipated change to the accounting treatment for Child Support penalties which are now to be recognised only to the extent of cash receipts (a reduction of \$137.0 million to revenue and expenses) offset by a change in the accounting treatment for discharges of child maintenance liabilities (resulting in an increase of \$45.0 million to revenue and expenses) and the recognition of compensation recoveries and transfers through the Recovery of Compensation for Health Care and Other Services Special Account (an increase of \$12.0 million to revenue and expenses). The decrease in expenses also includes a reduction of \$5.7 million in 2014-15 due to a new expense measure (refer Table 1.2).

Administered assets and liabilities (Table 3.2.8)

Since the 2013-14 Additional Estimates, the estimated closing asset balances for 2014-15 have decreased by \$23.0 million mainly due to the removal of Child Support penalty receivable as a result of the anticipated change in the accounting treatment for penalties (as noted above) and lower Child Support maintenance receivables. Liabilities have decreased by \$12.8 million mainly due to the reduction in Child Support accrued expenses which are based on the level of Child Support receivables.

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	2,905,916	2,832,705	2,676,309	2,655,724	2,620,933
Suppliers	1,311,152	1,369,563	1,284,397	1,270,165	1,255,455
Depreciation and amortisation	254,531	228,674	233,250	240,186	224,174
Finance costs	881	922	943	981	1,021
Write-down and impairment of assets	234	126	123	123	124
Losses from asset sales	110	-	-	-	-
Other expenses	5,774	6,289	6,283	6,363	6,448
Total expenses	4,478,598	4,438,279	4,201,305	4,173,542	4,108,155
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	265,081	152,661	96,511	88,908	69,709
Rental income	435	92	-	-	-
Other	200	200	200	200	200
Total own-source revenue	265,716	152,953	96,711	89,108	69,909
Gains					
Other	2,152	2,152	2,152	2,152	2,152
Total gains	2,152	2,152	2,152	2,152	2,152
Total own-source income	267,868	155,105	98,863	91,260	72,061
Net cost of (contribution by) services	4,210,730	4,283,174	4,102,442	4,082,282	4,036,094
Revenue from Government	3,964,170	4,059,964	3,871,529	3,843,353	3,815,397
Surplus (deficit) attributable to the Australian Government	(246,560)	(223,210)	(230,913)	(238,929)	(220,697)
Total comprehensive income (loss)	(246,560)	(223,210)	(230,913)	(238,929)	(220,697)
Total comprehensive income (loss) attributable to the Australian Government	(246,560)	(223,210)	(230,913)	(238,929)	(220,697)

Prepared on Australian Accounting Standards basis.

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

	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ¹	246,560	223,210	230,913	238,929	220,697
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(246,560)	(223,210)	(230,913)	(238,929)	(220,697)

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	27,642	27,642	27,642	27,642	27,642
Trade and other receivables	738,740	716,817	639,976	642,899	637,775
Other financial assets	79	60	62	61	55
Total financial assets	766,461	744,519	667,680	670,602	665,472
Non-financial assets					
Land and buildings	299,162	288,965	275,269	266,026	248,417
Property, plant and equipment	163,751	169,924	174,254	167,316	161,309
Intangibles	409,266	406,232	392,992	368,549	369,344
Other non-financial assets	89,497	75,720	73,834	74,114	70,580
Total non-financial assets	961,676	940,841	916,349	876,005	849,650
Total assets	1,728,137	1,685,360	1,584,029	1,546,607	1,515,122
LIABILITIES					
Payables					
Suppliers	249,334	257,400	248,176	248,490	245,770
Other payables	127,586	119,885	56,985	65,057	61,896
Total payables	376,920	377,285	305,161	313,547	307,666
Provisions					
Employee provisions	858,219	831,727	833,631	834,960	836,237
Other provisions	26,202	17,784	13,981	13,250	10,961
Total provisions	884,421	849,511	847,612	848,210	847,198
Total liabilities	1,261,341	1,226,796	1,152,773	1,161,757	1,154,864
Net assets	466,796	458,564	431,256	384,850	360,258
EQUITY*					
Parent entity interest					
Contributed equity	1,238,557	1,453,535	1,657,140	1,849,663	2,045,768
Reserves	57,098	57,098	57,098	57,098	57,098
Retained surplus (accumulated deficit)	(828,859)	(1,052,069)	(1,282,982)	(1,521,911)	(1,742,608)
Total parent entity interest	466,796	458,564	431,256	384,850	360,258
Total Equity	466,796	458,564	431,256	384,850	360,258

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 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2014				
Balance carried forward from previous period	(828,859)	57,098	1,238,557	466,796
Comprehensive income				
Surplus (deficit) for the period	(223,210)	-	-	(223,210)
Total comprehensive income	(223,210)	-	-	(223,210)
of which:				
Attributable to the Australian Government	(223,210)	-	-	(223,210)
Transactions with owners				
Contributions by owners				
Equity Injection - appropriation	-	-	18,102	18,102
Departmental Capital Budget (DCB)	-	-	196,876	196,876
Sub-total transactions with owners	-	-	214,978	214,978
Estimated closing balance as at 30 June 2015	(1,052,069)	57,098	1,453,535	458,564

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,986,541	4,070,000	3,949,185	3,840,175	3,818,921
Sale of goods and rendering of services	285,330	166,883	97,839	91,339	73,448
External receipts redrawn from OPA	285,566	167,083	98,039	91,539	73,648
Net GST received	118,835	140,804	135,378	133,287	131,870
Other	200	200	200	200	200
Total cash received	4,676,472	4,544,970	4,280,641	4,156,540	4,098,087
Cash used					
Employees	2,913,400	2,863,405	2,734,931	2,644,236	2,619,587
Suppliers	1,476,549	1,502,463	1,435,151	1,408,168	1,393,233
External receipts transferred to OPA	285,566	167,083	98,039	91,539	73,648
Other	6,055	5,713	6,214	6,291	6,371
Total cash used	4,681,570	4,538,664	4,274,335	4,150,234	4,092,839
Net cash from (used by) operating activities	(5,098)	6,306	6,306	6,306	5,248
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment	36	-	-	-	-
Total cash received	36	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	171,600	221,284	209,911	198,829	201,353
Total cash used	171,600	221,284	209,911	198,829	201,353
Net cash from (used by) investing activities	(171,564)	(221,284)	(209,911)	(198,829)	(201,353)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	158,690	214,978	203,605	192,523	196,105
Total cash received	158,690	214,978	203,605	192,523	196,105
Net cash from (used by) financing activities	158,690	214,978	203,605	192,523	196,105
Net increase (decrease) in cash held	(17,972)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	45,614	27,642	27,642	27,642	27,642
Cash and cash equivalents at the end of the reporting period	27,642	27,642	27,642	27,642	27,642

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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	115,205	196,876	197,000	191,488	195,070
Equity injections - Bill 2	43,440	18,102	6,605	1,035	1,035
Total new capital appropriations	158,645	214,978	203,605	192,523	196,105
Provided for:					
Purchase of non-financial assets	158,190	214,978	203,605	192,523	196,105
Other Items	455	-	-	-	-
Total Items	158,645	214,978	203,605	192,523	196,105
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	42,985	18,102	6,605	1,035	1,035
Funded by capital appropriation - DCB ²	115,705	196,876	197,000	191,488	195,070
Funded internally from departmental resources ³	12,910	6,306	6,306	6,306	5,248
TOTAL AMOUNT SPENT	171,600	221,284	209,911	198,829	201,353
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	171,600	221,284	209,911	198,829	201,353
Total cash used to acquire assets	171,600	221,284	209,911	198,829	201,353

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior year Act 2 and Act 4 appropriations.

2. 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 (Budget Year 2014-15)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014					
Gross book value	5,225	423,243	292,755	791,520	1,512,743
Accumulated depreciation/amortisation and impairment	-	(129,306)	(129,004)	(382,254)	(640,564)
Opening net book balance	5,225	293,937	163,751	409,266	872,179
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ¹	-	23	4,402	13,677	18,102
By purchase - appropriation ordinary annual services ²	-	66,851	53,772	76,253	196,876
By purchase - other	-	3,475	1,773	1,058	6,306
Total additions	-	70,349	59,947	90,988	221,284
Other movements					
Depreciation/amortisation expense	-	(80,863)	(53,789)	(94,022)	(228,674)
Other	-	317	15	-	332
Total other movements	-	(80,546)	(53,774)	(94,022)	(228,342)
As at 30 June 2015					
Gross book value	5,225	494,225	352,747	882,508	1,734,705
Accumulated depreciation/amortisation and impairment	-	(210,485)	(182,823)	(476,276)	(869,584)
Closing net book balance	5,225	283,740	169,924	406,232	865,121

Prepared on Australian Accounting Standards basis.

1. "Appropriation equity" refers to equity injections provided through Appropriation Bill (No.2) 2014-15.
2. "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2014-15 for the Departmental Capital Budget.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	5,006	3,000	-	-	-
Grants	5,672	3,129	-	-	-
Depreciation and amortisation	36	36	-	-	-
Write-down and impairment of assets	78,654	80,210	80,845	81,545	82,325
Other expenses ¹	1,426,119	1,463,131	1,493,824	1,527,648	1,565,326
Total expenses administered on behalf of Government	1,515,487	1,549,506	1,574,669	1,609,193	1,647,651
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Compensation recoveries	11,964	11,964	11,964	11,964	11,964
Fees and fines	8,689	9,415	9,601	9,807	10,036
Dividends	2,289	2,646	3,066	3,066	3,066
Competitive neutrality revenue	5,124	5,552	5,995	6,144	6,298
Other revenue ²	1,492,485	1,531,053	1,562,381	1,596,905	1,635,363
Total non-taxation revenue	1,520,551	1,560,630	1,593,007	1,627,886	1,666,727
Total own-source revenue administered on behalf of Government	1,520,551	1,560,630	1,593,007	1,627,886	1,666,727
Total own-source income administered on behalf of Government	1,520,551	1,560,630	1,593,007	1,627,886	1,666,727
Net cost of (contribution by) services	(5,064)	(11,124)	(18,338)	(18,693)	(19,076)
Surplus (deficit)	5,064	11,124	18,338	18,693	19,076
Total comprehensive income (loss)	5,064	11,124	18,338	18,693	19,076

Prepared on Australian Accounting Standards basis.

1. Other expenses comprise Child Support payments to custodial parents and compensation recovery payments.

2. Other 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 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	133	133	133	133	133
Receivables	757,853	797,445	838,155	879,456	922,000
Investments accounted for using the equity method	38,522	38,522	38,522	38,522	38,522
Total financial assets	796,508	836,100	876,810	918,111	960,655
Non-financial assets					
Property, plant and equipment	36	-	-	-	-
Total non-financial assets	36	-	-	-	-
Total assets administered on behalf of Government	796,544	836,100	876,810	918,111	960,655
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	719	719	-	-	-
Other payables	49,281	49,281	49,281	49,281	49,281
Total payables	50,000	50,000	49,281	49,281	49,281
Provisions					
Other provisions	751,879	791,296	831,644	873,018	915,535
Total provisions	751,879	791,296	831,644	873,018	915,535
Total liabilities administered on behalf of Government	801,879	841,296	880,925	922,299	964,816
Net assets/(liabilities)	(5,335)	(5,196)	(4,115)	(4,188)	(4,161)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Dividends	1,872	2,494	2,751	3,066	3,066
Competitive neutrality	5,874	5,456	5,875	6,144	6,298
Net GST received	1,068	613	72	-	-
Other ¹	1,394,812	1,432,878	1,462,826	1,495,830	1,532,494
Total cash received	1,403,626	1,441,441	1,471,524	1,505,040	1,541,858
Cash used					
Grants	6,239	3,442	-	-	-
Suppliers	5,507	3,300	791	-	-
Other ²	1,386,374	1,423,714	1,453,476	1,486,274	1,522,809
Total cash used	1,398,120	1,430,456	1,454,267	1,486,274	1,522,809
Net cash from (used by) operating activities	5,506	10,985	17,257	18,766	19,049
Net increase (decrease) in cash held					
	5,506	10,985	17,257	18,766	19,049
Cash and cash equivalents at beginning of reporting period	133	133	133	133	133
Cash from Official Public Account for:					
- Appropriations	85,013	82,482	77,965	79,738	81,714
- Special accounts	1,300,075	1,335,397	1,363,547	1,394,572	1,429,131
- Other	1,068	613	791	-	-
	1,386,156	1,418,492	1,442,303	1,474,310	1,510,845
Cash to Official Public Account for:					
- Appropriations	74,335	76,353	77,965	79,738	81,714
- Administered revenue	16,184	17,114	17,976	18,766	19,049
- Special accounts	1,300,075	1,335,397	1,363,547	1,394,572	1,429,131
- Other	1,068	613	72	-	-
	1,391,662	1,429,477	1,459,560	1,493,076	1,529,894
Cash and cash equivalents at end of reporting period	133	133	133	133	133

Prepared on Australian Accounting Standards basis.

1. Other non-tax receipts include Child Support receipts from non-custodial parents and compensation recoveries.
2. Other payments include Child Support payments to custodial parents and compensation recovery payments.

Table 3.2.10: Schedule of Administered Capital Budget Statement

The department does not have an Administered Capital Budget for 2014-15.

Table 3.2.11: Statement of Administered Asset Movements (Budget Year 2014-15)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014					
Gross book value	-	-	161	-	161
Accumulated depreciation/amortisation and impairment	-	-	(125)	-	(125)
Opening net book balance	-	-	36	-	36
CAPITAL ASSET ADDITIONS					
Total additions	-	-	-	-	-
Other movements					
Depreciation/amortisation expense	-	-	(36)	-	(36)
Total other movements	-	-	(36)	-	(36)
As at 30 June 2015					
Gross book value	-	-	161	-	161
Accumulated depreciation/amortisation and impairment	-	-	(161)	-	(161)
Closing net book balance	-	-	-	-	-

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.

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 2013-14 as at the 2014-15 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).
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 programme. It may be a measure but will not constitute a programme in its own right
Agency	Generic term for Australian Government General Government Sector entities, including those governed by the <i>Financial Management and Accountability Act 1997</i> .
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
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.
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 to meet the costs associated with the replacement of minor assets (assets valued at \$10 million or less) or maintenance costs that are eligible to be capitalised.

Term	Meaning
Departmental item	Resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers 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 programme.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are generally not included within the calculation of an appropriation. Appropriation funding is not provided in respect of depreciation 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. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating administered appropriation amounts to be sought from Parliament.
<i>Financial Management and Accountability Act 1997 (FMA Act)</i>	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).
Forward estimates period	The three years following the budget year. For example, if 2014-15 is the budget year, 2015-16 is forward year 1, 2016-17 is forward year 2 and 2017-18 is forward year 3. This period does not include the current or budget year.

Glossary

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.
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).
Memorandum of Understanding (MOU)	A bilateral or multilateral agreement between the department and one or more government agencies.
Official Public Account (OPA)	The OPA is the government's central bank account held within the Reserve Bank of Australia. The OPA is the central component of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.

Term	Meaning
Outcome statement	<p data-bbox="679 398 1305 566">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> <ul data-bbox="679 600 1305 943" style="list-style-type: none"> <li data-bbox="679 600 1305 712">• to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; <li data-bbox="679 719 1305 831">• to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and <li data-bbox="679 837 1305 943">• to measure and assess agency and programme (non-financial) performance in contributing to government policy objectives.
Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and programme by each agency within a portfolio.
Programme	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.
Programme support	The agency running costs allocated to a programme. This is funded as part of the agency's departmental appropriations.
<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	The PGPA Act commences on 1 July 2014 and will replace the FMA Act. It provides a principles based framework for Commonwealth resource management, supported by rules and guidance to assist Commonwealth entities to manage public resources.
s31	Section 31 of the FMA Act.

Glossary

Term	Meaning
Special Account	<p>An appropriation mechanism that notionally sets aside an amount to be expended for specific purposes. The amount of appropriation that may be drawn from the CRF by means of a special account is limited to the balance of each special account. Special accounts are not bank accounts. However, amounts forming part of the balance of a special account may be held in the Official Public Account, an agency official bank account, partly in both, or by an outsider authorised in a manner consistent with section 12 of the FMA Act</p> <p>A special account can be established either by the Finance Minister making a determination under section 20 of the FMA Act, or by enabling legislation as recognised under section 21 of the FMA Act.</p>
Special Appropriation	<p>A special appropriation is a provision within an Act that provides authority to spend money for particular purposes, for example, to finance a particular project or to make social security payments.</p>
Target group	<p>A specific group being targeted for assistance by government policy.</p>
Transfer	<p>Cash paid to recipients of the applicable programme. This includes welfare payments and tax rebates.</p>