

BUDGET

2015-16

Portfolio Budget Statements 2015-16
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 Entity

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



Senator the Hon Marise Payne
Minister for Human Services

*Parliament House
CANBERRA ACT 2600*

*Telephone: 02 6277 7200
Fax: 02 6273 4406*

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 2015-16 Budget for the Social Services portfolio (Department of Human Services).

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

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

Yours sincerely

A handwritten signature in cursive script that reads "Marise Payne".

Marise Payne

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nfp	not for publication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:

Mr Mark Jenkin, 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: www.budget.gov.au

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2015-16 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities 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) 2015-16*. 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.

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PORTFOLIO OVERVIEW

DEPARTMENT OF HUMAN SERVICES

PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The ministers and parliamentary secretary responsible for the Social Services portfolio and its entities are:

- The Hon Scott Morrison 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 Department of Human Services (the department) is part of the Social Services portfolio. Full details of the Social Services portfolio appear in *Portfolio Budget Statements 2015-16, Budget Related Paper No. 1.15A, Social Services Portfolio*.

DEPARTMENT OF HUMAN SERVICES

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

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

Portfolio overview

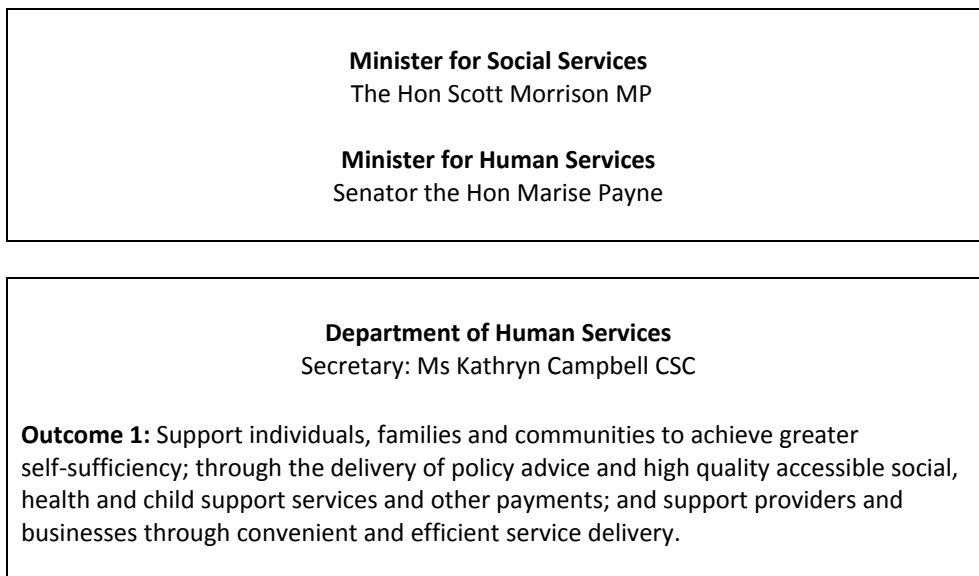
- **Child Support** services for separated parents to provide the financial and emotional support necessary for their children's wellbeing.

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

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 PB Statements or the Portfolio Additional Estimates Statements (PAES). Australian Hearing is a corporate Commonwealth entity under the PGPA Act and is governed by a board that is appointed by the Minister for Human Services.

Figure 1: Department of Human Services portfolio structure and outcomes



PORTFOLIO RESOURCES

Table 1 shows the total resources provided to the portfolio in the 2015-16 budget year by entity.

Table 1: Portfolio resources 2015-16

	Appropriation Bill No. 1 (\$m)	Appropriation Bill No. 2 (\$m)	Special appropriation (\$m)	Receipts (\$m)	Total (\$m)
Department of Social Services (a) (c)					
Administered appropriations	5,099.1	-	131,507.2	1.2	136,607.5
Departmental appropriations	652.6	66.4	-	43.9	762.9
Total:	5,751.7	66.4	131,507.2	45.1	137,370.4
Department of Human Services (a)					
Administered appropriations	2.3	-	59.7	1,421.5	1,483.5
Departmental appropriations	4,416.6	37.5	-	141.4	4,595.6
Total:	4,418.9	37.5	59.7	1,563.0	6,079.1
Australian Institute of Family Studies (c)					
Administered appropriations	-	-	-	-	-
Departmental appropriations	4.7	-	-	9.3	14.0
Total:	4.7	-	-	9.3	14.0
Australian Aged Care Quality Agency (c)					
Administered appropriations	-	-	-	-	-
Departmental appropriations	28.9	-	-	13.6	42.5
Total:	28.9	-	-	13.6	42.5
National Disability Insurance Agency (b) (c)					
Administered appropriations	-	-	-	-	-
Departmental appropriations	473.8	57.8	-	304.6	836.2
Total:	473.8	57.8	-	304.6	836.2
Portfolio total	10,678.0	161.7	131,566.9	1,935.6	144,342.2
Less amounts transferred within portfolio	-	-	-	2.7	2.7
Resources available within portfolio:					144,339.5

- (a) Total resourcing excludes the balance of unspent prior year appropriations or special account balances which will be carried forward from 2014-15.
- (b) Funding under Appropriation Bill (No.1) 2015-16 is appropriated to the Department of Social Services (DSS) and then paid to the National Disability Insurance Agency (NDIA). All appropriations paid to the NDIA are considered to be departmental for all purposes. In Budget Paper No. 4 resourcing received and expended by the NDIA will in part be reported as departmental and administered to reflect the administered nature of the funds' purpose.
- (c) DHS is administered separately to DSS. Details of the allocation of resources for these entities are reported in 2015-16 Portfolio Budget Related Paper 1.15A.

ENTITY RESOURCES AND PLANNED PERFORMANCE

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Department of Human Services

**Entity resources and planned
performance**

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DEPARTMENT OF HUMAN SERVICES

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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 Statement which is to:

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

The department 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 mission is 'connecting Australians to the services they need'. A key aim of this is presenting a seamless, secure, end-to-end digital service experience that helps members of the community manage their own affairs.

The department will also continue to transform frontline services and deliver targeted services to assist those most in need.

The department's priorities include the following:

- Understanding and meeting the priorities of the Minister and the Government.
- Transforming and simplifying the department's ICT environment to support secure digital access to our services when customers need it and to enable rapid, flexible responses to the government's digital transformation agenda.

DHS Budget Statements

- Making the delivery of services and regulatory functions as efficient as possible, including reducing red tape, while providing effective government and customer outcomes.
- Seeking opportunities to enhance efficiencies and increase service effectiveness by partnering with industry and not-for-profit organisations.
- Working closely with partner agencies to shape the development and delivery of joined-up government services.
- Designing and developing new, innovative and effective service approaches that encourage responsibility and enable customers to be self-sufficient, while identifying and supporting those most in need.

1.2 ENTITY 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 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	<i>Estimate of prior year amounts available in</i>	<i>Proposed at Budget</i>	<i>Total Estimate</i>
	<i>2014-15 \$'000</i>	<i>2015-16 \$'000</i>	<i>2015-16 \$'000</i>	<i>2015-16 \$'000</i>
Ordinary Annual Services (a)				
Departmental appropriation				
Prior year appropriations (b)	852,297	922,572	-	922,572
Departmental appropriation (c)	4,279,270	-	4,416,647	4,416,647
s74 Retained revenue receipts (d)	195,322	-	141,419	141,419
Total	5,326,889	922,572	4,558,066	5,480,638
Administered expenses				
Prior year appropriations (b)	508	508	-	508
Outcome 1 (e)	8,386	-	2,252	2,252
Total	8,894	508	2,252	2,760
Total ordinary annual services [A]	5,335,783	923,080	4,560,318	5,483,398
Other services (f)				
Departmental non-operating				
Equity injections	20,442	-	37,548	37,548
Total	20,442	-	37,548	37,548
Total other services [B]	20,442	-	37,548	37,548
Total available annual appropriations [A+B]	5,356,225	923,080	4,597,866	5,520,946
Special Appropriations				
Special appropriations limited by criteria/entitlement				
<i>Child Support (Registration and Collection) Act 1988 (g)</i>				
Section 77 - unremitted deductions	57,173	-	59,627	59,627
Section 78 - unexplained remittances	50	-	50	50
Total special appropriations [C]	57,223	-	59,677	59,677
Total appropriations excluding special accounts	5,413,448	923,080	4,657,543	5,580,623
Special Accounts				
Opening balance (h)	57,552	57,552	-	57,552
Appropriation receipts (i)	59,455	-	61,929	61,929
Non-appropriation receipts to Special Accounts (j)	1,396,346	-	1,421,532	1,421,532
Total special accounts [D]	1,513,353	57,552	1,483,461	1,541,013
Total resourcing [A+B+C+D]	6,926,801	980,632	6,141,004	7,121,636
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(59,455)	-	(61,929)	(61,929)
Total net resourcing for Department of Human Services	6,867,346	980,632	6,079,075	7,059,707

Table 1.1: Department of Human Services resource statement — Budget estimates for 2015-16 as at Budget May 2015 (continued)

- (a) Appropriation Bill (No.1) 2015-16.
- (b) Estimated adjusted balance carried forward from previous year.
- (c) Includes an amount of \$196.4 million in 2015-16 (\$196.9 million in 2014-15) 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'.
- (d) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (e) The Department of Human Services does not have funding for an Administered Capital Budget for 2015-16.
- (f) Appropriation Bill (No.2) 2015-16.
- (g) Special appropriations under the *Child Support (Registration and Collection) Act 1988* provide temporary funding to cover unremitted deductions and unexplained remittances until deductions have been received and unexplained remittances have been attributed to the relevant paying parent.
- (h) 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.
- (i) Includes appropriation receipts from the Department of Human Services annual Administered appropriation and special appropriations relating to Child Support payments.
- (j) Includes receipts from non-custodial parents through the Child Support Account and relevant Compensation Recovery included in Recovery of Compensation for Health Care and Other Services Special Account.

Reader note: All figures are GST exclusive.

Table 1.1: Department of Human Services resource statement — Budget estimates for 2015-16 as at Budget May 2015 (continued)**Third party payments on behalf of and receipts from other entities**

	2014-15 \$'000	2015-16 \$'000
Payments made on behalf of other entities (disclosed in the respective entity's resource statement)		
Attorney-General's Department		
Special Appropriation - <i>Social Security (Administration) Act 1999</i> - Australian Victim of Terrorism Overseas Payment	7,060	1,485
Special Appropriation - <i>Social Security (Administration) Act 1999</i> - Disaster Recovery Allowance	7,427	340
Special Appropriation - <i>Social Security (Administration) Act 1999</i> - National Security and Criminal Justice	12,375	11,600
Annual Appropriation - Ex gratia assistance - New Zealand citizens	234	-
Total	27,096	13,425
Department of Agriculture		
Special Appropriation - <i>Farm Household Support Act 2014</i> s.105 - payments for Farm Household Allowance	70,017	117,430
Annual Appropriation - Interim Farm Household Allowance	3,355	-
Total	73,372	117,430
Department of Education and Training		
Special Appropriation - <i>A New Tax System (Family Assistance)</i> <i>(Administration) Act 1999</i>	836,916	-
Total	836,916	-
Department of Employment		
Annual Appropriation - Job Commitment Bonus	-	32,870
Total	-	32,870
Department of Health		
Special Appropriation - <i>Health Insurance Act 1973</i> - Medical Benefits	20,311,899	21,126,958
Special Appropriation - <i>National Health Act 1953</i> - Pharmaceutical Benefits	9,283,968	9,770,425
Special Appropriation - <i>Private Health Insurance Act 2007</i>	5,913,293	6,122,000
Special Appropriation - <i>Dental Benefits Act 2008</i>	424,607	605,451
Special Appropriation - <i>National Health Act 1953</i> - Aids and Appliances	312,898	346,427
Special Appropriation - <i>Medical Indemnity Agreement Act 2002</i>	79,748	82,495
Special Account - Australian Childhood Immunisation Register	9,475	9,563
Special Appropriation - <i>Midwife Professional Indemnity</i> <i>(Commonwealth Contribution) Scheme Act 2010</i>	821	1,508
Total	36,336,709	38,064,827
Department of Infrastructure and Regional Development		
Annual Appropriation - Tasmanian Freight Equalisation Scheme	114,300	141,950
Annual Appropriation - Bass Strait Passenger Vehicle Equalisation Scheme	41,000	42,000
Total	155,300	183,950

Table 1.1: Department of Human Services resource statement — Budget estimates for 2015-16 as at Budget May 2015 (continued)**Third party payments on behalf of and receipts from other entities (continued)**

	2014-15 \$'000	2015-16 \$'000
Payments made on behalf of other entities (continued)		
Department of Social Services		
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	87,062,218	90,936,706
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	22,849,663	22,949,829
Special Appropriation - <i>Aged Care Act 1997</i>	10,910,373	11,547,461
Special Appropriation - <i>Paid Parental Leave Act 2010</i>	1,962,008	2,063,118
Special Appropriation - <i>Student Assistance Act 1973</i>	328,783	347,679
Special Appropriation - <i>National Health Act 1953</i> - Contingence Aids Assistance Scheme	83,525	99,513
Annual Appropriation - Ex Gratia and Act of Grace Payments	3,773	3,769
Annual Appropriation - Compensation and Debt Relief	198	198
Total	123,200,541	127,948,273
Department of Veterans' Affairs (DVA)		
Special Appropriation - <i>Veterans' Entitlements Act 1986</i> and related acts	3,777,558	3,870,534
Special Appropriation - <i>Military Rehabilitation and Compensation Act 2004</i>	30,706	41,064
Special Appropriation - <i>Safety, Rehabilitation and Compensation Act 1988</i>	14,003	18,701
Special Appropriation - <i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	421	420
Total	3,822,688	3,930,719
Total third party payments	164,452,622	170,291,494

	2014-15 \$'000	2015-16 \$'000
Receipts received from other entities for the provision of services (disclosed in s74 retained revenue receipts)		
Attorney-General's Department	1,052	165
Australian Electoral Commission	385	11
Australian Taxation Office	7,591	5,641
Department of Employment	261	150
Department of Finance	2,333	-
Department of Foreign Affairs and Trade	7,246	7,313
Department of Health	24,797	33,508
Department of Immigration and Border Protection	800	800
Department of Social Services	66,684	2,710
Department of the Prime Minister and Cabinet	3,169	3,077
Department of Veterans' Affairs	29,437	33,825
National Disability Insurance Agency	72	-
Total s74 retained revenue receipts received from other entities for the provision of services	143,827	87,200

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the department are detailed in Budget Paper No. 2 and summarised below.

Table 1.2: Entity 2015-16 Budget measures

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (a)						
Department of Human Services						
Department of Human Services						
Efficiencies						
Departmental expense	1.1, 1.2, 1.3	-	(6,895)	(13,757)	(17,071)	(17,392)
Government Remote Servicing						
- continuation						
Departmental expense	1.1	-	23,930	23,092	23,293	23,451
Strengthening the Integrity of Welfare						
Payments (b)						
Departmental expense	1.1	56	71,438	44,223	42,843	13,811
Welfare Payment Infrastructure						
Transformation - Tranche One						
Departmental expense	1.1	-	93,341	29,387	(44,688)	(64,194)
Department of Agriculture						
Supporting Drought Affected						
Communities - Immediate Assistance						
Departmental expense	1.1	-	2,071	-	-	-
Department of Communications						
Digital Transformation Agenda						
- Stage One and establishment of						
the Digital Transformation Office						
Departmental expense	1.1	-	10,740	2,302	385	-
Department of Employment						
Employment Services						
- Changes to Service Fees and						
Cessation of Personal Contact						
Interviews						
Departmental expense	1.1	1,950	(9,008)	(10,875)	(11,164)	(11,238)
Growing Jobs and Small Business						
- engaging early school leavers						
Departmental expense	1.1	-	992	1,042	885	882
- further strengthening the job						
seeker compliance arrangements						
Departmental expense	1.1	-	4,970	9,853	8,330	7,750
- Youth Employment Strategy						
- intensive support - transition						
to work						
Departmental expense	1.1	-	2,789	551	554	558

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Entity 2015-16 Budget measures**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (a) (continued)						
Department of Employment (continued)						
- Youth Employment Strategy - intensive support for vulnerable job seekers (c) Departmental expense	1.1	-	(130)	(6,255)	(6,298)	(6,341)
- Youth Employment Strategy - revised waiting period for youth income support Departmental expense	1.1	(4,030)	(60,158)	(61,018)	(58,098)	(58,815)
Growing Jobs and Small Business Package						
- National Work Experience Programme Departmental expense	1.1	229	2,045	77	77	74
Department of Environment						
Green Army - efficiencies Departmental expense	1.1	-	-	-	340	-
Department of Health						
Accelerating Growth in Organ and Tissue Donation for Transplantation Departmental expense	1.2	-	1,256	(438)	-	-
Better Targeted Rural Financial Incentives for Doctors Departmental expense	1.2	582	2,567	16	(120)	(119)
Ceasing the Alternative Arrangement Transfer to Pharmaceutical Benefits Programme - removal of anomaly Departmental expense	1.2	-	3	6	6	6
Medicare Benefits Schedule						
- changes to GP rebates - reversal (d) Departmental expense	1.2	(4,746)	(18,331)	(13,377)	(13,903)	(14,165)
- health assessment items - modification Departmental expense	1.2	-	84	(157)	(184)	(199)
- new and amended listings Departmental expense	1.2	12	197	100	80	55
My Health Record - a new direction for electronic health records in Australia (e) Departmental expense	1.2	-	(12,490)	(15,949)	(8,581)	210
National Cervical Screening Programme - reform Departmental expense	1.2	-	-	(252)	(1,612)	(1,624)

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Entity 2015-16 Budget measures**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (a) (continued)						
Department of Health (continued)						
National Immunisation Programme						
- new and amended listings						
Departmental expense	1.2	-	2,281	8,154	5,882	5,368
Pharmaceutical Benefits Scheme						
- new and amended listings						
Departmental expense	1.2	742	5,292	1,702	1,821	1,853
Practice Incentives Programme After Hours Payment						
Departmental expense	1.2	1,527	236	248	250	253
Rationalising and streamlining Health programmes						
Departmental expense	1.2	-	2	-	-	-
Department of Immigration and Border Protection						
Management of the Immigration Detention Network						
Departmental expense	1.1	456	1,263	1,022	654	451
Reforms to the Human Trafficking visa framework						
Departmental expense	1.1	-	2,194	(1)	(1)	(1)
Smaller Government - Immigration and Border Protection efficiencies						
Departmental expense	1.1	-	1,198	43	-	-
Department of Infrastructure and Regional Development						
Norfolk Island Reform						
Departmental expense	1.1, 1.2	-	4,222	1,193	358	376
Tasmanian Freight Equalisation Scheme						
- extension to include exports and faster payments						
Departmental expense	1.1	-	2,376	561	334	-
Department of Social Services						
ABSTUDY Under-16 Boarding Supplement						
- extend to hostels						
Departmental expense	1.1	30	362	-	-	-
Cessation of the Large Family Supplement of Family Tax Benefit Part A						
Departmental expense	1.1	-	1,345	1,546	100	(15)

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Entity 2015-16 Budget measures**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (a) (continued)						
Department of Social Services (continued)						
Aged Care						
- alignment of aged care means testing arrangements						
Departmental expense	1.1	51	941	96	106	84
- Home Care Programme						
- increasing consumer choice						
Departmental expense	1.1	-	902	1,250	957	169
- Increasing short term restorative care places						
Departmental expense	1.1	-	1,651	406	237	248
Exclude Widow Allowance from the One-Week Ordinary Waiting Period for all Working Age Payments						
Departmental expense	1.1	-	134	(6)	(5)	(4)
Families Package						
- child care - workforce participation stream						
Departmental expense	1.1	767	7,044	36,004	48,067	50,266
- more generous means testing arrangements for youth payments						
Departmental expense	1.1	64	9,712	7,162	5,403	5,506
Growing Jobs and Small Business						
- Increasing the age of eligibility for Newstart Allowance and Sickness Allowance - delay						
Departmental expense	1.1	(1,128)	(29,725)	(12,323)	(1,010)	(540)
- Youth Employment Strategy						
- intensive support for vulnerable job seekers (c)						
Departmental expense	1.1	-	3,291	628	602	334
Income Management						
- two year extension						
Departmental expense	1.1	942	56,959	76,256	-	-
National Disability Insurance Agency Full Scheme ICT						
Departmental expense	1.1	-	28,196	9,938	1,935	-
No Jab No Pay						
Departmental expense	1.1	332	18,696	7,810	2,984	2,914

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Entity 2015-16 Budget measures**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (a) (continued)						
Department of Social Services (continued)						
Not proceeding with elements of the measure to maintain eligibility thresholds for Australian Government payments for three years						
Departmental expense	1.1	-	-	(322)	(3,983)	(140)
Not proceeding with the measure to Reset the Income Test Deeming Rate Thresholds						
Departmental expense	1.1	-	-	(1,632)	(13,715)	(3,926)
Removing Double-Dipping from Parental Leave Pay						
Departmental expense	1.1	-	8,892	5,429	2,513	2,431
Social Security Agreement with Estonia						
Departmental expense	1.1	-	1,939	1,417	441	373
Social Security Assets Test - rebalance asset test thresholds and taper rate						
Departmental expense	1.1	319	84	10,770	(2,058)	(2,072)
Social Security Income Test - improve integrity of social security income test arrangements						
Departmental expense	1.1	111	3,066	558	152	147
Strengthening the Integrity of Welfare Payments (b)						
Departmental expense	1.1	590	381	2,072	11,633	17,743
Total expense measures						
Administered						
Departmental						
Total						
		(1,144)	242,345	148,552	(21,269)	(45,472)
		(1,144)	242,345	148,552	(21,269)	(45,472)

(a) Measures are listed by lead entity. The full measure description and package details appear in Budget Paper No. 2 under the relevant portfolio.

(b) Components of this measure appear under both the Department of Human Services and the Department of Social Services.

(c) Components of this measure appear under both the Department of Employment and the Department of Social Services.

(d) The amounts in this table reflect the net fiscal impact of the measure since the 2014-15 MYEFO as published in 2015-16 Budget Paper 2, noting that a component of this measure was previously reflected in the 2014-15 PAES for the department. The impact on the department's operating appropriation since 2014-15 PAES is a reduction of \$49.415 million over five years.

(e) The amounts in this table represent the fiscal impact of the measure noting that provision for this measure was previously included in whole of government estimates. This differs from the impact on resourcing for the department which will receive funding of \$83.393 million in operating funding and \$6.111 million in capital funding over the estimates period.

A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Entity 2015-16 Budget measures**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Capital measures (a)						
Department of Human Services						
Welfare Payment Infrastructure Transformation - Tranche One						
Departmental Capital	1.1	-	18,646	27,786	42	-
Department of Communications						
Digital Transformation Agenda						
- Stage One and establishment of the Digital Transformation Office						
Departmental Capital	1.1	-	266	-	-	-
Department of Health						
Medicare Benefits Schedule						
- changes to GP rebates						
- reversal						
Departmental Capital	1.2	(321)	(197)	-	-	-
My Health Record - a new direction for electronic health records in Australia (b)						
Departmental Capital	1.2	-	(650)	(2,134)	(351)	-
National Immunisation Programme						
- new and amended listings						
Departmental Capital	1.2	-	2,359	2,836	351	-
Department of Infrastructure and Regional Development						
Norfolk Island Reform						
Departmental Capital	1.1	-	1,501	57	-	-
Department of Social Services						
National Disability Insurance Agency						
Full Scheme ICT						
Departmental Capital	1.1	-	5,557	-	-	-
Strengthening the Integrity of Welfare Payments						
Departmental Capital	1.1	-	51	1,089	742	408
Total capital measures						
Administered						
Departmental						
Total						
		(321)	27,533	29,634	784	408
		(321)	27,533	29,634	784	408

(a) Measures are listed by lead entity. The full measure description and package details appear in Budget Paper No. 2 under the relevant portfolio.

(b) The amounts in this table represent the fiscal impact of the measure noting that provision for this measure was previously included in whole of government estimates. This differs from the impact on resourcing for the department which will receive funding of \$83.393 million in operating funding and \$6.111 million in capital funding over the estimates period.

A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

Prepared on a Government Finance Statistics (fiscal) basis

Table 1.2: Entity 2015-16 Budget measures (continued)**Part 2: MYEFO measures not previously reported in a portfolio statement**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (a)						
Department of Social Services						
Australian Working Life Residence - tightening proportionality requirements (b)						
Departmental expense	1.1	-	-	-	-	-
Family Tax Benefit Part A - reduced portability (c)						
Departmental expense	1.1	-	-	-	-	-
Low Income Supplement - cessation (d)						
Departmental expense	1.1	-	-	-	-	-
National Disability Insurance Scheme - Sector Development Fund transfer (e)						
Departmental expense	1.1	577	674	-	-	-
Total expense measures						
Administered						
Departmental						
Total						
		577	674	-	-	-

(a) Measures are listed by lead entity. The full measure description and package details appear in Budget Paper No. 2 under the relevant portfolio.

(b) Decision taken but not yet announced in the 2014-15 MYEFO, with the following impact on the department: 2015-16 \$0.475 million; 2016-17 \$5.678 million; 2017-18 \$3.978 million; 2018-19 \$3.355 million.

(c) Decision taken but not yet announced in the 2014-15 MYEFO, with the following impact on the department: 2014-15 \$0.503 million; 2015-16 \$8.537 million; 2016-17 \$2.258 million; 2017-18 \$1.794 million; 2018-19 \$1.812 million.

(d) Decision taken but not yet announced in the 2014-15 MYEFO, with the following impact on the department: 2015-16 \$0.045 million; 2016-17 \$0.798 million; 2017-18 (\$19.392) million; 2018-19 (\$19.335) million.

(e) Decision taken but not yet announced in the 2014-15 PAES.

A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which Government entities achieve the intended results of their outcome statements. Entities 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
- working 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
- making the delivery of services and regulatory functions as efficient as possible, including reducing red tape, while providing effective government and customer outcomes

- transforming business processes, ICT platforms and staff capabilities to deliver a secure, easy-to-use, end-to-end digital service to customers.

The department's strategy is supported by a focus on: achieving greater efficiencies; delivering services that are easy to access, connected and secure; and continued growth and transformation of digital channels.

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

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.	2014-15 Estimated actual expenses \$'000	2015-16 Budget Estimate \$'000
Programme 1.1: Services to the Community - Social Security and Welfare		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	6,129	-
Expenses not requiring appropriation in the Budget year (a)	36	176
Departmental expenses (b)		
Departmental appropriation (c)	3,182,746	3,349,673
Expenses not requiring appropriation in the Budget year (a)	173,561	191,492
Total for Programme 1.1	3,362,472	3,541,341
Programme 1.2: Services to the Community - Health		
Departmental expenses		
Departmental appropriation (c)	619,336	588,654
Expenses not requiring appropriation in the Budget year (a)	31,958	36,035
Total for Programme 1.2	651,294	624,689
Programme 1.3: Child Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,232	2,252
Special appropriations	57,223	59,677
Special accounts	1,358,121	1,388,859
Expenses not requiring appropriation in the Budget year (a)	93,871	94,862
Departmental expenses (b)		
Departmental appropriation (c)	452,223	439,664
Expenses not requiring appropriation in the Budget year (a)	25,601	27,018
Total for Programme 1.3	1,989,271	2,012,332
Outcome 1 Totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	8,361	2,252
Special appropriations	57,223	59,677
Special accounts	1,358,121	1,388,859
Expenses not requiring appropriation in the Budget year (a)	93,907	95,038
Departmental expenses		
Departmental appropriation (c)	4,254,305	4,377,991
Expenses not requiring appropriation in the Budget year (a)	231,120	254,545
Total expenses for Outcome 1	6,003,037	6,178,362
Average Staffing Level (number)	30,017	30,461

- (a) Administered expenses not requiring appropriation in the Budget year comprise depreciation expense and 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.
- (b) Departmental expenses for Child Support were previously reported under programme 1.1 and are now reported under programme 1.3 Child Support.
- (c) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

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

Contributions to Outcome 1**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.

- The department's operations are informed by current government policies and directions.
- The department maintains a robust compliance system to support the integrity of payments.
- The majority of the department's customers are able to complete their interactions with services via digital channels without the need to contact the department through other channels.
- Strategies are in place to identify and support customers who are unable to manage their affairs through digital channels.
- The department's ICT environment is being transformed and simplified to support secure digital access to services when customers need it and to enable rapid, flexible responses to the government's digital transformation agenda.
- The department uses its experience, assets and best practices to continue to develop valuable and innovative services.
- All Budget measures are implemented on time and within budget (Table 1.2 lists all 2015–16 Budget measures).

Linked to:

Agriculture Portfolio

Department of Agriculture

1.11 Drought Programmes

1.12 Rural Programmes

Australian Fisheries Management Authority

1.1 Australian Fisheries Management Authority

Attorney-General's Portfolio

Attorney-General's Department

1.2 Attorney-General's Department Operating Expenses – National Security and Criminal Justice

1.8 Australian Government Disaster Financial Support Payments

Australian Transaction Reports and Analysis Centre

1.1 Austrac

Programme 1.1 objective (continued)
<p>Linked to (continued):</p> <p>Attorney-General's Portfolio (continued)</p> <p>Commonwealth Director of Public Prosecutions</p> <p>1.1 An independent service to prosecute alleged offences under the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity</p> <p>Australian Federal Police</p> <p>1.1 Federal Policing and National Security</p> <p>Defence Portfolio</p> <p>Department of Veterans' Affairs</p> <p>1.1 Veterans' Income Support and Allowances</p> <p>1.2 Veterans' Disability Support</p> <p>1.3 Assistance to Defence Widowers and dependants</p> <p>1.4 Assistance and Other Compensation for Veterans and Dependants</p> <p>1.5 Veterans' Children Education Scheme</p> <p>2.1 General Medical Consultations and Services</p> <p>2.4 Veterans' Community Care and Support</p> <p>2.5 Veterans' Counselling and Other Health Services</p> <p>Education and Training Portfolio</p> <p>Department of Education and Training</p> <p>3.7 International Education Support</p> <p>3.8 Building Skills and Capability</p> <p>Employment Portfolio</p> <p>Department of Employment</p> <p>1.1 Employment Services</p> <p>Finance Portfolio</p> <p>Australian Electoral Commission</p> <p>1.1 Deliver Electoral Events</p> <p>Foreign Affairs and Trade Portfolio</p> <p>Department of Foreign Affairs and Trade</p> <p>2.1 Consular Services</p> <p>2.2 Passport Services</p> <p>Immigration and Border Protection Portfolio</p> <p>Department of Immigration and Border Protection</p> <p>1.3 Compliance and Detention</p> <p>2.1 Citizenship</p> <p>2.4 Refugee and Humanitarian Assistance</p> <p>Infrastructure and Regional Development Portfolio</p> <p>Department of Infrastructure and Transport</p> <p>2.2 Surface Transport</p>

Programme 1.1 objective (continued)

Linked to (continued):

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

2.1 Indigenous Advancement - Jobs, Land and Economy

2.2 Indigenous Advancement - Children and Schooling

Torres Strait Regional Authority

1.1 Torres Strait Regional Development

Social Services Portfolio

Department of Social Services

1.1 Family Tax Benefit

1.2 Child Payments

1.3 Income Support for Vulnerable People

1.4 Income Support for People in Special Circumstances

1.5 Supplementary Payments and Support for Income Support Recipients

1.6 Income Support for Seniors

1.7 Allowances and Concessions for Seniors

1.8 Income Support for People with Disability

1.9 Income Support for Carers

1.10 Working Age Payments

1.11 Student Payments

2.1 Families and Communities

2.2 Paid Parental Leave

2.4 Support for the Child Care System

2.5 Child Care Benefit

2.6 Child Care Rebate

3.3 Home Care

3.4 Residential and Flexible Care

3.5 Workforce and Quality

3.6 Ageing and Service Improvement

5.1 Disability, Mental Health and Carers

National Disability Insurance Agency

1.1 Reasonable and necessary care and support for participants

1.3 Agency Costs

Treasury Portfolio

Department of the Treasury

1.1 Department of the Treasury

Australian Taxation Office

1.1 Australian Tax Office

1.3 Australian Business Register

1.16 Education Tax Refund

1.19 Private Health Insurance Rebate

Australian Competition and Consumer Commission

1.1 Australian Competition and Consumer Commission

1.2 Australian Energy Regulator

Australian Securities and Investments Commission

1.1 Australian Securities and Investments Commission

Programme 1.1 expenses

Total programme expenses are forecast to decrease by \$386.0 million over the estimates period. This is mainly due to the impact of measures and economic parameters.

	2014-15 Estimated actual \$'000	2015-16 Budget estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Administered Expenses:					
Income Management BasicsCard (a)	3,000	-	-	-	-
Future Workforce	3,129	-	-	-	-
Ordinary annual services (Appropriation Bill No. 1)	6,129	-	-	-	-
Administered expenses not requiring appropriation in the Budget year (b)	36	176	288	323	323
Annual Departmental Expenses: (c)					
Ordinary annual services (Appropriation Bill No. 1)	3,049,981	3,275,165	3,127,873	2,916,530	2,892,302
Revenues from independent sources (s74)	132,765	74,508	61,647	64,367	65,420
Departmental expenses not requiring appropriation in the Budget year (d)	173,561	191,492	197,148	187,100	197,316
Total Programme Expenses	3,362,472	3,541,341	3,386,956	3,168,320	3,155,361

(a) Departmental funding has been provided for a two year extension of the Income Management BasicsCard (Refer Table 1.2 for details).

(b) Administered expenses not requiring appropriation in the Budget year comprise depreciation expense and write-down of assets.

(c) Departmental expenses for Child Support were previously reported under programme 1.1 and are now reported under programme 1.3 Child Support.

(d) Departmental expenses not requiring appropriation in the Budget year comprise unfunded depreciation and amortisation expense, resources consumed free of charge and operating results.

Programme 1.1 deliverables

The department provides access through service centres located across Australia; online services; smart 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 provide outreach services in the community to support customers with complex needs including homelessness.
- Prison Liaison Officers who provide high quality services including out-servicing to customers in prison.
- Multicultural Service 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.
- Authorised Review Officers who, upon request, independently review adverse decisions about Centrelink payments.
- Referrals to support services and the provision of specialist services through the department's health and allied health professionals which include medical advisors, psychologists, occupational therapists, registered nurses, physiotherapists, exercise physiologists, rehabilitation counsellors and social workers.

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 align with the government's priorities and the department's strategies to achieve them.

Key Performance Indicators	2014-15 Budget target	2015-16 Budget target	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Achievement of customer satisfaction standards.	≥85%	≥85%	≥85%	≥85%	≥85%
Achievement of digital service level standards. (a)					
Departmental interactions completed via digital channels.	N/A	≥5% increase on 2014-15	≥5% increase on 2015-16	≥5% increase on 2016-17	≥5% increase on 2017-18
Availability of ICT systems that support 24/7 customer access.	N/A	≥98%	≥98%	≥98%	≥98%
Achievement of payment quality standards.					
Centrelink: Delivery of correct payments.	≥95%	≥95%	≥95%	≥95%	≥95%
Key initiatives delivered as agreed within timeframes and on budget. (b)					
Welfare Payments Infrastructure Transformation Budget measure.	N/A	Achieved	Achieved	Achieved	Achieved
Strengthening the integrity of welfare payments Budget measure.	Achieved	Achieved	Achieved	Achieved	Achieved
Jobs Budget measures.	N/A	Achieved	Achieved	Achieved	Achieved
Families Budget measures.	N/A	Achieved	Achieved	Achieved	Achieved
Income Management Budget measure.	Achieved	Achieved	Achieved	Achieved	Achieved
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%
Achievement of face-to-face service level standards.					
Average wait time.	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes
Achievement of telephony service level standards.					
Average speed of answer.	≤16 minutes	≤16 minutes	≤16 minutes	≤16 minutes	≤16 minutes
Achievement of processing service level standards.					
Claims processed within standard.	≥82%	≥82%	≥82%	≥82%	≥82%

Programme 1.1 key performance indicators (KPIs) (continued)

Key Performance Indicators	2014-15 Budget target	2015-16 Budget target	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Internal Reviews: Percentage of reviews finalised within standard.	≥95%	≥95%	≥95%	≥95%	≥95%
Achievement of payment integrity standards.					
Centrelink: Debt under recovery.	≥60%	≥60%	≥60%	≥60%	≥60%

(a) New KPI for 2015-16.

(b) The list of key initiatives is determined by government priorities each financial year.

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.

- The department’s operations are informed by current government policies and directions.
- Providers and businesses are supported by a service delivery system that facilitates the maximisation of electronic transactions and information transfers.
- The department maintains a robust compliance system to support the integrity of payments.
- The majority of the department’s customers are able to complete their interactions with services via digital channels without the need to contact the department through other channels.
- Strategies are in place to identify and support customers who are unable to manage their affairs through digital channels.
- The department’s ICT environment is being transformed and simplified to support secure digital access to services when customers need it and to enable rapid, flexible responses to the government’s digital transformation agenda.
- The department uses its experience, assets and best practices to continue to develop valuable and innovative services.
- All Budget measures are implemented on time and within budget (Table 1.2 lists all 2015–16 Budget measures).

Linked to:

Defence Portfolio

Department of Veterans’ Affairs

- 2.1 General Medical Consultations and Services
- 2.2 Veterans' Hospital Services
- 2.3 Veterans' Pharmaceuticals Benefits
- 2.4 Veterans' Community Care and Support
- 2.5 Veterans' Counselling and Other Health Services
- 2.6 Military Rehabilitation and Compensation Acts - Health and Other Care Services

Programme 1.2 objective (continued)
<p>Linked to (continued):</p> <p>Health Portfolio</p> <p>Department of Health</p> <ul style="list-style-type: none"> 1.1 Public Health, Chronic Disease and Palliative Care 1.3 Immunisation 2.2 Pharmaceuticals and Pharmaceutical Services 2.4 Targeted Assistance – Aids and Appliances 3.1 Medicare Services 3.2 Targeted Assistance – Medical 3.3 Pathology and Diagnostic Imaging Services and Radiation Oncology 3.4 Medical Indemnity 3.5 Hearing Services 3.6 Dental Services 5.2 Primary Care Practice Incentives 5.3 Aboriginal and Torres Strait Islander Health 5.4 Mental Health 6.1 Private Health Insurance 7.1 e-Health Implementation 7.6 Blood and Organ Donation 7.7 Regulatory Policy 8.1 Workforce and Rural Distribution <p>Australian Organ and Tissue Donation and Transplantation Authority</p> <ul style="list-style-type: none"> 1.1 A Nationally Coordinated System for Organ and Tissue Donation for Transplantation <p>Professional Services Review</p> <ul style="list-style-type: none"> 1.1 Safeguarding the integrity of the Medicare programme and Pharmaceutical Benefits Scheme

Programme 1.2 expenses

Total programme expenses are forecast to decrease by \$62.6 million over the estimates period. This is mainly due to the impact of changes in revenue from independent sources, measures and economic parameters.

	2014-15 Estimated actual \$'000	2015-16 Budget estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual Departmental Expenses:					
Ordinary annual services (Appropriation Bill No. 1)	562,080	523,678	519,102	529,345	513,170
Revenues from independent sources (s74)	57,256	64,976	54,041	49,176	14,663
Expenses not requiring appropriation in the Budget year (a)	31,958	36,035	38,234	33,180	34,224
Total Programme Expenses	651,294	624,689	611,377	611,701	562,057

(a) Departmental expenses not requiring appropriation in the Budget year comprise unfunded depreciation and amortisation expense, resources consumed free of charge and operating results.

Programme 1.2 deliverables

The department provides access through service centres located across Australia; online services; smart centres; and systems that support the delivery of services by providers and business.

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

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

Programme 1.2 key performance indicators (KPIs)

The department's KPIs have been updated to align with the government's priorities and the department's strategies to achieve them.

Key Performance Indicators	2014-15 Budget target	2015-16 Budget target	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Satisfaction with Medicare provider service delivery. (a)					
Practitioners	≥70%	≥70%	≥70%	≥70%	≥70%
Pharmacists	≥70%	≥70%	≥70%	≥70%	≥70%
Practice managers	≥70%	≥70%	≥70%	≥70%	≥70%
Achievement of customer satisfaction standards.	≥85%	≥85%	≥85%	≥85%	≥85%
Achievement of digital service level standards. (b)					
Medicare Benefits Schedule digital claiming rate.	N/A	≥96%	≥96%	≥96%	≥96%
Departmental interactions completed via digital channels.	N/A	≥5% increase on 2014-15	≥5% increase on 2015-16	≥5% increase on 2016-17	≥5% increase on 2017-18
Availability of ICT systems that support 24/7 customer access.	N/A	≥98%	≥98%	≥98%	≥98%
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 service level standards.					
Average wait time.	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes	≤15 minutes
Achievement of telephony service level standards.					
Average speed of answer:					
Pharmaceutical Benefits Scheme Authorities and eHealth Providers.	≤30 seconds	≤30 seconds	≤30 seconds	≤30 seconds	≤30 seconds
Providers.	≤2 minutes	≤2 minutes	≤2 minutes	≤2 minutes	≤2 minutes
Customers.	≤7 minutes	≤7 minutes	≤7 minutes	≤7 minutes	≤7 minutes
Achievement of processing service level standards.					
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

(a) KPI updated to include performance for individual provider segments.

(b) New KPI for 2015-16.

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.

Linked to:

Social Services Portfolio

Department of Social Services

1.1 Family Tax Benefit

Programme 1.3 expenses

Total programme expenses are forecast to increase by \$141.7 million over the estimates period. This is mainly due to the forecast increase in Child Support being transferred between parents through the Child Support special account.

	2014-15 Estimated actual \$'000	2015-16 Budget estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Child Support dishonoured cheques and other shortfalls	2,232	2,252	2,312	2,383	2,460
Total Ordinary annual services (Appropriation Bill No. 1)	2,232	2,252	2,312	2,383	2,460
Special Appropriations:					
Child Support Act (a)					
- s77 - unremitted deductions	57,173	59,627	59,770	61,579	63,569
- s78 - unexplained remittances	50	50	50	50	50
Total Special Appropriations	57,223	59,677	59,820	61,629	63,619
Special account expenses:					
Child Support Account	1,358,121	1,388,859	1,427,973	1,471,549	1,527,342
Administered expenses not requiring appropriation in the Budget year (b)	93,871	94,862	95,712	96,689	89,916
Annual Departmental Expenses (c):					
Ordinary annual services (Appropriation Bill No. 1)	449,465	436,883	432,722	435,202	437,722
Revenues from independent sources (s74)	2,758	2,781	2,809	2,809	2,809
Expenses not requiring appropriation in the Budget year (d)	25,601	27,018	28,555	28,302	30,169
Total programme expenses	1,989,271	2,012,332	2,049,903	2,098,563	2,154,037

(a) *Child Support (Registration and Collection) Act 1988.*

(b) Administered expenses not requiring appropriation in the Budget year comprise depreciation expense and write-down of assets.

(c) Departmental expenses for programme 1.3 were previously included under programme 1.1 departmental expenses.

(d) Departmental expenses not requiring appropriation in the Budget year comprise unfunded depreciation and amortisation expense, resources consumed free of charge and operating results.

Programme 1.3 deliverables

Collect and disburse child support payments.

Programme 1.3 key performance indicators

The department's KPIs have been updated to align with the government's priorities and the department's strategies to achieve them.

Key Performance Indicators	2014-15 Budget target	2015-16 Budget target	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Achievement of customer satisfaction standards.	≥85%	≥85%	≥85%	≥85%	≥85%
Achievement of digital service level standards. (a)					
Departmental interactions completed via digital channels.	N/A	≥5% increase on 2014-15	≥5% increase on 2015-16	≥5% increase on 2016-17	≥5% increase on 2017-18
Availability of ICT systems that support 24/7 customer access.	N/A	≥98%	≥98%	≥98%	≥98%
Child Support collection rate (Child Support collect only).	≥91.7%	≥91.7%	≥91.7%	≥91.7%	≥91.7%
Percentage of domestic active paying parents with less than one month liability outstanding (Child Support collect only). (b)	N/A	≥63%	≥63%	≥63%	≥63%
Achievement of telephony service level standards.					
Average speed of answer.	≤3 minutes	≤3 minutes	≤3 minutes	≤3 minutes	≤3 minutes
Achievement of processing service level standards.					
Claims processed within standard.	≥82%	≥82%	≥82%	≥82%	≥82%

(a) New KPI for 2015-16.

(b) KPI changed to omit private collect arrangements from overall result and to provide a one month tolerance for outstanding payments. The previous KPI was being met.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of the department's finances for the 2015-16 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 may be moved to a future year with the agreement of the Finance Minister.

Table 3.1.1: Movement of administered funds between years

There is no movement of administered funds between years for the department, hence this table is not included in these statements.

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 section 78(4) of the PGPA Act or under separate enabling legislation (section 80(1) of the PGPA Act refers). 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

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Child Support Account (a) (A)	1					
2015-16		56,887	1,482,796	(1,482,796)	-	56,887
2014-15		56,887	1,455,136	(1,455,136)	-	56,887
Recovery of Compensation for Health Care & Other Services Special Account (b) (A)	1					
2015-16		31,061	261,101	(265,571)	-	26,591
2014-15		35,465	257,242	(261,646)	-	31,061
Services for Other Entities and Trust Monies - Department of Human Services Special Account (c) (A) & (D)	1					
2015-16		-	-	-	-	-
2014-15		-	-	-	-	-
Total special accounts						
2015-16 Budget Estimate		87,948	1,743,897	(1,748,367)	-	83,478
<i>Total special accounts</i>						
<i>2014-15 Budget Estimate</i>		<i>92,352</i>	<i>1,712,378</i>	<i>(1,716,782)</i>	<i>-</i>	<i>87,948</i>

(A) = Administered

(D) = Departmental

(a) Appropriation: s80(1) *Public Governance, Performance and Accountability Act 2013*.Establishing Instrument: 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.

(b) Appropriation: s78(4) *Public Governance, Performance and Accountability Act 2013*.Establishing Instrument: Determination 2005/24 under s78(1) *Public Governance, Performance and Accountability Act 2013*.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:

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

(c) Appropriation: s78(4) *Public Governance, Performance and Accountability Act 2013*.Establishing Instrument: Determination 2011/13 under s78(1) *Public Governance, Performance and Accountability Act 2013*.

Purpose: To credit and debit monies for the purpose of:

- i disbursing amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;
- ii disbursing amounts in connection with services performed on behalf of other governments and bodies that are not PGPA Act entities;
- iii repaying amounts where an Act or other law requires or permits the repayment of an amount received; and
- iv 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)

Outcome	Approp Bill No. 1 \$'000	Approp Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000	Other \$'000	Total \$'000	Programme
Department of Human Services							
Outcome 1							
Departmental 2015-16	48,504	-	-	48,504	-	48,504	1.1
Departmental 2015-16	3,126	-	-	3,126	-	3,126	1.2
<i>Departmental 2014-15</i>	<i>60,924</i>	<i>-</i>	<i>-</i>	<i>60,924</i>	<i>-</i>	<i>60,924</i>	<i>1.1</i>
<i>Departmental 2014-15</i>	<i>3,259</i>	<i>-</i>	<i>-</i>	<i>3,259</i>	<i>-</i>	<i>3,259</i>	<i>1.2</i>
Total outcome 1 2015-16	51,630	-	-	51,630	-	51,630	
<i>Total outcome 1 2014-15</i>	<i>64,183</i>	<i>-</i>	<i>-</i>	<i>64,183</i>	<i>-</i>	<i>64,183</i>	
Total Departmental 2015-16	51,630	-	-	51,630	-	51,630	
<i>Total Departmental 2014-15</i>	<i>64,183</i>	<i>-</i>	<i>-</i>	<i>64,183</i>	<i>-</i>	<i>64,183</i>	
Total AGIE 2015-16	51,630	-	-	51,630	-	51,630	
<i>Total AGIE 2014-15</i>	<i>64,183</i>	<i>-</i>	<i>-</i>	<i>64,183</i>	<i>-</i>	<i>64,183</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in entity resourcing and financial statements

Differences between the resources shown in Table 1.1 and the financial statements presented in this section, are the result of differences between whole of government financial reporting (under AASB 1049 *Whole of Government and General government sector financial reporting*) and requirements applicable to entity level financial reporting.

3.2.2 Analysis of budgeted financial statements

Departmental comprehensive income statement (Table 3.2.1)

Since the 2014-15 Additional Estimates, revenue from government in 2015-16 has increased by \$328.0 million, mainly due to new expense measures totalling \$299.7 million (a), changes in funding model volumes and indexation. Over the estimates period, revenue from government decreases by \$392.5 million, mainly due to the impact of Budget measures, forecast volume changes and efficiency dividends.

Estimates of own-source income in 2015-16 have increased by \$18.1 million since the 2014-15 Additional Estimates, mainly reflecting changes in revenue from service agreements relating to health identifiers. Own source income decreases by \$59.4 million over the estimates period as current memoranda of understanding are completed.

Total expenses in 2015-16 have increased by \$351.8 million since the 2014-15 Additional Estimates mainly reflecting the impact of new measures. Over the estimates period, expenses decrease by \$444.7 million, mainly due to the impact of Budget measures, forecast volume changes, a reduction in own source revenue and the efficiency dividend.

Departmental balance sheet (Table 3.2.2)

Since the 2014-15 Additional Estimates net assets as at 30 June 2016 have increased by \$33.3 million, mainly due to new asset additions. Over the estimates period, total assets are forecast to decrease by \$165.6 million, reflecting depreciation and amortisation expense being greater than the Departmental Capital Budget. Total liabilities are forecast to decrease by \$13.9 million over the estimates period reflecting reductions in supplier payables and provisions.

Departmental statement of changes in equity (Table 3.2.3)

Total equity as at 30 June 2016 has decreased by \$8.4 million since the 2014-15 Additional Estimates, taking into account the 2013-14 operating result and the flow on effect of the audited balances as at 30 June 2014. Over the estimates period, equity is forecast to decrease by \$151.7 million which is mainly due to the decline in non-financial asset balances as a result of depreciation and amortisation expense being greater than the Departmental Capital Budget.

- (a) This reflects the impact on the department's revenue from government. It differs from Budget Paper 2, which reflects the fiscal impact on whole of government estimates for all decisions since the 2014-15 MYEFO. The fiscal impact of these decisions for the department is \$243.0 million, refer Table 1.2).

Departmental cash flow (Table 3.2.4)

Since the 2014-15 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 the forward years.

Departmental Capital Budget Statement (Table 3.2.5)

Since the 2014-15 Additional Estimates, total capital appropriations in 2015-16 have increased by \$29.4 million, as a net result of capital measures and indexation movements. The Departmental Capital Budget (DCB) for asset replacement remains relatively stable over the forward years, while Equity injections reflect the impact of Budget measures.

Statement of departmental asset movements (Table 3.2.6)

The net book value of land, buildings, other property, plant and equipment and intangible assets as at 30 June 2016 has decreased by \$10.7 million since the 2014-15 Additional Estimates. This is mainly due to the net impact of increased depreciation expenses in 2015-16 reflecting the flow on effects of higher asset balances in the audited financial statements as at 30 June 2014.

Schedule of administered activity

Administered income and expenses (Table 3.2.7)

Since the 2014-15 Additional Estimates, estimated administered revenue for 2015-16 has decreased by \$46.0 million and expenses have decreased by \$45.4 million. This mainly reflects revised estimates for Child Support maintenance transfers between parents.

Administered assets and liabilities (Table 3.2.8)

Since the 2014-15 Additional Estimates, the estimated closing asset balances for 2015-16 have decreased by \$5.4 million, while liabilities have decreased by \$5.3 million. These movements reflect changes in Child Support maintenance receivables and 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	2,871,131	2,881,874	2,774,027	2,676,269	2,613,957
Suppliers	1,373,717	1,489,060	1,417,194	1,311,539	1,304,752
Depreciation and amortisation	234,079	254,377	262,689	249,554	259,966
Finance costs	805	805	805	805	805
Write-down and impairment of assets	126	123	123	124	129
Losses from asset sales	-	-	-	-	-
Other expenses	5,567	6,297	7,293	7,720	8,186
Total expenses	4,485,425	4,632,536	4,462,131	4,246,011	4,187,795
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	192,040	141,846	118,078	115,933	82,473
Rental income	320	-	-	-	-
Other revenue	419	419	419	419	419
Total own-source revenue	192,779	142,265	118,497	116,352	82,892
Gains					
Other gains	2,505	2,505	2,505	2,505	2,505
Total gains	2,505	2,505	2,505	2,505	2,505
Total own-source income	195,284	144,770	121,002	118,857	85,397
Net cost of (contribution by) services	4,290,141	4,487,766	4,341,129	4,127,154	4,102,398
Revenue from Government	4,061,526	4,235,726	4,079,697	3,881,077	3,843,194
Surplus (Deficit) attributable to the Australian Government	(228,615)	(252,040)	(261,432)	(246,077)	(259,204)
Total comprehensive income (loss) attributable to the Australian Government	(228,615)	(252,040)	(261,432)	(246,077)	(259,204)

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					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	228,615	252,040	261,432	246,077	259,204
Total comprehensive Income (loss) - as per the Statement of Comprehensive Income	(228,615)	(252,040)	(261,432)	(246,077)	(259,204)

(a) From 2010-11 the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	27,647	27,647	27,647	27,647	27,647
Trade and other receivables	923,748	860,974	863,354	864,310	847,431
Other financial assets	51	53	52	46	46
Total financial assets	951,446	888,674	891,053	892,003	875,124
Non-financial assets					
Land and buildings	289,419	268,659	258,172	244,341	222,237
Property, plant and equipment	156,321	173,541	162,105	146,500	120,594
Intangibles	425,500	408,952	394,913	371,543	351,102
Other non-financial assets	94,500	90,363	87,896	85,798	95,528
Total non-financial assets	965,740	941,515	903,086	848,182	789,461
Total assets	1,917,186	1,830,189	1,794,139	1,740,185	1,664,585
LIABILITIES					
Payables					
Suppliers	281,160	278,459	267,285	263,797	257,596
Other payables	125,668	53,793	59,318	55,690	52,395
Total payables	406,828	332,252	326,603	319,487	309,991
Provisions					
Employees	892,037	896,782	900,485	902,361	903,314
Other provisions	24,743	25,328	25,929	26,544	27,176
Total provisions	916,780	922,110	926,414	928,905	930,490
Total liabilities	1,323,608	1,254,362	1,253,017	1,248,392	1,240,481
Net assets	593,578	575,827	541,122	491,793	424,104
EQUITY*					
Parent entity interest					
Contributed equity	1,430,254	1,664,543	1,891,270	2,088,018	2,279,533
Reserves	84,578	84,578	84,578	84,578	84,578
Retained surplus (accumulated deficit)	(921,254)	(1,173,294)	(1,434,726)	(1,680,803)	(1,940,007)
Total parent entity interest	593,578	575,827	541,122	491,793	424,104
Total equity	593,578	575,827	541,122	491,793	424,104

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2015-16)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(921,254)	84,578	1,430,254	593,578
Adjusted opening balance	(921,254)	84,578	1,430,254	593,578
Comprehensive income				
Surplus (deficit) for the period	(252,040)	-	-	(252,040)
Total comprehensive income	(252,040)	-	-	(252,040)
Transactions with owners				
Distribution to owners				
Returns of capital				
Distribution of Equity	-	-	-	-
Contribution by owners				
Equity Injection - Appropriation	-	-	37,869	37,869
Departmental Capital Budget (DCB)	-	-	196,420	196,420
Sub-total transactions with owners	-	-	234,289	234,289
Estimated closing balance				
as at 30 June 2016	(1,173,294)	84,578	1,664,543	575,827

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	4,019,824	4,299,315	4,077,062	3,878,521	3,860,073
Sale of goods and rendering of services	205,124	146,185	120,988	120,312	85,678
s74 retained revenue receipts redrawn from OPA	337,995	299,294	269,385	256,877	222,012
Net GST received	132,452	152,690	147,978	136,146	135,915
Other	419	419	419	419	419
Total cash received	4,695,814	4,897,903	4,615,832	4,392,275	4,304,097
Cash used					
Employees	2,829,807	2,944,998	2,761,164	2,674,335	2,613,020
Suppliers	1,508,065	1,647,314	1,577,990	1,453,343	1,460,879
s74 retained revenue receipts transferred to OPA	337,995	299,294	269,385	256,877	222,012
Other	5,935	6,297	7,293	7,720	8,186
Total cash used	4,681,802	4,897,903	4,615,832	4,392,275	4,304,097
Net cash from or (used by) operating activities	14,012	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	223,303	234,289	226,727	196,748	191,515
Total cash used	223,303	234,289	226,727	196,748	191,515
Net cash from or (used by) investing activities	(223,303)	(234,289)	(226,727)	(196,748)	(191,515)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	216,997	234,289	226,727	196,748	191,515
Total cash received	216,997	234,289	226,727	196,748	191,515
Net cash from or (used by) financing activities	216,997	234,289	226,727	196,748	191,515
Net increase or (decrease) in cash held	7,706	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	19,941	27,647	27,647	27,647	27,647
Cash and cash equivalents at the end of the reporting period	27,647	27,647	27,647	27,647	27,647

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital Budget - Bill No. 1 (DCB)	196,876	196,420	190,549	193,542	190,072
Equity Injections - Bill No.2	20,442	37,548	36,178	3,206	1,443
Total capital appropriations	217,318	233,968	226,727	196,748	191,515
Provided for:					
Purchase of non-financial assets	217,318	234,289	226,727	196,748	191,515
Other Items	-	(321)	-	-	-
Total Items	217,318	233,968	226,727	196,748	191,515
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	20,121	37,869	36,178	3,206	1,443
Funded by capital appropriation - DCB (b)	196,876	196,420	190,549	193,542	190,072
Funded internally from departmental resources (c)	6,306	-	-	-	-
TOTAL AMOUNT SPENT	223,303	234,289	226,727	196,748	191,515
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	223,303	234,289	226,727	196,748	191,515
Total cash used to acquire assets	223,303	234,289	226,727	196,748	191,515

(a) Includes both Bill 2 and Act 4 appropriations.

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes funding from s74 retained receipts.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (Budget year 2015-16)

	Land	Buildings	Other property plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	5,225	381,292	323,733	889,256	1,599,506
Accumulated depreciation / amortisation	-	(97,098)	(167,412)	(463,756)	(728,266)
Opening net book balance	5,225	284,194	156,321	425,500	871,240
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	18,101	19,768	37,869
By purchase - appropriation ordinary annual services (b)	-	58,300	60,139	77,981	196,420
By purchase - other					-
Total additions	-	58,300	78,240	97,749	234,289
Other movements					
Depreciation/amortisation expense	-	(79,060)	(61,020)	(114,297)	(254,377)
Other	-	-	-	-	-
Total other movements	-	(79,060)	(61,020)	(114,297)	(254,377)
As at 30 June 2016					
Gross book value	5,225	439,592	401,973	987,005	1,833,795
Accumulated depreciation/amortisation and impairment	-	(176,158)	(228,432)	(578,053)	(982,643)
Closing net book balance	5,225	263,434	173,541	408,952	851,152

(a) 'Appropriation equity' refers to capital appropriations provided through Appropriation Bill (No. 2) 2015-16.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	3,000	-	-	-	-
Grants	3,129	-	-	-	-
Depreciation and amortisation	36	-	-	-	-
Write-down and impairment of assets	93,871	95,038	96,000	97,012	90,239
Other expenses (a)	1,417,576	1,450,788	1,490,105	1,535,561	1,593,421
Total expenses administered on behalf of Government	1,517,612	1,545,826	1,586,105	1,632,573	1,683,660
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	9,246	9,201	9,440	9,716	10,021
Dividends	4,371	3,066	3,066	3,066	3,066
Competitive neutrality revenue	6,822	5,995	6,144	6,298	6,458
Other revenue (b)	1,511,447	1,545,650	1,585,817	1,632,251	1,683,337
Total non-taxation revenue	1,531,886	1,563,912	1,604,467	1,651,331	1,702,882
Total own-source revenues administered on behalf of Government	1,531,886	1,563,912	1,604,467	1,651,331	1,702,882
Total own-sourced income administered on behalf of Government	1,531,886	1,563,912	1,604,467	1,651,331	1,702,882
Net Cost of (contribution by) services	(14,274)	(18,086)	(18,362)	(18,758)	(19,222)
Surplus (Deficit)	14,274	18,086	18,362	18,758	19,222
Total comprehensive income (loss)	14,274	18,086	18,362	18,758	19,222

(a) Other expenses include Child Support payments to custodial parents.

(b) Other non-tax revenue includes Child Support revenue from non-custodial parents.

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	833	833	833	833	833
Trade and other receivables	758,124	788,226	818,939	851,061	892,511
Other investments	42,344	42,344	42,344	42,344	42,344
Total financial assets	801,301	831,403	862,116	894,238	935,688
Non-financial assets					
Property, plant and equipment	12	12	12	12	12
Total non-financial assets	12	12	12	12	12
Total assets administered on behalf of Government	801,313	831,415	862,128	894,250	935,700
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	508	-	-	-	-
Other payables	47,425	47,425	47,425	47,425	47,425
Total payables	47,933	47,425	47,425	47,425	47,425
Provisions					
Other provisions	747,718	777,639	808,718	841,140	882,891
Total provisions	747,718	777,639	808,718	841,140	882,891
Total liabilities administered on behalf of Government	795,651	825,064	856,143	888,565	930,316
Net assets/(liabilities)	5,662	6,351	5,985	5,685	5,384

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Dividends	5,534	2,751	3,066	3,066	3,066
Competitive neutrality	7,646	5,875	6,144	6,298	6,458
Net GST received	613	51	-	-	-
Other (a)	1,405,670	1,430,811	1,469,209	1,513,498	1,562,334
Total cash received	1,419,463	1,439,488	1,478,419	1,522,862	1,571,858
Cash used					
Grants	3,442	-	-	-	-
Suppliers	3,300	559	-	-	-
Other (b)	1,396,346	1,421,532	1,459,691	1,503,804	1,552,335
Total cash used	1,403,088	1,422,091	1,459,691	1,503,804	1,552,335
Net cash used by operating activities	16,375	17,397	18,728	19,058	19,523
Net increase or (decrease) in cash held	16,375	17,397	18,728	19,058	19,523
Cash and cash equivalents at beginning of reporting period	833	833	833	833	833
Cash from Official Public Account for:					
- Appropriations	65,584	62,437	62,132	64,012	66,079
- Special accounts	1,336,226	1,358,938	1,396,894	1,439,127	1,485,591
- Other	613	51	-	-	-
	1,402,423	1,421,426	1,459,026	1,503,139	1,551,670
Cash to Official Public Account for:					
- Appropriations	(59,455)	(61,929)	(62,132)	(64,012)	(66,079)
- Administered revenue	(22,504)	(17,905)	(18,728)	(19,058)	(19,523)
- Special accounts	(1,336,226)	(1,358,938)	(1,396,894)	(1,439,127)	(1,485,591)
- Other	(613)	(51)	-	-	-
	(1,418,798)	(1,438,823)	(1,477,754)	(1,522,197)	(1,571,193)
Cash and cash equivalents at end of reporting period	833	833	833	833	833

(a) Other receipts received includes Child Support maintenance receipts from non-custodial parents, Child Support penalties, Director of Public Prosecutions (DPP) fines and certain compensation recoveries.

(b) Other cash used includes Child Support payments to custodial parents and certain compensation recoveries.

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Administered capital budget statement (for the period ended 30 June)

The department does not have an administered capital budget.

Table 3.2.11: Statement of administered asset movements (Budget year 2015-16)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	-	-	53	-	53
Accumulated depreciation / amortisation	-	-	(41)	-	(41)
Opening net book balance	-	-	12	-	12
CAPITAL ASSET ADDITIONS					
Total additions	-	-	-	-	-
Other movements					
Depreciation/amortisation expense	-	-	-	-	-
Total Other movements	-	-	-	-	-
As at 30 June 2016					
Gross book value	-	-	53	-	53
Accumulated depreciation/amortisation and impairment	-	-	(41)	-	(41)
Closing net book balance	-	-	12	-	12

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

The budgeted financial statements have been prepared for the financial years 2014-15 to 2018-19 in accordance with the requirements of the Australian Government's financial budget and reporting framework, including:

- the PGPA Act and rules; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that 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 that are measured at fair value.

Unless alternative treatment is specifically required by an accounting standard or the PGPA Act rules, assets and liabilities are recognised 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.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

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 services
- employee, supplier, depreciation and amortisation expenses.

Administered

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

PORTFOLIO GLOSSARY

Term	Meaning
Available appropriation	The available appropriation indicates the total appropriations available to the entity for 2014–15. It includes all appropriations made available to the entity in the year including transfers under section 75 of the PGPA Act, formal reductions, Advance to the Finance Minister and movements of funds.
Administered item	Appropriation that is managed on behalf of the government. 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.
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.
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)	Entity Resourcing. Details total resourcing available to agencies.

Glossary

Term	Meaning
Consolidated revenue fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Corporate Commonwealth entity	A corporate Commonwealth entity is a Commonwealth entity that is a body corporate.
Departmental capital budget (DCB)	Funds provided in Appropriation Bills 1/3/5 for the ongoing replacement of minor assets.
Departmental item	Resources (assets, liabilities, revenues and expenses) that entity Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental 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 or amortisation expense. Also no funding is required for goods or services received free of charge that are then expensed. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating administered appropriation amounts to be sought from Parliament.
Forward estimates period	The three years following the Budget year. For example, where 2015–16 is the Budget year, 2016–17 is forward year 1, 2017–18 is forward year 2 and 2018–19 is forward year 3. This period does not include the current or budget year.

Term	Meaning
General Government Sector (GGS)	A government finance statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
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 BP2, in the MYEFO and in the Pre-election Economic and Fiscal Outlook (PEFO).
Mid-Year Economic and Fiscal Outlook (MYEFO)	Around six months after the Budget, the Government produces the Mid-Year Economic and Fiscal Outlook (MYEFO) report. The report compares estimated expenditure to actual expenditure. MYEFO estimates include any government decisions made since the previous Budget that affected expenses and revenues. MYEFO also updates the budgetary position, including budget aggregates, by incorporating any changes to economic parameters.
Non-corporate Commonwealth entity	A non-corporate Commonwealth entity is a Commonwealth entity that is not a body corporate.
Official Public Account (OPA)	The OPA is the government's central bank account held within the Reserve Bank of Australia. The OPA is the central component of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.

Glossary

Term	Meaning
Outcome statement	An outcome statement articulates the intended results, activities and target group of an Australian Government entity. An outcome statement serves three main purposes within the financial framework: 1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; 2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and 3. to measure and assess entity and 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 entity within a portfolio.
Portfolio Additional Estimates Statements (PAES)	Budget related paper detailing the changes in resourcing by outcome since the Budget which provides information on new measures and their impact on the financial and/or non-financial planned performance of programmes supporting those outcomes.
Pre-election Economic and Fiscal Outlook (PEFO)	<p>Budget estimates are updated before an election, in a report called the Pre-election Economic and Fiscal Outlook (PEFO). The update ensures that the government, the opposition, the Parliament and the public know the country's fiscal position before the election.</p> <p>In contrast to the other financial reports published each year by the government, the PEFO is prepared independently by the secretaries of Finance and Treasury and released under their names without consulting with the Cabinet.</p>
Programme	An activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.

Term	Meaning
Programme support	The entity running costs allocated to a programme. This is funded as part of the entity's departmental appropriations.
<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	The PGPA Act commenced on 1 July 2014. It provides a principles based framework for Commonwealth resource management, supported by rules and guidance to assist Commonwealth entities to manage public resources.
s74	<p>Non-corporate Commonwealth entities can retain receipts for the amounts prescribed in section 27 of the PGPA. These receipts includes:</p> <ul style="list-style-type: none"> • retained (revenue) receipts and • retained (repayment) receipts. <p>Retained (revenue) receipts may increase a non-corporate Commonwealth entities' most recent annual departmental item appropriation. Such receipts include:</p> <ul style="list-style-type: none"> • receipts from the provision of departmental goods and services • amounts that are managed in trust or similar arrangements • receipts from the sale of minor departmental assets, such as old computers, are disposed of at the end of their useful life. <p>Retained (repayment) receipts enable an appropriation that was used to make a Commonwealth payment to be re-credited with an amount received as a repayment of that earlier payment. For example when a supplier is overpaid and the non-corporate Commonwealth entities receives a repayment.</p>