The Leafcutter Ants: working together

The Leafcutter Ant, next to humans, forms the largest and most complex animal societies on earth. Their bodies are amazingly powerful and are able to carry pieces of leaf that weigh at least 10 times their own body weight. Just like the Leafcutter Ants, the Human Services Portfolio is strong, organised and unified, working together to achieve a common goal.
Letter of transmittal

Australian Government
Department of Human Services

Kathryn Campbell CSC
Secretary

Ref No: EB11/350-01

The Hon Tanya Plibersek MP
Minister for Human Services
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to submit the Department of Human Services Annual Report for the year ending 30 June 2011, as required by section 63 of the Public Service Act 1999. Subsection 63(1) of the Act requires me to provide you with this report for presentation to the Parliament on the department’s activities during the year.

This report provides relevant information as required by subsection 14(1) of the Child Support (Registration and Collection) Act 1988 and subsection 148(1) of the Child Support (Assessment) Act 1989.

This report has been prepared in accordance with the Requirements for annual reports for departments, executive agencies and FMA Act bodies, approved by the Joint Committee of Public Accounts and Audit, as required by subsection 63(2) of the Public Service Act 1999.

Yours sincerely

Kathryn Campbell
September 2011
About this report

This Department of Human Services (DHS) annual report was prepared according to the Requirements for Annual Reports, issued by the Department of the Prime Minister and Cabinet on 8 July 2011. The report focuses on the performance and accountability of DHS during 2010–11.

Chapter 1: Overview—contains a review by the Secretary of DHS, which summarises the significant issues and performance in 2010–11 and describes the outlook for 2011–12. This chapter also includes overviews of the Human Services Portfolio and DHS, new governance arrangements, and a summary of achievements against key performance indicators.

Chapter 2: Service Delivery Reform—sets out how the portfolio agencies have worked together on delivering the Government’s Service Delivery Reform agenda.

Chapter 3: DHS Performance—sets out DHS effectiveness and efficiency in meeting key performance indicator targets, and highlights the involvement of DHS in several important government and other initiatives delivered during the year.

Chapter 4: Child Support Program performance—covers the program’s ongoing activities in collecting and disbursing child support payments, and includes 2010–11 performance data compared to the previous year(s). This chapter also focuses on delivering excellent services and how the program engages with customers and the community.

Chapter 5: CRS Australia performance—features performance against targets in the delivery of vocational rehabilitation and disability employment services to help job seekers who have a disability, injury or health condition to get and keep a job. This chapter also includes reporting on employee issues, customer satisfaction, and services provided to government and non-government sectors.

Chapter 6: Management and accountability—explains DHS measures to remain transparent and accountable in its expenditure and operating results, including fraud control and internal and external scrutiny. It also covers compliance and communication activities, information and communication technology (ICT) performance, and how DHS manages its workplace environments and human resources.

Chapter 7: Financial overview—provides details of financial performance and contains DHS financial statements audited by the Australian National Audit Office.

Chapter 8: Appendices—responds to a number of mandatory reporting requirements including the compliance index, and expands on other areas of interest.

Chapter 9: References—contains a glossary, shortened forms list and an alphabetical index.
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Chapter 1: Overview
Customers are also benefiting from convenient, easy-to-access, coordinated services delivered from an additional 47 one-stop shops this financial year. Customers who visit a one-stop shop can choose from a broad range of services—from applying for Medicare benefits and claims, to accessing specialised Centrelink services. DHS is committed to the goal that all shopfronts will offer co-located services by 2014.

The results of the Place Based Services Program trial showed how we can work effectively with local providers to better assist disadvantaged and marginalised customers with complex needs. The trial concept of local responses to local problems laid the groundwork for a new SDR case coordination initiative with funding of more than $70 million over the next four years for 44 new sites.

ALWAYS FOCUSING ON CUSTOMERS

As part of a long-term strategy to improve access to services for customers, a single website and phone number were launched in December 2010. The website is making it quicker, easier and more convenient for customers to find out what help is available to them. Information is presented in line with customer circumstances rather than by program.

The single phone number means customers can make general enquiries about the services we offer via a single contact point. Customers who want to discuss their own circumstances can still call existing call centres for more personalised advice.

Over time, separate websites and phone numbers linking customers to the range of services we provide will be integrated into this single website and phone number.

Another way we are focusing on customer service is through the Connected Secretary’s review

On 1 July 2011 the Human Services Portfolio became a single department of state. The integration of the Department of Human Services (DHS) is part of the Government’s Service Delivery Reform (SDR) agenda to make it easier for Australians to get the services they need in a way that suits their circumstances. The names that Australians know—Centrelink, Medicare, the Child Support Agency and CRS Australia—will continue under DHS.

What has changed is our potential for doing so much more for customers and making it easier to get the services and support they need. Programs like Local Connections to Work (LCTW) are connecting the long-term unemployed with local services in nine locations around Australia. LCTW helps highly disadvantaged job seekers by bringing together Australian Government, state government and non-government service providers under one roof. The results are promising, with 592 job placements for program participants in 2010–11.
Authentication project. This initiative enables customers to use one user ID and password through australia.gov.au to access online services across Centrelink, Medicare and the Child Support programs. Since this service started, more than 42 000 online customers have transitioned from using separate logon credentials for each organisation to this single user ID and password.

Making customers our focus is part of the Government’s broad agenda to give Australians a greater say in shaping the services they access. We are strengthening our capacity to work with customers and the community to co-design and deliver better services. This work will assist us to better understand the needs of customers, employees and stakeholders, and to design improved services as part of SDR. A single co-design methodology was also developed to build employee capability around co-design.

Co-design activity during 2010–11 included customer and employee forums to explore views and gather ideas on improving service delivery experiences. Research was also used to generate ‘customer journeys’ that give a sense of a customer’s experience to help map their pathways.

PREPARING FOR CHANGE

Over the past 12 months many areas in DHS, Centrelink and Medicare Australia worked together to achieve a smooth transition to the new department. To reflect this close working relationship the 2010–11 annual reports for these organisations include common content and design.

Given the implementation of SDR across the portfolio, this separate DHS annual report can be read as a companion to the Centrelink and Medicare Australia annual reports. As a result of the legislative changes which integrated Centrelink, Medicare Australia and DHS, in 2011–12 one annual report will incorporate the entire performance reporting of DHS.

We brought together employees from across the three organisations to strengthen and build on our knowledge and expertise to amalgamate human resources management, communication, finance, procurement and contract management, corporate records management, property, risk management, business continuity and planning, legal services, and audit and assurance functions.

Since this integration we have looked at ways to improve how we operate. These include a single business planning framework, new financial delegations and financial rules, one Portfolio People Strategy supported by a nationally consistent leadership strategy and workforce planning framework, and a DHS ICT Strategic Plan.

DHS, Centrelink and Medicare Australia focused on substantial changes to information and communications technology (ICT). These changes will provide the foundation for improving access and services to customers. Integration has given us the opportunity to maximise the strengths and capacity of our joined-up ICT systems.

Significant improvements were made to our human resources function over the last year. In addition to the implementation of the single Portfolio People Strategy, the People Change Centre was established to provide guidance and assistance to business areas undergoing structural integration while implementing SDR. We also conducted the first single Portfolio People Survey and agreed on a national people services delivery model for DHS.

A new organisational structure was introduced on 1 July 2011. The structure is based on four broad categories of work—strategy, service design, service delivery and enabling. These categories reflect the changes needed to implement SDR.

With around 37 500 employees preparing to work in one department under a new structure, the Portfolio People Survey had
a 72 per cent response rate. The survey measured employee engagement—motivation and willingness to expend discretionary effort for the agency. Results were positive about most workplace aspects that align with engagement. Employees are highly motivated to go the extra mile and do their best work.

Employee satisfaction was high, with 70 per cent of employees satisfied with the portfolio as an employer. This compares favourably with the Australian Public Service Commission’s State of the Service survey report in 2010 which found that 66 per cent of all Australian public servants would recommend their agency as a good place to work.

THE DEPARTMENT’S ROLE IN SDR

DHS took the lead in driving SDR by establishing an implementation group which provided strategic direction, coordination and planning for the phased rollout of SDR to achieve the Minister’s priorities and overall policy objectives of government.

Through the SDR Implementation Group, DHS has established a comprehensive program management capability to support the implementation of SDR drawing on international best practice.

MEASURING PERFORMANCE

In 2010–11 DHS met its key performance indicator targets including introducing SDR initiatives, fraud and compliance measures and the Income Management Card within agreed timeframes and budget.

A range of initiatives were implemented which helped to improve the collection and management of outstanding child support debt. These include more proactive contact with customers when collection problems first arise, providing an increased range of payment options and increased interception of tax refunds through the Australian Taxation Office.

The Child Support Program (CSP) also met its targets in transferring child support between parents, the child support collection rate, and the percentage of Private Collect cases compared to total active cases. The CSP’s improved collection performance can be highlighted by the reduced growth of outstanding child support debt, falling from 7.4 per cent during 2009–10 to 2.4 per cent for 2010–11.

CRS Australia was once again certified in Disability Service Standards and met the target of 70 per cent of job seekers that remained in employment for 13 weeks. CRS Australia has maintained its certification against the standards consistently since the external audit requirement was introduced in 2002.

ENGAGING WITH STAKEHOLDERS

During 2010–11, to support SDR and the move to an integrated department of state, work began on developing a whole-of-department stakeholder engagement framework to build new relationships and maintain existing ones with key groups across all portfolio agencies.

LOOKING AHEAD

The 2011–12 Budget provided $336 million to DHS to implement the Government’s Building Australia’s future workforce package.

In addition to this investment, the Government also agreed to a $1.2 billion investment over four years for SDR. This investment will drive significant improvements to government service delivery and will generate significant efficiencies across the forward estimates.
This investment will enable DHS to deliver better services that will make it easier for people to deal with government in a way that suits their needs. It will achieve more effective service delivery outcomes for government by contributing to government policy objectives and developing a more agile system to manage the needs of government and citizens. It will integrate and automate service delivery processes across DHS to make them more efficient and simpler for people to use.

SDR will deliver more one-stop shops, more self-service and more support for people based on their individual needs and circumstances. It will ensure services are delivered more efficiently, especially to people who need more intensive support and to those with complex needs. Behind the scenes, processes will be simplified to make people’s interactions with government easier.

SDR is an ambitious program. Its success relies on extensive consultation and collaboration with the users of services and as such, a co-design approach is central to the reform. It will put people first in the design and delivery of services and will ensure services are delivered more effectively and efficiently to provide better outcomes for generations of Australians.

The Budget also introduced compliance changes for the long-term unemployed, more support for disadvantaged job seekers and families with teenage children, new participation requirements for people with disability, and assistance for farmers and small businesses in rural areas.

I believe DHS is well-placed to meet these challenges.

**FINANCIAL MANAGEMENT**

DHS incurred an operating deficit of $79.3 million in 2010–11 (excluding non-funded depreciation and amortisation expenses) as a result of investing in reform activities, such as connected authentication, co-location of a number of Centrelink and Medicare offices, and the creation of single web and single phone facilities. In addition, the operating loss funded a significant amount of design and planning activity, and work related to the integration of the three agencies into the one department of state. This was funded from prior year operating surpluses generated by Centrelink, Medicare Australia and DHS.

**ACKNOWLEDGMENTS**

For this reporting year I want to thank my colleagues Finn Pratt (the previous Secretary of DHS), Carolyn Hogg (former CEO of Centrelink) and Lynelle Briggs (former CEO of Medicare Australia) for their support and commitment as we navigated our way towards SDR and integration.

Any organisation is only as good as its people. The portfolio’s achievements are the result of the professionalism of each and every employee. They willingly gave their expertise and time, often beyond their normal workloads. They are dedicated and talented people who want to make a positive difference to our nation.

Kathryn Campbell, CSC
Secretary
Department of Human Services
Human Services Portfolio overview

On 26 October 2004 DHS was created as part of the Finance Portfolio to improve the development and delivery of government social and health-related services to the Australian people.

As a result of the Administrative Arrangements Orders issued on 30 January 2007, DHS and the agencies were transferred to a newly created portfolio.

DHS provides policy advice on service delivery matters to government to ensure effective, innovative and efficient implementation of government service delivery. It also delivers a range of government and other payments and services.

NEW DHS GOVERNANCE ARRANGEMENTS

The Human Services Legislation Amendment Act 2011, which integrated Centrelink, Medicare Australia and DHS, began on 1 July 2011. Under the governance changes made by this legislation, from 1 July 2011 DHS delivers all programs previously delivered by Centrelink and Medicare Australia.

MINISTER

The Hon. Chris Bowen, MP, was the Minister for Human Services from 9 June 2009 until 14 September 2010. The Hon. Tanya Plibersek, MP, was appointed the Minister for Human Services on 14 September 2010. The Minister is responsible for administering the following legislation:

- Australian Hearing Services Act 1991, except to the extent that it is administered by the Minister for Health and Ageing

- Child Support (Assessment) Act 1989, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act

- Child Support Legislation Amendment (Reform of the Child Support Scheme—Initial Measures) Act 2006, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act

- Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Act 2006, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act

- Child Support (Registration and Collection) Act 1988, insofar as it relates to the appointment of the Registrar and the exercise of the powers and functions conferred on the Registrar under the Act

- Commonwealth Services Delivery Agency Act 1997 (changed to the Human Services (Centrelink) Act 1997 on 1 July 2011)


PORTFOLIO STRUCTURE

At 30 June 2011 the portfolio consisted of DHS, Centrelink, Medicare Australia and Australian Hearing.

DHS comprised the department, the CSP and CRS Australia.

- The department’s role was to direct, coordinate and broker improvements to service delivery, provide policy advice on service delivery matters to government, and ensure efficient implementation of government service delivery.
Chapter 1: Overview

Medicare Australia looked after the health of Australians through efficient services and payments such as Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register and the Australian Organ Donor Register.

Australian Hearing is a statutory authority that provides a full range of hearing services for children and young people aged up to 21 years, eligible adults, age pensioners and most war veterans. Australian Hearing provides its own annual report as required by the Australian Hearing Services Act 1991. It also provides an annually revised, three-year corporate plan in accordance with reporting requirements under the Commonwealth Authorities and Companies Act 1997.

The CSP provided support to separated parents to provide the financial and emotional support necessary for their children’s wellbeing.

CRS Australia delivered expert assessment, injury management, vocational rehabilitation and employment services to assist people with disability, injury or health conditions to get and keep a job.

Centrelink delivered a range of government payments and services for retirees, the unemployed, families, carers, parents, people with disability, Indigenous Australians and people from diverse cultural and linguistic backgrounds, and provided services in crises and emergencies.

Figure 1: Human Services Portfolio at 30 June 2011

Minister for Human Services
The Hon. Tanya Plibersek, MP

Department of Human Services
(including the Child Support Program and CRS Australia)
Secretary: Kathryn Campbell, CSC

Outcome 1
Informed government decisions on, and access to, social, health and child support services for Australians through policy development and advice, and the coordination and delivery of services.

Centrelink
Chief Executive Officer
Carolyn Hogg, PSM

Outcome 1
Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government.

Medicare Australia
Chief Executive Officer
Lynelle Briggs

Outcome 1
Access to Government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery.

Australian Hearing
Managing Director
Steven Grundy
Organisational structure

From March to June 2011 the portfolio transitioned to a new organisational structure in preparation for integration on 1 July 2011. Figure 2 shows this structure at 30 June 2011.
### Chapter 1: Overview

#### Deputy Chief Executive Officer
Families, Employment and People
Gary Dunn

#### General Manager
Participation
Carolyn McNally

#### National Managers
Employment and Participation Programs
Katharine Campbell
Participation Program Coordination
Kate Hay
Place Based Services and Education Programs
Pam Saunders

#### General Manager
Families
Paul Cowan

#### National Managers
Families and Working People Service Offer
Patrick Cremen
Families and Child Care Programs
Robin Salvage
Customer Communication and eReference
Cathy Sear
Performance and Information Management
Laura Gannon

#### General Manager
People Capability
Michelle Cornish

#### National Managers
Workforce Planning and Research
Jo Talbot
Leadership and Change
Jacqu Curtis
People Development
Lyn Sharpe
Technical Skill Development
Andrea Paschalis

#### General Manager
People Services
Sue Chapman

#### National Managers
Pay and Advice
Angela Morella
Portfolio Enterprise Agreement
Narelle Cameron
Workplace Relations
Kath Harris A/g
People Support—Operations
Mark le Dieu
People Support
Mary-Ellen Sweeney A/g
Corporate Processes and System Integration Project (CPSIP)
Peter Richards
Human Resources (CPSIP)
Jacqu Curtis
Executive responsibilities at 30 June 2011

**Secretary, Department of Human Services**—was responsible for providing strategic oversight, leadership and management of DHS. Through innovation and high-level collaboration with policy departments, the Secretary contributed to a whole-of-government approach to service delivery while supporting the Minister for Human Services to deliver portfolio responsibilities. As well as supporting government to make informed decisions to provide access to social, health and child support for all Australians, the Secretary was responsible for the CSP, CRS Australia and the implementation of SDR across the portfolio.

**CEO, Medicare Australia**—was responsible for strategy and service design functions in the lead up to integration. The CEO was also responsible for achieving Medicare Australia’s purpose: ‘to provide access to government health and other payment and information services to the Australian public and providers through convenient and efficient service delivery’. The CEO of Medicare Australia was accountable to the Minister for Human Services and managed delegations under the legislation that governed Medicare Australia, day-to-day administration and control of the organisation’s operations, and led the management team to implement strategies and priorities to deliver government policy and program outcomes. Medicare Australia’s employees supported the CEO to achieve these objectives.

**CEO, Centrelink**—was responsible for service delivery functions in the lead up to integration. The CEO also led Centrelink in delivering on its purpose: ‘serving Australia by assisting people to become self-sufficient and supporting those in need’. The CEO of Centrelink was accountable to the Minister for Human Services for setting Centrelink’s strategic direction, for its day-to-day management, and for ensuring that Centrelink delivered services on behalf of its client departments in a proper, efficient and effective manner. Centrelink’s employees supported the CEO in achieving these objectives.

**Deputy CEO, ICT Infrastructure**—supported the Secretary and CEOs of Centrelink and Medicare Australia through the leadership of ICT strategy and systems for meeting immediate and future needs.

**Deputy CEO, Health and Older Australians**—was responsible for program management and compliance activities for large programs administered on behalf of the Department of Health and Ageing (DoHA), and program management of new business activities administered by Medicare Australia.

**Deputy CEO, Customer Service Design**—supported the Secretary and the CEO of Medicare Australia through leading the portfolio’s strategic directions. The Deputy CEO was also accountable for implementing a program to build future service delivery capability, enhancing program delivery, and leading ICT current and future applications capability.

**Deputy CEO, Families, Employment and People**—was responsible for strategic leadership and management of families and employment and education-related programs, plus people services across the portfolio.

**Deputy CEO, Customer Service Delivery**—supported the CEO of Centrelink through leading delivery of customer services on behalf of the Government, and supported the Secretary and the CEOs by enabling the continuity of services and responsiveness to government expectations in times of emergency or disaster, and through delivery of Indigenous strategies.
Deputy CEO, Enabling Services—supported the Secretary and the CEOs through leading the management of the portfolio’s financial resources and the management of property resources and corporate support functions, to enable the portfolio to meet current challenges and prepare for integration by 1 July 2011.

Deputy CEO, Medicare, Rehabilitation and Compliance—was responsible for managing Centrelink and Medicare Australia compliance operations to ensure a strong focus on welfare and health-related compliance. The Deputy Secretary was also responsible for CRS Australia and multicultural and social work services.

Deputy Secretary, Executive Support and Legal—was responsible for supporting the Secretary on policy matters and acted as a point of coordination for whole-of-government policy advice, including any legal considerations, across the portfolio. The Deputy Secretary was also responsible for managing the relationship with the Minister’s office.

Deputy Secretary, Child Support—was accountable for leadership and management of the CSP and the delivery of the Child Support Scheme.

Deputy Secretary, Service Delivery Reform Implementation—provided strategic direction, coordination and planning for the phased rollout of SDR to achieve the Minister’s priorities and overall policy objectives of the Government, including the establishment of a comprehensive program management capability to support the implementation of SDR drawing on international best practice.

Taskforce on Strengthening Government Service Delivery for Job Seekers—reported to the Secretaries of the Department of Education, Employment and Workplace Relations (DEEWR) and DHS. The taskforce developed approaches which DEEWR, DHS and Centrelink could use to strengthen government service delivery for job seekers as Australia emerged from the global recession.

Portfolio governance

Governance is important to the way we shape, enable, oversee and evaluate our performance and our business. It is central to the way we deliver our outcomes in a controlled, transparent and accountable manner. Portfolio governance arrangements were revised to better reflect the portfolio’s progress towards integration on 1 July 2011.

The move towards the new, integrated department took further shape in 2010–11 as a more integrated structure was put in place. To support and align with the portfolio’s new organisational structure, new Chief Executive Instructions were updated during 2010–11.

At the same time significant progress was made in 2010–11 to develop and communicate integrated governance practices and processes. For example, enabling services began integration over a year ago. Employees across the three agencies joined together from procurement and contract management, corporate records management, property, risk management, business continuity and planning.

HUMAN SERVICES PORTFOLIO GOVERNANCE COMMITTEES

In the lead up to an integrated department on 1 July 2011 portfolio governance committees provided assurance to the Secretary and the CEOs of Centrelink and Medicare Australia on strategic issues, priorities and risks. The portfolio governance committee framework was updated in 2010–11 to reflect progress towards integration.
Figure 3 on the following page shows the portfolio governance committee structure at 30 June 2011.

**Figure 3: Human Services Portfolio governance committee structure at 30 June 2011**

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1 Reported to the Secretary and CEOs’ Committee and to agency-specific management committees and audit committees until 1 July 2011.
2 Met for final time on 7 June 2011.

**Secretary and Chief Executive Officers’ Committee**

---

**Portfolio Customer Committee**—provided assurance that all aspects of customer service in the portfolio supported the implementation and progression of the portfolio’s strategic directions. It was chaired by the CEO of Centrelink in 2010–11.

**Portfolio Risk, Business Continuity and Security Committee**—had oversight of the integrated risk, business continuity and security functions of the portfolio. It was chaired by the General Manager, Corporate Operations Centrelink in 2010–11.

**Portfolio Finance Committee**—provided assurance that management of financial resources was aligned with and supported the portfolio’s strategic directions and government priorities. It was chaired by the CEO of Centrelink in 2010–11.

**Portfolio Operating Model Steering Committee**—had oversight of the development and implementation of the operating model for the portfolio. It was chaired by the CEO of Centrelink and ceased operating at the end of June 2011.

**ICT Governance Committee**—was responsible for ensuring that the portfolio had a clear direction and strategy for its use of ICT. It was responsible for the review and assessment of ICT investment proposals. The ICT Infrastructure Integration Program Steering Committee ceased in March 2011 when its function—overseeing the progress of the DHS ICT infrastructure integration—was rolled into the ICT Governance Committee. It was chaired by the CEO of Medicare Australia in 2010–11.

**Portfolio People and Leadership Committee**—provided assurance on all cross-portfolio people matters including SDR, integration within the portfolio and shared services. It also provided advice to portfolio agencies on agency-specific people matters. It was chaired by the CEO of Medicare Australia in 2010–11.

---

Chapter 1: Overview
External governance

Several external governance forums create the opportunity to reinforce the interdependence between policy formulation, program design and implementation and to more effectively deliver outcomes for government.

**Strategic Partnerships Interdepartmental Committee (IDC)**—provides strategic oversight of the Centrelink service delivery system. This includes the strategic management of system performance as well as capability development in line with the Government’s policy and reform agenda. It also focuses on facilitating successful SDR and ensuring that SDR initiatives did not compromise implementation of current service delivery approaches.

In 2010–11 the IDC consisted of the Secretaries of DHS (chair), DEEWR and the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), and the CEO of Centrelink.

**Health and Human Services Chief Executive Officer Forum**—facilitates successful SDR and implementation of the health reform agenda. In 2010–11 it consisted of the Secretaries of DHS and DoHA, and the CEO of Medicare Australia.

**Service Delivery Reform Interdepartmental Committee**—ensures alignment between SDR and the outcomes of the Government’s broader reform agenda. Chaired by DHS, membership is drawn from central agencies, partner departments, service delivery organisations and the Office of the Australian Information Commissioner.

DHS overview

**THE ORGANISATION**

During the year, DHS provided a central policy and coordination function for the delivery of services across the portfolio as well as being the delivery agency for child support and a provider of disability employment and related services. It worked with other departments and agencies to develop policy on service delivery and to ensure effective, innovative, and efficient implementation of government service delivery policy.

To continually improve the quality and cost effectiveness of service delivery by portfolio agencies, DHS worked to ensure that service delivery issues were considered early in the policy development process.

In summary, DHS was responsible for:

- whole-of-portfolio coordination for SDR
- development, delivery and coordination of government services
- development of service delivery policy
- monitoring and management of service delivery arrangements involving Centrelink, Medicare Australia, the Child Support Agency (CSA), Australian Hearing and CRS Australia.
Table 1: DHS at a glance

<table>
<thead>
<tr>
<th>Category</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS employees (including CSP and CRS Australia)</td>
<td>6 512</td>
</tr>
<tr>
<td>Job seekers helped by CRS Australia</td>
<td>more than 50 400</td>
</tr>
<tr>
<td>DEEWR funded job seekers placed in employment by CRS Australia</td>
<td>more than 12 500</td>
</tr>
<tr>
<td>CRS Australia conversion rate from job placement to 13-week employment</td>
<td>71%</td>
</tr>
<tr>
<td>Job seeker satisfaction with CRS Australia services</td>
<td>90%</td>
</tr>
<tr>
<td>DHS employee engagement$^1$</td>
<td>69 index points</td>
</tr>
<tr>
<td>CRS Australia employee satisfaction</td>
<td>78%</td>
</tr>
<tr>
<td>Number of CSP child support customers</td>
<td>1 429 237</td>
</tr>
<tr>
<td>Customer satisfaction with CSP services$^2$</td>
<td>73.4%</td>
</tr>
<tr>
<td>CSP service standard of phone calls answered within 30 seconds</td>
<td>85.1%</td>
</tr>
<tr>
<td>CSP total amount of child support transferred between parents$^3$</td>
<td>$3.07 billion</td>
</tr>
<tr>
<td>CSP Collect collection rate</td>
<td>92.4%</td>
</tr>
</tbody>
</table>

$^1$ Refers to the level of employee engagement across the portfolio, including DHS, Medicare Australia and Centrelink. (See also Portfolio People Survey on page 99.)

$^2$ The methodology for reporting this indicator changed in 2010–11. The average customer satisfaction for each year has been shown.

$^3$ The figures in this section are derived for performance reporting and differ from the disclosures in the financial statements. They include debts that have been written off, but exclude overpayments and child support liabilities raised but not yet due. There are also minor differences related to the timing of the separate data extracts. Additionally, international debt for performance reporting purposes differs from the disclosures in the financial statements as it includes collection by overseas governments for custodial parents residing in Australia.
OUTCOME AND PROGRAMS

The 2010–11 Portfolio Budget Statements set out one outcome and two programs for DHS.

Figure 4: DHS outcome and programs structure 2010–11

<table>
<thead>
<tr>
<th>OUTCOME 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informed government decisions on, and access to, social, health and child support services for Australians through policy development and advice, and the coordination and delivery of services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program 1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program 1.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Support</td>
</tr>
</tbody>
</table>

DHS STRATEGIC DIRECTIONS

DHS is integrating many of its processes and systems to be more flexible and effective in delivering high quality services for all Australians. DHS works collaboratively to ensure the best outcomes for government and the Australian community. DHS, Centrelink and Medicare Australia each developed Strategic Directions 2010–11 to reflect the beginning of portfolio alignment, SDR and integration.

OUR STRATEGIC INTENT

DHS is committed to working collaboratively to achieve world’s best practice in the design and delivery of health, welfare and other services and payments to the Australian community.

The DHS Strategic Directions 2010–11 set out a range of departmental and portfolio priorities reflecting ongoing business and SDR. Cascading from these were the Child Support Program Strategic Directions 2010–11 and DHS business plans at the divisional level.
Chapter 1: Overview

For the reporting year, DHS strategies set out in the Portfolio Budget Statements 2010–11 and reflected in the *DHS Strategic Directions 2010–11* were:

- continuing to progress and implement the SDR agenda
- continuing to provide high quality services to the Australian community
- working with government agencies to develop innovative and flexible service delivery policy that enables access to a high standard of service to customers
- supporting separated parents to transfer payments for the benefit of their children through the delivery of a coordinated approach to child support services
- providing people with a disability or injury with high quality vocational rehabilitation assessment, injury management and prevention services
- providing advice and service delivery that balances individuals’ preference for service delivery with the risks to taxpayer funds caused by fraud and incorrect payment.

Measuring our performance against key performance areas and indicators

**Table 2: Key performance indicator results for 2010–11**

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Actual 2009–10</th>
<th>Target 2010–11</th>
<th>Actual 2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program 1.1 Human Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Briefs are submitted within agreed timeframes</td>
<td>Feedback from the Minister’s office indicated that the Minister was satisfied with timeliness of briefings</td>
<td>95.0%</td>
<td>Feedback indicates the Minister was satisfied</td>
</tr>
<tr>
<td>Ministerial replies to correspondence are submitted within agreed timeframes</td>
<td>76.0%</td>
<td>95.0%</td>
<td>81.5%</td>
</tr>
<tr>
<td>Key initiatives (such as service delivery reform initiatives, fraud and compliance initiatives and the Income Management Card) are delivered within agreed timeframes and on budget</td>
<td>Initiatives progressed as agreed (for more information, refer to the DHS 2009–10 annual report)</td>
<td>All</td>
<td>Initiatives delivered on time and within budget (for more information, see <em>Progress of Service Delivery Reform</em> on page 28 and relevant entries in chapters 2–5)</td>
</tr>
</tbody>
</table>
## Key performance indicator

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Actual 2009–10</th>
<th>Target 2010–11</th>
<th>Actual 2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service delivery performance against agreed standards and targets is reported to the Minister in agreed timeframes</td>
<td>The Secretary met with the Minister on matters including service delivery performance, approximately monthly</td>
<td>Quarterly reports provided to Minister within six weeks of end of quarter</td>
<td>The Secretary met weekly with the Minister on matters including service delivery performance</td>
</tr>
<tr>
<td>The Portfolio will work together to deliver a Bill for the introduction to Parliament (in the autumn sitting 2011) for the Portfolio to be established as one Department of State¹</td>
<td>–</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>By the end of 2010 the portfolio will have another 20 co-located offices around Australia¹</td>
<td>–</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>By the end of 2010 the portfolio will have a single phone number and a single website¹</td>
<td>–</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Governance arrangements are appropriately implemented and managed for the portfolio agencies and business units</td>
<td>Achieved</td>
<td>Regular performance management meetings and reports provided to the Secretary and Minister</td>
<td>Secretary and CEOs committee meetings were held weekly and Australian Hearing governance meetings were held quarterly (for more information, see Portfolio governance on page 14)</td>
</tr>
<tr>
<td>Customer satisfaction with child support services is maintained²</td>
<td>72.1%</td>
<td>70.0%</td>
<td>73.4%</td>
</tr>
<tr>
<td>Cost per child support case</td>
<td>$585</td>
<td>$566</td>
<td>$566</td>
</tr>
<tr>
<td>Cost per dollar of child support transferred</td>
<td>16.2 cents</td>
<td>15 cents</td>
<td>15.4 cents</td>
</tr>
<tr>
<td><strong>CRS Australia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certification in Disability Service Standards</td>
<td>Certified</td>
<td>Certified</td>
<td>Certified</td>
</tr>
<tr>
<td>At or above the market average for job seekers that remain in employment for 13 weeks.</td>
<td>70.0%</td>
<td>70.0%</td>
<td>71%</td>
</tr>
</tbody>
</table>

¹ Department of Human Services would be one Department of State.

² Customer satisfaction is measured through periodic telephone surveys conducted by the Australian Human Research and Ethics Council.
Chapter 1: Overview

To the Australian people. The governance arrangements for CRS Australia also changed (see page 24) and the CSP was further integrated into the single DHS structure in 2010–11 (see page 8). Work is under way to integrate all the remaining CSP functions into the new structure in 2011–12.

DHS governance

The DHS governance structure in 2010–11 supported the achievement of its outcome of informed government decisions on, and access to social, health and child support services for Australians.

Throughout 2010–11 DHS worked with the portfolio agencies to facilitate integration into a single department, while continuing to efficiently deliver services and payments to the Australian people. The governance arrangements for CRS Australia also changed (see page 24) and the CSP was further integrated into the single DHS structure in 2010–11 (see page 8). Work is under way to integrate all the remaining CSP functions into the new structure in 2011–12.

DHS governance arrangements, in particular the committee framework, were framed to achieve its outcome and to facilitate integration of the broader department from 1 July 2011.

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Actual 2009–10</th>
<th>Target 2010–11</th>
<th>Actual 2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program 1.2 Child Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount of child support transferred between parents(^1)</td>
<td>$2.98 billion</td>
<td>$3.1 billion</td>
<td>$3.07 billion</td>
</tr>
<tr>
<td>Child support collection rate (CSA collect only)</td>
<td>91.9%</td>
<td>91.5%</td>
<td>92.4%</td>
</tr>
<tr>
<td>Percentage of private collect cases to total active cases (CSA and private collect cases)</td>
<td>53.8%</td>
<td>52.0%</td>
<td>54.3%</td>
</tr>
</tbody>
</table>

\(^1\) Responsibility for achieving these key performance indicators is shared jointly across portfolio agencies. The capability to transition to one phone number and website was established by the end of 2010, although the process is still under way.

\(^2\) The methodology for reporting this indicator changed in 2010–11. The average customer satisfaction for each year has been shown.

\(^3\) The figures in this section are derived for performance reporting and differ from the disclosures in the financial statements. They include debts that have been written off, but exclude overpayments and child support liabilities raised but not yet due. There are also minor differences related to the timing of the separate data extracts. Additionally, international debt for performance reporting purposes differs from the disclosures in the financial statements as it includes collection by overseas governments for custodial parents residing in Australia.

Source: Portfolio Budget Statements 2010–11—Human Services Portfolio
DHS STRATEGIC COMMITTEE FRAMEWORK

The integration of enabling services provided the opportunity to review the DHS strategic committee framework in the broader context of portfolio responsibilities. As a result, some committees were closed and relevant functions were rolled into portfolio committees.

The DHS strategic committee framework consisted of a Management Board supported by committees that met legislative obligations and provided assurance to the Secretary concerning the delivery of quality outcomes.

**Figure 5: DHS strategic committee framework at 30 June 2011**

- **Secretary**
  - Department of Human Services
- **DHS Management Board**
- **CSP Business Operations Committee**
- **DHS Audit Committee**

1 Has a DHS specific audit role and a portfolio assurance role (Portfolio Assurance Committee). The main reporting line is to the Secretary.

**DHS Audit Committee**—in line with the *Financial Management and Accountability Act 1997*, the Audit Committee provided assurance to the Secretary on the appropriateness of the DHS accountability and control framework, particularly those aspects concerning the proper use of Commonwealth resources and the management of risks. This committee was chaired by the Deputy Secretary, Executive Support and Legal in 2010–11. It was directly accountable to the Secretary.

**DHS Management Board**—provided assurance that the DHS structure, culture and resources were aligned to meet the government’s key priorities and agreed outcomes. The Management Board set the strategic direction and had oversight of the performance of DHS. The board was chaired by the Secretary.

**CSP Business Operations Committee**—provided assurance to the Secretary that the CSP’s performance was aligned with DHS strategic directions and government priorities. It provided advice on child support matters, had the ability to make applicable decisions. It also linked to other portfolio and DHS committees as appropriate, including escalating matters to the Management Board. The committee was chaired by the Deputy Secretary, Child Support.

DHS also had a National Health and Safety Committee (see also *DHS—occupational health and safety—promoting a safe and supportive workplace* on page 106) and a Staff Consultative Committee (see also *DHS people* on page 103) that assisted the Executive to ensure occupational health and safety and employee matters were addressed.
The following committees were rolled into portfolio committees during 2010–11:

Risk, Security and Business Continuity Committee—provided assurance to the Secretary that DHS had robust risk management, security and a business continuity framework aligned with DHS strategic directions and government priorities. The committee was chaired by the Chief Financial Officer. The functions of this committee were rolled into the Portfolio Risk, Business Continuity and Security Committee in December 2010.

Finance Committee—provided assurance to the Secretary that the management of financial resources was aligned with DHS strategic directions and government priorities. The committee was responsible for making decisions and/or recommendations to the Management Board on financial management issues and policy for DHS. The committee was chaired by the Deputy Secretary, Service Delivery Reform Implementation. The functions of this committee were rolled into the Portfolio Finance Committee in early 2011.

DHS Portfolio Assurance Committee—considered audit and assurance matters relating to SDR and integration. The committee was chaired by the Deputy Secretary, Executive Support and Legal. Its membership consisted of the DHS Audit Committee members and the chairs of the Centrelink and Medicare Australia Audit Committees.

The DHS governance framework also included an SES Band 2 and 3 Forum and an All Senior Executive Service Forum (All SES Forum). The SES Band 2 and 3 Forum was primarily concerned with strategic DHS issues and priorities. Regularly, this forum expanded to become the All SES Forum. During the year portfolio forums were progressively introduced.

Further governance reporting arrangements

The DHS Secretary met with the Minister approximately weekly on matters including service delivery during 2010–11.

Annual reports for 2009–10 were published in 2010–11, including information on service delivery performance, for DHS, Centrelink, Medicare Australia and Australian Hearing.

For information about CRS Australia performance reporting, see CRS Australia performance on page 74.
The integration of enabling services provided the opportunity to review CRS Australia governance arrangements in the broader context of portfolio responsibilities.

In 2010–11 the General Manager of CRS Australia was accountable to the Secretary for overall performance of CRS Australia services, including financial and risk management, and from November 2010 reported to the CEO of Centrelink on day-to-day management issues. The General Manager attended weekly DHS Management Board meetings until October 2010, then joined the Strategic Service Delivery Committee. In March 2011

the Minister for Human Services announced that CRS Australia’s non-business specific support functions would be integrated with those in the wider portfolio from 1 July 2011.

Because of its competitive business focus, CRS Australia had additional internal governance arrangements to ensure it met business commitments, complied with legislative requirements and actively managed risks throughout its Australia-wide network. Processes recognised the degree of devolution of decision making necessary to get job seekers into work and to react promptly to local conditions and community needs.

CRS Australia had an Executive Committee and three other committees to assist the CRS Australia Executive in these arrangements.

---

**Figure 6: CRS Australia strategic committee framework at 30 June 2011**

- **CRS Australia Executive Committee**
  - Strategic Business Group
  - National Occupational Health and Safety Committee
  - Risk Management Committee
CRS Australia Executive Committee—chaired by the General Manager CRS Australia and attended by the Deputy General Managers. The committee developed, implemented and managed CRS Australia’s strategic direction, monitored and reviewed corporate and operational performance to direct resources and processes appropriately, ensured appropriate financial management, accountability and legislative compliance, and identified and managed risks.

Strategic Business Group—chaired by the General Manager and attended by the Deputy General Managers, National Managers and Divisional Managers. The group considered and provided advice and recommendations to the CRS Australia Executive on strategic and operational matters, made decisions on national issues when requested by the CRS Australia Executive, monitored performance, and provided input to national projects, communities of practice (Networks of Excellence) and other team initiatives.

Risk Management Committee—chaired by the Deputy General Manager Corporate and attended by a Divisional Manager, the Manager Fraud and Compliance, an independent external member and observers from Centrelink, DHS, and the CRS Australia National Finance Manager. The committee set the direction, monitored and reviewed the risk management, fraud, audit and protective security control environments, reviewed the risk registers quarterly, and provided input to a DHS-wide audit plan. The committee also oversaw business continuity management plans and activities, developed and monitored risk management, fraud, audit and protective security policies and programs of work, and provided advice and guidance on risk management issues as required.

National Occupational Health and Safety Committee—chaired by a Divisional Manager, the committee members were three management representatives—the National Occupational Health and Safety Adviser, the National Injury Prevention Manager, the Staff Health and Safety Manager—and one health and safety representative from each division. This committee monitored and contributed to occupational health and safety issues affecting CRS Australia employees. It also provided guidance on the promotion and support of initiatives aimed at improving the health, safety and wellbeing of employees. The committee facilitated a consultative and participatory approach to health and safety at work through an annual face-to-face meeting and teleconferences every two months.
Chapter 2:
Service Delivery Reform
Performance highlights

- Centrelink and Medicare Australia were integrated into the single department of state—the Department of Human Services (DHS)—on 1 July 2011 through the Human Services Legislation Amendment Act 2011.
- 47 additional co-located offices provided extended services including Centrelink, Medicare and Child Support.
- DHS opened five more Local Connections to Work (LCTW) sites to assist disadvantaged job seekers overcome their barriers to employment bringing the total to nine.
- Over 42 000 customers transferred to accessing their Human Services online accounts through the australia.gov.au portal in 2010–11. DHS launched this service in January 2011 which allows customers to use just one password and logon ID to view their Centrelink, Medicare and Child Support online accounts.
- A four-year program of work to improve service delivery through DHS was announced in the 2011–12 Budget.

Progress on Service Delivery Reform

Service Delivery Reform (SDR) will transform the way DHS delivers government services to make people’s dealings with government easier and quicker.

SDR will lead to better outcomes for generations of Australians by putting people first in the design and delivery of services and will ensure services are delivered more effectively and efficiently. Significant progress was made in the past 12 months to support the planning and implementation of the reform.

During 2010–11 the Minister for Human Services announced the four-year roadmap for SDR. The reform will deliver more one-stop shops, more self service and more support for people based on their individual needs and circumstances, especially people who need more intensive support and those with complex needs.

SDR will contribute to the Australian Government’s broader strategic objectives for the Australian community by supporting positive health outcomes; increasing social, educational and economic participation; and improving services to disadvantaged people. Greater connections between the Government and the community and private sectors, and a flexible and responsive service delivery infrastructure will underpin improved access and equity.

The package of measures announced in the Budget on 10 May 2011 outlines the program of activity for implementation of SDR, including:

- improving services to customers—by working closely with government and the community and private sectors to provide more intensive support for people who need it, and involving users and the community in designing improved service delivery
- improving customer access to services regardless of location or circumstances—by providing more one-stop shops, improved online services and extending rural mobile services and outreach support for the homeless
- improving portfolio business—by simplifying and automating online services to make it easier for customers to self manage, and developing enhanced business processes and operations to deliver a system that can support new service delivery approaches for customers.
• integrating the portfolio—to more effectively and efficiently deliver services to Australians.

**SERVICE DELIVERY REFORM OBJECTIVES**

To achieve SDR three objectives have been identified for the program.

• To make people’s dealings with government easier through better delivery and coordination of services.
• To achieve more effective service delivery outcomes for government.
• To improve the efficiency of service delivery.

**SERVICE DELIVERY REFORM PHASES**

**Phase One 2010–11: planning and design**

The first year of SDR focused on planning and design. Detailed business cases and proposals were developed for government consideration throughout 2010–11. The portfolio also reached several milestones in delivering some fundamental SDR initiatives (see Service Delivery Reform Innovations on this page).

**Phase Two 2011–15: SDR implementation**

The majority of reform activity will occur during Phase Two. Integrated DHS services will be transformed by offering more convenient options to customers who prefer to manage their own affairs. At the same time people who need more intensive support and people with complex needs will get extra assistance and referrals. Customers will access services and information in ways that suit them, depending on their circumstances. This may be online through improved self-service options, over the phone or face-to-face in a co-located office.

**SERVICE DELIVERY REFORM INNOVATIONS**

**Stakeholder engagement**

Across the portfolio existing relationships with policy agencies, the not-for-profit sector, the business sector, professional associations, service providers and other government departments were used to convey messages about SDR.

During 2010–11 a Stakeholder Engagement Framework was developed to support a unified and consistent approach to portfolio stakeholder engagement in light of SDR.

Other initiatives included developing individual stakeholder engagement plans and building stakeholder engagement capability through training.

**Improving services**

During 2010–11 the portfolio began to progressively re-engineer services to better meet people’s needs. This included setting up a number of initiatives and trials, the results of which will help to shape future service delivery for job seekers and encourage social and economic participation. Building a stronger capability to support collaborative service design involving the community, stakeholders and employees were central to improving services.

**LCTW—connecting disadvantaged job seekers**

The LCTW program is now running in nine offices. LCTW helps highly disadvantaged job seekers overcome barriers to social and economic participation by bringing together Australian Government, state government and non-government service providers ‘under one roof’ on a rostered basis.

Under LCTW disadvantaged job seekers are assisted through wrap-around services (multiple services provided in the one location for people with complex needs). In 2010–11, 3148 disadvantaged job seekers had an initial
wrap-around interview with 4547 follow-up interviews held—an average of around three interviews per job seeker.

At 30 June 2011, 592 job placements had been found for disadvantaged job seekers, including 94 job seekers with disability.

As well, under LCTW any customer can access community partners in the office (for example, housing services). At 30 June 2011, 191 community partners were co-located across the nine LCTW offices.

Community Partnership Groups at each office provided the local governance needed to guide the local approach, manage local issues, oversee rostering arrangements and identify opportunities to expand the range of co-located services.

In forums to review the program, job seekers indicated that without LCTW they would have missed out on services, and the assistance they received has improved their capacity to work.

Employment Services Providers believed they were better able to provide services to their customers and they were working well with Centrelink. Seventy-eight per cent of interviewees thought LCTW was a more effective way of engaging disadvantaged job seekers and 83 per cent rated LCTW highly in terms of the partnerships forged between Centrelink and Employment Services Providers.
Connecting disadvantaged job seekers to employment and training

Getting the best outcome for disadvantaged customers is what drives Adam, the manager of the Campbelltown Centrelink Customer Service Centre (CSC).

The Campbelltown CSC started offering the Local Connections to Work (LCTW) service to disadvantaged job seekers in March 2011. The service brings together service providers—government and non-government—under one roof so that issues can be dealt with in a holistic way.

‘Wrap-around interviews’ are held with customers. This can be one interview, or a series of interviews, depending on what they need, addressing the issues affecting their ability to work or undertake training.

Adam said LCTW customers are usually disadvantaged, long-term unemployed, which means they’ve been out of the workforce for over three years.

They might be disadvantaged for any number of reasons, such as language, accommodation, literacy, family breakdown, financial or mental health issues.

‘We hold “strengths-based” interviews with our customers—that means we ask open-ended questions such as “What issues would you like to see change in your life over the next six months?” or “What sorts of things have you had to cope with recently?”

‘We get much better results if we can engage with people more appropriately and more empathically—with the main aim to identify the barriers they face,’ Adam said.

The interviews might be over an hour long but, according to Adam, the time spent is very valuable if they can get a better understanding of what the customers need.

‘We then work out a pathway with them, working towards stabilising their circumstances.’

That pathway could involve any number of government and non-government organisations that are available for wrap-around interviews with Campbelltown customers—such as Centrelink, Medicare, Child Support, CRS Australia, TAFE, Southwest Sydney Mental Health Service, The Benevolent Society, Dressed for Success, the Family Relationship Centre, and Muru-nanga Mai Community Support Service.

Since opening their doors in March, it is estimated that the Campbelltown CSC has helped more than 70 disadvantaged customers to find work or training.

A great result for the job seeker.
Job Seeker Workshops—engaging job-ready job seekers

In March 2011 Job Seeker Workshops were established in eight offices. The workshops help eligible job seekers find work more quickly and reduce the proportion of people who continue into long-term unemployment. Workshops target job-ready job seekers in their first 13 weeks of unemployment, before they start receiving regular assistance through Job Services Australia. During the 13 weeks job seekers receive a mix of workshops and one-on-one personal contact interviews.

To 30 June 2011, 1766 job-ready job seekers attended 443 workshops across the eight sites.

Connect Me—connecting customers with the right support

In March 2011 the portfolio began a proof of concept study focusing on customers experiencing family separation and bereavement.

Called Connect Me, the service supports customers in their interactions with government by connecting them to the right services more quickly. The service provides customers with information about support and programs across DHS, other parts of government and the community sector relevant to their individual needs and circumstances. This customer-centric approach is expected to assist customers to better manage the challenges they face at significant times in their lives.

Co-design—putting customers at the centre of service design

As part of the Government’s broad agenda to give Australians a greater say in shaping the services they access, DHS is strengthening its capacity to work with customers and the community to co-design and deliver better services. This will assist DHS to better understand the needs of its customers, employees and stakeholders and to design improved services as part of SDR. A portfolio co-design methodology was also developed to build employee capability around co-design.

Co-design activity during 2010–11 included customer and employee forums to explore views and gather ideas on improving service delivery experiences. Research was also used to generate ‘customer journeys’ that give a sense of a customer’s experience and map their pathways.

Improving access

During 2010–11 the portfolio improved access to services through website and phone services, more co-located offices and expanded online services. These initiatives simplify customer and community interactions with the portfolio by making it easier and quicker to access services.

Co-location of services—creating more one-stop shops

DHS is creating more one-stop shops where Medicare, Centrelink and Child Support services are available under one roof. Co-location of services improves the way people deal with the Australian Government by providing convenient, easy-to-access, coordinated services from a single point of contact. Customers who visit a co-located office can choose from a broad range of services, from claiming Medicare benefits to accessing specialised Centrelink services.

During the year Medicare Australia and Centrelink co-located offices in another 47 locations across Australia. DHS is committed to extending services in all offices by 2014.

During the year the portfolio continued to plan, monitor, assess and evaluate co-location, including refining office layouts and signage in existing co-located sites. This
work ensures that customers will find it easier to access the services they need.

A single web and phone service—integrating self-service options

As part of a long-term strategy to improve customer access to DHS services, a single website and phone number were launched in December 2010. The website is making it quicker, easier and more convenient for people to find out what help is available to them. Information is presented in line with customer circumstances rather than by separate agencies.

The single phone number means customers can make general enquiries about DHS via a single contact point. Customers who want to discuss their own circumstances can still call existing call centres for more personalised advice.

Over time, separate websites and phone numbers linking customers to the range of agencies will be integrated into this single website and phone number.

Claiming Medicare benefits online—making Medicare claiming easier

In February 2011 the Minister for Human Services launched a new channel for customers to lodge certain Medicare claims online. Up to 30 June 2011 around 31,900 Medicare services were claimed online. This new service allows customers to make some Medicare claims at a time and place that suits them, reducing the need to visit a Medicare office.

Improving portfolio business

During 2010–11 the portfolio focused on building the foundations for long-term organisational improvements that will support a whole-of-government service delivery system for customers. These will also simplify interactions for the community and make it easier and quicker to access services.

Connected Authentication—improving customer connectivity

In 2010–11 Connected Authentication increased convenience for customers. Since January 2011 prompts to register for an australia.gov.au account were initiated with customers who have up to three different existing portfolio agency online accounts. Registration enables these customers to access online services across Centrelink, Medicare and Child Support using one user ID and password. Since this service started, over 42,000 online customers have transitioned from using separate logon credentials for each agency to this single user ID and password.

A new business framework—designing a new department

During 2010–11 the portfolio’s structure was transformed into an integrated department to begin delivering joined-up customer services from 1 July 2011. The change involved implementing a new transitional organisational structure on 31 March 2011 (see Organisational structure on page 8) and preparing management structures to support the integration of face-to-face Centrelink, Medicare and Child Support customer service delivery from 1 July 2011.

INTEGRATING THE PORTFOLIO

Significant work to integrate the portfolio into a single department was undertaken during 2010–11. This integration will enable more effective and efficient delivery of services to Australian people.

Integrated enabling services—creating a single enabling function

Throughout 2010–11 the portfolio continued to integrate corporate and enabling functions to achieve portfolio-wide support for integrated service delivery. This included integrating the people, legal, communication, finance, records management and parliamentary and ministerial...
functions, and creating a single staff intranet and a single phone and email directory.

An integrated Portfolio Risk Management Framework, Portfolio Business Continuity Framework and Portfolio Business Planning Framework were established. Interim Financial Delegations, Chief Executive Instructions and interim policies to support procurement and travel functions were also issued.

A Corporate Processes and System Integration Program was also initiated to consolidate DHS, Centrelink and Medicare Australia human resource and finance systems onto a single platform.

**ICT integration**

The ICT Infrastructure Integration Program brings together core ICT infrastructure across DHS, and provides a modern technology base to support the business.

Underpinning ICT integration is a commitment to putting customers first, making it easier for employees to do their jobs effectively and harnessing the latest technology. The major focus in 2010–11 was delivering the foundations needed to support the transformation of ICT from three agencies into one department, including:

- technical support for co-located services
- progression of the Portfolio Data Centre program of work to consolidate data centres and ensure high availability and residence
- a DHS ‘gateway’
- inter-connectivity between ICT environments across agencies
- a single email system
- a single intranet
- a process to manage the tender for DHS telecommunications services.

**People integration and people change**

During 2010–11 a Portfolio People Strategy and a Leadership Strategy were developed to guide the approach to leading and managing people change under SDR.

A People Change Centre was established to manage the impacts on people associated with the reform and support the integration of employees transitioning to the new organisation. The People Change Centre supported leaders and built engagement around a new DHS identity. This coordinated change management approach included training, communication and developing a range of support tools and packages. The People Change Centre also identified and coordinated the response to people change impacts across the SDR program.

During 2010–11 DHS brought all portfolio Senior Executive Service employees together under the same employment terms and conditions.

**Engagement with the Community and Public Sector Union**

Throughout 2010–11 the portfolio consulted with the Community and Public Sector Union (CPSU) on issues affecting portfolio employees including SDR implementation and development of a new Portfolio Enterprise Agreement. The Human Services Portfolio/CPSU Service Delivery Reform Executive Forum and the Deputy Chief Executive Officer/CPSU Working Party on SDR continued to meet and regular discussions were held with employees.

The portfolio also ensured the CPSU was engaged early about a range of projects such as LCTW, co-location, the single phone number and the new operating model.
LEGISLATION

To support the integration of portfolio agencies, the Human Services Legislation Amendment Bill 2010 was introduced into the House of Representatives on 25 November 2010. The legislation amended the Medicare Australia Act 1973 and the Commonwealth Services Delivery Agency Act 1997 to integrate Medicare Australia, Centrelink and DHS. The Human Services Legislation Amendment Act 2011 received Royal Assent on 25 May 2011 and came into effect on 1 July 2011.

ASSURANCE

KPMG was engaged in March 2010 to provide independent program assurance for the SDR program.

Throughout 2010–11 KPMG continued to examine the program and made recommendations on the structure, design and implementation of SDR-related program activities and projects based on risk profile and program priorities.

PRIVACY

Privacy considerations and the protection of personal information are crucial to maintaining community confidence in SDR. Privacy protections were embedded in all the reform elements. On 18 January 2011 DHS re-signed a Memorandum of Understanding with the Office of the Australian Information Commissioner.

SERVICE DELIVERY REFORM

COMMUNICATION

To support SDR projects and initiatives a significant program of communication activity and advice was established early in 2010–11. The three dimensions of SDR communication work are:

- strategic planning—whole-of-SDR communication planning and reporting that enables all aspects of SDR communication to be developed, tracked and evaluated
- program support—communication support and advice for SDR business teams and reporting to SDR committees and working groups
- project support—dedicated communication teams for each of the SDR projects.

COMMITTEES

The SDR Steering Committee is responsible for driving the SDR program. During 2010–11 an independent member was appointed to the committee to provide guidance and advice on the implementation of SDR.

For information on the SDR Interdepartmental Committee see page 16.

GATEWAY REVIEW PROCESS

SDR is subject to the Department of Finance and Deregulation Gateway Review Process. In December 2010 a Gate 1 (Business Need) review was undertaken and received a ‘green’ rating for overall delivery confidence for the reform. The green rating shows the program is on target for effective and timely delivery of outcomes.
Performance highlights

- Along with Centrelink and Medicare Australia, the Department of Human Services (DHS) managed the integration of critical ‘enabling’ services, such as people management, ICT, records management, communication, legal and parliamentary and ministerial functions, for the three organisations—an important part of reforming service delivery and streamlining processes.

- The Australian Government agreed to a $1.2 billion investment in a four-year program of work to improve service delivery through Service Delivery Reform (SDR).

- DHS coordinated the integration of portfolio governance to best manage strategic issues, key priorities and risks.

- DHS oversaw the development and introduction of the *Human Services Legislation Amendment Act 2011*, which integrated Centrelink, Medicare Australia and DHS, beginning on 1 July 2011.

- DHS worked with Medicare Australia, Centrelink and the Department of Immigration and Citizenship (DIAC), to develop options for citizenship testing in regional Australia.

- DHS collaborated with Medicare Australia and the Department of Health and Ageing (DoHA) on alternative processing options for hearing vouchers.

- DHS provided input into the drafting of legislation for the Healthcare Identifiers Service.

- DHS worked with other government organisations to produce the 2011–12 Compliance Plan which targets areas of highest risk.
As part of the move to improve services to customers through Service Delivery Reform (SDR), the Department of Human Services (DHS) developed a new service charter which articulates what customers can expect from our new service delivery approach.

To ensure that it truly reflected the expectations of customers, DHS used a co-design approach to engage the users of services in the design of the charter.

**What is co-design?**

‘Co-design means understanding our customers and working with them to design, shape and deliver better services for the community,’ said Colin Bridge, General Manager, Future Services Design Division.

Co-design underpins the DHS approach to putting people first to improve the quality of interactions between community and government.

**Designing a new service charter with customers, employees and stakeholders**

Co-design principles were used to actively engage with customers, employees and stakeholders early in the design, and throughout the end-to-end development and testing of the service charter.

DHS used co-design techniques such as face-to-face forums, an online discussion forum, surveys and a discovery workshop.

‘This approach ensured we had an understanding of our customer’s experience and what was important to them,’ Colin said.

‘Feedback from customers highlighted that they wanted the service charter to be clear and simple, and they did not want it called a charter. Their preference was “Service Commitments—what you can expect from us”.

‘They felt that Service Commitments made it easy for customers to understand and “implies you are actually going to do it”. This feedback was incorporated into the prototype for testing.

‘We received lots of positive feedback about having the opportunity to again be involved to ensure the prototype accurately reflected their feedback. All six Service Commitments were strongly endorsed by participants and their feedback resulted in improved content and layout.

‘Because of the valuable insights the participants shared with us, we now have a set of service commitments that resonate with the community.’
Service delivery policy and program advice

In 2010–11 DHS:

- advised the Minister for Human Services on the development of service delivery policy and programs
- coordinated and developed specific initiatives relating to SDR, fraud and non-compliance
- managed the governance of service delivery and business agreements involving the portfolio.

Many of the DHS agencies were a first point of contact for vulnerable people. The advice provided was based on evidence from its operational network.

**ACCESS AND EQUITY**

**Cultural diversity**

DHS continued to improve access to its information for people from diverse cultural and linguistic backgrounds, including in their preferred language.

A contact number for the Translating and Interpreting Service (TIS), provided by DIAC, is included in all communication brochures for both the Child Support Program (CSP) and CRS Australia. The public can contact TIS to speak to a qualified interpreter in more than 170 languages, either by phone or at a face-to-face interview if required.

It publishes information in several newsletters, brochures and other publications in many different languages.

DHS also has a number of bilingual employees who use their language skills to make communication with the Australian public easier and more effective.

**Indigenous Australians**

DHS continues to work with other Australian Government agencies to progress the National Integrated Strategy for Closing the Gap in Indigenous Disadvantage which has been agreed by the Council of Australian Governments (COAG). This strategy aims to reduce Indigenous disadvantage in life expectancy, child mortality, access to early childhood education, educational achievement and employment outcomes.

In 2010–11 the portfolio delivered a wide range of initiatives to improve the lives of Indigenous Australians and improve their ease of access to information and services, regardless of whether they live in urban, regional or remote areas. Much of this work is the subject of COAG agreements which operate between the Australian Government and state and territory governments on various mainstream and Indigenous-specific issues.

DHS works closely with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and the Department of Education, Employment and Workplace Relations to deliver services. Towards the end of the reporting period, work commenced on a range of internal projects to identify strategies for improving DHS service delivery to Indigenous Australians in urban, regional and remote areas. This work is expected to conclude towards the end of 2011.

DHS also contributes to the strategic work of the Secretaries Group on Indigenous Affairs and the inter-agency Executive Coordination Forum on Indigenous Affairs which are responsible for advancing whole-of-government efforts for Indigenous Australians.
Social inclusion

The Australian Government’s vision of a socially inclusive society is one in which all Australians feel valued and have the opportunity to participate fully in the life of our society.

The Australian Government’s social inclusion agenda aims to make sure every Australian has the capability, opportunity and resources to participate in the economy and play an active role in their community while taking responsibility for shaping their own lives.

DHS service delivery plays an important role in progressing the Australian Government’s social inclusion agenda. SDR will enhance the way services are provided to the most disadvantaged people in the community. For example, DHS is helping deliver the Government’s location-based initiatives, providing improved health and welfare assistance in disadvantaged areas and developing a case coordination model of service delivery that provides more intensive support to people who need it.

From 2011 key Australian Government agencies will report against agreed social inclusion strategic indicators. In pursuing the Government’s social inclusion agenda, DHS reports against the following three social inclusion indicators:

- number of people under 18 years claiming ‘Youth Allowance—unable to live at home’ assisted by social workers to reconnect with families and/or communities.

  Centrelink social workers provide additional support and other interventions to young people and their families.

  The young people are under 18 years of age, have applied for Youth Allowance and are considered at risk of homelessness. During 2010–11, 22 450 young people at risk of homelessness were supported by social workers, with 4055 provided with intensive support and intervention.

- number of people accessing wrap-around services in designated areas (wrap-around services—including services provided during the year by Centrelink and Medicare Australia—are multiple services provided in the one location for customers with complex needs).

  Local Connections to Work (LCTW) services aim to improve job placement outcomes for the long-term unemployed and people with entrenched disadvantage through joint interviews with Job Services Australia providers and stronger community partnerships. During 2010–11, 3148 people accessed wrap-around services through LCTW. (For more information, see LCTW—connecting disadvantaged job seekers on page 29.)

- number of people and families provided with outreach services by Centrelink Community Engagement Officers.

  Centrelink has a network of 90 Community Engagement Officers who provide outreach services to people who are homeless or at risk of homelessness and find it difficult to access mainstream Centrelink services. In 2010–11 the officers made 213 996 contacts with customers who were homeless or at risk of homelessness.

In 2010–11 data was collected in relation to the number of contacts officers made with customers. Improvements to measurement and reporting will enable the number of individuals and families to also be collected in the next reporting year.

An important element of the Government’s social inclusion agenda involves a new National Disability Strategy and reporting on progress in improving the lives of people
with disability, their families and carers (see Appendix A on page 204).

Assessing vulnerability and disadvantage

DHS is developing new methods and approaches to assessing customer risk and vulnerability. In 2010–11 it developed a strengths-based customer assessment framework which will be trialled in selected Centrelink offices using a prototype application. In collaboration with FaHCSIA, DHS will continue to develop approaches to assessing individual customer risk and vulnerability—both during interactions between individual customers and DHS, and by analysing aggregated customer data.

AHEAD OF THE GAME: BLUEPRINT FOR THE REFORM OF AUSTRALIAN GOVERNMENT ADMINISTRATION

DHS has continued to contribute to initiatives that advance the reform of Australian Government Administration through the blueprint, Ahead of the Game. This includes recommendations that focus on simplifying government services, improving policy implementation, engaging citizens in the design and delivery of services, improving agency efficiency and performance, and creating closer partnerships to better deliver services.

SDR is already contributing to the blueprint’s recommendation for ‘engaging citizens in the design and development of services and policy’ through co-design community forums which were held across Australia throughout 2010. Significant planning for future reform initiatives took place during the past 12 months that will support the recommendations for ‘high quality, tailored public services’. The integration of corporate functions through SDR is also contributing to more efficient government administration.

DHS worked to reduce unnecessary business regulatory burden, as recommended in the blueprint, including data exchange initiatives with financial institutions and the operation of the Small Business Superannuation Clearing House. Wrap-around place-based services, such as LCTW (see page 29), are helping DHS to build closer partnerships with state and local governments and community organisations. DHS is also building stronger academic partnerships through the Centrelink and CSIRO Research Alliance, the Australian Institute of Health and Welfare, and the Australian Bureau of Statistics research on homelessness data.
Strategic support

HEALTH BUSINESS AND DELIVERY POLICY

In 2010–11 DHS contributed to policy advice on matters by:

- working with Medicare Australia, Centrelink and DIAC, to develop options for citizenship testing in regional Australia
- working in collaboration with Medicare Australia and DoHA on alternative processing options for hearing vouchers
- providing input to the drafting by DoHA of legislation for the Healthcare Identifiers Service.

Australian Hearing

DHS supported the Minister by:

- providing advice to government on the appointment of Australian Hearing Board members
- reviewing Australian Hearing’s quarterly reports
- advising the agency on a number of legislative issues in relation to the performance of its functions
- providing assistance to the agency with its interactions with other government departments, especially the Office of Hearing Services within DoHA.

STRATEGIC FRAUD AND NON-COMPLIANCE

DHS worked closely with portfolio agencies and across government to devise new strategies and a more integrated response to business integrity risks across the social, health, welfare and child support payment systems.

It worked with relevant policy departments and portfolio and central agencies to produce the 2011–12 Compliance Plan which monitored the implementation of compliance measures introduced in the 2010–11 Budget. It also focused on continuing the development of a portfolio-wide, integrated, strategic approach to reducing fraud and non-compliance including targeting areas of highest risk.

The portfolio worked to implement the fraud and non-compliance measures announced in the 2010–11 Budget, including:

- enhanced capability for Centrelink to detect and respond to emerging fraud risks
- improving compliance with child support obligations
- new approaches to reduce fraud and support compliance
- improvements to the tax garnishee process
- review of non-standard debt repayment rates.

DHS also coordinated and monitored the implementation of a series of pilot programs relating to perceived fraud and non-compliance risks. The results of the programs will inform future new policy proposals. Eleven pilot programs were funded.

During 2010–11 DHS continued to work with partner and central agencies to produce material for inclusion in the 2011–12 Budget.
DHS also coordinated the Australian Government’s contribution to the Six Countries Benefit Fraud Group that brings together social security and employment departments and agencies from Australia, the United Kingdom, Canada, Republic of Ireland, New Zealand and the United States of America to share information on strategies and policies that address the risks of fraud and non-compliance.

**BUSINESS INTELLIGENCE**

DHS sourced statistical and demographic information from the Australian Bureau of Statistics, the portfolio agencies and other government agencies to measure, explore and support its business activities and decisions.

This included developing reports, applications, technologies and methodologies that support access to and analysis of information needed for strategic decision making and monitoring of SDR, programs and customer impacts.

**Services reporting tool**

LCTW is an initiative under SDR and has been implemented in nine sites across Australia. To support the gathering of information about the program DHS has built a web-based tool to provide the capability to meet the needs of the project.

As customers are interviewed, it captures the appropriate information for the initiative and is also used as a reporting tool to evaluate its success.

**Geo-demographic interactive simulation tool**

DHS continued to enhance its geospatial demographic analytical capability known as GIST, to support development of service delivery policy and reform, cross-portfolio social inclusion planning and the broader social reform agenda. GIST has been deployed to 26 Australian Government departments and agencies and more than 340 users.

Many new features and datasets have enhanced its analytical capability and potential.

GIST was further improved by a range of new geographies to better meet the business needs of GIST users. Regional Development Australia Regions, Employment Service Areas and Labour Market Regions have been added as boundaries, and data held in GIST is now available for these geographies.

Using GIST in the emergency response for Tropical Cyclone Yasi, DHS was able to map the flight path, areas and degree of destruction, providing the ability to analyse in the future any long-term social and economic effects in the affected areas.

In 2011–12 GIST will continue to expand its current evidence base to support the portfolio’s strategic priorities for SDR and to improve opportunities and decisions involving individuals, families and communities.
MINISTERIAL COORDINATION AND PARLIAMENTARY

DHS coordinated the provision of all parliamentary products such as ministerial briefings, question time briefs, parliamentary questions, Cabinet liaison, Senate Estimates briefings, Senate Estimates questions on notice and ministerial correspondence for the entire portfolio.

COMMUNICATING WITH CUSTOMERS AND THE COMMUNITY

In 2010–11 communication activities targeted at customers and the community were integrated across the three organisations—DHS, Centrelink and Medicare Australia. However, because each organisation delivered different programs and services to a variety of audiences, many communication products were quite distinct.

In 2010–11 DHS communicated with and educated customers and the community to increase their understanding of child support and its connection to the broader family law system. (See Child Support Program performance on page 49.)

DHS used a range of communication tools to support and inform customers, the public, business and other stakeholders about the programs and services it delivers. This included its website, brochures, newsletters and fact sheets. DHS ensured that it was responsive, open and transparent, and produced high-quality print, media and other information products.

For more information about advertising and market research see Appendix B on page 205.

SOCIAL MEDIA

With the rapid growth and application of social media, the portfolio developed a digital and social media roadmap of 36 projects and established a Digital Media Section. Projects delivered during the year included:

- hosting MyCommunity—an online ‘community’ to encourage customers to contribute their views on improvements to the portfolio’s communication and services
- introducing speechbubble—an online discussion forum to engage with customers, employees and stakeholders on the portfolio’s initiatives
- working with the CSIRO to develop two projects—an online community for Parenting Payment customers and a social media monitoring tool
- using webcasting to provide live video streaming and live chat—for example, for graduate recruitment, Paid Parental Leave aimed at employers, and Paid Parental Leave aimed at customers
- maintaining social networking accounts on Facebook and Twitter.
Supporting Community Events

Carers Week

Carers Week is an annual event run by Carers Australia which recognises the commitment of people who care for loved ones who are ill, frail aged or who have a disability. This year Carers Week was held from 17–23 October 2010. The theme was ‘Anyone anytime could be a carer—supporting our family carers in the community’. Overall the portfolio held 68 events such as morning teas, carer expos, information sessions and barbecues across the nation to promote the week.

Families Week

National Families Week was held from 15–21 May 2011. The week recognises the importance of families as the most fundamental units of society. The theme this year was ‘Sticking together: families in good and tough times’. To support Families Week in 2011 the portfolio organised a range of community events, including barbecues, morning teas, a family information expo and a children’s colouring and writing competition.

International Day of People with Disability

International Day of People with Disability is an annual event that was celebrated across the nation on 3 December 2010. The theme was ‘Recognising the achievements and contributions of people with disability’. The day encourages support for the dignity and rights of people with disability through awareness and understanding of disability issues. Activities such as morning teas, disability expos, information sessions and barbecues were held throughout Australia.

NAIDOC Week

NAIDOC Week 2010 was celebrated from 4–11 July throughout the portfolio. The week acknowledges Aboriginal and Torres Strait Islander culture, history and achievements. The theme for the week was ‘Unsung Heroes—Closing the Gap by Leading Their Way’. The portfolio celebrated the week by holding:

- over 80 community events nationwide
- an event at the Medicare Australia National Office that included a flag raising ceremony
- the announcement of the portfolio NAIDOC Awards at the Medicare Australia National Office event.
National Youth Week

National Youth Week 2011 ran from 1–11 April, with the theme of ‘Own it’. The portfolio strongly supported the week, which celebrates the contribution that young people make to our communities. Funding was provided for more than 60 National Youth Week events run by portfolio employees. Organisers held a variety of events ranging from community sausage sizzles to live music, sport competitions, expos and workshops.

Reconciliation Week

Reconciliation Week 2011 was held from 27 May–3 June with the theme, ‘Let’s talk recognition’, asking Australians to think about the value of recognition, what it means personally and its importance to the nation. Over 80 events were held by the portfolio nationwide to mark the week.

Seniors Week

Seniors Week is held at different times in different states and territories. Portfolio employees celebrated Seniors Week nationally by supporting local events around the country. In the Australian Capital Territory, for example, Centrelink worked with the Council on the Ageing to coordinate a successful Seniors Expo during Seniors Week.
Chapter 4:
Child Support Program performance
The Child Support Program (CSP) ensures that children with separated parents get the financial and emotional support they need. The CSP provides child support assessment, registration, collection and disbursement services. In doing so, it contributes to the achievement of Outcome 1 of DHS: Informed government decisions on, and access to, social, health and child support services for Australians through policy development and advice, and the coordination and delivery of services.

Performance highlights

- The number of active paying parents with no outstanding child support was 74.5 per cent compared to 72.7 per cent in 2009–10. This means that almost 14 000 additional families now receive child support in full.
- The growth in outstanding child support debt has declined from 7.4 per cent during 2009–10 to 2.4 per cent for 2010–11.
- In 2010–11, 7443 complaints were received compared to 9553 in 2009–10, a reduction of 22.1 per cent.
- The telephony service standard was 85.1 per cent of calls answered in 30 seconds, above the target of 80 per cent.
- The number of parents in Private Collect arrangements increased to 54.3 per cent during 2010–11, compared to 53.8 per cent in 2009–10.
- The CSP implemented a new Quality Assurance Framework to monitor the quality of decision making, which will improve the quality of service for our customers.
- The CSP introduced a new simplified process making it easier for customers to understand and apply for a change of assessment.

CSP priorities

The CSP’s focus in 2010–11 was to:
- improve collection
- improve customer satisfaction
- improve quality of service and decision making.

IMPROVED COLLECTION

The CSP’s improved collection performance can be highlighted by the reduced growth of outstanding child support debt, from 7.4 per cent during 2009–10 to 2.4 per cent for 2010–11. The amount transferred via private arrangements and CSP Collect increased, resulting in $3.07 billion transferred during 2010–11, $92 million more than last year.

The CSP’s key focus is to ensure that the number of parents meeting their child support obligations continues to improve. The number of active paying parents that were paying their full amount of child support rose from 72.7 per cent in 2009–10 to 74.5 per cent in 2010–11. Similarly, 44.4 per cent of active paying parents with a debt entered into a payment arrangement, consistent with the number last year, and up from 39.2 per cent two years ago.
A range of initiatives have been implemented which have helped improve the collection and management of outstanding child support debt. These include more proactive contact with customers when collection problems first arise, providing an increased range of payment options and increased interception of tax refunds through the Australian Taxation Office (ATO). These initiatives, as part of the CSP’s Compliance Program, apply a systematic approach to identifying, analysing, assessing, treating and monitoring the risk of parents not meeting their child support obligations. For more information, see page 54.

**IMPROVED CUSTOMER SATISFACTION**

There was an improvement in customer satisfaction in 2010–11—73.4 per cent, compared to an average of 72.1 per cent in 2009–10.

A number of initiatives were introduced that improved satisfaction over the past year. The CSP introduced a new simplified process making it easier for customers to understand and apply for a change of assessment. The new process resulted in improved decision-making timeframes and customer satisfaction.

Alignment of care decisions between the CSP and Centrelink meant customers of both organisations only needed to provide one advice to either the CSP or the Family Assistance Office when care arrangements for their children changed. This aligned with the portfolio’s goal of telling the story once.

The CSP revised its customer communication including the ongoing development of a new child support assessment notice and payer account statement. These will help customers more easily understand their assessment and payment obligations. For more information, see page 62.

**IMPROVED QUALITY OF SERVICE AND DECISION MAKING**

Underpinning the Child Support strategies for 2010–11, was a philosophy of ‘getting it right the first time’ for our customers.

A new Quality Assurance Framework was introduced, which enabled the CSP to identify and act on feedback received from customers, stakeholders and CSP employees about systemic issues affecting the quality of service provided. Included as part of the Quality Assurance Framework is a mechanism for reviewing decisions of CSP employees to ensure they are consistent and of a high quality.

Strategies to improve the quality and consistency of decision making resulted in fewer escalated complaints. In 2010–11, 7443 complaints were received compared to 9553 in 2009–10, a reduction of 22.1 per cent. During 2010–11 there were also fewer escalated complaints relating to CSP officer behaviour and decision making, demonstrating our strengthened employee capability and culture.

The improved quality of decision making was also reflected in fewer objections received from customers regarding CSP decisions about child support assessments and the collection of child support. In 2010–11, 17 190 objections were received compared to 19 557 in 2009–10, a reduction of 12.1 per cent. For more information, see page 60.
Table 3: CSP performance highlights

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<thead>
<tr>
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<tbody>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer satisfaction with child support services is maintained¹</td>
<td>Greater than 70%</td>
<td>72.1%</td>
<td>73.4%</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost per case</td>
<td>$566</td>
<td>$585</td>
<td>$566</td>
</tr>
<tr>
<td>Cost per dollar transferred</td>
<td>15 cents</td>
<td>16.2 cents</td>
<td>15.4 cents</td>
</tr>
<tr>
<td><strong>Effectiveness—adequacy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount of child support transferred between parents</td>
<td>$3.1 billion</td>
<td>$2.98 billion</td>
<td>$3.07 billion</td>
</tr>
<tr>
<td><strong>Effectiveness—independence</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Child support CSP Collect collection rate</td>
<td>91.5%</td>
<td>91.9%</td>
<td>92.4%</td>
</tr>
<tr>
<td>Percentage of Private Collect cases to total active cases (CSP and Private Collect cases)</td>
<td>52.0%</td>
<td>53.8%</td>
<td>54.3%</td>
</tr>
</tbody>
</table>

¹ The methodology for reporting this indicator changed in 2010–11. The average customer satisfaction for each year has been shown.

Note: The figures in this section are derived for performance reporting and differ from the disclosures in the financial statements. They include debts that have been written off, but exclude overpayments and child support liabilities raised but not yet due. There are also minor differences related to the timing of the separate data extracts. Additionally, international debt for performance reporting purposes differs from the disclosures in the financial statements as it includes collection by overseas governments for custodial parents residing in Australia.
The Child Support Program (CSP) has simplified and improved Change of Assessment processes making it quicker and more inclusive for customers and stakeholders.

Under the new approach, the CSP contacts customers earlier and more often, resulting in short processing times—in fact, most Change of Assessment requests are now finalised within 50 days. This compares with 75 days previously.

The new Change of Assessment procedure also means simplified processes and less red tape for customers.

Hazel, a Senior Case Officer in Adelaide, talked about a Change of Assessment application she recently managed.

‘The receiving parent lodged an application and after discussing the specific circumstances of the case with both parents, they arrived at a mutually acceptable decision.

‘It was great that both parents were satisfied with the decision—and both said the frequency of the contact had helped them to be “on the same page” in how they dealt with the children.

‘The applicant parent said she was relieved and surprised with the quick outcome.

‘And the respondent parent said the early contact and quick outcome had reduced his anxiety about the process. Neither parent has lodged an objection to this decision.’

The following example demonstrates how the new approach can work.

• Previously, parents applied every year to the CSP to have their assessment varied to include school fees. If the facts are already established and confirmed by both parents the decision can be made within a few days. The parents can also request to have school fees factored into their assessment over a number of years. They only have to reapply if there is a change in circumstances.
Improved collection

In 2010–11 the CSP improved child support collection through:

- child support transfers
- enforcement activities
- compliance risk and intelligence
- improvements in engaging with parents overseas
- income reconciliations
- legislative reforms: strengthening compliance.

CHILD SUPPORT TRANSFERS

Separated parents who register with the CSP can elect to transfer child support privately (Private Collect), or ask the CSP to transfer the payments (CSP Collect).

In 2010–11 the CSP worked with separated parents to transfer $3.07 billion to financially support more than 1.19 million children. This compares to $2.98 billion transferred in 2009–10.

PRIVATE COLLECTION

The CSP encourages and supports separated parents to independently manage their child support responsibilities through Private Collect arrangements. Research shows this method gives the most flexibility to parents who are able to cooperate on parental decisions.

The number of parents using Private Collect arrangements increased to 54.3 per cent during 2010–11. In 2009–10 it was 53.8 per cent; in 2008–09 it was 53.2 per cent.

CSP COLLECTION

Parents can ask the CSP to collect and transfer their child support (CSP Collect). Figure 7 on the following page shows the increase in total liabilities raised and amount collected by the CSP.
Figure 7: Increases in total liabilities raised and amount collected using CSP Collect

Note: The methodology for reporting total payments has changed retrospectively from July 2009 onwards. Payments (credits) which have been applied to the customers’ liabilities during each respective reporting interval are shown.

More child support payments are being transferred through CSP Collect than ever before. From $1.14 billion in 2008–09, it grew to $1.25 billion in 2010–11.

Table 4 outlines the improved percentage of child support debt under an arrangement for active paying parents.

Table 4: Child support debt under an arrangement for active paying parents

<table>
<thead>
<tr>
<th></th>
<th>30 June 2009</th>
<th>30 June 2010</th>
<th>30 June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child support debt under an arrangement for active paying parents</td>
<td>32.92%</td>
<td>35.33%</td>
<td>35.55%</td>
</tr>
</tbody>
</table>

ACTIVE PAYING PARENTS WITH DEBT UNDER ARRANGEMENT AND WITHOUT DEBT

The number and proportion of active paying parents¹, that is, without a child support debt, steadily increased compared to the previous financial year. Over 74.5 per cent of all active paying parents had no debt at end of June 2011 compared to 72.7 per cent at end of June 2010.

The remaining active paying parents had an outstanding child support debt. Of these, 44.35 per cent had a payment arrangement in place in 2010–11 compared to 44.70 per cent in 2009–10.

Table 5 highlights the percentage of active paying parents with and without debt between 2008–09 and 2010–11. The CSP continues to focus on addressing the build-up of debt through its compliance and enforcement programs to increase the percentage of active paying parents with debt under a payment arrangement.

¹ Active paying parents—paying parents with a role in at least one active case (not including ended with arrears cases).
Table 5: Active paying parents with and without debt

<table>
<thead>
<tr>
<th></th>
<th>30 June 2009</th>
<th>30 June 2010</th>
<th>30 June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active paying parents without debt</td>
<td>71.85%</td>
<td>72.68%</td>
<td>74.49%</td>
</tr>
<tr>
<td>Active paying parents with a child support debt which is under a payment arrangement</td>
<td>39.23%</td>
<td>44.70%</td>
<td>44.35%</td>
</tr>
</tbody>
</table>

DOMESTIC ACTIVE PAYING PARENTS WITHOUT A CHILD SUPPORT DEBT

Table 6 outlines the percentage of domestic active paying parents with no debt owing, and the associated number of children, over the last three years.

Table 6: Domestic active paying parents with no debt and associated children

<table>
<thead>
<tr>
<th></th>
<th>30 June 2009</th>
<th>30 June 2010</th>
<th>30 June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of domestic active paying parents</td>
<td>686 714</td>
<td>690 833</td>
<td>692 156</td>
</tr>
<tr>
<td>Domestic active paying parents without debt</td>
<td>504 567</td>
<td>513 983</td>
<td>527 725</td>
</tr>
<tr>
<td>Total number of children associated</td>
<td>1 113 026</td>
<td>1 123 466</td>
<td>1 149 774</td>
</tr>
<tr>
<td>Total number of children associated without debt</td>
<td>826 751</td>
<td>846 784</td>
<td>859 209</td>
</tr>
</tbody>
</table>

DEBT COLLECTION

At 30 June 2011 the total child support debt was $1.20 billion, which consisted of $879.39 million of domestic debt and $318.03 million of international debt. This compares with the 30 June 2010 total debt of $1.17 billion, $868.93 million domestic debt, and $300.91 million in international debt.

Domestic paying customers comprised 94.65 per cent of total customers and accounted for 73.44 per cent of total child support debt. International customers, however, comprised 5.35 per cent of total paying customers and accounted for 26.56 per cent of the debt.

COMPLIANCE AND ENFORCEMENT

In 2010–11 the CSP continued to expand and improve its compliance programs. Increases in the number of debts either finalised or under payment arrangement during 2010–11 reduced the rate of growth of child support debt.
Although more parents now pay their child support in full and on time and over half of customers now use Private Collect arrangements, a range of strong detection and enforcement measures are still needed to collect from parents who deliberately choose not to pay child support. The CSP uses various activities to collect ongoing and overdue child support including those listed in Tables 7 and 8.

**Table 7: Child support compliance and enforcement actions 2008–09 to 2010–11**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number of actions</th>
<th>Child support collected/ corrected ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax lodgment enforcement</td>
<td>126 281 75 398 128 418</td>
<td>30.5 16.3 15.2</td>
</tr>
<tr>
<td>Tax Refund Intercept Payment</td>
<td>114 942 100 953 110 084</td>
<td>114.9 103.8 108.7</td>
</tr>
<tr>
<td>Departure prohibition orders</td>
<td>427 183 294</td>
<td>5.0 3.4 3.3</td>
</tr>
<tr>
<td>Litigation</td>
<td>559 372 179</td>
<td>12.2 9.8 6.9</td>
</tr>
</tbody>
</table>

**Table 8: Results of child support compliance and enforcement activities 2010–11**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early intervention</td>
<td>This approach focuses on customers who have recently defaulted on their payment. The aim is to assist customers who have missed a payment to get back on track, minimising the growth of child support debt and reinforcing compliant behaviour.</td>
</tr>
<tr>
<td>In 2010–11, through the Early Intervention approach, the CSP:</td>
<td></td>
</tr>
<tr>
<td>• contacted 45 294 paying parents to discuss their child support debt</td>
<td></td>
</tr>
<tr>
<td>• secured commitments from customers to pay $23.62 million in child support debt</td>
<td></td>
</tr>
<tr>
<td>• credited over $1.49 million in payments paid directly by the paying parent to the receiving parent</td>
<td></td>
</tr>
<tr>
<td>• negotiated 36 645 payment arrangements</td>
<td></td>
</tr>
<tr>
<td>• set up employer deductions for future child support payments for 11 697 customers.</td>
<td></td>
</tr>
<tr>
<td>Employer withholding from wages and salaries</td>
<td>The CSP may initiate this measure for both the current liability and child support debt.</td>
</tr>
<tr>
<td>74 636 active paying parents had employer withholding payments set up at 30 June 2011 (compared to 72 413 at 30 June 2010).</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Deductions from Centrelink and Department of Veterans’ Affairs (DVA) payments</td>
<td>These deductions may be made for both current liability and child support debt.</td>
</tr>
<tr>
<td>Interception of tax refunds</td>
<td>The CSP may intercept a tax refund to pay some or all of a child support debt if other collection avenues have been unsuccessful.</td>
</tr>
<tr>
<td>Enforcement of tax return lodgment</td>
<td>The Lodgment Enforcement program refers customers to the ATO for investigation of non-lodgment of tax returns and/or attempts to avoid obligations by under-declaring incomes.</td>
</tr>
<tr>
<td>Prohibition of departure from Australia</td>
<td>Departure Prohibition Orders preventing overseas travel are issued on targeted customers who have not made satisfactory arrangements to clear their substantial debt.</td>
</tr>
<tr>
<td>Litigation</td>
<td>The CSP targets parents who repeatedly avoid paying their child support when other enforcement options have been unsuccessful and an asset or income stream is identified.</td>
</tr>
<tr>
<td>Activity</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Optical surveillance</td>
<td>Optical surveillance is used to address serious and complex cases of avoidance or income minimisation.</td>
</tr>
<tr>
<td>Specialised Investigation Unit</td>
<td>The Specialised Investigation Unit detects and investigates allegations of fraud or other criminal activities associated with the Child Support Scheme.</td>
</tr>
</tbody>
</table>

**COMPLIANCE RISK AND INTELLIGENCE**

The CSP improved its in-house compliance risk and intelligence capability, helping it to identify, analyse and mitigate emerging compliance risks. It also improved the overall effectiveness of current and future compliance measures. Key initiatives include:

- **Lodgment Enforcement Program with the ATO**
  A strategic risk addressed through this new capability is the accuracy of the child support assessments that the CSP generates, particularly customers’ incomes.
  
  The initial lodgment enforcement program was scheduled to run until June 2010 but because of its success and the need to ensure accuracy of CSP assessments, the program was extended until 30 June 2012.
  
  The current program ensures that the ATO focuses on high risk customers, with the CSP referring customers in prioritised order to the ATO for lodgment enforcement action.

- **Australian Securities and Investments Commission (ASIC)**
  The CSP and ASIC improved access to information registers to enhance collection and enforcement powers.

- **Department of Immigration and Citizenship (DIAC) Datalink**
  The CSP is piloting a real timedatalink with DIAC to assess whether it will provide better case selection opportunities than the current data matching process. It will also determine how residency information can be used and whether collection results are improved.

- **Compliance Risk Management Model (CRMM)**
  A CRMM was developed to help the CSP identify customers at risk of defaulting on their child support responsibility and tailor services to these customers. In January 2011 the CSP began testing and validating the CRMM in a six-month Proof of Concept using existing and new or enhanced services for customers.
INTERNATIONAL IMPROVEMENTS

International debt performance improved as reflected in a slowing of growth from $37.42 million in 2009–10 to $17.20 million in 2010–11. This can be attributed to:

- an increase of $8.1 million in 2010–11 in child support payments collected for international cases compared to an increase of $4.3 million in 2009–10
- strengthening our partnerships with overseas collection agencies and building understanding of how we can support other countries to undertake collection activities
- improving service delivery capability in managing international cases through better information technology
- developing a policy and legislative agenda in partnership with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
- developing targeted information to increase international customers’ understanding of their rights and responsibilities, services and options
- improved procedural guidelines to support key international activities.

INCOME RECONCILIATION AND LEGISLATION

From 1 July 2010 the CSP implemented legislative reforms to simplify the process for separated parents who need to estimate their income for child support purposes, including aligning them to financial years.

LEGISLATIVE REFORMS: STRENGTHENING COMPLIANCE

Income accuracy

The Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Further Election Commitments and Other Measures) Act 2011 came into effect from 1 July 2011. This measure ensures that child support assessments are based on the most appropriate income when parents fail to lodge tax returns.

Improved quality of services and decision making

QUALITY ASSURANCE FRAMEWORK

During 2010–11 the CSP implemented a new Quality Assurance Framework to improve the quality of service for customers.

The Quality Assurance Framework monitors the quality of decision making, analysing trends and offering new insights into our performance.

The Quality Assurance Framework also analyses data and feedback to identify potential systemic issues or opportunities for improvement.
Chapter 4: Child Support Program performance

Social Security Appeals Tribunal

The Social Security Appeals Tribunal (SSAT) is responsible for independently reviewing CSP objection decisions and decisions to refuse an extension of time in which to lodge an objection. Its review mechanism is inexpensive, informal and quick, and improves the consistency and transparency of child support decisions.

The SSAT received 2536 applications for review of CSP decisions in 2010–11, compared with 2679 in 2009–10.

The CSP reviews all SSAT decisions to identify any systemic procedural or operational issues.

Customer review gateway

In response to the Delivering Quality Outcomes Review, in 2011 a ‘customer review gateway’ will provide customers with better management of their child support issues. It means that customers who call the CSP with multiple or complex issues will be transferred to a nationally linked team equipped to assist, potentially negating the need for customers to lodge a formal objection. Many customers lodge objections unnecessarily. In fact, in 2010–11, 26.8 per cent of all objections finalised were withdrawn and 11.1 per cent were invalid.

The customer review gateway (phased in between June and October 2011) will also help identify those customers who need extra support due to difficult personal circumstances.

Table 9: Service delivery indicators 2008–09 to 2010–11

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of assessment applications finalised</td>
<td>22 496</td>
<td>20 151</td>
<td>19 021</td>
</tr>
<tr>
<td>Objections finalised</td>
<td>19 287</td>
<td>17 688</td>
<td>16 646</td>
</tr>
<tr>
<td>Complaints</td>
<td>12 874</td>
<td>9 553</td>
<td>7 443</td>
</tr>
<tr>
<td>SSAT applications</td>
<td>2 895</td>
<td>2 679</td>
<td>2 536</td>
</tr>
</tbody>
</table>

Figure 8: Service delivery indicators 2008–09 to 2010–11
EXCELLENCE IN SERVICE DELIVERY CAPABILITY—DELIVERING QUALITY OUTCOMES REVIEW

In 2009 an independent review of the CSP looked at the effectiveness and efficiency of decision making and quality assurance processes. The report made 40 priority recommendations and 75 supporting recommendations about:

- organisational strategy, structure and governance
- customer service improvements
- collection and debt management strategies
- technology and business support tools
- international services
- stakeholder and government relations
- policy feedback and research.

The CSP accepted all recommendations and has completed or substantially completed 107 recommendations. The remaining recommendations are expected to be completed in 2011–12, specifically those requiring longer-term ICT system improvements.

WHAT HAS BEEN DELIVERED?

The following broad achievements are:

- revised structure, governance and business model directly aligning with the CSP’s service delivery model including realignment from a state-based structure to a national business line model
- better customer support through improved review mechanisms both for internal decisions and customer feedback
- streamlined and specialised service offers to ensure complex processes are managed well, particularly around income, care and change of assessment
- improved approach to collection with an expanded focus on payment options, centralised case selection and better intelligence sharing
- improved technology, including Cuba database enhancements and initial enhancements to online services that align with Service Delivery Reform (SDR).

Improved customer satisfaction

CUSTOMER SERVICE EXCELLENCE

During 2010–11 the CSP continued to see improvement in customer service, satisfaction and complaint levels through:

- the delivery of services from national business lines
- simplification of business processes
- consistently strong performance in timeliness of answering telephone calls
- a focus on quality administrative decision making.

CUSTOMER SATISFACTION RESULTS

The CSP measures customer satisfaction through its telephone point-of-service customer survey, Customers Having a Say (CHAS).

During 2010–11 CSP customer satisfaction results tracked consistently above the target of 70 per cent every month peaking in January at 75.4 per cent—see Figure 9. Customer dissatisfaction with the CSP’s overall service also remained well below target throughout the year with January
recording a low level of dissatisfaction at 17.0 per cent. A further 7.3 per cent of customers over the year were neither satisfied nor dissatisfied.

Customer satisfaction with the service provided by Customer Service Officers (CSOs) was rated at 84.8 per cent, an increase of 0.7 per cent from the previous year—see Figure 10. Customers perceived that employees were listening to them, taking the time to assist them, and communicating with clarity—see the following top three performance areas:

- ‘The CSO listened to me’—85.4 per cent agreement
- ‘I understood what the CSO was saying’—86.2 per cent agreement
- ‘The CSO took the time I needed to help me’—84.5 per cent agreement.

Figure 9: Satisfaction with service provided by CSP overall

Figure 10: Satisfaction with service provided by CSOs
TELEPHONY RESPONSE

The CSP delivers most of its services via phone. The CSP aims for a service standard of 80 per cent of phone calls being answered within 30 seconds. At 30 June 2011, 85.1 per cent of customer calls were answered within 30 seconds, with more than 2.9 million calls answered from separated parents and 3.1 million outbound calls made to customers. The reduction in inbound calls reflects the CSP’s proactive efforts to improve quality customer service. A national approach to call management ensured continued improvement to customer satisfaction.

In 2010–11 the CSP conducted a pilot of Automated Outbound Dialling (AOD) capability which is a proactive telephony solution to optimise employee time in addressing outstanding child support obligations, making customer contact more effective and more efficient. The pilot included a set of trials sending SMS to certain customer segments. Findings from the evaluation report showed that AOD and SMS can be valuable tools for the program.

CSA online

The CSP’s secure online service website, csaonline.gov.au, gives customers access to their case information and allows them to submit a range of information to the CSP.

Customers can access their information when it is convenient to them, view and print most correspondence and send general, technical and complaint enquiries via a secure online service. The CSP can use this to initiate contact with customers who can receive responses to their enquiries electronically.

Employers and financial institutions are also now able to deal with the CSP online to exchange information, with responses received within 14 days having increased from 5 per cent to more than 97 per cent in pilot testing, reducing the burden of compliance on these organisations.

Through the Connected Authentication project, customers can use one user ID and password through australia.gov.au to access online services across Centrelink, Medicare and the CSP. Since this service started, more than 42 000 online customers have transitioned from using separate logon credentials for each organisation to this single user ID and password. For more information, see page 33.

RESPONDING TO COMPLAINTS AND OBJECTIONS

Complaints

The number of escalated complaints reduced significantly over the past two years. In 2010–11, 7443 complaints were received compared to 9553 in 2009–10, a reduction of 22.1 per cent.

This improvement built on our success in reducing complaints in 2009–10, by focusing on customer issues being effectively managed and resolved at the first opportunity. This includes strategies such as:

- involving front-line supervisors earlier in managing and resolving complaints including improved access to call recordings
- better employee understanding of the impacts of customer complaints and the need for complaints to be effectively managed and resolved
- training for all employees through e-learning on how to handle complaints.
These measures directly improved the way employees interacted with customers. Escalated complaints relating to employee behaviour reduced by 38 per cent and those related to decision making reduced by 21 per cent. These results were complemented by strong customer satisfaction levels with CSOs.

**Objections**

The CSP is required to finalise all objections received within 60 days for domestic customers and 120 days for international customers. In 2010–11 the CSP achieved 87.4 per cent in 60 days for domestic customers and 86.9 per cent in 120 days for international customers. This was a reduction from 2009–10 when the CSP achieved 94.9 per cent in 60 days for domestic customers and 94.2 per cent in 120 days for international customers.

New national work allocation processes and improved workflow monitoring will facilitate the timeliness of objections in the future by ensuring an equitable workload for each officer skilled in objections.

The total number of objections finalised for 2010–11 was 16,646 compared to 17,688 in 2009–10 and 19,287 in 2008–09.

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**Improved support for customers**

**FAMILY VIOLENCE AND CUSTOMER REFERRALS**

The Australian Government has a strong commitment to help reduce the incidence of domestic and family violence, as well as the long-term consequences for individuals, their families and their community.

The *National Plan to Reduce Violence against Women and their Children* was endorsed by Commonwealth, state and territory governments in February 2011. The National Plan brings together the efforts of governments across the nation to make a real and sustained reduction in the levels of domestic and family violence.

One of the recommendations of the *Delivering Quality Outcomes Review* was to review the work done by the CSP in its management of family violence issues. As a result the CSP contracted the services of an independent expert in family violence matters, to carry out an evaluation of the CSP’s current response to family violence. The report was received in December 2010.

To further the Government’s commitment to reduce domestic and family violence, the CSP will implement a new family violence strategy.

The key features of the strategy will include:

- clear guiding principles and definitions
- strategies for offering services to customers at risk of violence
- strategies for providing appropriate support for these customers, including referrals to external support services
- training for all customer service employees
- clear policies, procedures and guidelines.
Communicating with customers and the community

The CSP public education and communication activities help ensure that customers understand their responsibilities and the services and support available to assist them. The CSP also informs customers about enforcement programs and the consequences of non-compliance to encourage them to meet their responsibilities in full and on time and to boost confidence in the scheme.

In 2010–11 the CSP continued to provide customers and the community with information about its payments and services through a range of accessible channels, including media, print, advertising, telephone, online and face-to-face. (For advertising and market research see Appendix B on page 205.)

COMMUNICATING WITH CUSTOMERS

During 2010–11 DHS updated the CSP’s core publication, The Parent’s Guide to Child Support, in line with changes to the Child Support Scheme. The guide is a key child support reference for separated parents. It contains comprehensive information about the Child Support Scheme, Family Tax Benefit and support available for separated and separating parents.

Four editions of the regular Child Support Matters newsletter were delivered by mail to parents and stakeholders. The newsletter is also available on the DHS website and keeps CSP customers up-to-date with the Child Support Scheme, the CSP and DHS.

DHS is evaluating the Child Support Matters newsletter and the Me and My Money—Practical money ideas publications. This is being done in the light of the independent review of the CSP that looked at the effectiveness and efficiency of decision making and quality assurance processes—the Delivering Quality Outcomes Review. The evaluations of the two publications are focusing on the Delivering Quality Outcomes Review’s recommendation: 3.2.49 Develop targeted information, services and products for indigenous, CALD, Private Collect and self-employed customers. The evaluations will examine all available research into these customer groups and recommend how DHS might communicate with them more effectively. (For more information about the Delivering Quality Outcomes Review see page 62.)

Eleven editions of eNews for Parents were distributed monthly by email to online subscribers. It provides up-to-date news and information about the CSP and child support.

DHS also released new support products for separated and separating parents and children affected by separation or divorce. These included:

- A kid’s guide to changing families—a computer game that helps older primary school aged children who are experiencing, or have gone through separation, to understand what is happening.

- Our family’s changed—an activity book made for early primary school aged children who are affected by separation. The book encourages children to ask questions and talk about how they’re feeling or thinking and helps parents to talk to their children about the changes to the family.
• **Youth.csa.gov.au**—a revamp of the youth sub-site with a new design featuring brighter colours, new functions and innovative products. It now offers both children and teenagers a place where they can directly access resources to help them deal with separation including the two products above and *Family Separation: A guide for Teens*. One of the exciting additions to this sub-site is the interactive CD-ROM content from *A kid’s guide to changing families*, which is now available to download straight from the site. This is a first for the portfolio and suits this technology-savvy audience.

• **Are you experiencing financial hardship after separation?**—a fact sheet that lists a range of products and services to help customers start and stay on track with budgeting.

• A series of fact sheets for customers with an international child support case.

### COMMUNICATING WITH YOUNG PEOPLE

The CSP publishes several different publications for young people of different ages, as well as a CD-ROM game for very young children.

### COMMUNICATING WITH INDIGENOUS AUSTRALIANS

DVDs and transcripts are available on the CSP website for people to download, to explain the role of the Child Support Scheme and to help people experiencing family breakdown or family violence.

### COMMUNICATING WITH OTHER CUSTOMERS

The CSP has a range of publications targeted at employers and the legal profession to explain how the Child Support Scheme works, and their obligations.

### MEDIA COVERAGE

Media functions were integrated, with a central contact for DHS, Centrelink and Medicare Australia.

During the year, DHS continued to work closely with national, state, territory and local media to disseminate important messages about child support payments and services.

Child support compliance, highlighting the importance of parents meeting their payment obligations for the benefit of their children, was a central theme throughout the year. Coverage also highlighted new approaches to helping customers meet their obligations, such as a trial of a risk-based strategy to support customers identified as being likely to default on payments.

Media activity also helped raise public and customer awareness of new child support products and services.

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**COMMUNICATING WITH MULTICULTURAL CUSTOMERS**

The CSP continues to improve access to its information for people from diverse cultural and linguistic backgrounds, including providing publications in their preferred language. The CSP offers a variety of publications in languages other than English, including the *Me and My* suite of products and *The Parents Guide to Child Support*. The CSP is working towards reviewing all communication products to ensure they more appropriately meet the needs of Indigenous, culturally and linguistically diverse, Private Collect and self-employed customers.

It offers a variety of publications in languages other than English.
Key topics included:

- referrals to specialist organisations to support customers experiencing challenging times
- changes to legislation, such as definitions of income, that may affect parents’ child support assessments
- how non-agency payments, such as school fees and uniforms, can be used to help meet parents’ child support obligations
- partnerships with organisations that may assist parents with savings or other financial assistance
- products to help children under 12 years of age better understand and cope with their parents’ separation
- alternative service arrangements during public holidays or following natural disasters.

Talkback radio continued to be an important way for DHS to inform child support customers about their rights and responsibilities. Child support technical experts participated in talkback radio interviews around Australia, answering child support-related questions on a variety of topics.

CSP WEBSITE

The CSP website attracted an average of 220,636 visits each month. The website provided a wide range of information about child support issues to parents, carers, employers, legal professionals, stakeholders, young people and the general public. This included information on support services, a range of child support forms and publications, advice for changing families, children and teens, and hints to help separated parents meet their child support obligations.

IMPROVING CUSTOMER LETTERS

Improving the quality and relevance of communication with customers was a key component of the Delivering Quality Outcomes Review.

In response, the CSP is improving two critical pieces of customer communications:

- the child support assessment notice
- the payer account statement to make it easier for customers to understand the Child Support Scheme and their obligations.

About nine million payer statements and assessment notices are sent to CSP customers each year.

The assessment notice underpins customer understanding of the Child Support Scheme and the formula used to assess their child support payment, while the payer account statement helps paying parents understand how much child support they need to pay, and how and when to pay it.

An extensive review of feedback via the CHAS survey was supplemented by targeted qualitative and quantitative customer research with more than 1700 separated parents in June and July 2010. This was followed by customer, stakeholder and employee focus sessions throughout 2010–11. Final prototypes were tested with customers in the Centrelink Concept Lab.

The re-design work on the assessment notices and payer statements was completed in March 2011. Implementation is expected to occur in late 2011.
Partnerships with key stakeholders

The CSP was actively involved in the portfolio’s SDR program, and worked closely with Medicare Australia and Centrelink to ensure child support customer needs were identified and addressed across the reform program. Strengthened partnerships such as expanding service offers, including customer services, are now being offered from more sites.

Further integration into the single DHS structure occurred in 2010–11 and work is underway to integrate all remaining CSP functions into the new structure in 2011–12.

EFFECTIVE STAKEHOLDER ENGAGEMENT

The CSP acknowledges the cornerstones of good government include collaborative engagement with a diverse range of stakeholder groups. Recognising the significant skills and expertise among the broader community allows the CSP to provide excellence in program delivery.

The CSP has prioritised effective stakeholder engagement and referrals to better inform the community about its role, services and support available to customers.

To achieve this, the CSP gave stakeholders opportunities for input and collaboration in 2010–11, including:

- national and state forums for advocacy groups, legal services, community organisations, academia and other government agencies. The forums provided important information to stakeholders and gave the CSP insight into emerging issues across the Australian community.
- consultation with key stakeholders on the co-design of projects, such as form and statement revisions, product development and system redesign. The CSP held one-on-one sessions, workshops, phone conferences and online forums.
- collaboration with community service providers to implement a national outreach strategy that enabled the CSP to connect with Indigenous, culturally and linguistically diverse, incarcerated and socially disadvantaged members of the Australian community. Outreach through inter-agency cooperation has ensured that mutual customers are aware of their child support rights and responsibilities, as well as the support available to them. The CSP also provided training and information sessions to stakeholder groups such as legal services, financial counsellors, Defence Force personnel and Corrective Services staff.

The CSP distributes a monthly email newsletter to stakeholders, highlighting policy initiatives, changes to procedures and events.

The CSP monitors stakeholder satisfaction via regular questionnaires after each stakeholder event and conducts an annual online survey. The 2010–11 survey showed that 68 per cent of surveyed stakeholders agreed that the CSP was doing a ‘good to very good’ job at engaging with them and that 78 per cent believed that engaging with the CSP assisted their organisation to support separated and separating families. Overall, stakeholders who attended the CSP forums found them to be valuable.
COMMUNITY PARTNERSHIPS

The CSP maintained a number of partnerships with community and private organisations to take action on shared priorities that will have a positive effect on mutual customers.

In 2010–11 the CSP worked with existing partners:

- beyondblue: the national depression initiative
- BoysTown (Kids Helpline)
- The Brotherhood of St Laurence.

These partnerships assisted the CSP to inform customers about support services and products that provide better outcomes for separating and separated families and contribute to increased compliance.

Table 10 sets out the CSP’s service connections in 2010–11.

Table 10: Child support service connections 2010–11

<table>
<thead>
<tr>
<th>Service</th>
<th>Purpose</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Support Telephone Service</td>
<td>To provide a professional and confidential telephone counselling service for customers who are at risk of harm to themselves or others or in emotional distress.</td>
<td>The CSP referred 656 customers to the service in 2010–11 (up from 570 in 2009–10). The CSP has worked closely with the provider (Parentline ACT) to build their capacity in the areas of family violence and self-harm. Increased employee confidence in the service has resulted in more child support customers being referred and thereby connecting to further services to meet their broader family support needs.</td>
</tr>
<tr>
<td>Family Relationship Advice Line (FRAL)</td>
<td>To assess and refer parents to the support they need to help them to deal with separation.</td>
<td>The CSP referred 2866 parents to FRAL in 2010–11 (up from 2745 in 2009–10). The CSP implemented the Integrated Customer Referral model to help CSOs identify the most effective referral for their customers based on the customer’s most immediate needs.</td>
</tr>
<tr>
<td>Centrelink referrals</td>
<td>To deliver government payments and services to Australians.</td>
<td>The CSP referred 119 808 parents to Centrelink in 2010–11 (down from 123 173 in 2009–10) to connect them to information on family tax benefits and in some cases to seek exemptions from collecting child support where family violence was an issue. The decrease in the referral rate can be attributed to improved information sharing between CSP and Centrelink such as the Alignment of Care decision-making processes which have resulted in parents only having to tell their story once.</td>
</tr>
<tr>
<td>Service</td>
<td>Purpose</td>
<td>Achievement</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Other local government/non-government and community organisation referrals</td>
<td>To build relationships with key local stakeholders to provide information and services to separated and separating families.</td>
<td>The CSP worked with key stakeholders to link up with local service providers including financial counsellors. The CSP worked with telephone-based counselling services to connect families with face-to-face services in their local community. The CSP also worked with the Case Coordination project to ensure that local face-to-face services were available to separated families.</td>
</tr>
<tr>
<td>Financial counselling services</td>
<td>To work with financial counsellors through their peak body Financial Counselling Australia (FCA), formerly known as Australian Financial Counselling and Credit Reform Association (AFCCRA) to better connect parents with financial counselling and literacy services.</td>
<td>The CSP worked with FCA to create single points of contact in each state to seamlessly connect parents with financial counselling and literacy support. The CSP created a hotline for financial counsellors to call when they are working with a child support customer. In 2010–11, 261 calls were dealt with through the hotline. To further support customers, CSP employees were able to connect customers to financial counsellors to assist them in managing all of their financial commitments, which then helps them manage their child support responsibilities. Since October 2010, 159 customers have been referred for financial counselling assistance.</td>
</tr>
</tbody>
</table>
Chapter 5: CRS Australia performance
CRS Australia delivers expert disability employment, assessment and injury management to assist people with a disability, injury or health condition to get and keep a job. CRS Australia funds its operations through the delivery of services under milestone and outcomes-based funding models and other fee for service arrangements.

Performance highlights

- CRS Australia assisted more than 50 400 job seekers in 2010–11.
- More than 12 500 Department of Education, Employment and Workplace Relations (DEEWR) funded job seekers were assisted into work, up from 2009–10.
- CRS Australia successfully achieved re-certification under the Disability Service Standards (DSS) until 2013.
- CRS Australia maintained over 40 per cent of its service delivery offices in rural and remote Australia.
- Nine offices were relocated to improve access and services for job seekers and provide operational efficiencies.
- CRS Australia implemented a national quality framework, *Quest for workers compensation*, to ensure it meets the requirements for workplace rehabilitation providers.

In the Australian Government’s Disability Employment Services program, all funded service providers must be certified as compliant with the DSS.

In November 2010 CRS Australia successfully achieved re-certification until 2013 and was found to be fully compliant with the DSS. For a list of the 12 standards covered in this audit see *Other audits* on page 108. CRS Australia has maintained its certification against the DSS consistently since the external audit requirement was introduced in 2002.

CRS Australia achieved a conversion rate from job placement to 13-week employment outcome of 71 per cent demonstrating its expertise in providing quality vocational rehabilitation, appropriate job placement and effective post-placement support for job seekers and their employers.

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**Table 11: CRS Australia performance highlights**

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>Targets</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification against DSS</td>
<td>CRS Australia remains certified</td>
<td>Fully certified</td>
</tr>
<tr>
<td>At or above the market average for job seekers who remain in employment for 13 weeks</td>
<td>70%</td>
<td>71%</td>
</tr>
</tbody>
</table>
Injury can happen any time and to anyone and the challenges of getting back into the workforce after long-term unemployment can be tough.

For almost 20 years, Zoltan worked in various physically demanding roles—and as a result, his body started to suffer. He sustained persistent back injuries which meant he was unable to stay in permanent employment. This of course placed him under a lot of mental and financial distress.

In 2007 Zoltan’s injury prevented him from working altogether and he found himself unemployed while undergoing recovery and physiotherapy. During this time, Centrelink referred him to CRS Australia.

‘I was in a very low state, unhappy and frustrated and not getting anywhere in life. CRS Australia listened to my concerns and understood where I wanted to go,’ Zoltan said.

Rod Cusack, Engineering Services Manager of CGHS, believed in Zoltan and offered him a six-week on-the-job training placement. With CRS Australia’s help, Zoltan completed a manual handling course where he learned to operate equipment safely and learned strategies to avoid straining his back.

CRS Australia worked closely with CGHS and conducted a work site assessment identifying equipment to assist him in his job. CGHS funded a modified tractor seat and an extended wheelbarrow handle to ensure he could perform his tasks without aggravating his back condition.

Zoltan’s hardworking nature and ability impressed Rod and his team. He now has a permanent position with CGHS.

‘We understood how hard it can be to get back to work after injury but Zoltan showed us that he is as capable as any of our employees,’ Rod said. ‘He has become a valued and trusted member of the team.’

‘I am now on top of the world and I look forward to coming to work each day,’ Zoltan said.

‘CRS Australia listened to my concerns and understood where I wanted to go’
Strategic and business planning

CRS Australia’s planning and monitoring framework covers all of its business operations with clear links between strategic priorities, business operations and individual performance agreements. The planning process provides clear objectives and measures to be reported against, and establishes accountability at each level.

CRS Australia’s Strategic Plan Forward to 2012 identifies the opportunities, challenges, risks and key result areas for CRS Australia. It is supported by annual business plans across national, divisional and regional operations and ensures CRS Australia delivers on its four key result areas, as outlined below:

- maximise workforce participation
- build leadership, capability and safe workplaces
- deliver effective, competitive and innovative services
- influence the disability employment and social inclusion agenda.

The Strategic Plan can be found in the publications section of the CRS Australia website at crsaustralia.gov.au

MAXIMISE WORKFORCE PARTICIPATION

In 2010–11 DEEWR was the principal purchaser of CRS Australia’s services. CRS Australia received 76.7 per cent of its revenue through a Memorandum of Understanding with DEEWR to provide DES. The current DES market began on 1 March 2010, with CRS Australia and 65 non-government providers contracted to deliver services. Achievements under these programs are reported in the DEEWR annual

Services provided to other agencies and organisations

CRS Australia provided a range of expert assessment, injury management, prevention and early intervention services in all Australian, state, territory and local government jurisdictions and to private organisations. Major services included:

- Disability Employment Service (DES)—Disability Management Services (DMS) for DEEWR
- Job Capacity Assessments (JCA) and Job Capacity Account Services (JCAcS) for DEEWR
- wage assessments at Australian Disability Enterprises for the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
- rehabilitation services for serving members of the Australian Defence Force
- rehabilitation services for personnel and veterans covered by the Department of Veterans’ Affairs (DVA) schemes
- workplace rehabilitation services for employees under state, territory and Commonwealth workers compensation jurisdictions
- injury management and occupational health and safety prevention and training services for a range of public and private sector organisations.
Chapter 5: CRS Australia performance

CRS Australia focused on key areas of service delivery to maximise workforce participation for Australians with disability, including: strengthening employer relationships, job placement assistance, increasing work experience placements, and providing effective post placement support.

CRS Australia collaborated with key employers, including RossJuliaRoss, Australian Retailers Association, Telstra and Lend Lease to develop work training and employment opportunities for job seekers with a disability.

Job Capacity Assessments

During 2010–11 CRS Australia provided JCA services for DEEWR. The JCA is an assessment of job seekers’ medical conditions and other barriers affecting their work capacity. The JCA outcome is directly linked to a referral to the most appropriate intervention that will assist a job seeker to gain employment. CRS Australia’s internal quality assurance framework for JCA services ensures DEEWR requirements are met and quality services continually improved. DEEWR external audits found 95 per cent of JCA reports reviewed to be satisfactory or above. In 2010–11 over 55 000 JCA assessments were completed, compared with over 42 200 in 2009–10.

In May 2010 the Australian Government announced that Centrelink and CRS Australia would deliver all JCA services from 1 July 2011. In March 2011 the Minister for Human Services announced that the two allied health assessment workforces within Centrelink and CRS Australia would be brought together, under the Service Delivery Reform (SDR) agenda, as a single workforce to deliver the new assessments. This will mean a single performance and quality framework, uniform training and common management will apply to all assessors.

Through Australian Government-funded DES programs, CRS Australia assisted more than 50 400 job seekers in 2010–11, including more than 21 700 new job seekers and 28 700 who were on program at the start of the financial year. This compares to over 57 000 job seekers in 2009–10 and nearly 59 000 in 2008–09. Job seeker numbers can vary depending on referral volume and overall market demand.

All job seekers assisted in 2010–11 had a disability, injury or health condition. An estimated 31.7 per cent of job seekers had a mental health condition as the primary barrier to entering the workforce.

Figure 11: CRS Australia—per cent of commencements by disability type 2010–11

![Figure 11: CRS Australia—per cent of commencements by disability type 2010–11](image)

In 2010–11 more than 12 500 job seekers were successfully placed in employment. This is an increase compared to 2009–10 when more than 11 800 job seekers were placed in work and 2008–09 when more than 10 500 were successfully employed.
Other services

CRS Australia also provided workplace rehabilitation and injury management services to other Australian Government and state and territory agencies, insurance companies and private businesses.

BUILD LEADERSHIP, CAPABILITY AND SAFE WORKPLACES

Building leadership

CRS Australia continued to build capability to ensure it had the right people in the right place at the right time. The Leader Led Development Program 3 through the Australian School of Business, University of NSW, strengthened leadership capability. Train the trainer courses for JCA assessors aligned workforce capability in preparation for the new JCAs from 1 July 2011.

CRS Australia has run Senior Rehabilitation Consultant forums bi-annually to promote knowledge management and the sharing of best practice across the network. The annual National Managers Conference—CRS Australia 70 Years Young—was held in March 2011. It provided a mix of strategic overview, learning and development, and knowledge sharing.

Building capability

Two vocational rehabilitation professionals were sponsored to undertake a one-year correspondence post-graduate course through Boston University in the United States of America to enhance their skills and knowledge in psychiatric vocational rehabilitation. The participants are working with national support teams to evaluate the application of their post-graduate course in CRS Australia’s context.

CRS Australia operates five Networks of Excellence that focus on key initiatives to support the organisation’s strategic direction and to improve performance and best practice in service delivery to job seekers. The Networks of Excellence include assessment services, business management, employment services, rehabilitation interventions and targeted client groups. A number of projects focused on streamlining business processes and resources to support job seeker interventions and outcomes.

CRS Australia adjusted its service delivery footprint in 2010–11, relocating nine offices within the communities they serve to provide better access and services for job seekers. Relocated offices included the consolidation of some offices into new larger sites in Brunswick in Victoria and Hobart in Tasmania. Other relocations included Shepparton in Victoria, Coolangatta and Redcliffe in Queensland, Dee Why, Maroubra and North Ryde in New South Wales and Mt Barker in South Australia.

Events held to mark the opening of new or relocated CRS Australia offices helped inform local employers, referrers and job seekers of the availability of services in the area.

CRS Australia promotes and celebrates team and individual excellence. Eleven employees and four teams received national awards, including the Minister for Human Services Awards for Exemplary Service to Customers and Stakeholders, the Australia Day Medallion for Achievement and the CRS Australia General Manager Awards. These awards recognise outstanding performance that is clearly above and beyond what is normally expected of a team or individual.

Building safe workplaces

In consultation with the National Occupational Health and Safety Committee and employees, the health and safety management arrangements were reviewed and made more user friendly, resulting in a more focused and early approach to the management of injury and illness.
DELIVER EFFECTIVE, COMPETITIVE AND INNOVATIVE SERVICES

CRS Australia’s vision is to be recognised as the outstanding provider of disability employment, assessment and injury management services. To achieve this goal, during 2010–11 CRS Australia:

- improved and refined the effectiveness in achieving employment outcomes for job seekers. This was achieved by focusing early on job preparation skills and training in areas of labour shortage, building employer relationships, developing resources for target groups such as youth and principal carers, and improving strategies for post placement support to ensure placement sustainability.
- continued to streamline business processes and improve efficiencies for direct service delivery. Improvements included IT upgrades and refined service delivery processes.

Quality

CRS Australia’s quality framework, Quest for quality, continues to evolve to ensure compliance with the DSS and key DEEWR requirements through self-assessment team audit, senior rehabilitation consultant case review and external audit. Quest for quality self and team-assessment tools are regularly reviewed and updated.

During 2010–11 CRS Australia implemented a quality framework for workplace rehabilitation services provided to the workers compensation market. The Quest for workers compensation framework ensured CRS Australia complied with the new Heads of Workers’ Compensation Authorities Nationally Consistent Approval Framework for Workplace Rehabilitation Providers effective from 1 July 2010.

Customer satisfaction

CRS Australia routinely requests informal and formal feedback from job seekers and employers for all its services. In 2010–11 CRS Australia measured individual job seeker satisfaction through surveys after three months of service, end-of-program client surveys and the biennial stakeholder survey. Ninety per cent of job seekers were satisfied with CRS Australia’s services, a slight increase compared with 2009–10.

Compliment and complaint feedback is used to evaluate and improve services and inform business planning. All employees are responsible for integrating job seeker and stakeholder feedback into improving service delivery practice or business processes.

A Stakeholder Satisfaction Survey was undertaken in 2010–11 to assess satisfaction and areas for improvement. The survey included:

- focus groups with job seekers in Melbourne, Sydney, Brisbane, Adelaide and Perth
- two online group discussions with job seekers in regional/remote locations
- in-depth phone interviews with a small sample of employers (for both DES employment and injury prevention/injury management consultancy)
- a 12-minute phone survey with 139 employers who have employed or trained CRS Australia job seekers.

Feedback from both job seekers and employers highlighted strong areas of satisfaction and suggestions for improvement, and reinforced the importance of:
Resolution of complaints

CRS Australia is committed to a positive and structured approach to managing complaints and appeals. The complaints management process follows a three-tier resolution model. Complaints are typically made initially at the regional level, and escalated to divisional and national levels as required. CRS Australia uses the Commonwealth Ombudsman’s Better Practice Guide to Complaint Handling (2009) as a framework for managing complaints.

In 2010–11 there were no internal reviews of decisions made by CRS Australia to end a rehabilitation program.

Following the Australian National Audit Office audit, Service Delivery in CRS Australia, and an internal audit on complaints management, CRS Australia improved its existing guidelines for reporting timeframes and clarified complaint documentation.

Competitive services

The DEEWR star rating system for DES measures the relative performance of providers in achieving outcomes for participants. CRS Australia achieved a very successful result in the star rating for 2010–11. At the Employment Services Area level 83 per cent of CRS Australia offices were rated as operating at or above market average (three stars or above).

This sound performance is a result of significant work over the last 12 to 18 months by all teams nationally to improve the level of employer engagement, job placements and effective post placement support.

CRS Australia will implement targeted strategies in 2011–12 to continue improving performance and to strengthen its position in the market.

CRS Australia delivered over 55,000 JCAs in 2010–11, while meeting DEEWR Key Performance Indicator (KPI) requirements.
CRS Australia obtained approval to provide workplace rehabilitation services in all of the participating workers compensation jurisdictions as part of the Heads of Workers Compensation Authorities Nationally Consistent Approval Framework for Workplace Rehabilitation Providers which was implemented in 2010. Comcare remains CRS Australia’s ‘home jurisdiction’.

Innovation
CRS Australia developed Workspace, an interactive pre-employment program for young people to help prepare and transition them into work. This was developed in conjunction with innovative marketing materials to better engage young people with disability in their DMS programs.

Disability awareness and disability confidence training packages were also developed to encourage workplaces to become confident in employing and accommodating people with disabilities.

CRS Australia continued to join other portfolio agencies and local community stakeholders in the Local Connections to Work initiative to provide improved links between services for disadvantaged job seekers.

CRS Australia IT innovations are included on page 114 under Information and communications technology.

INFLUENCE THE DISABILITY EMPLOYMENT AND SOCIAL INCLUSION AGENDA
CRS Australia assists people with a disability, injury or health condition to improve their capacity for work and employment opportunities, so they can achieve greater social inclusion. CRS Australia programs aim to make sure job seekers have the capability and opportunity to participate in the economy and their community.

CRS Australia's Reconciliation Action Plan contributes to the Government’s aim of increasing Indigenous employment levels and closing the gap in economic outcomes between Indigenous and non-Indigenous Australians. Its commitment to Indigenous employment and Indigenous social inclusion is further supported by its involvement in the Government’s Indigenous cadetship program.

CRS Australia promoted its 70th anniversary at key conferences and events in 2011.

In 2010–11 CRS Australia participated and/or presented in the following forums:

- International Youth Mental Health Conference in July 2010
- Comcare National Conference in September 2010
- Rural and Remote Mental Health Symposium in September 2010
- International Forum for Disability Management, Los Angeles, in September 2010
- Australian General Practice Network in November 2010
- National Employment Services Association Practitioners Conference in May 2011
- Australian Society of Rehabilitation Counsellors National Conference in May 2011
- Australian Network on Disability National Conference in May 2011
- Occupational Therapy Australia Conference in June 2011.

CRS Australia nominated eight outstanding employers in the 2010 Diversity@Work Awards, held in October 2010. All eight nominees were announced as finalists. These prestigious national awards recognise, celebrate and promote achievements in diversity and inclusion in the workplace.
In addition, CRS Australia acknowledged the positive contribution of local employers and their efforts in employing people with disability at five Employer Award functions. In total, 35 employers received awards throughout the year and many received community recognition through local newspaper coverage for their role in employing people with a disability, injury or health condition, or for their commitment to workplace health and safety.

COMMUNITY PARTNERSHIPS

CRS Australia recognises and participates in collaborative research and programs in the health, employment and training sectors. This research expands on its professional body of knowledge and the capabilities of its teams as well as improving the services and benefits to stakeholders.

In 2010–11 CRS Australia made the commitment to partner with:

- headspace
- Lifetime Care and Support Services
- Scanlan project
- Mental Health Services—Hobart.

Workplace giving

CRS Australia’s service commitment includes taking pride in making a difference in job seekers’ lives and communities. Its workplace giving scheme enables employees to make a difference in the communities they serve by supporting a charity through regular payroll deductions. The nominated charities were selected by employees and have expanded from 12 selected charities in 2009–10 to 15 in 2010–11. In 2010–11 employees contributed over $27,000.

Communicating with customers and the community

CRS Australia used a range of communication tools to support and inform customers, the public, business and other stakeholders about the programs and services it delivers. CRS Australia’s marketing is built on good relationships to get referrals, get job outcomes and build reputation in the community.

COMMUNICATING WITH JOB SEEKERS

CRS Australia markets its Disability Employment Services directly to job seekers and referrers through advertising, presentations, promotional collateral and active relationship management.

Once on program, CRS Australia primarily communicates with job seekers through one-on-one interactions, including regular meetings. Group sessions are also used to educate job seekers and increase their social interactivity.

CRS Australia publishes a range of electronic and hard copy communication products to support personal interaction with job seekers. This includes information on what to expect from a program with CRS Australia and information on the support provided once job seekers have found work.

CRS Australia’s programs encourage job seekers to provide feedback or discuss concerns at any time during their program. There are a range of mechanisms for providing feedback, including an online form.
COMMUNICATING WITH MULTICULTURAL CUSTOMERS

Establishing and maintaining meaningful links, partnerships and collaboration is essential when working with job seekers. CRS Australia offices have developed localised partnerships with a range of community agencies and employers to support clients from culturally diverse backgrounds to maximise their social inclusion and employment opportunities.

To improve access to information for people from diverse cultural and linguistic backgrounds, key publications are available in the nine languages most commonly spoken by our job seekers. These are available on the CRS Australia website. Employees can access an interpreting service when translation is required for documentation outside of these nine languages.

COMMUNICATING WITH EMPLOYERS

CRS Australia’s partnerships with local and national employers are an important element of its success in getting people with disability into work.

Employees actively communicate with employers through face-to-face meetings, newsletters, advertising, presentations and promotional collateral. Relationships with existing employer customers are actively maintained through key account management and new employer customers are sought through canvassing and marketing efforts.

These interactions with employers are supported by printed material, including fact sheets on injury prevention, injury management, recruitment, on-the-job training and the financial assistance available to employers who employ eligible workers with a disability, injury or health condition.

CRS AUSTRALIA WEBSITE

Approximately 273 211 visits were made to the CRS Australia website (crsaustralia.gov.au) in 2010–11, an increase from 233 746 in 2009–10.

Purchaser–provider arrangements

In 2010–11 CRS Australia had significant and effective purchaser–provider arrangements in place with the following Australian Government departments and agencies:

- DEEWR
- FaHCSIA
- Department of Defence
- DVA
- Department of Immigration and Citizenship (DIAC)
- Centrelink.

Each purchaser requires CRS Australia to measure and report on performance to satisfy certain performance and quality indicators. Performance against each contract was actively managed to ensure service requirements were met or exceeded. CRS Australia was proactive in responding to purchaser requirements, as shown by the renewal of key contracts with a range of purchasers.
Chapter 6: Management and accountability
DHS—performance highlights

- The Department of Human Services (DHS) established a Memorandum of Understanding in 2010 with the Office of the Australian Information Commissioner to manage the relationship with the portfolio, especially through Service Delivery Reform (SDR).
- The Child Support Program (CSP) provided almost 300 employees from a number of sites to work with Centrelink to process Disaster Recovery Payments during the 2010–11 floods.
- Extensive work was undertaken to prepare for an integrated Environmental Management System to start on 1 July 2011.
- DHS successfully incorporated Centrelink, CRS Australia and the DHS information and communications technology (ICT) systems into a single gateway environment.
- DHS commenced a three-year ICT Human Capital Strategy and Action Plan to improve ICT skills development and management.
- The first Portfolio People Survey was conducted. It showed that employee perceptions and attitudes towards working in the portfolio were generally positive, especially in the context of the major changes taking place.
- The portfolio focused on developing the Portfolio People Strategy—Vision 2015, which is central to workforce planning as portfolio integration and SDR are implemented.
- The portfolio set up a Disability Technical Aids Unit to directly support users of assistive technology and provided disability awareness and confidence training to managers and employees who work with people with disability.
- The portfolio became a corporate member of the Australian Network on Disability, which supports employees who identify as having disability.
The annual CEO Sleepout began as a local community venture in Sydney’s Parramatta five years ago, but went national in 2010.

It was held on 16 June 2011, attracting almost 1000 CEOs around the country—and more than 150 in the ACT alone.

This year, the Department of Human Services (DHS) Secretary, Kathryn Campbell, took part in the CEO Sleepout on a very chilly Canberra night, with a minimum temperature of –2.

‘The Department of Human Services deals with customers every day, who’ve probably spent the night homeless, and they come to us looking for assistance,’ Ms Campbell said.

‘I think it’s really important that we have a good understanding of what they go through.’

St Vincent de Paul raised more than $4 million in the CEO Sleepout, in support of more than 105 000 people who are homeless at any one time.

After a meagre evening meal of soup and a roll, Ms Campbell and the other Canberra CEOs took their three sheets of cardboard and their sleeping bags and bunkered down in The Garden of Australian Dreams at the National Museum of Australia.

‘I’m not sure what I’m meant to dream about,’ Ms Campbell said as she settled down for the night. ‘Maybe it’s all the stuff in my in-tray I haven’t done yet.’

And while it may not have been the most restful night she’d ever spent, she described it as a humbling experience.

‘It’s pretty hard on the ground—the cardboard looks pretty comfy but it’s not that comfortable in the middle of the night.

‘But of course I was very safe here with lots of other people I know, and for me I suppose the parallel for homeless people is they’re not safe, they don’t know where they’re sleeping and they often aren’t sleeping with friends.

‘So while it was a bit of a taster, I’m sure it was much more comfortable than most homeless people experience.

‘I’d especially like to thank the staff for sponsoring me for the Sleepout. I really appreciate the great enthusiasm as well as the wonderful messages that came along. With their help, I’ve raised nearly $11 000.’
DHS—legal services and audit functions

In 2010–11 the legal services and audit functions were integrated across the three organisations—DHS, Centrelink and Medicare Australia. These services, such as external and internal audits, freedom of information requests, privacy issues and dealings with the Commonwealth Ombudsman, are now managed centrally within DHS.

DHS—external scrutiny

EXTERNAL AUDITS

In 2010–11 the Australian National Audit Office (ANAO) issued four audit reports that involved DHS. DHS responded to all ANAO recommendations, and its Audit Committee was responsible for monitoring progress. ANAO representatives were invited to attend all Audit Committee meetings as observers.

In many cases ANAO recommendations directly involve the responsibilities of policy departments. DHS worked with policy departments to help them effectively respond to the recommendations.

The Joint Committee of Public Accounts and Audit is required by the Public Accounts and Audit Committee Act 1951 to examine all Auditor-General reports that are tabled in Parliament. The joint committee’s review procedures are built around a series of public hearings, at which evidence is provided by agencies that have been the subject of recent ‘significant’ audit findings. DHS did not attend any hearings in 2010–11. (For more information, see Appendix D on page 210.)

COMMONWEALTH OMBUDSMAN

DHS enjoys a strong and productive working relationship with the Commonwealth Ombudsman’s Office. Regular meetings occurred during the year to discuss issues and areas of concern. In 2010–11 the Commonwealth Ombudsman received a total of 2121 approaches from Child Support customers. This is a seven per cent decrease from 2009–10.

The Ombudsman published three reports involving DHS. (For more information, see Appendix D on page 210.)

FREEDOM OF INFORMATION

Freedom of Information reforms

The changes required under the Australian Information Commissioner Act 2010 and the reforms to the Freedom of Information Act 1982 (the FOI Act) began on 1 November 2010 with the disclosure log and Information Publication Scheme (IPS) starting on 1 May 2011.

• From 1 November 2010 people were able to lodge FOI requests electronically.
• On 1 May 2011 an FOI disclosure log was published on the website as required under section 11C of the FOI Act. The disclosure log makes available non-personal decision documents released in response to FOI access requests since May 2011.
• On 1 May 2011 the portfolio published the IPS plan and other mandatory information as required by section 8 of the FOI Act. The IPS plan, at oaic.gov.au/publications/papers.html, describes how DHS proposes to implement and administer the IPS and its information holdings.
• A section 8 statement covering the period 1 July 2010 to 30 April 2011 inclusive is included at Appendix E on page 214.
Chapter 6: Management and accountability

Request statistics
In 2010–11 DHS received 542 FOI requests. This is an 8.8 per cent increase on the previous year. Taking into account cases pending from previous years, 584 requests were finalised. Of the cases processed:

- applicants withdrew 38 requests before decisions on access were made
- full access was granted in 115 cases
- part access was allowed in 333 cases
- access was refused in 67 cases
- 31 cases were transferred to other agencies.

Reviews of Freedom of Information
In 2010–11 DHS received 21 FOI requests for an internal review of access and amendment decisions. Of the reviews completed at the end of the year, 12 requests resulted in access or part access, and nine resulted in affirming the original decision.

There were no requests for reviews by the Office of the Australian Information Commissioner (OAIC).

There were no new applications to the Administrative Appeals Tribunal for review of departmental FOI decisions.

DHS—internal scrutiny

INTERNAL AUDITS
DHS (including CRS Australia) has an audit function which carried out internal audits to identify risks and opportunities for improvement. The audit program was developed in consultation with the Audit Committee, the Executive and business areas within DHS and addressed corporate strategic risks to correctly target audit and assurance activities. The program was adjusted as a result of the progressive integration of the internal audit function across the portfolio and some audits were removed from the program, depending on their relative risk.

The audits delivered by the program provided independent assurance on management performance in maintaining DHS strategic priorities, achieving operational objectives in line with organisational and legislative requirements, and ensuring that high standards of probity and accountability were met.

DHS also:

- undertook periodic external benchmarking to ensure that it continued to conform to best practice
- ensured employees undertook professional development activities
- fostered external relationships with private and public sector audit organisations
- maintained external networks within the portfolio and other audit areas within public sector departments and agencies and the broader audit community.

Action on audit recommendations was monitored and reported to the DHS Executive, the Audit Committee and the ANAO.

During the year internal audits and reviews covered:

- internal budgetary processes
- international debt management
- implementation of the Richmond Review
- Child Support Program metrics
- new customers
- property management
- departure prohibition order
- financial compliance—Regulations 9 and 10
- credit cards.
MANAGING INTERNAL FRAUD

During 2010–11 DHS complied with the Commonwealth Fraud Control Guidelines 2011 through a range of internal fraud prevention and control initiatives. These included:

- fraud control planning
- conducting fraud prevention and ethics training
- developing programs for detecting and investigating potential fraud and misconduct
- reporting regularly to the DHS Audit Committee.

DHS also had various confidential methods for the public and employees to report internal fraud. All allegations of inappropriate employee involvement were assessed, and suspected fraud or misconduct was investigated. When necessary, cases were referred to the Australian Federal Police and/or the Commonwealth Director of Public Prosecutions for criminal proceedings.

The Secretary certified that DHS complied with the guidelines. For a copy of the Secretary’s signed certificate confirming DHS compliance with the guidelines, see Appendix F on page 217.

DHS—risk management

In line with SDR, DHS consolidated its risk and business continuity functions with Centrelink and Medicare Australia during 2010–11.

Assessing, treating and monitoring risks are an integral part of DHS planning and decision-making processes. Effective risk management ensured DHS maximises opportunities and minimises uncertainty. A specialist Risk Management Team provided support to the portfolio to help manage business and project risks. Effective risk management enabled DHS to:

- achieve program objectives through improved decision making
- improve resource allocation, reduce costs and increase savings
- increase stakeholder confidence in DHS.

The Risk Management Framework was the foundation for effective risk management within DHS. It outlined the key elements for identifying and managing risks and consistency with best practice and the risk management international standard—AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines.

COMCOVER RISK MANAGEMENT

In March 2011 DHS, Centrelink and Medicare Australia jointly participated in the annual Comcover Risk Management Benchmarking Program and were awarded an 8.9 per cent discount (out of a possible 10 per cent) on the 2011–12 insurance premium. This resulted in approximately $618 000 in savings. The score shows the effectiveness of risk management within DHS.

BUSINESS CONTINUITY

DHS had a business continuity policy and related procedures for managing business disruptions. The procedures for managing disruptions had the flexibility to respond to the nature and size of the disruption.

All branches maintained business continuity plans with clear roles, responsibilities and actions to ensure critical payments, services and supporting functions could continue during disruptions. During the year all payments and services were reviewed to determine their maximum tolerable period of disruption.
As a result DHS prioritised its business continuity planning and recovery procedures.
During the 2011 floods and Tropical Cyclone Yasi, business continuity plans were put to the test. Current plans and procedures were reviewed to ensure a consistent and cohesive response across DHS, Centrelink and Medicare Australia.

REGULATORY COMPLIANCE QUARTERLY REPORTS
The Audit Committee provided assurance that risks were identified, reviewed and addressed throughout the year.

DHS—workplace security

Protective security services are used for the following strategic and operational security elements across DHS:
- the physical security of all DHS employees and customers
- the physical security of all buildings and office space
- the physical security of DHS assets and hard copy information
- personnel security vetting for all current and prospective DHS employees and contractors.

Associated with those responsibilities are the following tasks:
- physical security incident management
- physical security reviews
- policy advice and development
- security awareness training
- personnel security vetting.

Workplace security focused on consolidating and standardising security policy and procedures, providing security advice to support co-location in the network and the start of a department-wide site security review program.

DHS—emergency management

In December 2009 a whole-of-nation resilience-based approach to disaster management was adopted by the Council of Australian Governments (COAG). The resilience strategy recognises the need for a national, coordinated and cooperative effort. While the strategy focuses on priority areas to build disaster resilient communities across Australia, it also recognises that disaster resilience is a shared responsibility for individuals, households, businesses and communities, as well as for governments.

The portfolio, led by Centrelink, worked with other agencies and state and territory governments to help people and communities devastated by natural disasters.

In responding to emergencies or disasters, the portfolio continued to provide its normal services to the community as well as extra help and support to the most affected people. It quickly deployed phone, counselling, processing and payment capabilities.

DHS specifically contributed in response to the unprecedented disaster events in 2010–11 by providing policy advice in relation to the delivery of disaster assistance.

The CSP implemented its emergency management and business continuity procedures during the Queensland floods and Cyclones Yasi and Carlos.
Notwithstanding significant impacts on CSP employees and sites including Brisbane, Townsville, Mackay, Cairns and Darwin, the CSP worked closely with Centrelink and Medicare Australia from late December 2010 to February 2011 to coordinate approaches for uninterrupted services to our customers including employers. This included diverting phone calls and workloads to other sites around Australia.

The CSP implemented specialist teams to manage customers and employer groups directly affected by the natural weather events. This approach provided assurance to customers that they could focus on the emergency situation, their safety and that of their families.

The CSP also provided almost 300 employees from a number of sites to work with Centrelink to process Disaster Recovery Payments, as well as standby employees to assist Centrelink outreach teams in the affected areas.

DHS—privacy

PRIVACY OF CUSTOMER RECORDS AND PERSONAL INFORMATION

DHS places great emphasis on protecting the privacy of customers and employees. A number of measures ensure a high standard of privacy processes to meet community expectations to protect personal information.

Personal information related to DHS, including the administration of the CSP, was protected by the Privacy Act 1988. Requests for personal information were considered under the information privacy principles and the legislation it administers—the Child Support (Registration and Collection) Act 1988 and the Child Support (Assessment) Act 1989.

Secrecy provisions contained in Commonwealth legislation, specifically the Child Support (Assessment) Act 1989 and the Child Support (Registration and Collection) Act 1988, make it an offence to disclose information about a person obtained under those Acts, unless in the performance of their duties, or unless one of the disclosure enabling sections contained in the secrecy provisions applies.

Information may be disclosed in response to requests, for example, from law enforcement agencies, or in response to requests when a delegate establishes that the disclosure of personal information is necessary for the protection of the health, welfare or safety of an individual.

Unauthorised access is the deliberate access by employees (including consultants and contractors) to confidential customer information without a legitimate, work-related purpose.

With effect from December 2010 responsibility for all unauthorised access detection and investigation activity was integrated across the portfolio.

Detection is usually undertaken using data-matching technology to identify incidents where an employee may have accessed a customer’s computer record where there is no business purpose. All cases are investigated when a data match is detected.

If unauthorised access is determined, the matter is referred for formal administrative action, including Code of Conduct investigation. Serious cases may be referred to the Australian Federal Police and/or the Commonwealth Director of Public Prosecutions for criminal proceedings.
Chapter 6: Management and accountability

PROCESSSES TO PROTECT PRIVACY

These processes included:

- regular employee communication on themes of privacy, procedural instructions for employees and improvement of computer-based tools for recording and highlighting sensitive information
- the provision of high quality and timely advice to all business areas to encourage the identification and resolution of any privacy issues as they arise
- investigation of customer complaints and employee reports of privacy incidents to address systemic issues and improve business processes
- ongoing feedback to the business area to increase privacy awareness and meet legislative requirements.

The CSP engaged a consultant to undertake an independent review of privacy practices in the CSP. A steering committee was established to oversee the independent review to ensure a thorough investigation and evaluation of privacy practices in service delivery in the CSP. The review sought to ensure that the appropriate business framework of privacy practices, protocols, procedures and guidelines represented better practice in the Australian Government context.

PRIVACY TRAINING

DHS raised awareness of privacy issues through training, participation in various privacy forums and providing expert advice to internal and external stakeholders.

DHS met its training responsibilities by ensuring that all ongoing and non-ongoing employees completed privacy training. In October 2010 all operational employees completed privacy training. All new starters complete privacy training on commencement with DHS.

PRIVACY IMPACT ASSESSMENTS

DHS is committed to best privacy practice to ensure that new projects and program improvements are developed within a robust privacy framework. DHS continues to use the privacy impact assessment process to minimise privacy risks and impacts, ensure compliance with legal obligations and build best privacy practice into projects.

In 2010–11 privacy impact assessments were used on a range of significant projects including SDR. Comprehensive privacy analysis continues as part of the process for all identified projects where personal information may be affected.

PRIVACY INCIDENTS

DHS investigated all potential privacy incidents. Usually incidents are reported by DHS management, employees, customers, the Commonwealth Ombudsman, Members of Parliament or the OAIC. DHS also audited employee access to customer information in its computer records to detect any unauthorised entry.

In 2010–11 there were 374 proven privacy incidents, compared to 727 in 2009–10.

INFORMATION INTENSITY SOLUTION REVIEW

This review found that there was a strong awareness of, and commitment to, privacy at all levels in the CSP and that this commitment was reflected in policies and practices. The CSP is developing and implementing a number of innovations in policy and procedures. The review did not find any major gaps or deficiencies in the CSP’s privacy service delivery model.
To support SDR the portfolio’s procurement and contract management functions were integrated during the year. This led to greater buying power and economies of scale.

PROCUREMENT

The procurement activities of DHS were carried out in accordance with the Commonwealth Procurement Guidelines (CPGs). The Chief Executive Instructions and related policy and procedural publications aligned with the CPGs and were regularly reviewed for consistency with the Commonwealth Procurement Framework.

During 2010–11 DHS continued to provide specialist procurement advice, assistance, training and resources to employees to ensure procurement activities were carried out in accordance with the CPGs. One employee completed the Advanced Diploma of Government (Procurement and Contracting), and another completed a Vocational Graduate Certificate in Government (Strategic Procurement).

DHS worked jointly with all portfolio agencies to cooperate in procurement activity. This took the form of either a joint approach to the market (clustering) or through contractual arrangements allowing access by other portfolio agencies (often referred to as piggybacking). Clustering and piggybacking led to lower tendering costs and savings through economies of scale. Similarly, DHS established clustering and piggyback arrangements with other Australian Public Service (APS) agencies whenever it was practical to do so.

### Table 12: CSP identified privacy breaches

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Identified privacy breaches</td>
<td>552</td>
<td>727</td>
<td>374</td>
</tr>
</tbody>
</table>

1 The only privacy incidents reported in DHS were for CSP.

OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER

The portfolio established a Memorandum of Understanding in 2010 with the OAIC to manage the relationship with the portfolio. DHS, and in particular the CSP, had a close working relationship with the OAIC which enabled privacy complaint cases to be handled efficiently and effectively. Complaints were quickly referred for investigation and response, resulting in better service for the complainant.

In 2010–11, eight open cases were carried over from the previous financial year. Another 15 new cases were opened with the office, bringing the total to 23 cases for the year. DHS finalised 16 cases with the office and, at 30 June 2011, seven cases were still open.

The OAIC may issue a report or declaration about the CSP under sections 30 and 52 of the Privacy Act 1988. These statutory reports and determinations enable the Commissioner to report directly to a Minister and to make a decision either to dismiss or to substantiate a complaint. During 2010–11 there were no reports or determinations about the CSP issued under these sections by the Commissioner.

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DHS also contributed to a number of whole-of-government coordinated procurement initiatives led by the Department of Finance and Deregulation.

**CONSULTANCY SERVICES**

DHS complied with the information published in the Department of Finance and Deregulation’s *Financial Management Guidance No 15: Guidance on Procurement Publishing Obligations* (July 2007) in distinguishing between consultancy and non-consultancy contracts for annual reporting purposes.

During 2010–11, 25 new consultancy contracts were entered into, involving total actual expenditure of $2,598,736. In addition, six ongoing consultancy contracts were active during the year involving total actual expenditure of $9,127,276 (including GST).

Appendix G on page 218 shows all new consultancy contracts let by DHS during 2010–11 with a value of $10,000 or more.

Table 13 shows total expenditure on consultancy contracts for the current and previous two financial years. The 2010–11 increase was unusual. It was due to consultancies undertaken in relation to SDR in areas where DHS did not have internal expertise. This level of consultancy expenditure is not expected for 2011–12.

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<th>Financial year</th>
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<tr>
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<td>1,293,101</td>
</tr>
<tr>
<td>2009–10</td>
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Annual reports contain information about actual expenditure on contracts and consultancies. Information on the value of contracts and consultancies is available on the AusTender website tenders.gov.au

**EXEMPT CONTRACTS**

During the year DHS had no contracts or standing offers that were exempted from publication on AusTender.

**ANAO ACCESS CLAUSES**

All DHS templates for contracts of $100,000 or more include standard clauses providing the Auditor-General with appropriate access to a contractor’s premises.

**GRANTS**

DHS did not administer any grants programs during 2010–11.

**DHS—corporate records management**

With corporate records management integrated across the portfolio as part of SDR, DHS achieved some major milestones in delivering a fully digital records management environment. During 2010–11 a DHS Records Authority was introduced for DHS, Centrelink and Medicare Australia to support the management of records. The new Scanning Operations Centre was also implemented, representing an essential component in moving to a digital environment.
DHS—property management

During the year property and assets management were integrated as part of SDR. Property management services were provided by Jones Lang LaSalle. This contract included DHS, Medicare Australia and Centrelink.

DHS—excluding CRS Australia—maintained a leased portfolio of 19 sites occupying 73,329 m². The property portfolio comprised three sites in the Australian Capital Territory, with the remainder located in the other Australian capital cities and regional areas.

In 2010–11 office lease and associated costs for DHS were $40 million.

In an ongoing program to improve service delivery, customer and employee amenity, and enhance the image and presentation of the DHS service delivery network, one DHS site in Perth, Western Australia, was refurbished and one DHS site in Adelaide, South Australia, was relocated to new premises. The Child Support Agency customer service offices in both of these locations were co-located in the Medicare offices as part of these projects. In total, $5 million was spent on capital improvements to DHS sites.

Details on CRS Australia property management is on page 113.

DHS—assets management

DHS assets largely comprised leasehold improvements, office equipment and computer software. An assets register was updated as assets were purchased, disposed of or retired.

DHS—compensation for customers

The CSP received 116 compensation claims from customers for settlement under the Legal Services Directions (LSD) or payment under the Scheme for Compensation for Detriment Caused by Defective Administration (CDDA) in 2010–11. This was five per cent more than the 111 claims received in 2009–10.

In the same period, 13 claims were settled under the LSD, and 66 were approved under the CDDA scheme, a total of 79. This represented 58 per cent of all determined claims, compared with 51 per cent in 2009–10.

The most common reason for paying customer compensation was to reimburse customers for losses resulting from the provision of incorrect advice or the failure to provide appropriate advice. Analysis of the reasons for paying compensation is used to inform service delivery improvements and future policy development.
DHS—Act of Grace payments—CSP

The CSP received seven applications for Act of Grace payments in 2010–11.

The Department of Finance and Deregulation approved four Act of Grace payments in 2010–11, totalling $31,872.99. This represented 57 per cent of all applications received, compared with 43 per cent in 2009–10.

DHS—environmental management

As part of SDR, during the year DHS, Medicare Australia and Centrelink integrated environmental management functions. In particular, extensive work was undertaken to prepare for a DHS Environmental Management System to start on 1 July 2011.

In line with the requirements of section 516A of the Environment Protection and Biodiversity Conservation Act 1999, DHS has reported on its contribution to the principles of ecologically sustainable development and environmental performance (see Appendix H on page 223).

DHS—information and communications technology

ICT STRATEGIC PLAN

A DHS ICT Strategic Plan was launched in June 2011. The plan ensures that ICT in the integrated department has a work program that is strategically focused, well governed, and meets the needs of program and delivery areas, partner agencies and customers. The plan has three objectives:

- Build for the future
- Improve how we work
- Continue to deliver high quality service.

The plan also has a set of management principles to guide ICT decision making. Over the next five years the plan will help DHS to achieve much better delivery of government social and health-related services.

ICT WORKFORCE CAPABILITY

Planning for the future—the ICT Human Capital Strategy and Action Plan

In 2010–11 a three-year ICT Human Capital Strategy and Action Plan was endorsed in recognition of the role ICT plays in achieving SDR. The plan builds capability in a challenging environment experiencing high levels of demand for skills that are in short supply both within DHS and in the market. It outlines a series of accountable actions built around these themes:

- alignment—focusing on what matters to deliver DHS business
- achievement—accountability for achieving outcomes
• efficiency—investing in developing people and making the most of that investment
• sustainability—taking action to retain key performers
• scalability—developing and implementing processes to ensure a steady supply of talent needed to execute business strategy
• risk management—acting in a way that reduces significant risk for DHS.

The plan will be reviewed annually to ensure that DHS stays ahead of the game.

**Building capability—the ICT Capability Framework**

The ICT Capability Framework is being extended across DHS, as well as rolling out job role tagging and skill tagging. The framework aligns with the whole-of-government ICT Capability Framework that is based on the international standard, the *Skills Framework for the Information Age*. The framework provides detailed information on both technical and non-technical roles and outlines capabilities by both job role and competency level/APS level.

The framework is a foundation document that guides workforce planning, identifying gaps in critical job roles and capabilities. It is also used for:

• developing targeted human resource strategies
• benchmarking with the wider ICT job market as it mirrors terminology used externally
• providing data for more transparency in project costing
• assisting with workload management
• supporting skills development.

**Capability improvement planning**

During the year the portfolio began to implement a new Project and Program Management Capability Improvement Plan. The plan was developed in response to the Government’s ICT reforms, which include the need for Financial Management Act agencies to improve their capability to commission, manage and benefit from projects.

**Portfolio Data Centre**

As part of the five-year Portfolio Data Centre program of work, the portfolio significantly increased the ICT capacity in the new Hume Data Centre. This will enable the consolidation of seven data centres down to three in 2011–12. Further consolidation to two data centres will follow. The consolidation of the first legacy data centre is well under way. Resilience of the existing interim Disaster Recovery data centre was also improved throughout 2010–11.

**Single gateway environment**

In support of the Australian Government Internet Gateway Reduction Program, during the year ICT successfully incorporated Centrelink, CRS Australia and the Department of Veterans’ Affairs ICT systems into a single gateway environment.

**Service Delivery Reform**

For information about implementing the required ICT capability to support various SDR initiatives, see *ICT integration* on page 34.
Portfolio people initiatives

PEOPLE SERVICES DELIVERY PROJECT
In 2010–11 people functions were integrated across the portfolio. This involved all operational human resource and learning teams now reporting nationally through two DHS people divisions—People Capability and People Services. These divisions are working towards rolling out consistent services, policies and frameworks to support a single DHS workforce.

PORTFOLIO PEOPLE SURVEY
In March 2011 the first Portfolio People Survey was conducted for all eligible portfolio employees. Seventy-two per cent of eligible employees responded to the survey.

The survey measured employee engagement. The responses showed that employees are generally engaged, committed and positive about working in the portfolio, especially in the context of the major changes taking place. The level of employee engagement across the portfolio was strong, at 69 index points. This indicates that on average many employees are motivated at work and are also willing to exercise discretionary effort to ensure the success of the portfolio.

The survey report highlighted a number of priority areas to sustain and improve, including career progression and work–life balance, which will be addressed through a range of strategies over the coming year.

PORTFOLIO PEOPLE STRATEGY AND CAPABILITY FRAMEWORK
In 2010–11 the portfolio focused on developing the Portfolio People Strategy—Vision 2015. This is central to workforce planning as DHS integration and SDR are implemented.

Another priority was developing a new, nationally consistent workforce planning framework for the portfolio. Based on extensive national and international research, the new framework sets the future direction for workforce planning. Aligned with other business planning processes and strong governance, the delivery model will enhance decision making based on an analysis of the operating environment, business objectives and labour market conditions.

During the year the portfolio also:

- adopted an approach to people metrics, reporting and job design
- participated in the Whole of Government ICT Workforce Planning Working Group
- developed agency-specific components to deliver the ICT Human Capital Plan
- formulated a new job design framework and supporting tools which will help to build future quality jobs.

PEOPLE CHANGE CENTRE
A People Change Centre was established to manage the impact on employees affected by change and to support the integration of employees in the new organisational structure. During the year the centre implemented a business support model and published a Change Management Toolbox to assist leaders, managers and employees. (See also People integration and people change on page 34.)
RECRUITMENT

In 2010–11 the portfolio continued to focus on integrating and streamlining recruitment policy, procedures and processes. Portfolio recruitment achievements for the year included:

- integration of recruitment processing
- development of inclusive recruitment strategies to ensure workforce diversity
- creation of standard advertising templates
- development of a portfolio entry-level framework, which includes specific targeting of diversity groups.

PORTFOLIO LEADERSHIP

Portfolio People and Leadership Committee

The Portfolio People and Leadership Committee coordinated leadership development and alignment activities and provided advice on strategic people management and policy.

Leadership and talent management strategies

During the year, the portfolio developed a Portfolio Leadership Strategy and a Talent and Succession Management Strategy to develop leadership capacity, drive capability and ensure sustainability into the future.

Middle management development

The portfolio developed non-Senior Executive Service (SES) employees by extending current programs and activities. A wide range of programs were delivered, including tailored change management training to equip managers and team leaders with the skills to manage the transition process taking place, both for themselves and their employees. The portfolio continued to deliver the Leading Bold Change program with over 1600 managers taking part over the year.

The portfolio also delivered a range of externally developed and facilitated leadership development programs to 589 APS5–EL2 employees. The leadership development programs ranged from foundation management skills to advanced leadership programs.

Senior executive development

A revised portfolio SES learning and development plan linked to SES performance management. The plan identifies core learning for each SES level and the development programs and events available, including Australia and New Zealand School of Government and Australian Public Service Commission programs. A schedule of tailored and issues-based internal events, training, updates, reviews and forums is also provided. A tracking tool ensures management reporting on participation in mandatory and core programs.
Held portfolio leadership forums to build shared understanding of priority issues

- Using Action Learning Sets to develop peer support and collaboration
- Introducing a values-based assessment of SES employees as part of establishing a cultural baseline.

**Diversity**

DHS is focused on providing an inclusive, diversity-friendly workplace and ensuring equal opportunity for all of its employees. Workplace diversity assists in providing effective customer service for a wide range of customers.

DHS has a longstanding and ongoing commitment to ensuring that the needs of people from a wide range of diverse backgrounds are recognised and are supported within the workplace.

The development of a new Workplace Diversity and Inclusion Strategy reinforces this commitment.

**Employment of people with disability**

DHS continues to be active in developing initiatives to improve employment opportunities for people with disability. Examples of these are summarised below.

- **Scanning operations centre**—the Scanning Operations Centre opened in September 2010. The centre sets mandatory targets for employing people from diversity groups, particularly people with disability. This involved a close working relationship with Disability Employment Service providers to give people with disability the opportunity to work in DHS.

- **Australian Network on Disability**—DHS maintained ‘Gold’ level membership, which gives employers, managers and employees advice and guidance on workplace issues and support strategies for employees with...
A commitment to improving employment outcomes for Aboriginal and Torres Strait Islander peoples is outlined in the new DHS Indigenous Employees Plan. The plan includes the following strategies.

**Indigenous mentoring**—experienced and qualified Indigenous employees mentor other Indigenous employees to develop confidence and skills and help to build their careers and balance their lives between work and their communities.

**Identified positions**—specific employment criteria where most of the tasks involve the development and/or the delivery of policies, programs and services that impact on Indigenous Australians and/or require interaction with Indigenous communities or their representatives.

**Aboriginal and Torres Strait Islander cultural awareness training**—training is designed and delivered to promote better communication with Indigenous employees and improve services to Indigenous customers and their communities. The training increased employee knowledge and understanding of Indigenous culture and how to deal with the issues affecting Indigenous customers in culturally sensitive ways. During the year training was also delivered to employees from a number of other APS agencies.

**Commissioner’s directions**—a framework for implementing the Commissioner’s Directions for Engagement of People with Disability through Disability Employment Service providers was developed. The framework provides greater flexibility across DHS for the employment of people with disability.

At 30 June 2011 DHS employees who identified as having disability made up 1.7 per cent of its total workforce. (See also Appendix J on page 238.)

**Employment of Aboriginal and Torres Strait Islander peoples**

DHS is focused on providing a workplace of choice for Indigenous Australians.
• annual salary progression of 3.5 per cent linked to performance that meets or exceeds expectations
• for employees at the top of their salary range, a $500 performance bonus for employees who performed above agreed requirements
• a health and wellbeing reimbursement of $200 for eligible health-related expenditure.

The agreement included a flexibility clause to enable the approval of additional employment conditions in exceptional circumstances.

STAFF CONSULTATIVE COMMITTEE

The DHS National Consultative Committee provided a mechanism for genuine consultation between DHS and CSP management and employee representatives selected in consultation with the Community and Public Sector Union. The committee was not a decision-making body but rather provided a forum for employees to influence decisions. The committee was formed in accordance with clauses 291–293 of the Department of Human Services—Child Support Agency Collective Agreement 2008–2011 and met at least three times per year.

PERFORMANCE MANAGEMENT

DHS is committed to being a high performing organisation by linking individual performance agreements to business goals and strategic directions. Effective management of the individual performance of employees is a key contributor to the organisation’s success.

All employees participate in a performance management program, the main objectives of which are to:

• develop a high performing culture
• ensure employees are aware of the standards of performance expected of them
• provide employees with an understanding of what they are expected to achieve during the performance year
• ensure employees uphold the APS values in the course of their duties
• recognise achievement
• identify and address capability development needs.

Performance pay
In accordance with the CSP SES and Executive Level Performance Management Schemes, CSP SES and Executive Level employees covered by an Australian Workplace Agreement (AWA) may have been eligible for a performance bonus for superior or outstanding performance of between 5 and 15 per cent of base salary. See Table 34 in Appendix I on page 231 for DHS performance pay for 2009–10, paid in 2010–11.

LEARNING AND DEVELOPMENT
Child Support Program technical skills development
During 2010–11 activities focused on responding to outcomes and recommendations from the Delivering Quality Outcomes Review, which was conducted by David Richmond AO. In addition the CSP continued to deliver on business-as-usual technical training for front line employees.

A key change was to provide leaders and employees with greater autonomy to manage their own learning and development, through the introduction of Self Directed Learning and the impending release of the Skills Pathway.

The release of the Skills Pathway will give employees access to online, competency-based training. Employees will be able to self-assess and develop their technical competencies against those required for their current role, and also the role they aspire to.

Developed on principles that support adult learning in the work environment, the Skills Pathway is both reference-based, directing users to reference tools to support decision making, and scenario-based to create a real environment where the Customer Service Officer must make decisions and find solutions.

Another key focus has been to provide tailored learning solutions to ensure maximum benefit from the learning investment. This has been achieved through the development of learning needs analysis tools and post-training assessments.

The Technical Learning Cycle is also being implemented to support Team Leaders and Technical Support Officers to identify if an employee requires individual or team-based learning interventions.

Using face-to-face and online delivery the Canberra Institute of Technology delivered accredited management development to over 90 employees across the country, with managers undertaking Certificate IV, Diploma and Advanced Diploma studies.

In addition, the CSP implemented an improved 12-week New Starter Program. The program combines skill-based learning with practical on-the-job application, providing a solid foundation so new recruits can hit the ground running.

COMMUNICATING WITH EMPLOYEES
In 2010–11 internal communication activities targeted at employees were integrated across the portfolio. Communication activities are now managed centrally, removing duplication of services.

Over this period of organisational transformation, a key focus was on improving
the quality and delivery of employee communication.

A number of employee communication functions and channels were redeveloped to deliver more consistent, timely and streamlined messages, improving employee understanding of key business initiatives and issues.

This included delivery of employee messaging, updates and profiles from a single online source, all-employee emails, videos on demand and speeches.

A new online employee news platform, news hub, was launched in June 2011, replacing three separate agency newsletters and giving employees an opportunity to interact with each other.

An internal events team integrated and coordinated a number of corporate events, such as the Australia Day Awards, NAIDOC Awards, portfolio SES forums and Executive Leadership events. (For more information see Service Delivery Reform communication on page 35.)

AWARDS AND RECOGNITION

Awards and recognition are tangible and can inspire and motivate high performance. They recognise individuals and teams for exceptional work.

Public recognition of employees

Two portfolio employees received Public Service Medals as part of the 2011 Queen’s Birthday Honours:

- Elizabeth Astone was awarded a medal for her outstanding public service in the delivery of innovative Centrelink services to vulnerable young people in Perth, including young people in detention centres in Western Australia
- John Wadeson was awarded a medal for his outstanding public service in driving and leading significant reform of ICT in the portfolio.

One portfolio employee received a Public Service Medal as part of the 2011 Australia Day Honours:

- Erica Lauchland was awarded a medal for outstanding public service in leading the successful implementation of high quality, cost-effective automated testing of Medicare Australia’s business systems.

External programs

Each year submissions are made to a number of public sector, government endorsed programs as well as private sector industry association award programs including:

- Australian Day Achievement Awards
- NAIDOC Awards
- Public Service Medal
- Prime Minister’s Award for Excellence
- Public Sector management
- Executive Assistant and Personal Assistant of the Year Awards
- Apprenticeship of the Year Awards
- Call Centre Awards
- Information and Communication Technologies
- other programs as considered appropriate.

Internal programs

The awards cover individuals and teams and recognise a range of exceptional achievements in service delivery and performance.

These include:

- national annual performance awards held annually
- local, regional, area or site award programs
• significant events such as emergency recovery programs
• informal acknowledgment of special performance.

Employee Service Recognition Program

The program acknowledges continuous APS length of service for employees in the CSP reaching the following milestones; 10, 20, 25, 30, 35 and 45+ years of service.

DHS—occupational health and safety—promoting a safe and supportive workplace

Teams responsible for occupational health and safety from DHS, Centrelink and Medicare Australia combined during the year to create a consistent approach to ensuring safe and supportive workplaces for all employees.

DHS health and safety policies and procedures identify, adopt and develop best practice in health and safety management to reduce the social and financial cost of occupational injury and illness and improve business performance.

DHS health and safety management arrangements were extended in 2011 after consultation with employees and employee representatives. The arrangements provided information to all employees about the health and safety structures, procedures, roles and responsibilities that supported DHS health and safety policies and procedures. Consultation has begun across DHS to develop new health and safety management arrangements.

NATIONAL HEALTH AND SAFETY COMMITTEE

This committee advised the Secretary on occupational health and safety issues and addressed the following priority areas during the year. The priority areas were:

• telephone and headset safety
• resilience and health promotion
• body stressing injury prevention.

The committee was established under section 34 of the Occupational Health and Safety Act 1991 and the Health and Safety Management Arrangements. The committee was chaired by the National Manager, People Support Branch and met quarterly.

HEALTH AND SAFETY OUTCOMES

DHS health and safety outcomes in 2010–11 included:

• implementing the Occupational Health and Safety Plan for 2010–11
• launching the new incident reporting process and raising awareness about the importance of early reporting
• releasing a new telephone and headset safety guideline, in conjunction with the rollout of acoustic protection devices
• promoting early intervention programs to support injured and ill employees
• implementing action to reduce body stress injury, including the development of a new ergonomic awareness training program
• installing additional sit/stand workstations
• promoting health awareness and activities
• providing support for community recovery responses to flood and cyclone events
implementing a workplace influenza vaccination program.


**WORKERS’ COMPENSATION PREMIUM**

DHS revised workers’ compensation premium for 2010–11 was 1.67 per cent, which was an increase from the premium rate of 1.52 per cent for 2009–10. DHS long-term injury trends show an increase in the cost of workers’ compensation claims for body-stressing (muscular skeletal) injuries.

Figure 12 shows the impact of body-stressing injuries on DHS employees, making up 68 per cent of the accepted claims.

**Figure 12: DHS—per cent of accepted claims for 2010–11 by mechanism of injury**

1 Data has been rounded.
CRS Australia

CRS Australia—performance highlights

- CRS Australia was recognised for its Environment Management System and the way the system is integrated into the business with a merit award in the 2010 Excellence in Environment Management System Awards—Government category.

- The ANAO audit, Service Delivery in CRS Australia, concluded that CRS Australia’s operational processes and service delivery arrangements enable it to effectively deliver services.

- Improved efficiencies were achieved with the introduction of new ICT systems including online recruitment, and SAP-based learning management and contract management systems for CRS Australia business.

CRS Australia—external scrutiny

EXTERNAL AUDITS

ANAO audits

The ANAO audits for 2010–11 are in Appendix D on page 210.

Other audits

CRS Australia participated in the triennial re-certification audit of compliance with the Disability Services Standards that is conducted by external auditors on behalf of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). This audit examined the following standards:

Standard 1: Service access

Standard 2: Individual needs

Standard 3: Decision making and choice

Standard 4: Privacy, dignity and confidentiality

Standard 5: Participation and integration

Standard 6: Valued status

Standard 7: Complaints and disputes

Standard 8: Service management

Standard 9: Employment conditions

Standard 10: Service recipient training and support

Standard 11: Staff recruitment, employment and training


No non-conformities were identified and CRS Australia has been re-certified until 2013.

The Department of Education, Employment and Workplace relations (DEEWR) conducted various compliance audits at various CRS Australia offices during the year as part of its management of the Disability Employment Services Program Memorandum of Understanding.

CRS Australia monitored feedback from these audits to ensure that any areas for improvement were identified and strategies to improve performance were implemented.
Chapter 6: Management and accountability

COMMONWEALTH OMBUDSMAN

The Commonwealth Ombudsman’s Office received nine enquiries about CRS Australia during 2010–11, two of which were formally investigated. This represents a 50 per cent decrease when compared to 2009–10.

APPEALS AGAINST DECISIONS

For services provided under the Disability Services Act 1986, a person affected by a decision of CRS Australia, or by CRS Australia’s failure to make a decision, can appeal first to the Secretary of DEEWR, or the Secretary’s delegate, then to the Administrative Appeals Tribunal (AAT) if the matter is not resolved to their satisfaction.

DEEWR holds delegations for decisions made under the Act, except for section 21A—ending rehabilitation programs—and sections 26(2), (4) and (5)—review of decisions—under Part III of the Act, which CRS Australia also holds.

In 2010–11 no appeals against decisions were lodged with the AAT, and one complaint against CRS Australia was lodged with the Australian Human Rights Commission, but was terminated without further action.

JUDICIAL OR ADMINISTRATIVE DECISIONS

No judicial or administrative tribunal decisions had an impact on the operations of CRS Australia in 2010–11.

FREEDOM OF INFORMATION

CRS Australia has protocols and procedures in place for managing requests for information under the Freedom of Information Act 1982. CRS Australia manages most requests under a general release policy, in agreement with applicants. A fact sheet outlining the general release and FOI application process is available on CRS Australia’s website—crsaustralia.gov.au—for potential applicants.

FOI reforms included the commencement of the Information Publication Scheme (IPS) on 1 May 2011. DHS developed a publication plan for publishing operational information. Mandatory information for the IPS was available on agency websites in 2010–11.

For FOI procedures and FOI coordinator details see Appendix E on page 214.

CRS Australia—internal scrutiny

MANAGING INTERNAL FRAUD

As part of its responsibility to protect the public interest, CRS Australia maintained a fraud control program that complies with the Financial Management and Accountability Act 1997 (FMA Act) and the Commonwealth Fraud Control Guidelines 2011 which is overseen by the Risk Management Committee.

A Fraud Control Plan and a comprehensive risk assessment were included in the program. CRS Australia had in place appropriate fraud prevention, detection, investigation and reporting procedures and processes.

To ensure requirements were met, data was collected and any fraud reported. All strategies and processes were actively reviewed and updated in accordance with CRS Australia’s continuous improvement practices.

Where necessary, all investigated matters were reported to the appropriate delegate with recommendations on possible sanctions, and prevention strategies were considered and implemented. When required, the Fraud Control Plan and risk register were also updated.
In some locations, CRS Australia opened its premises to other employment service providers to ensure job seekers continued to have access to their providers.

During the emergencies, CRS Australia employees worked with Centrelink from late December 2010 to February 2011, providing debriefing support for Australian Government employees working in the field.

**RISK MANAGEMENT**

In 2010–11 the CRS Australia Risk Management Committee met four times and provided assurance to the General Manager on risk, audit, fraud, security, business continuity and related ICT and service delivery issues.

CRS Australia’s Risk Management Plan considered risk assessments across all areas of the business including service delivery, business planning, management of major projects, fraud, security, occupational health and safety, business continuity and employee management.

A strategic and operational risk assessment was conducted to determine the overall risk profile for CRS Australia. Appropriate mitigation strategies and remediation actions were implemented based on risk appetite and tolerances.

**Comcover risk management**

As part of CRS Australia’s commitment to continuous improvement, it again participated in the annual Comcover Risk Management Benchmarking Survey, to ensure that processes and practices reflect relevant legislation and standards.

In 2010–11 CRS Australia received a rating of 7.3 out of 10 (equating to a 7.9 per cent saving on the 2010–11 insurance premium), resulting in $16,393 in savings. This score shows the effectiveness of risk management within DHS. Areas for improvement will be identified and assessed in the coming year.
Chapter 6: Management and accountability

BUSEINESS CONTINUITY

CRS Australia maintains a suite of documents including a Business Continuity Plan, Procedures, Emergency Handbook, IT Disaster Recovery Plan and Pandemic Plan that assist in maintaining business as usual in the event of a crisis.

An annual test of the Business Continuity Plan was undertaken successfully in October 2010 and provided assurance that planning, processes and response actions were sound and appropriate.

WORKPLACE SECURITY


To ensure compliance with information, personal, physical, ICT and personnel security requirements, detailed risk assessments, security reviews of offices, and assessments of other threats and weaknesses through incident reports were conducted in 2010–11.

Reviews of metropolitan and rural service delivery sites formed part of protective security activities in 2010–11. Although no material control weaknesses were identified, additional controls and remediation strategies were recommended to ensure compliance with minimum mandatory requirements.

A security risk assessment, as part of the Protective Security Plan, was reviewed and updated to ensure that identified risks were addressed.

PRIVACY OF PERSONAL INFORMATION

CRS Australia considers protecting the privacy of personal information to be of critical importance. It has an extensive range of activities which support the relevant legislation and best privacy practice. These include:

- providing advice to employees to encourage the identification and resolution of privacy issues
- reinforcing privacy obligations to employees through training
- investigating complaints and reports of possible privacy breaches to ensure action is taken to address any ongoing risks
- specific processes for releasing personal information to third parties.

The management of CRS Australia customer personal information is protected by section 28 of the Disability Services Act 1986 and the Privacy Act 1988.

Secrecy provisions contained in the Disability Services Act make it an offence for CRS Australia employees to disclose information about a person obtained under the Act, unless that disclosure is in the performance of their duties, or in the administration of the Social Security Act 1991, in the public interest or to a prescribed authority.

All requests for personal information are assessed according to the secrecy provisions and in many cases require approval or certification by an officer of DEEWR exercising a delegation under the Act. Information may be disclosed in response to requests when a delegate establishes that the disclosure of personal information is necessary in the public interest.

Table 14: CRS Australia substantiated privacy breaches

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<tbody>
<tr>
<td>Substantiated privacy breaches</td>
<td>9</td>
<td>13</td>
<td>5</td>
</tr>
</tbody>
</table>

Chapter 6: Management and accountability
CRS Australia—purchasing and consultancies

PROCUREMENT

CRS Australia’s procurement activities comply with the Commonwealth Procurement Guidelines (CPGs). DHS Chief Executive Instructions and related policy and procedural purchasing publications support the CPGs and are regularly reviewed for consistency with the Commonwealth Procurement Framework.

Most CRS Australia purchases relate to job seeker programs, and cost less than $1000. These are outlined in the specific job seeker Employment Pathway Plan or Program Plan as necessary to achieve a successful return to work.

CRS Australia employs external service providers (contractors) primarily to provide allied health and other vocational rehabilitation and training interventions on a needs basis across Australia. These providers are critical to meeting surges in demand and to support the specific needs of individual job seekers.

CRS Australia made use of DHS portfolio-wide procurements such as the national arrangement for Records Management Storage Services, along with specialised procurement for CRS Australia employees such as counselling skills training for the allied health workforce.

CONSULTANCY SERVICES

CRS Australia complies with the information published in the Department of Finance and Deregulation’s Financial Management Guidance No 15: Guidance on Procurement Publishing Obligations (July 2007) in distinguishing between consultancy and non-consultancy contracts for annual reporting purposes.

In 2010–11 CRS Australia contracted eight consultants to provide a range of specialist skills that were not available in-house or where an external independent and impartial view was required. Consultancies included advice on ICT Learning Management systems, stakeholder feedback and financial advice.

During 2010–11 eight new consultancy contracts were entered into, involving total actual expenditure of $95,102. In addition, one ongoing consultancy contract was active at the beginning of the financial year, involving total actual expenditure of $77,790 (including GST).

Appendix G on page 218 shows all new consultancy contracts let by CRS Australia during 2010–11 with a value of $10,000 or more. Six of these contracts were under $10,000 and are therefore not listed in Appendix G.

Table 15: CRS Australia expenditure on consultancy services 2008–09 to 2010–11

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Total consultancy services expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008–09</td>
<td>468,800</td>
</tr>
<tr>
<td>2009–10</td>
<td>265,345</td>
</tr>
<tr>
<td>2010–11</td>
<td>172,892</td>
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</tbody>
</table>

Annual reports contain information about actual expenditure on contracts and consultancies. Information on the value of contracts and consultancies is available on the AusTender website tenders.gov.au

EXEMPT CONTRACTS

During the year CRS Australia had no contracts or standing offers that were exempted from publication on AusTender.
Nine offices were relocated within current DEEWR Employment Service Area boundaries to provide better services to our job seekers. Offices are located conveniently for job seekers close to Centrelink offices, transport systems and other community facilities.

In 2010–11 Property Fitout and Relocation guidelines were developed to ensure optimal access, cost effectiveness and consistency in all new offices. The office layout guidelines promote functional, safe workspaces for job seekers and employees.

During 2010–11 total property costs, including costs such as leases and cleaning, was $17.42 million.

ASSETS MANAGEMENT

CRS Australia’s assets largely comprise leasehold improvements, office equipment and computer software. These assets are locally managed and replaced or upgraded based on business requirements. The centrally controlled asset register is updated as assets are purchased, disposed of or retired. An annual centrally managed stocktake ensures that all asset disposals and retirements have been recorded. In 2010–11 all assets were re-valued by professional valuers.

CRS Australia—environmental management

CRS Australia is committed to the protection of the environment and recognises its responsibility to the Australian Government and the wider community to minimise the impact of its operations on the environment.

The Environmental Management System (EMS) is available to employees on the
intranet and provides guidelines to help consider environmental objectives. A series of environmental strategies promote environmental awareness within CRS Australia, including environmental intranet pages, news items and the Green Team.

CRS Australia was recognised for its EMS and the way it is integrated into the business with a merit award in the 2010 Excellence in Environment Management System Awards—Government category. The award was presented by the Environmental Management Systems Association at an event held in Geelong, Victoria, in October 2010.

CRS Australia reports on its environmental performance in Appendix H on page 223.

CRS Australia—people

COMBINING WORKFORCE AND INTEGRATION

In March 2011 the Minister for Human Services announced that the two Job Capacity Assessments (JCA) workforces within Centrelink and CRS Australia would be brought together from 1 July 2011, under the leadership of the General Manager Rehabilitation and Assessment Services.

EMPLOYEE PROFILE

At 30 June 2011 CRS Australia employed 1947 people (including employees on long-term leave) under the Public Service Act 1999. CRS Australia’s employee levels decreased during the year, with 106 fewer employees than at 30 June 2010. Its workforce comprised 1698 (87.21 per cent) ongoing and 1148 (58.96 per cent) full-time employees. See Appendix J on page 235.

CRS Australia—information and communications technology

CRS Australia continued to explore new technologies and systems to better enable services. Major ICT projects in 2010–11 included:

- upgrade of the standard operating environment to include Windows 7, Office 2010 and Internet Explorer 8
- virtualisation of the majority of Intel-based server hardware within the Bruce Data Centre
- technical upgrades to SAP including a Unicode conversion and the installation of various enhancement packs
- implementing an online recruitment system
- implementing a SAP-based learning management system
- implementing a SAP-based contract management system
- implementing DEEWR Memorandum of Understanding-related changes within the core case management system
- completing a Search Engine Optimisation project for the CRS Australia website
- implementing audit recommendations within the CRS payroll system.
COLLECTIVE AGREEMENT

At 30 June 2011, 1942 employees were employed under the CRS Australia Collective Agreement 2008–2011. Forty-four employees had some terms and conditions of the agreement enhanced by individual determinations under section 24(1) of the Public Service Act or individual determinations under the agreement’s flexibility clause.

Salary ranges for employees under the collective agreement are set out in Appendix I on page 231.

PERFORMANCE MANAGEMENT AND PAY

The CRS Australia Collective Agreement 2008–2011 aligns employees’ behaviour, development and results with the organisational and team objectives.

Moving through the salary range depends on achieving a rating of ‘fully effective’ or ‘above expectations’. Additional reward payments are paid when employees are rated ‘above expectations’.


Senior executive remuneration

All portfolio SES employees—Centrelink, Medicare Australia and DHS—were moved to a single set of employment terms and conditions in 2010–11. Conditions of employment for all senior executives are provided through a determination made under section 24(1) of the Public Service Act 1999. SES remuneration is now determined by the agency head and reflects work value, individual capability, individual contribution and performance. Relevant market factors and organisational performance are also taken into account. Remuneration is reviewed at the end of the annual performance cycle. (For information about SES remuneration see Appendix I on page 231.)

Individual agreements

At 1 July 2010 four employees were employed on AWAs. In 2010–11 they terminated their AWAs by agreement.

Productivity

The collective agreement provided a productivity measure, revenue to salary ratio, which measures the efficiency of employees’ resources and their effectiveness in generating revenues:

- a one-off payment in 2011 equal to 1 per cent of base salary, conditional on a minimum revenue to salary ratio of 1.75:1 being achieved at the national level at the end of May 2011
- a 1 per cent increase to the salary range, conditional on achieving a minimum revenue to salary ratio of 1.75:1 in May 2010 and May 2011.

CRS Australia did not meet these productivity measures, achieving a ratio of 1.73:1 at the end of May 2011.

WORKFORCE MANAGEMENT

Attracting and retaining employees

The Applicant Feedback Survey continues to be conducted quarterly, and is used to improve CRS Australia’s advertising and attraction strategies. Information provided is incorporated into advertising templates to ensure relevant attractors for working with CRS Australia are included. The information is also embedded into CRS Australia’s Day in the Life attraction strategy, which profiles a number of CRS Australia employees.

Internal analysis has identified that streamlined advertising has resulted in savings in advertising costs and that online job boards are a more effective means of advertising.
Managers are encouraged to consider this avenue before they start a selection process.

An e-Recruitment system was launched to improve efficiency and provide a better experience to applicants. The system is user-friendly for applicants and provides better candidate care, with opportunity to regularly communicate with the applicant.

**Workplace diversity**

In keeping with CRS Australia’s ongoing commitment to maintaining inclusive workplaces the Workplace Diversity Plan was revised and updated to incorporate new provisions for engaging people with disability and the Council of Australian Governments’ target of 2.7 per cent Indigenous employees by 2015.

The Reconciliation Action Plan (RAP) was endorsed by Reconciliation Australia and the CRS Australia working party, consisting of an executive sponsor and Indigenous and non-Indigenous employees, has met to progress implementing the plan. The RAP was promoted to all employees and a new Workplace Diversity intranet site was developed. Relevant corporate documents and practical guidance on implementing initiatives at a local level are included on the site. The RAP is also supported by an Indigenous Employment, Retention and Career Development Strategy 2010–2014.

Three CRS Australia Indigenous cadets became Rehabilitation Consultants and four new cadets were engaged at the beginning of 2011.

CRS Australia continues to provide working conditions which enable employees to balance work with their family and personal lives.

For detailed information on CRS Australia equity and diversity groups, see Appendix J on page 235.

**LEARNING AND DEVELOPMENT**

During 2010–11 learning and development programs continued to be aligned with business capability. Activities focused on supporting service delivery employees, including the transition to the new JCAs from 1 July 2011. A train the trainer program was delivered to JCA assessors to ensure the service delivery aligns with the new assessment requirements from 1 July 2011.

The focus on leadership development expanded from providing development activities in Leader Led Development 1 to providing a higher level management training in Leader Led Development 3, through the Australian Graduate School of Management Executive Program. CRS Australia’s Leader Led development program provides a suite of activities for Executive Level managers to consolidate and extend their management capability. A selection of managers attended the Results Through People Program managed through Centrelink.

Core technical courses were updated and a mental health first aid course was made available to all employees. A resilience package was developed for delivery at the regional level.

On average 15 hours of formal off-the-job learning and development activities was provided per employee. $1.643 million was spent on formal off-the-job training and conference attendance.
AWARDS AND RECOGNITION

CRS Australia uses a range of programs to recognise, reward and celebrate exceptional performance.

External programs

Each year submissions are made to a number of public sector government-endorsed programs as well as private sector industry association award programs including:

- Australia Day Achievement Awards
- NAIDOC Awards
- other programs as considered appropriate.

Internal programs

These programs promote and celebrate team and individual excellence in CRS Australia across all areas of business.

- General Manager Awards recognise outstanding performance that is clearly ‘above and beyond’ the normal expectations of a team or individual, where outstanding outcomes have been achieved and/or exceptional behaviours have been demonstrated
- Minister for Human Services Award for Exemplary Service to Customers and Stakeholders
- Recognition rewards may be given to teams or individuals to recognise and reward praiseworthy effort, length of service (over 15 years) or performance where other rewards are not appropriate or applicable.

See Building capability on page 78 for the number of employee and team awards presented in 2010–11.

Management of ethical standards

CRS Australia requires all employees to follow the APS Values and Code of Conduct both in their delivery of services and in their interactions with each other.

Following a rigorous and thorough Risk Management audit program in 2009–10, CRS Code of Conduct matters relating to email communication reduced.

Policies and procedures relating to breaches of the code are available to all employees on the CRS Australia intranet.

OCCUPATIONAL HEALTH AND SAFETY—PROMOTING A SAFE AND SUPPORTIVE WORKPLACE

Occupational Health and Safety (OH&S) principles are included in the CRS Australia Strategic Plan 2009–2012 and are a standard requirement.

CRS Australia successfully implemented its second Health and Safety Management Arrangements (HSMA) in September 2010, after consultation with employees. The HSMA were streamlined to make them more accessible to employees while meeting requirements of the Occupational Health and Safety Act 1991.

The National Occupational Health and Safety Committee (NOHSC) met every eight weeks. The committee reports against identified actions including a research project on body-stressing (soft tissue injuries that usually arise from repetitive movement or conducting manual tasks), improving communication channels for health and safety representatives and reviewing the rollout of major projects from an OH&S perspective.

A new injury prevention and wellbeing communication plan was developed and implemented over the period.

A review of employee health cases was undertaken and CRS Australia’s approach was found to be consistent with the guidelines and good practice. New templates for early intervention and internal return to work programs were developed based on the review.
At the NOHSC annual face-to-face meeting Illness, Injury and Incident form data was analysed for the organisation. The highest three areas of reporting for the organisation were body-stressing, mental stress and slips, trips and falls. The committee decided to investigate each of these to devise appropriate injury prevention strategies.

Figures 13 and 14 show the impact of body-stressing injuries on CRS Australia, making up 41 per cent of the accepted claims and 10 per cent of claim costs in 2010–11. Mental stress, and slips, trips and falls are also shown.

**Figure 13: CRS Australia—per cent of accepted claims for 2010–11 by mechanism of injury**

![Diagram showing the percentage distribution of accepted claims by mechanism of injury in 2010–11.](image)

**Figure 14: CRS Australia—per cent of claims for 2010–11 by mechanism of injury**

![Pie chart showing the percentage distribution of claims by mechanism of injury in 2010–11.](image)

Health and safety outcomes

During 2010–11 CRS Australia improved occupational health and safety in a number of ways, including:

- completing the review and consultation of the HSMAs
- revitalising the Harassment Contact Officer network
- setting up strong induction processes for health and safety representatives and ensured training is completed as early as possible
implementing a wellbeing intranet site
implementing an injury prevention and wellbeing communications plan
promoting Mental Health Week and Safe Work Week on the CRS Australia intranet and through health and safety representatives in each designated work group
implementing a workplace safety check list that was completed in all regions
analysing the OH&S Incident, Injury and Illness forms and commenced projects with the NOHSC for the most predominant injury types
improving the Staff Health Case Management System functionality
following up with managers when an employee had more than five days sick leave in one month
updating employee health templates
promoting early intervention strategies and procedures to minimise unplanned absences and lower compensation claim rates.

See Appendix C on page 208 for information required under Section 74 of the Occupational Health and Safety Act 1991.
Chapter 7: Financial overview
This chapter provides a summary of the Department of Human Services (DHS) financial performance in 2010–11. Results are shown in the audited financial statements and this summary should be read in conjunction with those statements.

Employees from finance areas in DHS, Centrelink and Medicare Australia were brought together in 2010–11 in preparation for delivering integrated financial services from 1 July 2011.

Financial performance

In 2010–11 DHS reported an operating deficit of $105.5 million. This included $80.3 million to fund agreed preparations to a single department as part of Service Delivery Reform (SDR), and $26.2 million for depreciation which is no longer funded as part of the Operation Sunlight Financial Reforms. The Minister for Finance and Deregulation had approved an operating deficit (excluding depreciation) of up to $86.9 million primarily to fund SDR activities. The funding was sourced from prior year operating surpluses generated by DHS, Centrelink and Medicare Australia.

STATEMENT OF FINANCIAL PERFORMANCE

Income

In 2010–11 DHS received total income of $709.0 million ($767.3 million in 2009–10). Of the $709.0 million, $205.3 million was received as other income primarily from CRS Australia.

Table 16 shows that in 2010–11 DHS income decreased by 7.6 per cent compared to the previous year, predominantly due to a decrease in government-funded appropriation and a decrease in other gains. Figure 15 shows a comparison of income over the past three years.

Expenses

DHS expenses in 2010–11 totalled $814.5 million compared to $741.2 million in 2009–10.

DHS incurred:

- employee expenses of $519.5 million
- supplier expenses of $263.9 million
- depreciation and other expenses of $31.1 million
- income tax equivalent expenses of $0.03 million for CRS Australia.

Table 16 shows that in 2010–11 DHS expenses increased by 9.9 per cent compared to the previous year. Figure 15 shows a comparison of DHS expenses over the past three years.
Table 16: Income and expenses 2008–09 to 2010–11

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<tbody>
<tr>
<td>Income ($m)</td>
<td>697.9</td>
<td>767.3</td>
<td>709.0</td>
<td>−7.6%</td>
</tr>
<tr>
<td>Expenses ($m)</td>
<td>688.0</td>
<td>741.2</td>
<td>814.5</td>
<td>+9.9%</td>
</tr>
</tbody>
</table>

Figure 15: Income and expenses 2008–09 to 2010–11

STATEMENT OF FINANCIAL POSITION

Equity

The total equity of DHS at 30 June 2011 was $117.2 million, representing a decrease of $64.8 million over the 30 June 2010 figure of $182.0 million. Table 17 shows that total equity decreased by 35.6 per cent in 2010–11 compared with the previous year. This was mainly due to the deficit result for the financial year.

Assets

At 30 June 2011 DHS assets totalled $380.4 million ($362.7 million at 30 June 2010). Table 17 shows that assets increased by 4.9 per cent in 2010–11 compared with the previous year. Figure 16 shows the trend in assets over the past three years. The increase was associated with increased receivables and revaluation of fixed assets.

Liabilities

DHS had total liabilities of $263.2 million at 30 June 2011 ($180.7 million at 30 June 2010). Table 17 shows that liabilities increased by 45.7 per cent in 2010–11 compared with the previous year. This was due to increased payables from integration activities associated with service delivery reform. Figure 16 shows the trend in liabilities over the past three years.
Table 17: Equity, assets and liabilities 2008–09 to 2010–11

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</thead>
<tbody>
<tr>
<td>Equity ($m)</td>
<td>158.7</td>
<td>182.0</td>
<td>117.2</td>
<td>−35.6%</td>
</tr>
<tr>
<td>Assets ($m)</td>
<td>329.6</td>
<td>362.7</td>
<td>380.4</td>
<td>+4.9%</td>
</tr>
<tr>
<td>Liabilities ($m)</td>
<td>170.9</td>
<td>180.7</td>
<td>263.2</td>
<td>+45.7%</td>
</tr>
</tbody>
</table>

Figure 16: Equity, assets and liabilities 2008–09 to 2010–11

Administered items

DHS transfers child support payments between separated parents for the support of their children and receives appropriations for expenses incurred in delivering the Income Management Card program.

DHS also receives dividends and competitive neutrality payments on behalf of the Australian Government from Australian Hearing. All administered receipts are transferred directly to the Official Public Account.
INDEPENDENT AUDITOR’S REPORT

To the Minister for Human Services

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Human Services for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; Schedule of Administered Items; and Notes to and forming part of the Financial Statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Secretary’s Responsibility for the Financial Statements

The Secretary of the Department of Human Services is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister’s Orders made under the Financial Management and Accountability Act 1997, including the Australian Accounting Standards, and for such internal control as the Secretary determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department of Human Services’ preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Human Services’ internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the
reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

**Opinion**

In my opinion, the financial statements of the Department of Human Services:

(a) have been prepared in accordance with the Finance Minister’s Orders made under the Financial Management and Accountability Act 1997, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister’s Orders including the Department of Human Services’ financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

As described in Notes 25 and 26 to the financial statements, the Department of Human Services has recently become aware that there is an increased risk of non-compliance with section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation, and has advised that these circumstances will be investigated.

**Australian National Audit Office**

[Signature]

Prasna Dash
Executive Director
Delegate of the Auditor-General
Canberra
8 September 2011
DEPARTMENT OF HUMAN SERVICES
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister’s Orders made under the Financial Management and Accountability Act 1997, as amended.

Signed

Kathryn Campbell
Secretary
7 September 2011

Signed

Allan Groenkroger FCPA
Chief Financial Officer
7 September 2011
### DEPARTMENT OF HUMAN SERVICES

#### STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2011

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>4A</td>
<td>519,468</td>
</tr>
<tr>
<td>Supplier expenses</td>
<td>4B</td>
<td>263,923</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>4C</td>
<td>30,338</td>
</tr>
<tr>
<td>Finance costs</td>
<td>4D</td>
<td>168</td>
</tr>
<tr>
<td>Write-down and impairment of assets</td>
<td>4E</td>
<td>310</td>
</tr>
<tr>
<td>Losses from sale of assets</td>
<td>4F</td>
<td>187</td>
</tr>
<tr>
<td>Other</td>
<td>4G</td>
<td>155</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>814,549</td>
</tr>
</tbody>
</table>

| LESS: |       |       |
| OWN-SOURCE INCOME |       |       |
| Own-source revenue |       |       |
| Rendering of services | 5A | 199,633 | 201,383 |
| Rental income | 5B | 1,784 | 1,530 |
| Other | 5C | 1,020 | 2,156 |
| **Total own-source revenue** |       | 202,437 | 205,069 |

| Gains |       |       |
| Reversals of previous asset write-downs and impairments | 5D | 2,407 | 357 |
| Other | 5E | 490 | 4,353 |
| **Total gains** |       | 2,897 | 4,710 |
| **Total own-source income** |       | 205,334 | 209,779 |
| **Net cost of services** |       | 609,215 | 531,316 |

| Revenue from Government | 5F | 503,706 | 557,508 |
| **Surplus/(Deficit) before income tax on continuing operations** | | (105,509) | 26,192 |
| Income tax expense | 6 | 28 | 90 |
| **Surplus/(Deficit) after income tax on continuing operations** | | (105,537) | 26,102 |
| **Surplus/(Deficit) attributable to the Australian Government** | | (105,537) | 26,102 |

| OTHER COMPREHENSIVE INCOME |       |       |
| Changes in asset revaluation reserves | | 9,926 | 3,578 |
| **Total other comprehensive income after income tax** |       | 9,926 | 3,578 |
| **Total comprehensive income/(loss) attributable to the Australian Government** | 29 | (95,611) | 29,680 |

The above statement should be read in conjunction with the accompanying notes.
**DEPARTMENT OF HUMAN SERVICES**  
**BALANCE SHEET**  
*as at 30 June 2011*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7A</td>
<td>11,700</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>7B</td>
<td>264,230</td>
</tr>
<tr>
<td>Other</td>
<td>7C</td>
<td>168</td>
</tr>
<tr>
<td>Total financial assets</td>
<td></td>
<td>276,098</td>
</tr>
<tr>
<td>Non-Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>8A</td>
<td>61,464</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8B</td>
<td>8,650</td>
</tr>
<tr>
<td>Intangibles</td>
<td>8D</td>
<td>26,932</td>
</tr>
<tr>
<td>Other</td>
<td>8E</td>
<td>7,277</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td></td>
<td>104,323</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>9A</td>
<td>123,384</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td>9B</td>
<td>316</td>
</tr>
<tr>
<td>Lease incentives</td>
<td>9C</td>
<td>10,769</td>
</tr>
<tr>
<td>Other</td>
<td>9D</td>
<td>12,891</td>
</tr>
<tr>
<td>Total payables</td>
<td></td>
<td>147,360</td>
</tr>
<tr>
<td>Interest Bearing Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases</td>
<td>10</td>
<td>881</td>
</tr>
<tr>
<td>Total interest bearing liabilities</td>
<td></td>
<td>881</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee provisions</td>
<td>11A</td>
<td>111,211</td>
</tr>
<tr>
<td>Other</td>
<td>11B</td>
<td>3,775</td>
</tr>
<tr>
<td>Total provisions</td>
<td></td>
<td>114,986</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>263,227</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td>117,194</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td></td>
<td>121,278</td>
</tr>
<tr>
<td>Reserves</td>
<td>15,758</td>
<td>5,832</td>
</tr>
<tr>
<td>Retained surplus/(accumulated deficit)</td>
<td>(19,842)</td>
<td>85,695</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>117,194</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes.
## DEPARTMENT OF HUMAN SERVICES
### STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2011

<table>
<thead>
<tr>
<th>Retained earnings</th>
<th>Asset revaluation reserves</th>
<th>Contributed equity/capital</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000 2011 2010</td>
<td>$'000 2011 2010</td>
<td>$'000 2011 2010</td>
<td>$'000 2011 2010</td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>85,695 58,101</td>
<td>5,832 3,746</td>
<td>90,426 96,825</td>
</tr>
<tr>
<td>Adjusted opening balance</td>
<td>85,695 58,101</td>
<td>5,832 3,746</td>
<td>90,426 96,825</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income ¹</td>
<td>- -</td>
<td>9,926 3,578</td>
<td>- -</td>
</tr>
<tr>
<td>Surplus/(Deficit) for the period</td>
<td>(105,537) 26,102</td>
<td>- -</td>
<td>- -</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>(105,537) 26,102</td>
<td>9,926 3,578</td>
<td>- -</td>
</tr>
<tr>
<td>of which;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attributable to the Australian Government</td>
<td>(105,537) 26,102</td>
<td>9,926 3,578</td>
<td>- -</td>
</tr>
<tr>
<td>Transactions with owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction of appropriation ²</td>
<td>- -</td>
<td>- -</td>
<td>(8,740) (5,799)</td>
</tr>
<tr>
<td>Contributions by owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental Capital Budget</td>
<td>- -</td>
<td>- -</td>
<td>39,580 -</td>
</tr>
<tr>
<td>Restructuring</td>
<td>- -</td>
<td>- -</td>
<td>12 (600)</td>
</tr>
<tr>
<td>Sub-total transactions with owners</td>
<td>- -</td>
<td>- -</td>
<td>30,852 (6,399)</td>
</tr>
<tr>
<td>Transfers between equity components</td>
<td>- 1,492</td>
<td>- (1,492)</td>
<td>- -</td>
</tr>
<tr>
<td>Closing balance as at 30 June</td>
<td>(19,842) 85,695</td>
<td>15,758 5,832</td>
<td>121,278 90,426</td>
</tr>
<tr>
<td>Closing balance attributable to the Australian Government</td>
<td>(19,842) 85,695</td>
<td>15,758 5,832</td>
<td>121,278 90,426</td>
</tr>
</tbody>
</table>

¹ During 2010-11 the Department revalued make good provision and non-financial assets. The revaluation amount of $9.926 million reflected in the Asset Revaluation Reserve is represented by movements in the asset movement table and make good provision of $7.430 million and $2.496 million respectively.

² In 2010-11 appropriation reduction represents $7.990 million associated with unused Compensation for Detriment caused by Defective Administration (CDDA) funding and $0.750 million associated with the Income Management Card. In 2009-10 $5.799 million reduction represents un-used depreciation funding for Operation Sunlight net cash arrangements.

The above statement should be read in conjunction with the accompanying notes.
### DEPARTMENT OF HUMAN SERVICES
#### CASH FLOW STATEMENT

*for the period ended 30 June 2011*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

#### OPERATING ACTIVITIES

**Cash received**

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>723,854</th>
<th>757,692</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and services</td>
<td>216,490</td>
<td>238,054</td>
</tr>
<tr>
<td>Net GST received</td>
<td>18,718</td>
<td>21,532</td>
</tr>
<tr>
<td>Other</td>
<td>211</td>
<td>4,650</td>
</tr>
</tbody>
</table>

**Total cash received** | 959,273 | 1,021,928 |

**Cash used**

<table>
<thead>
<tr>
<th>Employees</th>
<th>511,355</th>
<th>466,224</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>204,795</td>
<td>263,485</td>
</tr>
<tr>
<td>Competitive neutrality payments</td>
<td>375</td>
<td>1,939</td>
</tr>
<tr>
<td>Net GST Paid</td>
<td>14,687</td>
<td>14,650</td>
</tr>
<tr>
<td>Section 31 Receipts transferred to the OPA</td>
<td>217,052</td>
<td>235,209</td>
</tr>
</tbody>
</table>

**Total cash used** | 948,264 | 981,507 |

**Net cash from operating activities** | 13  | 11,009 | 40,421 |

#### INVESTING ACTIVITIES

**Cash received**

| Proceeds from sales of property, plant and equipment | 21 | 21 |

**Total cash received** | 21 | 21 |

**Cash used**

| Purchase of property, plant and equipment | 11,677 | 25,336 |
| Purchase of intangibles | 13,139 | 9,595 |

**Total cash used** | 24,816 | 34,931 |

**Net cash flows used by investing activities** | (24,795) | (34,910) |

#### FINANCING ACTIVITIES

**Cash received**

| Contributed equity | 18,942 | - |

**Total cash received** | 18,942 | - |

**Cash used**

| Payment of finance lease liabilities | 3,007 | 3,150 |

**Total cash used** | 3,007 | 3,150 |

**Net cash from (used) by financing activities** | 15,935 | (15,935) |

**Net increase in cash held** | 2,149 | 2,361 |

**Cash and cash equivalents at the beginning of the reporting period** | 9,551 | 7,190 |

**Cash and cash equivalents at the end of the reporting period** | 7A  | 11,700 | 9,551 |

---

1 In 2010-11 transfers from the Official Public Account (OPA) are shown with appropriations. In 2009-10 transfers from the OPA were shown separately.

The above statement should be read in conjunction with the accompanying notes.
## DEPARTMENT OF HUMAN SERVICES
### SCHEDULE OF COMMITMENTS
#### as at 30 June 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

### BY TYPE

#### Commitments receivable
- Operating lease receivable: 2,759 | 2,972
- Net GST recoverable on commitments¹: 25,085 | 29,657
- **Total commitments receivable**: 27,844 | 32,629

#### Commitments payable

#### Capital commitments
- Property, plant and equipment²: (1,223) | (1,689)
- **Total capital commitments**: (1,223) | (1,689)

#### Other commitments
- Operating leases³: (212,642) | (223,047)
- Other: (80,349) | (98,029)
- **Total other commitments**: (292,991) | (321,076)
- **Net commitments by type**: (266,370) | (290,136)

### BY MATURITY

#### Commitments receivable

#### Operating lease income
- One year or less: - | 2,883
- From one to five years: 2,759 | 89
- **Total operating lease income**: 2,759 | 2,972

#### Other commitments receivable
- One year or less: 9,109 | 10,985
- From one to five years: 10,292 | 12,136
- Over five years: 5,684 | 6,536
- **Total other commitments receivable**: 25,085 | 29,657

#### Commitments payable

#### Capital commitments
- One year or less: (854) | (1,210)
- From one to five years: (369) | (479)
- **Total capital commitments**: (1,223) | (1,689)
### Operating lease commitments

<table>
<thead>
<tr>
<th>Nature of lease</th>
<th>General description of leasing arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leases for office accommodation</td>
<td>The Department has a range of long and short term leases with fixed dates for expiry. Lease payments are subject to the terms and conditions of the lease. Lease payments are subject to various clauses, some of which include fixed annual increases, adjustments for market rent reviews or upward movements in the Consumer Price Index (CPI).</td>
</tr>
<tr>
<td>Agreements for the provision of motor vehicles</td>
<td>No contingent rentals exist. There are no renewal or purchase options available to the Department for motor vehicle leases.</td>
</tr>
</tbody>
</table>

### Other Commitments

<table>
<thead>
<tr>
<th>Nature of lease</th>
<th>General description of leasing arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>One year or less</td>
<td></td>
</tr>
<tr>
<td>From one to five years</td>
<td></td>
</tr>
<tr>
<td>Over five years</td>
<td></td>
</tr>
<tr>
<td>Total other commitments</td>
<td></td>
</tr>
</tbody>
</table>

1. Note: Commitments are GST inclusive where relevant.
2. Property, plant and equipment commitments are primarily contracts for purchases of furniture and fittings for leased premises.
3. Operating leases included are effectively non-cancellable and comprise:

The above schedule should be read in conjunction with the accompanying notes.
### DEPARTMENT OF HUMAN SERVICES
### SCHEDULE OF CONTINGENCIES
#### as at 30 June 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Contingent assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claim for damages or costs</td>
<td></td>
<td>345</td>
</tr>
<tr>
<td><strong>Total contingent assets</strong></td>
<td></td>
<td>345</td>
</tr>
<tr>
<td><strong>Net contingent assets</strong></td>
<td></td>
<td>345</td>
</tr>
<tr>
<td><strong>Contingent liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claim for damages or costs</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total contingent liabilities</strong></td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Net contingent liabilities</strong></td>
<td></td>
<td>1,000</td>
</tr>
</tbody>
</table>

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 14: Contingent Liabilities and Assets, along with information on significant remote contingencies and contingencies that cannot be quantified.

The above schedule should be read in conjunction with the accompanying notes.
The following non-financial non-current assets were added in 2010-11:

<table>
<thead>
<tr>
<th>Notes</th>
<th>Leasehold improvements</th>
<th>Other property, plant &amp; equipment</th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Additions funded in the current year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase - appropriation ordinary annual services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental capital budget</td>
<td>7,154</td>
<td>4,091</td>
<td>4,986</td>
<td>16,231</td>
</tr>
<tr>
<td>Ordinary operating costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,001</td>
</tr>
<tr>
<td>Total funded additions funded in the current year</td>
<td>7,154</td>
<td>4,091</td>
<td>12,987</td>
<td>24,232</td>
</tr>
<tr>
<td>Additions recognised in 2010-11 - to be funded in future years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By finance lease</td>
<td>-</td>
<td>524</td>
<td>-</td>
<td>524</td>
</tr>
<tr>
<td>Make-good</td>
<td>536</td>
<td>-</td>
<td>-</td>
<td>536</td>
</tr>
<tr>
<td>Total future years/unfunded additions</td>
<td>536</td>
<td>524</td>
<td>-</td>
<td>1,060</td>
</tr>
<tr>
<td>Total additions</td>
<td>8C,8F</td>
<td>7,690</td>
<td>4,615</td>
<td>12,987</td>
</tr>
</tbody>
</table>

The above schedule should be read in conjunction with the accompanying notes.
### DEPARTMENT OF HUMAN SERVICES

**SCHEDULE OF ASSET ADDITIONS (Continued)**

for the period ended 30 June 2011

The following non-financial non-current assets were added in 2009-10:

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvements</th>
<th>Other property, plant &amp; equipment</th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Additions funded in the current year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase - appropriation ordinary annual services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary operating costs</td>
<td>14,001</td>
<td>4,750</td>
<td>11,430</td>
<td>30,181</td>
</tr>
<tr>
<td>By purchase - other¹</td>
<td>4,565</td>
<td>-</td>
<td>-</td>
<td>4,565</td>
</tr>
<tr>
<td><strong>Total additions funded in the current year</strong></td>
<td><strong>18,566</strong></td>
<td><strong>4,750</strong></td>
<td><strong>11,430</strong></td>
<td><strong>34,746</strong></td>
</tr>
<tr>
<td>Additions recognised in 2009-10 - to be funded in future years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By finance lease²</td>
<td></td>
<td>-</td>
<td>243</td>
<td>243</td>
</tr>
<tr>
<td>Make-good</td>
<td>2,614</td>
<td>-</td>
<td>-</td>
<td>2,614</td>
</tr>
<tr>
<td><strong>Total future years/unfunded additions</strong></td>
<td><strong>2,614</strong></td>
<td><strong>243</strong></td>
<td>-</td>
<td><strong>2,857</strong></td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td><strong>8C,8F</strong></td>
<td><strong>21,180</strong></td>
<td><strong>4,993</strong></td>
<td><strong>37,603</strong></td>
</tr>
</tbody>
</table>

¹ Other purchases of $4.565 million represent leasehold fitout funded by lease incentives.

² Finance leases in 2009-10 are now disclosed under additions to be funded in future years, and were previously disclosed under additions funded in the current year.

The above schedule should be read in conjunction with the accompanying notes.
## DEPARTMENT OF HUMAN SERVICES
### SCHEDULE OF ADMINISTERED ITEMS

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011 $'000</th>
<th>2010 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income administered on behalf of Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for the period ended 30 June 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-taxation revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and fines</td>
<td>18</td>
<td>53,095</td>
</tr>
<tr>
<td>Child support revenue</td>
<td>18</td>
<td>1,182,149</td>
</tr>
<tr>
<td>Competitive neutrality revenue</td>
<td>18</td>
<td>8,794</td>
</tr>
<tr>
<td>Dividends</td>
<td>18</td>
<td>5,765</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-taxation revenues administered on behalf of Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,249,803</td>
<td>1,252,264</td>
</tr>
<tr>
<td><strong>Total income administered on behalf of Government</strong></td>
<td>28A</td>
<td>1,249,803</td>
</tr>
<tr>
<td><strong>Expenses administered on behalf of Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for the period ended 30 June 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write-down and impairment of assets</td>
<td>19A</td>
<td>104,576</td>
</tr>
<tr>
<td>Child support payments</td>
<td>19B</td>
<td>1,121,923</td>
</tr>
<tr>
<td>Other expenses</td>
<td>19C</td>
<td>2,394</td>
</tr>
<tr>
<td><strong>Total expenses administered on behalf of Government</strong></td>
<td>28</td>
<td>1,228,893</td>
</tr>
</tbody>
</table>

This schedule should be read in conjunction with the accompanying notes.
### DEPARTMENT OF HUMAN SERVICES
### SCHEDULE OF ADMINISTERED ITEMS

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011 $'000</th>
<th>2010 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets administered on behalf of Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>as at 30 June 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20A</td>
<td>15</td>
</tr>
<tr>
<td>Child support related receivables</td>
<td>20B</td>
<td>587,475</td>
</tr>
<tr>
<td>Other receivables</td>
<td>20C</td>
<td>5,092</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>20D</td>
<td>34,585</td>
</tr>
<tr>
<td>Total financial assets</td>
<td></td>
<td>627,167</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>20E</td>
<td>143</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td></td>
<td>143</td>
</tr>
<tr>
<td>Total assets administered on behalf of Government</td>
<td></td>
<td>627,310</td>
</tr>
</tbody>
</table>

| Liabilities administered on behalf of Government | | |
| as at 30 June 2011 | | |
| Payables | | |
| Child support and other | 21A | 29,073 | 27,381 |
| Payments received in advance | 21B | 15,886 | 15,025 |
| Total payables | | 44,959 | 42,406 |
| Provisions | | |
| Child support provision | 21C | 574,937 | 612,479 |
| Total provisions | | 574,937 | 612,479 |
| Total liabilities administered on behalf of Government | | 619,896 | 654,885 |

This schedule should be read in conjunction with the accompanying notes.
### Administered Cash Flows

**for the period ended 30 June 2011**

#### OPERATING ACTIVITIES

**Cash received**

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees and fines</td>
<td>8,942</td>
<td>8,522</td>
</tr>
<tr>
<td>Child support receipts</td>
<td>1,166,799</td>
<td>1,086,137</td>
</tr>
<tr>
<td>Net GST received</td>
<td>266</td>
<td>3,197</td>
</tr>
<tr>
<td>Departure prohibition order receipts</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td>Dividends</td>
<td>5,307</td>
<td>32,796</td>
</tr>
<tr>
<td>Competitive neutrality receipts</td>
<td>9,248</td>
<td>11,245</td>
</tr>
<tr>
<td>Other</td>
<td>2,141</td>
<td>5,570</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>1,192,735</td>
<td>1,147,467</td>
</tr>
</tbody>
</table>

**Cash used**

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income management card payments</td>
<td>(2,727)</td>
<td>(2,774)</td>
</tr>
<tr>
<td>Departure prohibition order returns</td>
<td>(17)</td>
<td>(48)</td>
</tr>
<tr>
<td>Child support payments</td>
<td>(1,164,231)</td>
<td>(1,098,744)</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>(1,166,975)</td>
<td>(1,101,566)</td>
</tr>
</tbody>
</table>

**Net cashflows from operating activities**

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>25,760</td>
<td>45,901</td>
</tr>
</tbody>
</table>

#### INVESTING ACTIVITIES

**Cash used**

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment</td>
<td>(161)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>(161)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Net cash flows from (used by) investing activities**

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(161)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Net increase in cash held**

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>25,599</td>
<td>45,901</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at the beginning of the reporting period

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>248</td>
<td>48</td>
</tr>
</tbody>
</table>

Cash from Official Public Account for:

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special accounts</td>
<td>1,078,759</td>
<td>1,030,504</td>
</tr>
<tr>
<td>Appropriations</td>
<td>88,112</td>
<td>71,035</td>
</tr>
<tr>
<td>Other</td>
<td>267</td>
<td>275</td>
</tr>
<tr>
<td><strong>Total cash from the Official Public Account</strong></td>
<td>1,167,138</td>
<td>1,101,814</td>
</tr>
</tbody>
</table>

Cash to Official Public Account for:

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special accounts</td>
<td>(1,081,555)</td>
<td>(1,018,175)</td>
</tr>
<tr>
<td>Appropriations</td>
<td>(2,441)</td>
<td>(1,619)</td>
</tr>
<tr>
<td>Other</td>
<td>(108,974)</td>
<td>(127,721)</td>
</tr>
<tr>
<td><strong>Total cash to the Official Public Account</strong></td>
<td>(1,192,970)</td>
<td>(1,147,515)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at the end of the reporting period

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>20A</td>
<td>15</td>
</tr>
<tr>
<td>15</td>
<td>248</td>
</tr>
</tbody>
</table>

This schedule should be read in conjunction with the accompanying notes.
### DEPARTMENT OF HUMAN SERVICES
### SCHEDULE OF ADMINISTERED ITEMS

<table>
<thead>
<tr>
<th></th>
<th>2011 ($'000)</th>
<th>2010 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>as at 30 June 2011</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### BY TYPE

**Commitments receivable**

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>GST recoverable on commitments</td>
<td>649</td>
<td>1,024</td>
</tr>
<tr>
<td><strong>Total commitments receivable</strong></td>
<td>649</td>
<td>1,024</td>
</tr>
</tbody>
</table>

**Commitments payable**

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other (^1)</td>
<td>(6,655)</td>
<td>(11,261)</td>
</tr>
<tr>
<td><strong>Total other commitments</strong></td>
<td>(6,655)</td>
<td>(11,261)</td>
</tr>
</tbody>
</table>

**Net commitments by type**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6,006)</td>
<td>(10,237)</td>
</tr>
</tbody>
</table>

#### BY MATURITY

**Commitments receivable**

<table>
<thead>
<tr>
<th>Maturity</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>One year or less</td>
<td>303</td>
<td>248</td>
</tr>
<tr>
<td>From one to five years</td>
<td>346</td>
<td>776</td>
</tr>
<tr>
<td><strong>Total commitments receivable</strong></td>
<td>649</td>
<td>1,024</td>
</tr>
</tbody>
</table>

**Commitments payable**

<table>
<thead>
<tr>
<th>Maturity</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>One year or less</td>
<td>(2,851)</td>
<td>(2,724)</td>
</tr>
<tr>
<td>From one to five years</td>
<td>(3,804)</td>
<td>(8,537)</td>
</tr>
<tr>
<td><strong>Total other commitments</strong></td>
<td>(6,655)</td>
<td>(11,261)</td>
</tr>
</tbody>
</table>

**Net commitments by maturity**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6,006)</td>
<td>(10,237)</td>
</tr>
</tbody>
</table>

**NB:** Commitments are GST inclusive where relevant.

\(^1\) Other commitments relate to contractual agreements where the contractor has yet to provide the service required under the agreement.

The above schedule should be read in conjunction with the accompanying notes.
DEPARTMENT OF HUMAN SERVICES  
SCHEDULE OF ADMINISTERED ITEMS  

Administered Asset Additions  
as at 30 June 2011  

The following non-financial non-current assets were added in 2010-11:  

<table>
<thead>
<tr>
<th>Other property, plant &amp; equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
</tr>
</tbody>
</table>

Additions funded in the current year  

<table>
<thead>
<tr>
<th>By purchase - appropriation ordinary annual services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered capital budget</td>
<td>160</td>
</tr>
<tr>
<td>Ordinary operating costs</td>
<td>1</td>
</tr>
</tbody>
</table>

| Total additions funded in the current year | 161   |
| Total additions                             | 161   |

There were no Assets in 2009-10, therefore no comparative table.
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<th>Note</th>
<th>Description</th>
</tr>
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<tbody>
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</tr>
<tr>
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<td>Events After the Reporting Period</td>
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<tr>
<td>Note 3</td>
<td>Service Delivery Reform</td>
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<tr>
<td>Note 4</td>
<td>Expenses</td>
</tr>
<tr>
<td>Note 5</td>
<td>Income</td>
</tr>
<tr>
<td>Note 6</td>
<td>Income Tax Expense (Competitive Neutrality)</td>
</tr>
<tr>
<td>Note 7</td>
<td>Financial Assets</td>
</tr>
<tr>
<td>Note 8</td>
<td>Non-Financial Assets</td>
</tr>
<tr>
<td>Note 9</td>
<td>Payables</td>
</tr>
<tr>
<td>Note 10</td>
<td>Interest Bearing Liabilities</td>
</tr>
<tr>
<td>Note 11</td>
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</tr>
<tr>
<td>Note 12</td>
<td>Restructuring</td>
</tr>
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<td>Cash Flow Reconciliation</td>
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<td>Note 14</td>
<td>Contingent Liabilities and Assets</td>
</tr>
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<td>Senior Executive Remuneration</td>
</tr>
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<td>Note 16</td>
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<td>Note 17</td>
<td>Financial Instruments</td>
</tr>
<tr>
<td>Note 18</td>
<td>Income Administered on Behalf of Government</td>
</tr>
<tr>
<td>Note 19</td>
<td>Expenses Administered on Behalf of Government</td>
</tr>
<tr>
<td>Note 20</td>
<td>Assets Administered on Behalf of Government</td>
</tr>
<tr>
<td>Note 21</td>
<td>Liabilities Administered on Behalf of Government</td>
</tr>
<tr>
<td>Note 22</td>
<td>Administered Reconciliation Table</td>
</tr>
<tr>
<td>Note 23</td>
<td>Administered Investments</td>
</tr>
<tr>
<td>Note 24</td>
<td>Administered Financial Instruments</td>
</tr>
<tr>
<td>Note 25</td>
<td>Appropriations</td>
</tr>
<tr>
<td>Note 26</td>
<td>Special Accounts</td>
</tr>
<tr>
<td>Note 27</td>
<td>Compensation and Debt Relief</td>
</tr>
<tr>
<td>Note 28</td>
<td>Reporting of Outcomes</td>
</tr>
<tr>
<td>Note 29</td>
<td>Comprehensive Income (Loss) Attributable to the Department</td>
</tr>
</tbody>
</table>
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Objectives of the Department of Human Services

The Department of Human Services (the Department) is an Australian Government controlled entity. The objective is to improve the development, delivery and co-ordination of Government social and health related services. The Department is responsible for ensuring that the Government is able to achieve best value for money in service delivery while emphasising continuous service improvement and a whole-of-government approach.

As at 30 June 2011 the Department includes the Child Support program and CRS Australia. The role of the central Department is to direct, co-ordinate and broker improvements to service delivery. The Child Support program ensures that children of separated parents receive financial support from both parents. CRS Australia assists people with an injury or a disability to get a job or return to work by providing individualised vocational rehabilitation, and helping employers to keep their workplaces safe.

The Department contributes to one outcome: Informed government decisions on, and access to, social, health and child support services for Australians through policy development and advice, and the coordination and delivery of services.

The Department’s activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenue and expenses controlled or incurred by the Department in its own right.Administered activities involve the management and oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of the Department is dependant on Government policy and on continuing funding by Parliament for the Department’s administration and programs.

1.2 Basis of Preparation of the Financial Statements

The financial statements are required by section 49 of the Financial Management and Accountability Act 1997 (FMA Act) and are general purpose financial statements.

The financial statements have been prepared in accordance with:
- Finance Minister’s Orders (FMOs), for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to or from the Department and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 14).
Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.20.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Department has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- the fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. In some instances, the Department’s buildings are purpose built and may in fact realise more or less in the market;
- the methodology for calculating the impairment allowance for the administered child support receivable and related receivables is based on the segmentation of the child support receivables balance by risk profile. The majority of debt relates to maintenance debt for which the Commonwealth does not have any financial exposure as the debt is owed by the non-custodial parent to the custodial parent and the Child Support program acts as the intermediary in the transfer of the payments; and
- the administered provision for child support amount is based on the net receivable for maintenance receipts from non-custodial parents. Amounts collected but not yet paid are disclosed as payables. The Child Support program acts as the intermediary in the transfer of these payments which are collected from the non-custodial parent and then paid to the receiving parent.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period.

1.5 Revenue

Revenues from Government

The Department receives departmental appropriations. Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Department gains control of the appropriation.

Appropriations receivable are recognised at their nominal amounts.

From 1 July 2010 the funding for depreciation and amortisation ceased to be funded through departmental appropriations for outputs and has been replaced by departmental annual appropriation for Departmental Capital Budget (DCB) which is accounted for as contributions by owners (i.e. equity).
Revenue received by CRS Australia from the Department of Families, Housing, Community Services and Indigenous Affairs and the Department of Education, Employment and Workplace Relations for disability services is recognised in full in the year to which the underlying appropriation relates. These receipts have been classified as non reciprocal in nature under AASB 1004 Contributions and therefore payments received in advance are not treated as unearned income.

Other Revenue
Revenue from the sale of goods is recognised when:
- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:
- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the Department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for rendering of services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance for bad and doubtful debts. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Dividends are recognised when the right to receive payment is established.

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

1.6 Gains

Resources Received Free of Charge
Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Sale of Assets
Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.
1.7 Transactions with the Government as Owner

Equity Injections
Amounts appropriated which are designated as ‘equity injections’ for a year (less any formal reductions) and from 1 July 2010 DCBs are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements
Net assets received from or transferred to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners
The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.8 Employee Benefits

Liabilities for ‘short-term employee benefits’ (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee liabilities are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave
The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that will apply at the time the leave is taken, including the Department’s employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary for the Department as at 31 March 2010. The actuary has confirmed that these rates are still relevant to use for the 2010-11 financial year. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Parental Leave Payments Scheme
The Department off-set amounts received under Parental Leave Payments Scheme (for payment to employees) by amounts paid to employees under that scheme, because these transactions are only incidental to the main revenue-generating activities of the Department. Amounts received by the Department not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme is disclosed as a footnote to the Note 11A: Employee Provisions.

Superannuation
Staff of the Department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or non-government superannuation funds. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.
The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Department makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contribution plans.

Where employees have received significant pay increases, the contributions made by the Department during the year may not cover the full superannuation liability. The Department has made provision for additional lump sum contributions for the difference between the total estimated contributions required and those already incurred.

The liability for superannuation recognised as at 30 June 2011 represents outstanding contributions for the year.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

1.9 Leases

A distinction is made between finance and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives provided to the Department to enter into property leases are recognised as liabilities. Subsequent lease payments are allocated between a reduction of the liability and property rental expense to effect a spreading of the rental expense in accordance with the pattern of benefits derived from the rental properties.

The Department makes an immediate allowance for property make-good where required under lease agreements.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.
1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:

a) cash on hand;

b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;

c) cash held by outsiders; and

d) cash in special accounts.

1.12 Financial Assets

The Department classifies its financial assets as ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon ‘trade date’.

Effective Interest Method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit and loss.

Loans and Receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets
Financial assets are assessed for impairment at the end of each reporting period:

- **Financial Assets held at Amortised Cost** - If there is objective evidence that an impairment loss has been incurred for loans and receivables held at amortised cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

1.13 Accounting policy for financial liabilities
Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon ‘trade date’.

**Financial Liabilities at Fair Value Through Profit or Loss**
Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.
Other Financial Liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Acquisition of Assets
Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency’s accounts immediately prior to the restructuring.

1.16 Property, Plant and Equipment
Asset recognition threshold
Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than $2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to ‘make-good’ provisions in property leases taken up by the Department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Department’s leasehold improvements with a corresponding provision for the ‘make-good’ recognised.

Leasehold Improvements have a recognition threshold of $10,000, purchased software assets have a threshold of $25,000 and Internally Developed Software (IDS) has a threshold of $200,000. Only costs directly associated with the design, construction, testing and implementation of the software are capitalised.
Revaluations
Fair values for each class of asset are determined as shown below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Fair value measured at:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Market selling price</td>
</tr>
<tr>
<td>Buildings excluding leasehold improvements</td>
<td>Market selling price</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Depreciated replacement cost</td>
</tr>
<tr>
<td>Plant &amp; equipment</td>
<td>Market selling price</td>
</tr>
</tbody>
</table>

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets’ fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserves except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus/deficit. Revaluation decrements for a class of assets are recognised directly through surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation and amortisation
Land, being an asset with an unlimited useful life, is not depreciated.

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their useful lives to the Department using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<table>
<thead>
<tr>
<th>Departmental Assets</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Shorter of unexpired lease term or useful life</td>
<td>Shorter of unexpired lease term or useful life</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3 to 10 years</td>
<td>3 to 10 years</td>
</tr>
</tbody>
</table>

Impairment
All assets were assessed for impairment as at 30 June 2011. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefits of an asset are not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.
Chapter 7: Financial overview

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles
The Department's intangible assets comprise purchased software and internally developed software for internal use, and externally purchased copyright costs associated with various agency publications. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software are 3 to 6 years (2009-10: 3 to 6 years).

The Department's intangible asset CUBA, which is internally developed software utilised to manage the Child Support program's customer records, has an extended useful life which currently is 10 years. The useful life of CUBA is assessed on a regular basis and is updated when necessary.

All software assets were assessed for indications of impairment as at 30 June 2011.

1.18 Taxation/Competitive Neutrality
The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST except:
- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Competitive Neutrality
CRS Australia, a Division of the Department, provides services on a for-profit basis. Under competitive neutrality arrangements, the Department is required to make Australian income tax, state payroll and land tax equivalent payments to the Government, in addition to payments for FBT and GST.

1.19 Foreign Currency
Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at reporting date. Associated foreign currency gains and losses are not material.

1.20 Reporting of Administered Activities
Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash transfers to and from the Official Public Account
Revenue collected by the Department for use by the Government rather than the Department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under parliamentary appropriations on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the...
Department on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 22.

**Administered Revenue**

All administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Australian Government.

The Department receives administered revenues from Australian Hearing. Dividend revenue and competitive neutrality revenue is received from Australian Hearing. Administered revenue is recognised when the entitlement passes to the Department. All administered receipts are transferred directly to the OPA.

**Administered Child Support Penalties Revenue and Receivables**

Fees and penalties collected are raised under the Child Support (Registration and Collection) Act 1988 are recognised when the event that gives rise to the penalty is identified by the Department. It is recognised at its nominal amount less any allowance for impairment. Collectability of debts is reviewed at the end of the reporting period. Allowance is made when collection of the debt is judged to be less rather than more likely.

**Administered Child Support Revenue and Receivables**

Revenues from the assessment and collection of child support are recognised at their nominal amounts. The revenues are recognised at the point when the Child Support Registrar makes an assessment under the Child Support (Registration and Collection) Act 1988 and the assessment results in child support maintenance debt.

**Child Support Liability and Expenses**

Liabilities for child support are recognised at the reporting date to the extent that they have not been settled. Liabilities for amounts collected, but not yet remitted to the custodial parent are measured at their nominal amounts.

The liability for child support includes provision for child support obligations that have been assessed but not yet received. The liability is calculated on the basis of the present value of the estimated future cash flows to be made to custodial parents at the reporting date. Estimated future cash flows are calculated with reference to the past experience of the recoverability of gross child support receivables from non-custodial parents.

The estimate does not include future cash outflows that may result from child support re-assessments, relating prior to the reporting date, that are requested by non-custodial or custodial parents after the reporting date.

Child support expenses are recognised and measured in line with the child support liabilities.

**Administered Investments**

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is only relevant at the Whole-of-Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2011. Fair value has been taken to be the Australian Government’s proportional interest in the net assets of the entities as at end of the reporting period.

**Administered Special Account**

The Child Support program special account is utilised for the receipt of maintenance payments and the making of regular and timely payments to custodial parents. The nature of the special account requires that child support monies received into the account are paid from the account to the relevant recipient. As such net child support receivables reported on the schedule of administered items are offset by equivalent child support payables.

The Child Support program reviews the collectability of child support debts on a continual basis and provides for those debts not considered collectable based on historical collection.
NOTE 2: Events After the Reporting Period

The Human Services Act 2011 was granted royal assent and became effective on 1 July 2011. The legislation supports the Government’s agenda for service delivery reform and provides for the integration of Medicare Australia and Commonwealth Service Delivery Agency into the Department of Human Services effective from that date.

As part of the integration process, the net book value of assets and liabilities of Commonwealth Service Delivery Agency and Medicare Australia will be transferred to and reflected in the Department of Human Services accounts for 2011-12.

The event occurred after the end of the reporting period and has not been brought to account in these financial statements.
NOTE 3: Service Delivery Reform

In order to facilitate the implementation of the Government’s service delivery reform agenda the Department, Commonwealth Service Delivery Agency and Medicare Australia each agreed to lead the provision of certain corporate functions and services for the benefit of the other agencies. Where applicable, the costs associated with the delivery of these functions and services have been reflected in the financial statements.

Costs associated with integration tasks have been recorded in the accounts of the Department. The transactions incurred by Commonwealth Service Delivery Agency and Medicare Australia were reflected in the accounts payable of the Department for the amounts of $54.582 million (includes $4.339 million GST) and $17.231 million (GST not applicable), respectively.
### DEPARTMENT OF HUMAN SERVICES

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*for the period ended 30 June 2011*

#### NOTE 4: Expenses

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$’000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Note 4A: Employee benefits

<table>
<thead>
<tr>
<th>Note 4A: Employee benefits</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>380,351</td>
<td>340,657</td>
</tr>
<tr>
<td>Superannuation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined contribution plans</td>
<td>25,245</td>
<td>24,556</td>
</tr>
<tr>
<td>Defined benefit plans</td>
<td>42,348</td>
<td>46,085</td>
</tr>
<tr>
<td>Leave and other entitlements</td>
<td>69,743</td>
<td>64,806</td>
</tr>
<tr>
<td>Separation and redundancies</td>
<td>307</td>
<td>416</td>
</tr>
<tr>
<td>Other employee expenses</td>
<td>1,474</td>
<td>5,560</td>
</tr>
<tr>
<td><strong>Total employee benefits</strong></td>
<td>519,468</td>
<td>482,080</td>
</tr>
</tbody>
</table>

#### Note 4B: Suppliers Expenses

**Goods and services**

<table>
<thead>
<tr>
<th>Suppliers Expenses</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants</td>
<td>9,787</td>
<td>2,057</td>
</tr>
<tr>
<td>Contractors</td>
<td>57,143</td>
<td>32,475</td>
</tr>
<tr>
<td>Telephone</td>
<td>15,248</td>
<td>15,098</td>
</tr>
<tr>
<td>IT services</td>
<td>41,161</td>
<td>39,669</td>
</tr>
<tr>
<td>Postage</td>
<td>7,545</td>
<td>6,490</td>
</tr>
<tr>
<td>Publishing and printing</td>
<td>5,836</td>
<td>5,983</td>
</tr>
<tr>
<td>Client costs</td>
<td>11,331</td>
<td>13,755</td>
</tr>
<tr>
<td>Lodgement enforcement</td>
<td>6,875</td>
<td>6,875</td>
</tr>
<tr>
<td>Travel and transport</td>
<td>11,366</td>
<td>10,702</td>
</tr>
<tr>
<td>Legal services and compensation</td>
<td>4,783</td>
<td>5,414</td>
</tr>
<tr>
<td>Other occupancy costs</td>
<td>13,006</td>
<td>9,291</td>
</tr>
<tr>
<td>Other goods and services</td>
<td>27,103</td>
<td>18,296</td>
</tr>
<tr>
<td><strong>Total goods and services</strong></td>
<td>211,184</td>
<td>166,105</td>
</tr>
</tbody>
</table>

*Goods and services are made up of:

**Provision of goods - external parties** | 5,050 | 6,118
**Rendering of services - related entities** | 92,306 | 27,415
**Rendering of services - external parties** | 113,828 | 132,572
| **Total goods and services** | 211,184 | 166,105 |

**Other supplier expenses**

**Operating lease rentals - related entities:**

| Sublease | 2,865 | 4,009 |

**Operating lease rentals - external parties:**

| Minimum lease payments | 41,618 | 44,604 |
| Contingent rentals     | 282    | 2,416 |
| State tax equivalent   | 287    | 286   |

**Workers compensation expenses** | 7,687 | 5,214 |
| **Total other supplier expenses** | 52,739 | 56,529 |
| **Total supplier expenses** | 263,923 | 222,634 |
### DEPARTMENT OF HUMAN SERVICES
### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### for the period ended 30 June 2011

#### NOTE 4: Expenses

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 4C: Depreciation and amortisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>6,248</td>
<td>5,830</td>
</tr>
<tr>
<td>Buildings</td>
<td>9,359</td>
<td>10,601</td>
</tr>
<tr>
<td><strong>Total depreciation</strong></td>
<td>15,607</td>
<td>16,431</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amortisation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangibles:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer software</td>
<td>14,731</td>
<td>14,270</td>
</tr>
<tr>
<td><strong>Total amortisation</strong></td>
<td>14,731</td>
<td>14,270</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total depreciation and amortisation</strong></td>
<td>30,338</td>
<td>30,701</td>
</tr>
</tbody>
</table>

#### Note 4D: Finance costs

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Finance leases:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>110</td>
<td>219</td>
</tr>
<tr>
<td><strong>Operating leases:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unwinding of discount</td>
<td>58</td>
<td>126</td>
</tr>
<tr>
<td><strong>Total finance costs</strong></td>
<td>168</td>
<td>345</td>
</tr>
</tbody>
</table>

#### Note 4E: Write-down and impairment of assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Asset write-downs and impairments from</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment on financial instruments</td>
<td>17</td>
<td>(20)</td>
</tr>
<tr>
<td>Impairment of property, plant and equipment</td>
<td>218</td>
<td>921</td>
</tr>
<tr>
<td>Impairment on intangible assets</td>
<td>75</td>
<td>2,025</td>
</tr>
<tr>
<td><strong>Total write-down and impairment of assets</strong></td>
<td>310</td>
<td>2,926</td>
</tr>
</tbody>
</table>

#### Note 4F: Losses from sale of assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment and intangibles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale</td>
<td>(21)</td>
<td>(84)</td>
</tr>
<tr>
<td>Carrying value of assets sold</td>
<td>208</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total losses from sale of assets</strong></td>
<td>187</td>
<td>116</td>
</tr>
</tbody>
</table>

#### Note 4G: Other expenses

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Act of Grace payments</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Settlement of litigation</td>
<td>145</td>
<td>150</td>
</tr>
<tr>
<td><strong>Other expense</strong></td>
<td>-</td>
<td>2,141</td>
</tr>
<tr>
<td><strong>Total other expenses</strong></td>
<td>155</td>
<td>2,293</td>
</tr>
</tbody>
</table>
## Chapter 7: Financial overview

### DEPARTMENT OF HUMAN SERVICES

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*for the period ended 30 June 2011*

### NOTE 5: Income

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 5A: Rendering of services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rendering of services - related entities</td>
<td>183,257</td>
<td>174,542</td>
</tr>
<tr>
<td>Rendering of services - external parties</td>
<td>16,376</td>
<td>26,841</td>
</tr>
<tr>
<td><strong>Total rendering of services</strong></td>
<td>199,633</td>
<td>201,383</td>
</tr>
<tr>
<td><strong>Note 5B: Rental income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,784</td>
<td>1,530</td>
</tr>
<tr>
<td><strong>Total rental income</strong></td>
<td>1,784</td>
<td>1,530</td>
</tr>
<tr>
<td><strong>Note 5C: Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,020</td>
<td>2,156</td>
</tr>
<tr>
<td><strong>Total other revenue</strong></td>
<td>1,020</td>
<td>2,156</td>
</tr>
<tr>
<td><strong>GAINS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Note 5D: Reversals of previous asset write-downs and impairments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset revaluation increment</td>
<td>2,407</td>
<td>357</td>
</tr>
<tr>
<td><strong>Total reversals of previous asset write-downs and impairments</strong></td>
<td>2,407</td>
<td>357</td>
</tr>
<tr>
<td><strong>Note 5E: Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources received free of charge</td>
<td>500</td>
<td>413</td>
</tr>
<tr>
<td>Other</td>
<td>(10)</td>
<td>3,940</td>
</tr>
<tr>
<td><strong>Total other gains</strong></td>
<td>490</td>
<td>4,353</td>
</tr>
<tr>
<td><strong>Note 5F: Revenue from Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental outputs</td>
<td>503,706</td>
<td>557,508</td>
</tr>
<tr>
<td><strong>Total revenue from Government</strong></td>
<td>503,706</td>
<td>557,508</td>
</tr>
</tbody>
</table>
NOTE 6: Income Tax Expense

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive neutrality - Commonwealth tax equivalent expense</td>
<td>28</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total income tax expense</strong></td>
<td><strong>28</strong></td>
<td><strong>90</strong></td>
</tr>
</tbody>
</table>

CRS Australia, a division of the Department, provides services on a ‘for profit’ basis and is subject to the Australian Government’s Competitive Neutrality Policy. The above amounts have been calculated as being payable to the Australian Government in the form of company tax under the *Income Tax Assessment Act 1997* had they applied. These amounts have been paid, or are payable, by the Department to the Australian Government.
NOTE 7: Financial Assets

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
</tbody>
</table>

**Note 7A: Cash and cash equivalents**

Cash on hand or on deposit | 17 | 11,700 | 9,551 |
Total cash and cash equivalents | | 11,700 | 9,551 |

**Note 7B: Trade and other receivables**

Goods and services:
- Goods and services - related entities | 5,692 | 1,373 |
- Goods and services - external parties | 3,562 | 5,016 |
Total receivables for goods and services | 17 | 9,254 | 6,389 |

Appropriations receivable:
- For existing programs | 221,662 | 236,224 |
- Departmental Capital Budget | 20,638 | - |
- Equity | 6,340 | 6,340 |
Total appropriations receivable | | 248,640 | 242,564 |

Other receivables:
- GST receivable from the Australian Taxation Office | 6,548 | 2,330 |
Total other receivables | | 6,548 | 2,330 |
Total trade and other receivables (gross) | | 264,442 | 251,283 |

Less impairment allowance account:
- Goods and services | (212) | (334) |
Total impairment allowance account | (212) | (334) |
Total trade and other receivables (net) | | 264,230 | 250,949 |

Receivables are expected to be recovered in:
- No more than 12 months | 264,227 | 250,560 |
- More than 12 months | 3 | 389 |
Total trade and other receivables (net) | | 264,230 | 250,949 |

Receivables are aged as follows:
- Not overdue | 262,757 | 249,465 |
- Overdue by:
  - 0 to 30 days | 572 | 588 |
  - 31 to 60 days | 410 | 179 |
  - 61 to 90 days | 407 | 208 |
  - More than 90 days | 296 | 843 |
Total receivables (gross) | | 264,442 | 251,283 |
NOTE 7: Financial Assets

The impairment allowance is aged as follows:

<table>
<thead>
<tr>
<th>Overdue by:</th>
<th>Notes 2011</th>
<th>Notes 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 90 days</td>
<td>(212)</td>
<td>(334)</td>
</tr>
<tr>
<td><strong>Total impairment allowance</strong></td>
<td>(212)</td>
<td>(334)</td>
</tr>
</tbody>
</table>

Reconciliation of the impairment allowance account:

**Movements in relation to 2011**

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance</strong></td>
<td>(334)</td>
<td>(334)</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>Amounts recovered and reversed</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Increase recognised in net surplus</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>(212)</td>
<td>(212)</td>
</tr>
</tbody>
</table>

**Movements in relation to 2010**

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance</strong></td>
<td>(413)</td>
<td>(413)</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Amounts recovered and reversed</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Increase recognised in net surplus</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>(334)</td>
<td>(334)</td>
</tr>
</tbody>
</table>

**Note 7C: Other**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued revenue</td>
<td>168</td>
</tr>
<tr>
<td><strong>Total other financial assets</strong></td>
<td>168</td>
</tr>
<tr>
<td><strong>Total other financial assets - are expected to be recovered in:</strong></td>
<td></td>
</tr>
<tr>
<td>No more than 12 months</td>
<td>168</td>
</tr>
<tr>
<td><strong>Total other financial assets</strong></td>
<td>17</td>
</tr>
</tbody>
</table>
NOTE 8: Non-Financial Assets

<table>
<thead>
<tr>
<th>Note 8A: Land and buildings</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Fair value</td>
<td>1,610</td>
<td>1,590</td>
</tr>
<tr>
<td>Total Land</td>
<td>1,610</td>
<td>1,590</td>
</tr>
<tr>
<td>Buildings on freehold land:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value</td>
<td>1,260</td>
<td>1,175</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(9)</td>
<td>(21)</td>
</tr>
<tr>
<td>Total buildings on freehold land</td>
<td>1,251</td>
<td>1,154</td>
</tr>
<tr>
<td>Leasehold improvements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value</td>
<td>55,038</td>
<td>52,144</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,877)</td>
<td>(5,838)</td>
</tr>
<tr>
<td>Accumulated impairment losses</td>
<td>(910)</td>
<td>(782)</td>
</tr>
<tr>
<td>Under construction</td>
<td>6,352</td>
<td>4,086</td>
</tr>
<tr>
<td>Total leasehold improvements</td>
<td>58,603</td>
<td>49,610</td>
</tr>
<tr>
<td>Total land and buildings</td>
<td>61,464</td>
<td>52,354</td>
</tr>
</tbody>
</table>

All valuations are independent and are conducted in accordance with the revaluation policy stated at Note 1. In 2010-11, an independent valuer the Australian Valuation Office (AVO) conducted the revaluations.

A revaluation increment of $0.020 million for land (2010:$0.090 million increment) and $0.148 million for buildings (2010:$0.032 million increment) and a revaluation increment of $8.332 million (2010: $0.357 million) for leasehold improvements was credited to asset revaluation reserve by asset class and has been included in the equity section of the balance sheet. $2.407 million from the revaluation of leasehold was credited to the Statement of Comprehensive Income to recognise the recoupment of prior period revaluation decrements.

No land or buildings were expected to be sold or disposed of within the next 12 months.

Note 8B: Property, plant and equipment

<table>
<thead>
<tr>
<th>Property, plant and equipment</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value</td>
<td>9,741</td>
<td>13,848</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,091)</td>
<td>(2,100)</td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td>8,650</td>
<td>11,748</td>
</tr>
</tbody>
</table>

A revaluation decrement of $1.070 million (2010: $3.456 million) for plant and equipment was debited to the asset revaluation reserve and included in the equity section of the balance sheet.

Property, plant and equipment under finance leases were subject to revaluation. The carrying amount was included in the valuation figures above.

No property, plant and equipment is expected to be sold of disposed of within the next 12 months.
### NOTE 8: Non-Financial Assets

#### Note 8C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010-11)

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Leasehold Improvements $'000</th>
<th>Total Land &amp; Buildings $'000</th>
<th>Other Property Plant &amp; Equipment $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>1,590</td>
<td>1,175</td>
<td>56,230</td>
<td>58,995</td>
<td>13,848</td>
<td>72,843</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation and impairment</td>
<td>-</td>
<td>(21)</td>
<td>(5,838)</td>
<td>(5,859)</td>
<td>(2,100)</td>
<td>(7,959)</td>
</tr>
<tr>
<td>Accumulated impairment losses</td>
<td>-</td>
<td>-</td>
<td>(782)</td>
<td>(782)</td>
<td>-</td>
<td>(782)</td>
</tr>
<tr>
<td><strong>Net book value 1 July 2010</strong></td>
<td>1,590</td>
<td>1,154</td>
<td>49,610</td>
<td>52,354</td>
<td>11,748</td>
<td>64,102</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>7,690</td>
<td>7,690</td>
<td>4,615</td>
<td>12,305</td>
</tr>
<tr>
<td>Revaluations and impairments recognised in other comprehensive income</td>
<td>20</td>
<td>148</td>
<td>8,332</td>
<td>8,500</td>
<td>(1,070)</td>
<td>7,430</td>
</tr>
<tr>
<td>Revaluations recognised in the operating result</td>
<td>-</td>
<td>-</td>
<td>2,407</td>
<td>2,407</td>
<td>-</td>
<td>2,407</td>
</tr>
<tr>
<td>Impairments recognised in the operating result</td>
<td>-</td>
<td>-</td>
<td>(128)</td>
<td>(128)</td>
<td>(90)</td>
<td>(218)</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>(51)</td>
<td>(9,308)</td>
<td>(9,359)</td>
<td>(6,247)</td>
<td>(15,606)</td>
</tr>
<tr>
<td>Other movements¹</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(154)</td>
<td>(154)</td>
</tr>
<tr>
<td>Disposals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(152)</td>
<td>(152)</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2011</strong></td>
<td>1,610</td>
<td>1,251</td>
<td>58,603</td>
<td>61,464</td>
<td>8,650</td>
<td>70,114</td>
</tr>
</tbody>
</table>

**Net book value as of 30 June 2011 represented by:**

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Leasehold Improvements $'000</th>
<th>Total Land &amp; Buildings $'000</th>
<th>Other Property Plant &amp; Equipment $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>1,610</td>
<td>1,260</td>
<td>61,390</td>
<td>64,260</td>
<td>9,741</td>
<td>74,001</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>-</td>
<td>(9)</td>
<td>(2,787)</td>
<td>(2,796)</td>
<td>(1,091)</td>
<td>(3,887)</td>
</tr>
<tr>
<td><strong>1,610</strong></td>
<td><strong>1,251</strong></td>
<td><strong>58,603</strong></td>
<td><strong>61,464</strong></td>
<td><strong>8,650</strong></td>
<td><strong>70,114</strong></td>
<td><strong>70,114</strong></td>
</tr>
</tbody>
</table>

¹ Other movements represent Property, Plant and Equipment duplicated in the asset register and removed during 2010-11.
## NOTE 8: Non-Financial Assets

### Note 8C: Reconciliation of the opening and closing balances of property, plant and equipment (2009-10)

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Leasehold Improvements $'000</th>
<th>Total Land &amp; Buildings $'000</th>
<th>Other Property $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>1,500</td>
<td>1,220</td>
<td>54,828</td>
<td>57,548</td>
<td>22,456</td>
<td>80,004</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation and impairment</td>
<td>-</td>
<td>(49)</td>
<td>(15,057)</td>
<td>(15,106)</td>
<td>(13,061)</td>
<td>(28,167)</td>
</tr>
<tr>
<td>Accumulated impairment losses</td>
<td>-</td>
<td>-</td>
<td>(118)</td>
<td>(118)</td>
<td>-</td>
<td>(118)</td>
</tr>
<tr>
<td><strong>Net book value 1 July 2009</strong></td>
<td>1,500</td>
<td>1,171</td>
<td>39,653</td>
<td>42,324</td>
<td>9,395</td>
<td>51,719</td>
</tr>
<tr>
<td><strong>Additions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase</td>
<td>-</td>
<td>-</td>
<td>21,180</td>
<td>21,180</td>
<td>4,750</td>
<td>25,930</td>
</tr>
<tr>
<td>By finance lease</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>243</td>
<td>243</td>
</tr>
<tr>
<td>Revaluations and impairments through other comprehensive income</td>
<td>90</td>
<td>32</td>
<td>-</td>
<td>122</td>
<td>3,456</td>
<td>3,578</td>
</tr>
<tr>
<td>Revaluations recognised in the operating result</td>
<td>-</td>
<td>-</td>
<td>357</td>
<td>357</td>
<td>-</td>
<td>357</td>
</tr>
<tr>
<td>Impairments recognised in the operating result</td>
<td>-</td>
<td>-</td>
<td>(904)</td>
<td>(904)</td>
<td>(17)</td>
<td>(921)</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>(49)</td>
<td>(10,552)</td>
<td>(10,601)</td>
<td>(5,830)</td>
<td>(16,431)</td>
</tr>
<tr>
<td>Other movements¹</td>
<td>-</td>
<td>-</td>
<td>(124)</td>
<td>(124)</td>
<td>(49)</td>
<td>(174)</td>
</tr>
<tr>
<td><strong>Disposals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From disposal of entities or operations (including restructuring)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(200)</td>
<td>(200)</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2010</strong></td>
<td>1,590</td>
<td>1,154</td>
<td>49,610</td>
<td>52,354</td>
<td>11,748</td>
<td>64,102</td>
</tr>
</tbody>
</table>

### Notes:

¹ Other movements for leasehold improvement represents a makegood asset transferred to expenses. Other movements for property, plant and equipment represents movements relating to leased assets prior to being placed into the Asset Module (previously maintained outside Asset Register).
**NOTE 8: Non-Financial Assets**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$’000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Note 8D: Intangibles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer software:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased</td>
<td>18,007</td>
<td>17,726</td>
</tr>
<tr>
<td>Internally developed - in progress</td>
<td>8,463</td>
<td>5,254</td>
</tr>
<tr>
<td>Internally developed - in use</td>
<td>50,757</td>
<td>43,670</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(50,295)</td>
<td>(37,843)</td>
</tr>
<tr>
<td><strong>Total computer software</strong></td>
<td>26,932</td>
<td>28,807</td>
</tr>
<tr>
<td>Other intangibles:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased</td>
<td>105</td>
<td>105</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(105)</td>
<td>(105)</td>
</tr>
<tr>
<td><strong>Total other intangibles</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total intangibles</strong></td>
<td>26,932</td>
<td>28,807</td>
</tr>
</tbody>
</table>

No intangibles are expected to be sold or disposed of within the next 12 months.

**Note 8E: Other**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$’000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>7,250</td>
<td>8,113</td>
</tr>
<tr>
<td>Other</td>
<td>27</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total other non-financial assets</strong></td>
<td>7,277</td>
<td>8,181</td>
</tr>
</tbody>
</table>

Total other non-financial assets - are expected to be recovered in:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No more than 12 months</td>
<td>7,277</td>
<td>8,092</td>
</tr>
<tr>
<td>More than 12 months</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td><strong>Total other non-financial assets</strong></td>
<td>7,277</td>
<td>8,181</td>
</tr>
</tbody>
</table>

No indicators of impairment were found for other non-financial assets.
NOTE 8: Non-Financial Assets

Note 8F: Reconciliation of the Opening and Closing Balances of Intangibles (2010-11)

<table>
<thead>
<tr>
<th></th>
<th>Total $'000</th>
<th>Computer software purchased $'000</th>
<th>Computer software internally developed $'000</th>
<th>Other intangibles $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 July 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>66,755</td>
<td>17,726</td>
<td>48,924</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation and impairment</td>
<td>(37,948)</td>
<td>(12,672)</td>
<td>(25,171)</td>
<td></td>
</tr>
<tr>
<td>Net book value 1 July 2010</td>
<td>28,807</td>
<td>5,054</td>
<td>23,753</td>
<td></td>
</tr>
<tr>
<td>Additions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase</td>
<td>4,986</td>
<td>328</td>
<td>4,658</td>
<td></td>
</tr>
<tr>
<td>Internally developed</td>
<td>8,001</td>
<td>-</td>
<td>8,001</td>
<td></td>
</tr>
<tr>
<td>Impairment recognised in the operating result</td>
<td>(75)</td>
<td>-</td>
<td>(75)</td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>(14,731)</td>
<td>(2,212)</td>
<td>(12,519)</td>
<td></td>
</tr>
<tr>
<td>Other movements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other disposals</td>
<td>(56)</td>
<td>-</td>
<td>(56)</td>
<td></td>
</tr>
<tr>
<td>Net book value 30 June 2011</td>
<td>26,932</td>
<td>3,170</td>
<td>23,762</td>
<td></td>
</tr>
</tbody>
</table>

Net book value as of 30 June 2011 represented by:

<table>
<thead>
<tr>
<th></th>
<th>Total $'000</th>
<th>Computer software purchased $'000</th>
<th>Computer software internally developed $'000</th>
<th>Other intangibles $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>77,332</td>
<td>18,007</td>
<td>59,220</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation and impairment</td>
<td>(50,400)</td>
<td>(14,837)</td>
<td>(35,458)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>26,932</td>
<td>3,170</td>
<td>23,762</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 8: Non-Financial Assets

Note 8F: Reconciliation of the Opening and Closing Balances of Intangibles (2009-10)

<table>
<thead>
<tr>
<th></th>
<th>Computer software internally developed $'000</th>
<th>Computer software purchased $'000</th>
<th>Other intangibles $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 July 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>44,575</td>
<td>15,818</td>
<td>105</td>
<td>60,498</td>
</tr>
<tr>
<td>Adjustment to opening balance</td>
<td>105</td>
<td>(105)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation and impairment</td>
<td>(18,056)</td>
<td>(8,665)</td>
<td>(105)</td>
<td>(26,826)</td>
</tr>
<tr>
<td><strong>Net book value 1 July 2009</strong></td>
<td><strong>26,624</strong></td>
<td><strong>7,048</strong></td>
<td>-</td>
<td><strong>33,672</strong></td>
</tr>
</tbody>
</table>

Additions:
- By purchase: 0
- Internally developed: 9,101
- Impairments recognised in the operating result: 2,025
- Amortisation: 9,947

**Net book value 30 June 2010**

<table>
<thead>
<tr>
<th></th>
<th>Computer software internally developed $'000</th>
<th>Computer software purchased $'000</th>
<th>Other intangibles $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23,753</td>
<td>5,054</td>
<td>-</td>
<td>23,753</td>
<td></td>
</tr>
</tbody>
</table>

Net book value as of 30 June 2010 represented by:

<table>
<thead>
<tr>
<th></th>
<th>Computer software internally developed $'000</th>
<th>Computer software purchased $'000</th>
<th>Other intangibles $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>48,924</td>
<td>17,726</td>
<td>105</td>
<td>66,755</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation and impairment</td>
<td>(25,171)</td>
<td>(12,672)</td>
<td>(105)</td>
<td>(37,948)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23,753</td>
<td>5,054</td>
<td>-</td>
<td>23,753</td>
<td></td>
</tr>
</tbody>
</table>
### DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

**Chapter 7: Financial overview**

### NOTE 9: Payables

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
<td></td>
</tr>
</tbody>
</table>

**Note 9A: Suppliers**

- Trade creditors and accruals: 118,644
- Operating lease rentals: 4,740

**Total supplier payables**: 17

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
<td></td>
</tr>
</tbody>
</table>

Supplier payables expected to be settled in no more than 12 months:

- Related entities: 81,452
- External entities: 39,131

**Total supplier payables**: 123,384

Supplier payables expected to be settled in more than 12 months:

- External entities: 2,801

**Total supplier payables**: 123,384

Settlement is usually made within 30 days.

**Note 9B: Tax Liabilities (Competitive Neutrality)**

- Tax equivalent liabilities: 316

**Total tax liabilities (competitive neutrality)**: 316

Total tax liabilities (competitive neutrality) are expected to be settled in:

- No more than 12 months: 316

**Total tax liabilities (competitive neutrality)**: 316
NOTE 9: Payables

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 9C: Lease incentives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease incentives</td>
<td>10,769</td>
<td>12,337</td>
</tr>
<tr>
<td><strong>Total lease incentives</strong></td>
<td>10,769</td>
<td>12,337</td>
</tr>
</tbody>
</table>

Lease incentives are expected to be settled in:
- No more than 12 months: 2,189
- More than 12 months: 8,580
- **Total lease incentives**: 10,769

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 9D: Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>10,006</td>
<td>9,203</td>
</tr>
<tr>
<td>Superannuation</td>
<td>1,557</td>
<td>1,371</td>
</tr>
<tr>
<td>Unearned income</td>
<td>136</td>
<td>-</td>
</tr>
<tr>
<td>GST payable to ATO</td>
<td>1,192</td>
<td>1,236</td>
</tr>
<tr>
<td><strong>Total other payables</strong></td>
<td>12,891</td>
<td>11,810</td>
</tr>
</tbody>
</table>

Total other payables are expected to be settled in:
- No more than 12 months: 12,891
- **Total other payables**: 12,891

All other payables are current liabilities.
DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

Chapter 7: Financial overview

NOTE 10: Interest Bearing Liabilities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Finance leases</td>
<td>881</td>
<td>3,538</td>
</tr>
<tr>
<td>Total finance leases</td>
<td>17</td>
<td>881</td>
</tr>
</tbody>
</table>

Payable:
Within one year
Minimum lease payments | 638    | 2,981  |
Deduct: future finance charges | (46)   | (103)  |

In one to five years
Minimum lease payments | 358    | 676    |
Deduct: future finance charges | (69)   | (16)   |

Finance leases recognised on the balance sheet | 881    | 3,538  |

Finances leases exist in relation to information technology assets managed by Hewlett Packard. The leases are non-cancellable and for fixed terms of 3 to 4 years. The interest rate implicit in the leases averaged 4.64% (2010: 4.64%). The lease assets secure the lease liabilities. The Department guarantees the residual values of all assets leased. There are no contingent rentals.
### NOTE 11: Provisions

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 11A: Employee provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leave</td>
<td>110,466</td>
<td>103,873</td>
</tr>
<tr>
<td>Other</td>
<td>745</td>
<td>1,715</td>
</tr>
<tr>
<td><strong>Total employee provisions</strong></td>
<td>111,211</td>
<td>105,588</td>
</tr>
</tbody>
</table>

Employee provisions are expected to be settled in:

- No more than 12 months: 66,209
- More than 12 months: 45,002

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 11B: Other provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property make-good provision</td>
<td>3,775</td>
<td>5,845</td>
</tr>
<tr>
<td>Surplus lease space</td>
<td>-</td>
<td>1,070</td>
</tr>
<tr>
<td><strong>Total other provisions</strong></td>
<td>3,775</td>
<td>6,915</td>
</tr>
</tbody>
</table>

Other provisions are expected to be settled in:

- No more than 12 months: 400
- More than 12 months: 3,375

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Make-good Provision</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount 1 July 2010</td>
<td>5,845</td>
<td>1,070</td>
</tr>
<tr>
<td>Additional provisions made</td>
<td>624</td>
<td>-</td>
</tr>
<tr>
<td>Amounts used</td>
<td>(256)</td>
<td>(1,070)</td>
</tr>
<tr>
<td>Amounts reversed</td>
<td>(2,496)</td>
<td>-</td>
</tr>
<tr>
<td>Unwinding of discount or change in discount rate</td>
<td>58</td>
<td>-</td>
</tr>
<tr>
<td><strong>Closing balance 30 June 2011</strong></td>
<td>3,775</td>
<td>-</td>
</tr>
</tbody>
</table>

The Department has a number of agreements for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

1 The Department received $124,032 (2010: $0) under the Paid Parental Leave Scheme; these amounts were offset against the amounts paid to employees in the Statement of Comprehensive Income.
NOTE 12: Restructuring

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**Note 12A: Departmental restructuring**

In 2010-11 as a result of restructuring of administrative arrangements the Department received $0.012 million associated with the transfer of the function of the governance of the Family Assistance Office from the department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). The net result of the transfer is reflected below.

**Equity**

| Contribution by owners - Transferred in (Statement of Changes in Equity) | 12  | -  |
| Total equity transferred | 12  | -  |

In the 2009-10 financial year the Australian Government made a decision to transfer the function of the Job Capacity Assessment program from the Department to the Department of Education, Employment and Workplace Relations (DEEWR). The net book value of assets and liabilities transferred to DEEWR for no consideration in the 2009-10 financial year.

**Assets recognised**

| Appropriation receivable - Transferred out | -  | (844) |
| Total assets recognised | -  | (844) |

**Liabilities recognised**

| Employee entitlements | -  | 244 |
| Total liabilities recognised | -  | 244 |
| Net assets transferred | -  | (600) |

There were no income or expenses incurred by the Department as a result of this transfer.
NOTE 12: Restructuring (continued)

<table>
<thead>
<tr>
<th>Note 12B: Administered Restructuring</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
<td></td>
</tr>
</tbody>
</table>

There was no restructuring in 2010-11. During 2009-10 the Australian Government made a decision to transfer the function of the Job Capacity Assessment program from the Department to the Department of Education, Employment and Workplace Relation (DEEWR) on 1 July 2009.

There were no income or expenses incurred by the Department as a result of this transfer.

The book value of liabilities transferred by the Department for no consideration was:

<table>
<thead>
<tr>
<th>Liabilities recognised</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors</td>
<td>-</td>
<td>2,320</td>
</tr>
<tr>
<td>Total liabilities transferred</td>
<td>-</td>
<td>2,320</td>
</tr>
</tbody>
</table>
### NOTE 13: Cash Flow Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2011 $'000</th>
<th>2010 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report cash and cash equivalents as per:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow statement</td>
<td>11,700</td>
<td>9,551</td>
</tr>
<tr>
<td>Balance sheet</td>
<td>11,700</td>
<td>9,551</td>
</tr>
<tr>
<td>Difference</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Reconciliation of net cost of services to net cash from operating activities: |             |            |
| Net cost of services | (609,215) | (531,316) |
| Add revenue from Government | 503,706 | 557,508 |
| Less income tax expense | (28) | (90) |

**Adjustments for non-cash items**

- Depreciation/amortisation: 30,338 (30,701)
- Net write down of non-financial assets: 310 (2,946)
- (Gain)/loss on disposal of assets: 187 (116)
- Reversals of previous asset write-downs and impairments: (2,407) (357)
- Finance expenses: 58 (126)

**Changes in assets/liabilities:**

- (Increase)/decrease in net receivables: (1,381) (27,099)
- (Increase)/decrease in prepayments: 863 (3,457)
- (Increase)/decrease in other non-financial assets: 41 (62)
- (Increase)/decrease in accrued revenue: 898 (281)
- Increase/(decrease) in employee provisions: 5,624 (7,031)
- Increase/(decrease) in employee payables: 1,125 (1,465)
- Increase/(decrease) in supplier payables: 83,282 (3,346)
- Increase/(decrease) in lease incentive: (1,568) 1,941
- Increase/(decrease) in GST payable: (44) 459
- Increase/(decrease) in competitive neutrality payable: (60) (1,563)
- Increase/(decrease) in leases: 350 (2,357)
- Increase/(decrease) in unearned income: - -
- Increase/(decrease) in other provisions: (1,070) (4,036)

**Net cash from operating activities**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>11,009</td>
<td>40,421</td>
</tr>
</tbody>
</table>
NOTE 14: Contingent Liabilities and Assets

### Contingent Assets

<table>
<thead>
<tr>
<th></th>
<th>Claims for damages or costs</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Balance from previous period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New</td>
<td>345</td>
<td>-</td>
</tr>
<tr>
<td>Total Contingent Assets</td>
<td>345</td>
<td>-</td>
</tr>
</tbody>
</table>

### Contingent Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Claims for damages or costs</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Balance from previous period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Total Contingent Liabilities</td>
<td>1,000</td>
<td>-</td>
</tr>
</tbody>
</table>

**Quantifiable Contingencies**

At 30 June 2011, the Schedule of Contingencies for the Department reports $345,000 contingent assets in respect of compensation gains (2010: $0).

At 30 June 2011, the Schedule of Contingencies for the Department reports $1,000,000 contingent liabilities in respect of compensation claims (2010: $0). The amount represents an estimate of the Department’s liability based on information provided by executive management and the Department’s solicitors.

**Unquantifiable Contingencies**

At 30 June 2011, the Department had a number of legal claims for which it has denied liability and is defending the claims. It is not possible to estimate the amount of any eventual payments that may be required in relation to these claims.

The Department administers payments made under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA) in relation to the administered Child Support Special Account. It is not possible to estimate the amount of any eventual payments that may be required in relation to potential future claims under CDDA relating to events up to reporting date.

**Significant Remote Contingencies**

Various organisations have been indemnified from losses they may incur arising from legal actions which may be initiated by clients of CRS Australia under the work training scheme.
### Note 15: Senior Executive Remuneration

#### Note 15A: Senior Executive Remuneration Expense for the Reporting Period

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term employee benefits:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>10,959,426</td>
<td>8,375,866</td>
</tr>
<tr>
<td>Annual leave accrued</td>
<td>117,222</td>
<td>(274,141)</td>
</tr>
<tr>
<td>Performance bonuses</td>
<td>-</td>
<td>1,006,852</td>
</tr>
<tr>
<td>Motor Vehicle and Other Allowances</td>
<td>1,289,019</td>
<td>784,909</td>
</tr>
<tr>
<td><strong>Total short-term employee benefits</strong></td>
<td>12,365,667</td>
<td>9,893,486</td>
</tr>
<tr>
<td><strong>Post-employment benefits:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superannuation</td>
<td>1,931,923</td>
<td>1,479,004</td>
</tr>
<tr>
<td><strong>Total post-employment benefits</strong></td>
<td>1,931,923</td>
<td>1,479,004</td>
</tr>
<tr>
<td><strong>Other long-term benefits:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-service leave</td>
<td>512,322</td>
<td>(182,155)</td>
</tr>
<tr>
<td><strong>Total other long-term benefits</strong></td>
<td>512,322</td>
<td>(182,155)</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>-</td>
<td>88,939</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,809,912</td>
<td>11,279,274</td>
</tr>
</tbody>
</table>

**Notes:**

1. Note 15A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash ‘Bonus paid’ in Note 15B). The performance bonus scheme was terminated, effective 1 July 2010.

2. Note 15A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than $150,000.
### Note 15B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period

#### as at 30 June 2011

<table>
<thead>
<tr>
<th>Fixed Elements and Bonus Paid $</th>
<th>Senior Executives</th>
<th>Salary $</th>
<th>Allowances $</th>
<th>Total $</th>
<th>Bonus paid $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total remuneration (including part-time arrangements):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than $150,000$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$150,000 to $179,999</td>
<td>16</td>
<td>145,250</td>
<td>26,000</td>
<td>171,250</td>
<td>9,188</td>
</tr>
<tr>
<td>$180,000 to $209,999</td>
<td>25</td>
<td>162,100</td>
<td>26,160</td>
<td>188,260</td>
<td>14,685</td>
</tr>
<tr>
<td>$210,000 to $239,999</td>
<td>8</td>
<td>199,997</td>
<td>28,000</td>
<td>227,997</td>
<td>18,100</td>
</tr>
<tr>
<td>$240,000 to $269,999</td>
<td>7</td>
<td>224,000</td>
<td>27,714</td>
<td>251,714</td>
<td>16,371</td>
</tr>
<tr>
<td>$270,000 to $299,999</td>
<td>1</td>
<td>260,000</td>
<td>30,000</td>
<td>290,000</td>
<td>29,500</td>
</tr>
<tr>
<td>$300,000 to $329,999</td>
<td>2</td>
<td>275,000</td>
<td>30,000</td>
<td>305,000</td>
<td>37,500</td>
</tr>
<tr>
<td>$360,000 to $389,999</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$390,000 to $419,999</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$420,000 to $449,999</td>
<td>1</td>
<td>399,720</td>
<td>30,000</td>
<td>429,720</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>60$</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### as at 30 June 2010

<table>
<thead>
<tr>
<th>Fixed Elements and Bonus Paid $</th>
<th>Senior Executives</th>
<th>Salary $</th>
<th>Allowances $</th>
<th>Total $</th>
<th>Bonus paid $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total remuneration (including part-time arrangements):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than $150,000$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$150,000 to $179,999</td>
<td>27</td>
<td>143,963</td>
<td>23,074</td>
<td>167,037</td>
<td>8,741</td>
</tr>
<tr>
<td>$180,000 to $209,999</td>
<td>6</td>
<td>170,876</td>
<td>24,000</td>
<td>194,876</td>
<td>12,862</td>
</tr>
<tr>
<td>$210,000 to $239,999</td>
<td>6</td>
<td>200,030</td>
<td>23,833</td>
<td>223,863</td>
<td>18,983</td>
</tr>
<tr>
<td>$240,000 to $269,999</td>
<td>3</td>
<td>226,333</td>
<td>23,000</td>
<td>249,333</td>
<td>16,350</td>
</tr>
<tr>
<td>$270,000 to $299,999</td>
<td>2</td>
<td>250,000</td>
<td>24,364</td>
<td>274,364</td>
<td>30,000</td>
</tr>
<tr>
<td>$300,000 to $329,999</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$360,000 to $389,999</td>
<td>1</td>
<td>365,166</td>
<td>-</td>
<td>365,166</td>
<td>-</td>
</tr>
<tr>
<td>$390,000 to $419,999</td>
<td>1</td>
<td>412,787</td>
<td>3,100</td>
<td>415,887</td>
<td>-</td>
</tr>
<tr>
<td>$420,000 to $449,999</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. This table reports substantive senior executives who were employed by the Department at the end of the reporting period. Fixed elements are based on the employment agreement of each individual. Each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).

2. This represents average actual bonuses paid during the reporting period in that remuneration package band. The 'Bonus paid' is excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'Bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the Department during the financial year.

3. The increase in SES reported over the previous year is a result of the transition relating to service delivery reform, and ongoing appointments being made to existing positions.

4. The Department did not have any substantive senior executives whose total remuneration was less than $150,000.
NOTE 15: Senior Executive Remuneration

Note 15B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period (continued)

Variable Elements:

With the exception of bonuses, variable elements were not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements were available as part of senior executives' remuneration package:

(a) Bonuses:
   - Bonuses were based on the performance rating of each individual. The maximum bonus that an individual could receive was 15 per cent of his/her base salary.

(b) On average senior executives were entitled to the following leave entitlements:
   - Annual Leave (AL): entitled to 23 days (2010: 23 days) each full year worked (pro-rata for part-time SES);
   - Personal Leave (PL): entitled to 18 days (2010: 23 days) or part-time equivalent; and

(c) Senior executives were members of one of the following superannuation funds:
   - Australian Government Employee Superannuation Trust (AGEST): this fund is for senior executives who were employed for a defined period. Employer contributions were set at 15.4 per cent (2010: 15.4 per cent). More information on AGEST can be found at http://www.agest.com.au;
   - Commonwealth Superannuation Scheme (CSS): this scheme is closed to new members, and employer contributions were averaged 23.2 per cent (2010: 24.7 per cent) (including productivity component). More information on CSS can be found at http://www.css.gov.au;
   - Public Sector Superannuation Scheme (PSS): this scheme is closed to new members, with current employer contributions were set at 15.8 per cent (2010: 17.8 per cent) (including productivity component). More information on PSS can be found at http://www.pss.gov.au;
   - Public Sector Superannuation Accumulation Plan (PSSap): employer contributions were set at 15.4 percent (2010: 15.4 per cent), and the fund has been in operation since July 2005. More information on PSSap can be found at http://www.pssap.gov.au; and
   - Other: there were some senior executives who had their own superannuation arrangements (e.g. self-managed superannuation funds). Their employer contributions were set at 15.4 per cent (2010: 15.4 per cent).

(d) Variable allowances:
   - Temporary Performance Allowance: $126,123 (2010: $84,692) paid when the senior executive was required to undertake duties at a higher level on a temporary basis.

(e) Various salary sacrifice arrangements were available to senior executives including super, motor vehicle and expense payment fringe benefits.

Note 15C: Other Highly Paid Staff

During the reporting period, there were no employees (2009-10: one employee) whose salary plus performance bonus was $150,000 or more. No employee for 2010-11.
NOTE 16: Remuneration of Auditors

Financial statement audit services are provided free of charge to the Department.

The fair value of the services provided was:

<table>
<thead>
<tr>
<th>Department of Human Services</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\text{500}$</td>
<td>$\text{413}$</td>
</tr>
</tbody>
</table>

No other services were provided by the auditors of the financial statements.
NOTE 17: Financial Instruments

17A: Categories of financial instruments

Financial assets

Loans and receivables:
- Cash and cash equivalents: $11,700,000 (2011), $9,551,000 (2010)
- Trade and other receivables: $9,254,000 (2011), $6,389,000 (2010)
- Other: $168,000 (2011), $1,066,000 (2010)

Carrying amount of financial assets: $21,122,000 (2011), $17,006,000 (2010)

Financial liabilities

At amortised cost:
- Suppliers payables: $123,384,000 (2011), $40,139,000 (2010)
- Lease incentives: $10,769,000 (2011), $12,337,000 (2010)

Carrying amount of financial liabilities: $135,034,000 (2011), $56,014,000 (2010)

17B: Net income and expense from financial liabilities

Financial liabilities - at amortised cost
- Interest expense: $110,000 (2011), $219,000 (2010)
- Net loss from financial liabilities: $110,000 (2011), $219,000 (2010)

The Department does not have interest revenues.

The total interest expense from financial liabilities not at fair value through profit or loss is $110,000 (2010: $219,000).

17C: Fair value of financial instruments

The Department considers that the carrying amounts of financial instruments reported in the balance sheet are a reasonable approximation of fair value.
NOTE 17: Financial Instruments (continued)

17D: Credit risk

The Department is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the trade receivables 2010-11: $9,254,000 (2009-10: $6,389,000). The Department has assessed the risk of the default on payment and has allocated $212,000 in 2010-11 ($334,000 in 2009-10) to an allowance for doubtful debts account.

The Department manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Department has policies and procedures that guide employees’ debt recovery techniques that are to be applied.

The Department holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired.

<table>
<thead>
<tr>
<th></th>
<th>Not Past Due Nor Impaired 2011 $'000</th>
<th>Not Past Due Nor Impaired 2010 $'000</th>
<th>Past Due Or Impaired 2011 $'000</th>
<th>Past Due Or Impaired 2010 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables</td>
<td>11,700</td>
<td>9,551</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>7,569</td>
<td>4,571</td>
<td>1,685</td>
<td>1,818</td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>168</td>
<td>1,066</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>19,437</td>
<td>15,188</td>
<td>1,685</td>
<td>1,818</td>
</tr>
</tbody>
</table>

Ageing of financial assets that are past due but not impaired for 2011

<table>
<thead>
<tr>
<th></th>
<th>0 to 30 days $'000</th>
<th>31 to 60 days $'000</th>
<th>61 to 90 days $'000</th>
<th>90+ days $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables</td>
<td>572</td>
<td>410</td>
<td>407</td>
<td>296</td>
<td>1,685</td>
</tr>
<tr>
<td>Total</td>
<td>572</td>
<td>410</td>
<td>407</td>
<td>296</td>
<td>1,685</td>
</tr>
</tbody>
</table>

Ageing of financial assets that are past due but not impaired for 2010

<table>
<thead>
<tr>
<th></th>
<th>0 to 30 days $'000</th>
<th>31 to 60 days $'000</th>
<th>61 to 90 days $'000</th>
<th>90+ days $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables</td>
<td>588</td>
<td>179</td>
<td>208</td>
<td>509</td>
<td>1,484</td>
</tr>
<tr>
<td>Total</td>
<td>588</td>
<td>179</td>
<td>208</td>
<td>509</td>
<td>1,484</td>
</tr>
</tbody>
</table>
NOTE 17: Financial Instruments (continued)

17E: Liquidity risk

The Department's liabilities are payables and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely as the department is appropriated funding from the Australian Government and manages it budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Department has internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities 2011

<table>
<thead>
<tr>
<th></th>
<th>Within 1 year $'000</th>
<th>1 to 2 years $'000</th>
<th>2 to 5 years $'000</th>
<th>&gt; 5 years $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier payables</td>
<td>120,583</td>
<td>2,801</td>
<td>-</td>
<td>-</td>
<td>123,384</td>
</tr>
<tr>
<td>Lease incentives</td>
<td>2,189</td>
<td>-</td>
<td>-</td>
<td>8,580</td>
<td>10,769</td>
</tr>
<tr>
<td>Finance leases</td>
<td>592</td>
<td>289</td>
<td>-</td>
<td>-</td>
<td>881</td>
</tr>
<tr>
<td>Total</td>
<td>123,364</td>
<td>3,090</td>
<td>-</td>
<td>8,580</td>
<td>135,034</td>
</tr>
</tbody>
</table>

Maturities for non-derivative financial liabilities 2010

<table>
<thead>
<tr>
<th></th>
<th>Within 1 year $'000</th>
<th>1 to 2 years $'000</th>
<th>2 to 5 years $'000</th>
<th>&gt; 5 years $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier payables</td>
<td>36,165</td>
<td>3,974</td>
<td>-</td>
<td>-</td>
<td>40,139</td>
</tr>
<tr>
<td>Lease incentives</td>
<td>2,511</td>
<td>1,966</td>
<td>5,126</td>
<td>2,734</td>
<td>12,337</td>
</tr>
<tr>
<td>Finance leases</td>
<td>2,878</td>
<td>660</td>
<td>-</td>
<td>-</td>
<td>3,538</td>
</tr>
<tr>
<td>Total</td>
<td>41,554</td>
<td>6,600</td>
<td>5,126</td>
<td>2,734</td>
<td>56,014</td>
</tr>
</tbody>
</table>

The Department is appropriated funding from the Australian Government. The Department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Department has policies in place to ensure timely payment is made when due and has no past history of default.

17F: Market risk

The Department holds basic financial instruments that do not expose the Department to certain market risks. The Department is not exposed to 'Currency risk' or 'Other price risk'.

The only interest-bearing item on the balance sheet is 'Leases'. This bears interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.
NOTE 18: Income Administered on Behalf of Government

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Non-taxation revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and fines</td>
<td>53,095</td>
<td>47,802</td>
</tr>
<tr>
<td>Child support revenue</td>
<td>1,182,149</td>
<td>1,187,847</td>
</tr>
<tr>
<td>Competitive neutrality revenue</td>
<td>8,794</td>
<td>8,867</td>
</tr>
<tr>
<td>Dividends</td>
<td>5,765</td>
<td>5,608</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>2,140</td>
</tr>
<tr>
<td>Total income administered on behalf of Government</td>
<td>1,249,803</td>
<td>1,252,264</td>
</tr>
</tbody>
</table>

NOTE 19: Expenses Administered on Behalf of Government

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 19A: Write-down and impairment of assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset write-downs from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of receivables</td>
<td>104,576</td>
<td>69,191</td>
</tr>
<tr>
<td>Total write-down and impairment of assets</td>
<td>104,576</td>
<td>69,191</td>
</tr>
<tr>
<td>Note 19B: Child support payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child support</td>
<td>1,121,923</td>
<td>1,157,508</td>
</tr>
<tr>
<td>Total child support payments</td>
<td>1,121,923</td>
<td>1,157,508</td>
</tr>
<tr>
<td>Note 19C: Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income management card payments</td>
<td>2,376</td>
<td>3,207</td>
</tr>
<tr>
<td>Depreciation</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>Total other expenses</td>
<td>2,394</td>
<td>3,207</td>
</tr>
<tr>
<td>Total expenses administered on behalf of Government</td>
<td>1,228,893</td>
<td>1,229,906</td>
</tr>
</tbody>
</table>
NOTE 20: Assets Administered on Behalf of Government

### FINANCIAL ASSETS

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011 $'000</th>
<th>2010 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note 20A: Cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand or on deposit</td>
<td>15</td>
<td>248</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>15</td>
<td>248</td>
</tr>
<tr>
<td><strong>Note 20B: Child support receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client penalty receivables</td>
<td>694,364</td>
<td>689,139</td>
</tr>
<tr>
<td>Customer miscellaneous receivables</td>
<td>7,272</td>
<td>9,579</td>
</tr>
<tr>
<td>Client top up receivables</td>
<td>3,141</td>
<td>3,022</td>
</tr>
<tr>
<td>Costs recovery debt</td>
<td>1,889</td>
<td>2,051</td>
</tr>
<tr>
<td>Maintenance receivable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>807,535</td>
<td>980,064</td>
</tr>
<tr>
<td>International</td>
<td>307,549</td>
<td>182,135</td>
</tr>
<tr>
<td>Total child support related receivables (gross)</td>
<td>1,821,750</td>
<td>1,865,990</td>
</tr>
<tr>
<td>Less: impairment allowance</td>
<td>(1,234,275)</td>
<td>(1,240,975)</td>
</tr>
<tr>
<td>Total child support related receivables (net)</td>
<td>587,475</td>
<td>625,015</td>
</tr>
<tr>
<td><strong>Note 20C: Other Receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends receivable</td>
<td>2,832</td>
<td>2,374</td>
</tr>
<tr>
<td>Competitive neutrality receivable</td>
<td>2,239</td>
<td>2,693</td>
</tr>
<tr>
<td>GST receivable from the Australian Taxation Office</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>2,141</td>
</tr>
<tr>
<td>Total other receivables (gross)</td>
<td>5,092</td>
<td>7,230</td>
</tr>
<tr>
<td>Total receivables (net)</td>
<td>592,567</td>
<td>632,245</td>
</tr>
</tbody>
</table>

Receivables are expected to be recovered in:

- No more than 12 months: 250,719 134,584
- More than 12 months: 341,848 497,661

Total trade and other receivables (net): 592,567 632,245

Receivables are aged as follows:

- Not overdue: 85,933 93,681
- Overdue by:
  - Less than 30 days: 72,949 81,721
  - 31 to 60 days: 55,632 62,254
  - 61 to 90 days: 53,168 53,631
  - More than 90 days: 1,559,160 1,581,933

Total receivables (gross): 1,826,842 1,873,220
## DEPARTMENT OF HUMAN SERVICES
### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
#### for the period ended 30 June 2011

### NOTE 20: Assets Administered on Behalf of Government (continued)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not overdue</td>
<td>(47,153)</td>
<td>(48,497)</td>
</tr>
<tr>
<td>Overdue by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 30 days</td>
<td>(37,832)</td>
<td>(41,584)</td>
</tr>
<tr>
<td>31 to 60 days</td>
<td>(32,561)</td>
<td>(36,298)</td>
</tr>
<tr>
<td>61 to 90 days</td>
<td>(33,154)</td>
<td>(30,324)</td>
</tr>
<tr>
<td>More than 90 days</td>
<td>(1,083,575)</td>
<td>(1,084,272)</td>
</tr>
<tr>
<td><strong>Total allowance for doubtful debts</strong></td>
<td>(1,234,275)</td>
<td>(1,240,975)</td>
</tr>
</tbody>
</table>

### Reconciliation of impairment allowance:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>(1,240,975)</td>
<td>(1,158,133)</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>6,700</td>
<td>(82,842)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>(1,234,275)</td>
<td>(1,240,975)</td>
</tr>
</tbody>
</table>

### Reconciliation of the Impairment Allowance Account:

#### Movements in relation to 2011

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>(1,240,975)</td>
<td>(1,240,975)</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>6,700</td>
<td>6,700</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>(1,234,275)</td>
<td>(1,234,275)</td>
</tr>
</tbody>
</table>

#### Movements in relation to 2010

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>(1,158,133)</td>
<td>(1,158,133)</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(82,842)</td>
<td>(82,842)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>(1,240,975)</td>
<td>(1,240,975)</td>
</tr>
</tbody>
</table>
### DEPARTMENT OF HUMAN SERVICES
### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
### for the period ended 30 June 2011

#### NOTE 20: Assets Administered on Behalf of Government (continued)

**Note 20D: Investments accounted for using the equity method**

<table>
<thead>
<tr>
<th>Shares in Commonwealth companies/entities</th>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Hearing¹</td>
<td>23</td>
<td>34,585</td>
<td>30,741</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td></td>
<td>34,585</td>
<td>30,741</td>
</tr>
</tbody>
</table>

Other financial assets are expected to be recovered in:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 12 months</td>
<td></td>
<td>34,585</td>
<td>30,741</td>
</tr>
<tr>
<td></td>
<td></td>
<td>34,585</td>
<td>30,741</td>
</tr>
</tbody>
</table>

**Details of investments accounted for using the equity method**

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Principal activity</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates:</td>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Australian Hearing²</td>
<td>Helping people manage their hearing impairment to improve their quality of life</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Summarised financial information of Australian Hearing:**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$’000</strong></td>
<td>$’000</td>
<td></td>
</tr>
<tr>
<td><strong>Balance sheet:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>91,820</td>
<td>87,931</td>
</tr>
<tr>
<td>Liabilities</td>
<td>57,235</td>
<td>57,190</td>
</tr>
<tr>
<td>Net assets</td>
<td>34,585</td>
<td>30,741</td>
</tr>
<tr>
<td><strong>Statement of comprehensive income:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>199,000</td>
<td>190,144</td>
</tr>
<tr>
<td>Expenses</td>
<td>185,235</td>
<td>176,938</td>
</tr>
<tr>
<td>Net surplus</td>
<td>13,765</td>
<td>13,206</td>
</tr>
<tr>
<td><strong>Share of associates’ net surplus:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of net surplus before tax</td>
<td>13,765</td>
<td>13,206</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>4,156</td>
<td>3,859</td>
</tr>
<tr>
<td><strong>Share of associates’ net surplus after tax</strong></td>
<td>9,609</td>
<td>9,347</td>
</tr>
</tbody>
</table>

¹In 2010-11 the investment in Australian Hearing is disclosed as a financial asset. The 2009-10 comparative has been restated accordingly from non-financial assets.

²The published fair value for the investment in Australian Hearing is $34,585 million (2010: $30,741 million).
NOTE 20: Assets Administered on Behalf of Government (continued)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

### Note 20E: Property, plant and equipment

Property, plant and equipment:

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying value (at fair value)</td>
<td>161</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(18)</td>
<td>-</td>
</tr>
<tr>
<td>– accumulated impairment losses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>143</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets administered on behalf of Government</strong></td>
<td>627,310</td>
<td>663,234</td>
</tr>
</tbody>
</table>

#### TABLE A – Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010-11)

<table>
<thead>
<tr>
<th></th>
<th>Other PP &amp; E</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net book value 1 July 2010</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>By purchase</td>
<td>161</td>
<td>161</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(18)</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Net book value 30 June 2011</strong></td>
<td>143</td>
<td>143</td>
</tr>
</tbody>
</table>

**Net book value as at 30 June 2011 represented by:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross book value</td>
<td>161</td>
<td>161</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(18)</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>143</td>
<td>143</td>
</tr>
</tbody>
</table>

1 There were no Property, Plant and Equipment Assets in 2009-10, therefore no comparative table.
DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

NOTE 21: Liabilities Administered on Behalf of Government

<table>
<thead>
<tr>
<th>PAYABLES</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes $'000</td>
<td>$'000</td>
<td></td>
</tr>
</tbody>
</table>

**Note 21A: Child support and other**

| Child Support payables | 28,610 | 26,673 |
| Other | 463 | 708 |

**Total child support and other**

| Total | 29,073 | 27,381 |

Payables expected to be settled within 12 months:

| External entities | 28,610 | 26,673 |

| Total | 28,610 | 26,673 |

Payables expected to be settled in greater than 12 months:

| Related entities | 463 | 708 |

| Total | 463 | 708 |

**Note 21B: Payments received in advance**

| Child support payments received in advance | 15,886 | 15,025 |

| Total payments received in advance | 15,886 | 15,025 |

Total other payables are expected to be settled in:

| No more than 12 months | 15,886 | 15,025 |

| Total payments received in advance | 15,886 | 15,025 |

**PROVISIONS**

**Note 21C: Child support provision**

| Child support provision | 574,937 | 612,479 |

| Total child support provision | 574,937 | 612,479 |

Total child support provisions are expected to be settled in:

| No more than 12 months | 241,543 | 278,645 |
| More than 12 months | 333,394 | 333,834 |

| Total child support provision | 574,937 | 612,479 |

Movement in the child support provision

| Carrying amount 1 July 2010 | 612,479 | 549,945 |
| Additional provisions made | 1,182,149 | 1,187,847 |
| Amounts used | (1,121,923) | (1,157,508) |
| Amounts reversed | (97,768) | 32,195 |

| Closing balance 30 June 2011 | 574,937 | 612,479 |

| Total liabilities administered on behalf of Government | 619,896 | 654,885 |
NOTE 22: Administered Reconciliation Table

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening administered assets less administered liabilities as at 1 July</td>
<td>8,349</td>
<td>25,633</td>
</tr>
<tr>
<td>Plus: Administered income</td>
<td>1,249,803</td>
<td>1,252,264</td>
</tr>
<tr>
<td>Less: Administered expenses</td>
<td>(1,228,893)</td>
<td>(1,229,906)</td>
</tr>
<tr>
<td>Administered transfers to/from Australian Government:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation transfers from the Official Public Account:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Account transfers from the Official Public Account</td>
<td>1,078,759</td>
<td>1,030,504</td>
</tr>
<tr>
<td>Special Appropriation transfers from the Official Public Account</td>
<td>80,003</td>
<td>66,669</td>
</tr>
<tr>
<td>Annual Appropriation transfers from the Official Public Account</td>
<td>8,376</td>
<td>4,641</td>
</tr>
<tr>
<td>Transfers to the Official Public Account</td>
<td>(1,192,970)</td>
<td>(1,147,515)</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>2,320</td>
</tr>
<tr>
<td>Administered investments and property plant and equipment</td>
<td>3,987</td>
<td>3,739</td>
</tr>
<tr>
<td>Closing administered assets less administered liabilities as at 30 June</td>
<td>7,414</td>
<td>8,349</td>
</tr>
</tbody>
</table>

NOTE 23: ADMINISTERED INVESTMENTS

The principal activities of the Department’s administered investment is as follows:

Australian Hearing helping people manage their hearing impairment to improve their quality of life.

The Australian Government owns 100% of the issued share capital of Australian Hearing, a statutory authority which is valued at net asset value, obtained from the latest available financial statements.
### NOTE 24: Administered Financial Instruments

#### 24A: Categories of financial instruments

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15</td>
<td>248</td>
</tr>
<tr>
<td>Total for loans and receivable</td>
<td>15</td>
<td>248</td>
</tr>
<tr>
<td>Available for sale:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares in - Australian Hearing</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Total available for sale</td>
<td>34,585</td>
<td>30,741</td>
</tr>
<tr>
<td>Carrying amount of financial assets</td>
<td>34,600</td>
<td>30,989</td>
</tr>
</tbody>
</table>

#### Financial Liabilities

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Total carrying amount of financial liabilities</td>
<td>463</td>
<td>708</td>
</tr>
</tbody>
</table>

Carrying amounts stated above are a reasonable approximation of fair value.

#### 24B: Net Income and expense from financial assets

<table>
<thead>
<tr>
<th>Available for sale</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend revenue</td>
<td>5,765</td>
<td>5,608</td>
</tr>
<tr>
<td>Net gain from available for sale</td>
<td>5,765</td>
<td>5,608</td>
</tr>
<tr>
<td>Net gain from financial assets</td>
<td>5,765</td>
<td>5,608</td>
</tr>
</tbody>
</table>
DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

NOTE 24: Administered Financial Instruments (continued)

24C: Credit risk

The administered activities of the Department are exposed to minimal credit risk as financial assets were made up of cash and cash equivalents and shares in Australian Hearing, a statutory authority, in which the Australian Government owns 100% of the issued share capital.

Credit quality of financial instruments not past due or individually determined as impaired.

<table>
<thead>
<tr>
<th></th>
<th>Not past due nor impaired 2011 $'000</th>
<th>Not past due nor impaired 2010 $'000</th>
<th>Past due or impaired 2011 $'000</th>
<th>Past due or impaired 2010 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>15</td>
<td>248</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares in Australian Hearing</td>
<td>34,585</td>
<td>30,741</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,600</strong></td>
<td><strong>30,989</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

24D: Liquidity risk

The Department's administered financial liabilities are trade creditors. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Department (e.g., advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities 2011

<table>
<thead>
<tr>
<th></th>
<th>Within 1 year $'000</th>
<th>1 to 2 years $'000</th>
<th>2 to 5 years $'000</th>
<th>&gt; 5 years $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier payables</td>
<td>463</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>463</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>463</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>463</strong></td>
</tr>
</tbody>
</table>

Maturities for non-derivative financial liabilities 2010

<table>
<thead>
<tr>
<th></th>
<th>Within 1 year $'000</th>
<th>1 to 2 years $'000</th>
<th>2 to 5 years $'000</th>
<th>&gt; 5 years $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier payables</td>
<td>708</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>708</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>708</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>708</strong></td>
</tr>
</tbody>
</table>

The Department is appropriated funding from the Australian Government. The Department manages its budgeted administered funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Department has policies in place to ensure timely payment is made when due and has no past history of default.

24E: Market risk

The Department holds basic financial instruments that do not expose the Department to certain market risks. The Department is not exposed to 'Currency risk' or 'Other price risk'.

There are no interest bearing items on the Department's administered balance sheet, therefore the Department is not exposed to 'Interest rate risk'.
NOTE 25: Appropriations

The Department has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations in circumstances where the payments do not accord with conditions included in the relevant legislation.

The Department will investigate these circumstances and any impact on the Department’s special accounts, including seeking legal advice as appropriate.

Table A: Annual Appropriations ("Recoverable GST exclusive")

<table>
<thead>
<tr>
<th>2011 Appropriations</th>
<th>Appropriation Act</th>
<th>FMA Act</th>
<th>Appropriation applied in 2011 (current and prior years)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Appropriation</td>
<td>Section 30</td>
<td>Section 31</td>
<td>Section 32</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>DEPARTMENTAL</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>543,146</td>
<td>-</td>
<td>-</td>
<td>206,416</td>
</tr>
<tr>
<td>Total departmental</td>
<td>543,146</td>
<td>-</td>
<td>-</td>
<td>206,416</td>
</tr>
<tr>
<td>ADMINISTERED</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>6,336</td>
<td>(3,296)</td>
<td>2,349</td>
<td>-</td>
</tr>
<tr>
<td>Administered items</td>
<td>6,336</td>
<td>(3,296)</td>
<td>2,349</td>
<td>-</td>
</tr>
<tr>
<td>Other services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administered assets</td>
<td>160</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>and liabilities</td>
<td>160</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total administered</td>
<td>6,496</td>
<td>(3,296)</td>
<td>2,349</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:
1. Includes the amount required as per Appropriation Act (No. 1) 2010-11. Administered items for 2010-11 will be reduced to these amounts when these financial statements are tabled in Parliament as part of the Department’s 2010-11 annual report. This reduction was effective in 2011-12, but the amounts were reflected in Table A in the 2010-11 financial statements in the column ‘Appropriations reduced’ as they were adjustments to 2010-11 appropriations.

2. On 20 January 2011 the Finance Minister made Determination 2010/42 under subsection 32(2) of the Financial Management and Accountability Act 1997 amending Appropriation Act (No. 1) 2010 - 2011 to transfer an amount of $139,952.00 of the departmental item for the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to the departmental item for the Department.

3. The variance between total appropriation and appropriation applied is consistent with balances for cash at bank and on hand, undrawn unexpired administered appropriations and funds available yet to be drawn from OPA recorded in the appropriation receivable. The Administered variance between total appropriation and appropriation applied is due to $0.449 million of Income Card Management expenses accrued in 2010-11 for payment 2011-12.
### Table A: Annual Appropriations (Recoverable GST exclusive)

<table>
<thead>
<tr>
<th>Appropriation Act</th>
<th>FMA Act</th>
<th>Annual Appropriations</th>
<th>Appropriation reduced 1</th>
<th>AFM Section 30</th>
<th>Section 31</th>
<th>Section 32 2</th>
<th>Total appropriation</th>
<th>Variance 3</th>
<th>Appropriation applied in 2011 (current and prior years)</th>
<th>Variance 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>558,258</td>
<td>(8,740)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>250,714</td>
<td>-</td>
<td>800,244</td>
<td>(797,497)</td>
</tr>
<tr>
<td>Administered items</td>
<td>8,193</td>
<td>(4,977)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,836</td>
<td>-</td>
<td>4,376</td>
<td>460</td>
</tr>
<tr>
<td>Other services</td>
<td>8,193</td>
<td>(4,977)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,836</td>
<td>-</td>
<td>4,376</td>
<td>460</td>
</tr>
<tr>
<td>Total administered</td>
<td>8,193</td>
<td>(4,977)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,836</td>
<td>-</td>
<td>4,376</td>
<td>460</td>
</tr>
</tbody>
</table>

#### Notes:
1. On 20 January 2011 the Finance Minister made Determination to Reduce Appropriations Upon Request (No. 5 of 2010-2011) under sub section 10(2) of Appropriation Act (No. 1) 2009-2010 reducing Appropriation Act (No. 1) 2009-2010 by $8,740,098.38.
2. On 9 July 2010 the Finance Minister made Determination 2010/13 under subsection 32(2) of the Financial Management and Accountability Act 1997 amending Appropriation Act (No. 1) 2010-2011 to transfer an amount of $11,566.00 of the departmental item for Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to the departmental item for the Department.
3. The variance between total appropriation and appropriation applied is consistent with balances for cash at bank and on hand, undrawn unspent administration appropriations and funds available yet to be drawn from OPA recorded in the appropriation receivable. The Appropriation Act 2010-2011 for payment 2010-11 for OPA recorded in the appropriation receivable.

---

**Department of Human Services Annual Report 2010–11**
NOTE 25: Appropriation (continued)

Table B: Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')

<table>
<thead>
<tr>
<th>Authority</th>
<th>2011*</th>
<th>2010*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation Act (No. 1) 2004-05</td>
<td>55,663</td>
<td>55,663</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2005-06</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Appropriation Act (No. 3) 2005-06</td>
<td>5,883</td>
<td>5,883</td>
</tr>
<tr>
<td>Appropriation Act (No. 5) 2005-06</td>
<td>9,416</td>
<td>9,416</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2006-07</td>
<td>37,718</td>
<td>37,718</td>
</tr>
<tr>
<td>Appropriation Act (No. 3) 2006-07</td>
<td>1,791</td>
<td>1,791</td>
</tr>
<tr>
<td>Appropriation Act (No. 4) 2006-07</td>
<td>177</td>
<td>177</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2007-08</td>
<td>41,214</td>
<td>41,214</td>
</tr>
<tr>
<td>Appropriation Act (No. 2) 2007-08</td>
<td>734</td>
<td>734</td>
</tr>
<tr>
<td>Appropriation Act (No. 4) 2007-08</td>
<td>5,429</td>
<td>5,429</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2008-09</td>
<td>12,603</td>
<td>12,603</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2009-10</td>
<td>30,795</td>
<td>81,474</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2010-11¹</td>
<td>58,904</td>
<td>-</td>
</tr>
</tbody>
</table>

Total                                              | 260,340| 252,115|

¹ Includes an amount of $20.638 million representing unspent Appropriation Act (No. 1) 2010-11 for Departmental Capital Budget (DCB).

* The maximum amount available to be drawn from the Department of Finance and Deregulation plus cash on hand.
### Table C: Special Appropriations (‘Recoverable GST exclusive’)

<table>
<thead>
<tr>
<th>Authority</th>
<th>Type</th>
<th>Purpose</th>
<th>2011 $'000</th>
<th>2010 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Support (Registration and Collection) Act 1988 Section 77, Administered</td>
<td>Unlimited Amount</td>
<td>To enable payments to be made to cover shortfalls in the Child Support trust account</td>
<td>83,003</td>
<td>66,669</td>
</tr>
<tr>
<td>Child Support (Registration and Collection) Act 1988 Section 78, Administered</td>
<td>Refund</td>
<td>To enable payments to be made to cover shortfalls in the Child Support trust account</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Management and Accountability Act 1997 s.28(2), Administered</td>
<td>Refund</td>
<td>To enable payments of security bonds following issuance of a Departure Prohibition Orders (DPO)</td>
<td>17</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>83,020</strong></td>
<td><strong>66,717</strong></td>
</tr>
</tbody>
</table>

Department of Human Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

NOTE 25: Appropriation (continued)
### Table D: Reduction in Administered Items ('Recoverable GST Exclusive')

<table>
<thead>
<tr>
<th></th>
<th>Amount required - by Appropriation Act</th>
<th>Amount required - as represented by:</th>
<th>Total amount required</th>
<th>Total amount appropriated</th>
<th>Total reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2010-11</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary Annual Services</td>
<td>$3,040,195.41</td>
<td>$2,591,030.41</td>
<td>$449,165.00</td>
<td>$3,040,195.41</td>
<td>$6,336,000.00</td>
</tr>
</tbody>
</table>

**Notes:**
1. Amount required as per section 11 of Appropriation Act (No. 1) 2010-2011. Administered items for 2010-11 were reduced to these amounts when these financial statements were tabled in Parliament as part of the Department 2010-11 annual report. This reduction is effective in 2011-12, but the amount was reflected in Table A in the 2010-11 financial statements in the column 'Appropriations reduced' as it was an adjustment to 2010-11 appropriations.
2. Total amount appropriated in 2010-11 as per Appropriation Act (No.1) 2010-2011.
3. Total reduction effective in 2011-12.

<table>
<thead>
<tr>
<th></th>
<th>Amount required - by Appropriation Act</th>
<th>Amount required - as represented by:</th>
<th>Total amount required</th>
<th>Total amount appropriated</th>
<th>Total reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009-10</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary Annual Services</td>
<td>$3,216,128.29</td>
<td>$2,755,800.15</td>
<td>$460,328.14</td>
<td>$3,216,128.29</td>
<td>$8,193,000.00</td>
</tr>
</tbody>
</table>

**Notes:**
1. Amount required as per section 11 of Appropriation Act (No. 1) 2009-2010. Administered items for 2009-10 were reduced to these amounts when these financial statements were tabled in Parliament as part of the Department 2009-10 annual report. This reduction was effective in 2010-11, but the amount was reflected in Table A in the 2009-10 financial statements in the column 'Appropriations reduced' as it was an adjustment to the 2009-10 appropriations.
2. Total amount appropriated in 2009-10.
3. Total reduction effective in 2010-11.
NOTE 26: Special Accounts

The Department has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

The Department will investigate these circumstances and any impact on the Department’s special accounts, including seeking legal advice as appropriate.

Appropriation: [Financial Management and Accountability Act 1997 section 20].

Other Trust Monies and Services for Other Entities and Trust Monies (SOETM) were established by the legal authority contained in section 20 of the Financial Management Accountability Act 1997. For the year ended 30 June 2011 these accounts had a nil balance (2010: Nil) and there were no transactions debited or credited during the current or prior reporting period.

<table>
<thead>
<tr>
<th>Child Support Special Account (administered)</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
<td></td>
</tr>
<tr>
<td>Purpose: For the receipt of maintenance payments and the making of regular and timely payments to custodial parents.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried from previous period</td>
<td>51,953</td>
<td>55,789</td>
</tr>
<tr>
<td>Child Support (Registration &amp; Collection) Act 1998 Section 77</td>
<td>83,003</td>
<td>66,669</td>
</tr>
<tr>
<td>Child Support (Registration &amp; Collection) Act 1998 Section 78</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>2,441</td>
<td>1,628</td>
</tr>
<tr>
<td>Other receipts</td>
<td>1,084,155</td>
<td>1,031,473</td>
</tr>
<tr>
<td>Total increase</td>
<td>1,169,599</td>
<td>1,099,770</td>
</tr>
<tr>
<td>Available for payments</td>
<td>1,221,552</td>
<td>1,155,559</td>
</tr>
<tr>
<td>Payments made:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to custodial parents</td>
<td>(1,164,549)</td>
<td>(1,101,987)</td>
</tr>
<tr>
<td>Repayments debited from the special account</td>
<td>(2,320)</td>
<td>(1,619)</td>
</tr>
<tr>
<td>Total decrease</td>
<td>(1,166,869)</td>
<td>(1,103,606)</td>
</tr>
<tr>
<td>Total balance carried to the next period:</td>
<td>54,683</td>
<td>51,953</td>
</tr>
<tr>
<td>Cash - held in the Official Public Account</td>
<td>54,683</td>
<td>51,953</td>
</tr>
<tr>
<td>Total balance carried to the next period</td>
<td>54,683</td>
<td>51,953</td>
</tr>
</tbody>
</table>
### NOTE 27: Compensation and Debt Relief

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four ‘Act of Grace’ expenses were incurred during the reporting period</td>
<td>31,873</td>
<td>1,998</td>
</tr>
<tr>
<td>(2010: Three expenses).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4127 waivers of amounts owing to the Australian Government were made</td>
<td>3,549,805</td>
<td>1,271,015</td>
</tr>
<tr>
<td>No waivers of amounts owing to the Australian Government were made</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No ex-gratia payments were provided for during the reporting period. (2010: No payments)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Departmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23 compensation claims were paid during the reporting period. (2010: six payments made).</td>
<td>61,050</td>
<td>33,927</td>
</tr>
<tr>
<td>Under the 'Compensation for Detriment caused by Defective Administration Scheme' (CDDA) 50 payments were made during the reporting period (2010: 33 payments made).</td>
<td>85,929</td>
<td>136,860</td>
</tr>
</tbody>
</table>

\(^1\) Waivers increased in 2010-11 due to CSP processing a higher number of bulk waivers as well as a higher number for deceased customers compared to the prior year.
NOTE 28: Reporting of Outcomes

Note 28A: Net Cost of Outcome Delivery

<table>
<thead>
<tr>
<th></th>
<th>Outcome 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Expenses</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Administered</td>
<td>1,228,893</td>
<td>1,229,906</td>
</tr>
<tr>
<td>Departmental</td>
<td>814,577</td>
<td>741,185</td>
</tr>
<tr>
<td>Total</td>
<td>2,043,470</td>
<td>1,971,091</td>
</tr>
<tr>
<td>Income from non-gov't sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Activities subject to cost recovery</td>
<td>34,965</td>
<td>26,841</td>
</tr>
<tr>
<td>Total departmental</td>
<td>34,965</td>
<td>26,841</td>
</tr>
<tr>
<td>Total</td>
<td>34,965</td>
<td>26,841</td>
</tr>
<tr>
<td>Other own-source income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administered</td>
<td>1,249,803</td>
<td>1,252,264</td>
</tr>
<tr>
<td>Departmental</td>
<td>170,369</td>
<td>182,938</td>
</tr>
<tr>
<td>Total</td>
<td>1,420,172</td>
<td>1,435,202</td>
</tr>
<tr>
<td>Net cost of outcome</td>
<td>588,333</td>
<td>509,048</td>
</tr>
</tbody>
</table>

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

This table includes income from CRS Australia and Australian Hearing which is subject to competitive neutrality. The following table details the Department’s competitive neutrality expenses and dividend:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Competitive Neutrality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State tax equivalent expense</td>
<td>291</td>
<td>289</td>
</tr>
<tr>
<td>Commonwealth tax equivalent expense</td>
<td>33</td>
<td>94</td>
</tr>
<tr>
<td>Dividend declared</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Total competitive neutrality</td>
<td>330</td>
<td>389</td>
</tr>
</tbody>
</table>
DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

NOTE 28: Reporting of Outcomes (continued)

| Note 28B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome |
|-------------|-------------|
| **Outcome 1** | 2011 | 2010 |
| Employees     | 519,468 | 482,080 |
| Suppliers     | 263,923 | 222,634 |
| Depreciation and amortisation | 30,338 | 30,701 |
| Other expenses | 820 | 5,680 |
| **Total**     | 814,549 | 741,095 |

<table>
<thead>
<tr>
<th>Departmental Income:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from government</td>
</tr>
<tr>
<td>Sale of goods and services</td>
</tr>
<tr>
<td>Reversal of previous asset write-downs</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Departmental Assets:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalent</td>
</tr>
<tr>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Land and buildings</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>Intangibles</td>
</tr>
<tr>
<td>Other non-financial assets</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Departmental Liabilities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
</tr>
<tr>
<td>Tax Liabilities</td>
</tr>
<tr>
<td>Other payables</td>
</tr>
<tr>
<td>Lease incentives</td>
</tr>
<tr>
<td>Employee provisions</td>
</tr>
<tr>
<td>Other provisions</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
### Note 28C: Major Classes of Administered Expense, Income, Assets and Liabilities by Outcome

<table>
<thead>
<tr>
<th></th>
<th>Outcome 1</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td><strong>Administered expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write down and impairment of assets</td>
<td>104,576</td>
<td>69,191</td>
<td></td>
</tr>
<tr>
<td>Child support payments</td>
<td>1,121,923</td>
<td>1,157,508</td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>2,394</td>
<td>3,207</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,228,893</td>
<td>1,229,906</td>
<td></td>
</tr>
<tr>
<td><strong>Administered income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and fines</td>
<td>53,095</td>
<td>47,802</td>
<td></td>
</tr>
<tr>
<td>Child support revenue</td>
<td>1,182,149</td>
<td>1,187,847</td>
<td></td>
</tr>
<tr>
<td>Competitive neutrality revenue</td>
<td>8,794</td>
<td>8,867</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>5,765</td>
<td>5,608</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>2,140</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,249,803</td>
<td>1,252,264</td>
<td></td>
</tr>
<tr>
<td><strong>Administered assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15</td>
<td>248</td>
<td></td>
</tr>
<tr>
<td>Child support related receivables</td>
<td>587,475</td>
<td>625,015</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>5,092</td>
<td>7,230</td>
<td></td>
</tr>
<tr>
<td>Investment account for using the equity method</td>
<td>34,585</td>
<td>30,741</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>143</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>627,310</td>
<td>663,234</td>
<td></td>
</tr>
<tr>
<td><strong>Administered liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child support and other</td>
<td>29,073</td>
<td>27,381</td>
<td></td>
</tr>
<tr>
<td>Payments received in advance</td>
<td>15,886</td>
<td>15,025</td>
<td></td>
</tr>
<tr>
<td>Child support provision</td>
<td>574,937</td>
<td>612,479</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>619,896</td>
<td>654,885</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 29: Comprehensive Income/(Loss) Attributable to the Department

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

Total Comprehensive Income/(loss) Attributable to the entity

Total comprehensive income/(loss) attributable to the Australian Government\(^1\) (95,611) 29,680

Plus: non-appropriated expenses

Depreciation and amortisation expenses\(^2\) 26,224 -

Total comprehensive income/(loss) attributable to the entity (69,387) 29,680

\(^1\) As per the Statement of Comprehensive Income. The amount of $9.926 million (2009-10 decrement $3.578 million) related to changes in asset revaluation reserves.

\(^2\) On 1 July 2010 the Federal Government’s net cash arrangements came into effect, resulting in discontinued funding to the Department for non-cash expenses (depreciation, amortisation and makegood) through departmental appropriations. Funding for capital items is now being provided through an annual Departmental Capital Budget agreed with the Department of Finance and Deregulation. The impact of this change is reflected in this note which is designed to disclose the Department’s operating position without the effect of the Government’s net cash arrangements. Depreciation and amortisation associated with CRS Australia are primarily funded from section 31 receipts. Depreciation and amortisation expense for CRS Australia for 2010-11 was $4.114 million (2009-10: $3.766 million) and is not included for the purposes of Note 29.
Appendix A: Disability reporting

Since 1994 Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy.

In 2007–08 reporting on the employer role was transferred to the Australian Public Service Commission’s *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at apsc.gov.au. From 2010–11 departments and agencies are no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a 10-year national policy framework for improving life for Australians with disability, their families and carers. A high level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at fahcsia.gov.au

The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular *How Australia is Faring* report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at socialinclusion.gov.au

For information about some current Department of Human Services initiatives to support people with disability, see:

- *Influence the disability employment and social inclusion agenda* on page 81.
- *Carers Week* on page 46.
- *International Day of People with Disability* on page 46.
Appendix B: Advertising and market research

Section 311A of the Commonwealth Electoral Act 1918 requires Australian Government agencies to report all payments of $11,500 or more made to advertising agencies or to organisations carrying out market research, polling, direct mailing or media advertising. Tables 18 and 19 outline the use of such agencies by the Department of Human Services (DHS) in 2010–11.

DEPARTMENT OF HUMAN SERVICES

Communication campaigns

DHS did not undertake any communication campaigns in 2010–11.

Table 18: DHS—costs associated with advertising

<table>
<thead>
<tr>
<th>Payee</th>
<th>Purpose</th>
<th>2010–11 amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telstra</td>
<td>Advertising in the White Pages</td>
<td>195,271</td>
</tr>
</tbody>
</table>

Advertising costs—media advertising agency

In 2010–11 total DHS (including CSP) expenditure through the Australian Government’s master advertising agency, Adcorp, was $226,527 compared to $211,607 in 2009–10. This included expenditure on print, radio, online and social media advertising in areas such as recruitment, public notices, tenders and DHS services.
CRS AUSTRALIA

Communication campaigns

CRS Australia did not undertake any communication campaigns in 2010–11.

Advertising costs—media advertising agency

In 2010–11 total CRS Australia expenditure through the Australian Government’s master advertising agency, Adcorp, was $186,036 compared to $141,338 in 2009–10 (with Adcorp and hma Blaze). This included expenditure on print, radio and online advertising, in areas such as recruitment, public notices, tenders and CRS Australia services.

Table 19: DHS—costs associated with market research organisations

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Description</th>
<th>2010–11 expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBM Consultants Pty Ltd</td>
<td>Child Support Customers Having A Say (CHAS) Mark II</td>
<td>91,093</td>
</tr>
<tr>
<td>DBM Consultants Pty Ltd</td>
<td>Portfolio customer baseline survey</td>
<td>112,651</td>
</tr>
<tr>
<td>Ipsos-Eureka Social Research</td>
<td>Payment Delivery Reform Project</td>
<td>60,000</td>
</tr>
<tr>
<td>Market Solutions Pty Ltd</td>
<td>Market Research Letters project—Customer Communication Strategy and Improvement</td>
<td>112,866</td>
</tr>
<tr>
<td>Market Solutions Pty Ltd</td>
<td>Market Solutions Agreement Assessment notices</td>
<td>71,526</td>
</tr>
<tr>
<td>Market Solutions Pty Ltd</td>
<td>Case coordination stakeholder consultation</td>
<td>44,956</td>
</tr>
<tr>
<td>Synovate</td>
<td>CSA under 12’s communication product evaluation</td>
<td>40,000</td>
</tr>
<tr>
<td>Tall Poppies Research and Marketing Pty Ltd</td>
<td>Whole of Government reliance framework—Change of customer details</td>
<td>31,340</td>
</tr>
<tr>
<td>Cudex Pty Ltd</td>
<td>Customer Feedback—Child Support SMS Pilot</td>
<td>28,215</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>592,647</strong></td>
</tr>
</tbody>
</table>
Table 20: CRS Australia—costs associated with advertising

<table>
<thead>
<tr>
<th>Payee</th>
<th>Purpose</th>
<th>2010–11 amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telstra</td>
<td>White Pages print directory advertising</td>
<td>78 637</td>
</tr>
<tr>
<td>Google</td>
<td>Google advertising (non-recruitment)</td>
<td>11 439</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>90 076</strong></td>
</tr>
</tbody>
</table>

Table 21: CRS Australia—costs associated with market research organisations

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Description</th>
<th>2010–11 expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBM Consultants</td>
<td>Undertake the CRS Australia Stakeholder Satisfaction Survey</td>
<td>62 700</td>
</tr>
</tbody>
</table>
Appendix C: Occupational health and safety

DEPARTMENT OF HUMAN SERVICES

*Occupational Health and Safety Act 1991 (the Act)*

The Department of Human Services (DHS) health and safety management arrangements were to:

- support the achievement of the health and safety culture and outcomes expected from the Occupational Health and Safety Policy
- enable effective cooperation between the employer and the employees in promoting and developing measures to ensure the employees’ health, safety and wellbeing at work
- provide adequate mechanisms for informing the employees about the arrangements
- provide adequate mechanisms for reviewing the effectiveness of the arrangements
- provide adequate mechanisms for the variation of the arrangements in consultation with the employees
- provide for a dispute resolution mechanism to deal with disputes arising in the course of consultations held under the Act between the employer and the employees
- establish health and safety committees and provide for the manner in which the health and safety committees are to be constituted and to operate.

Comcare investigations and notices

Comcare completed one investigation into the consultation requirements for the development of the 2008–10 health and safety management arrangements. The investigator concluded that DHS had met the requirements of the Act. No notices were issued under the Act.

Comcare notifications

<table>
<thead>
<tr>
<th>Type of incident</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious personal injury</td>
<td>2</td>
</tr>
<tr>
<td>Dangerous occurrence</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
</tr>
</tbody>
</table>

**CRS AUSTRALIA**

CRS Australia has Health and Safety Management Arrangements which were developed in consultation with employees and which provide a comprehensive safety management system.

During 2010–11 CRS Australia maintained 23 designated work groups and ensured all health and safety representatives received the required training.
Comcare investigations and notices

There were no formal Comcare investigations in 2010–11.

During 2010–11 CRS Australia notified Comcare of 46 workplace incidents under section 68 of the Act. No directions were given under sections 29, 46 or 47. Nineteen compensation claims were lodged with Comcare, of which nine were accepted.

Comcare notifications

Table 23: CRS Australia—in incidents notified to Comcare

<table>
<thead>
<tr>
<th>Type of incident</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious personal injury</td>
<td>28</td>
</tr>
<tr>
<td>Prescribed incapacity (30 or more working days or shifts)</td>
<td>4</td>
</tr>
<tr>
<td>Dangerous occurrence</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46</strong></td>
</tr>
</tbody>
</table>
ANAO LIAISON

The Department of Human Services (DHS) continues to work closely with the Australian National Audit Office (ANAO) on developing and coordinating the contribution of DHS to the ANAO’s audit activities, and monitors the implementation of recommendations from ANAO audit reports.

DHS has a collaborative and productive relationship with the ANAO and welcomes the audit and assurance activities undertaken by the ANAO. As well, the ANAO Better Practice guides are useful resources for DHS to assist with improving business practices.

Tabled ANAO audit reports are available on the ANAO website at anao.gov.au where full reports are published, including the recommendations.

ANAO AUDITS TABLED IN 2010–11—DEPARTMENT OF HUMAN SERVICES

Report 22, tabled 16 December 2010

*Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2010*

This report complements the interim phase report, and provides a summary of the final audit results of the audits of the financial statements of all Australian Government entities, including the Consolidated Financial Statements for the Australian Government.

There were no significant or moderate audit issues noted during the 2009–10 audit.

Report 26, tabled 9 February 2011

*Management of the Tender Process for a Replacement BasicsCard*

The audit’s objective was to assess the effectiveness of DHS management of the tender process for a replacement BasicsCard to support the delivery of the Income Management Scheme. The audit made no recommendations.
The audit did not specifically examine issues and information relating to the commercial nature of the business such as profitability levels and competitive neutrality arrangements.

The ANAO made three recommendations and all were agreed by DHS.

**Report 54, tabled 23 June 2011**

*Interim Phase of the Audit of Financial Statements of Major General Government Sector Agencies*

This report presents the results of the interim phase of the 2010–11 financial statement audits of all portfolio departments and other major General Government Sector agencies that collectively represent some 95 per cent of total General Government Sector revenues and expenses.

**CONTINUING ANAO AUDITS**

As well as the ANAO audits tabled in 2010–11, DHS contributed to two audits that will continue after 30 June 2011—the Administration of the Gateway Review Process and the Child Support Agency Customer Feedback audits.

**COMMONWEALTH OMBUDSMAN**

**Report 14/2010, released November 2010**

*DHS—Child Support: Unreasonable Customer Contact & ‘Write Only’ policy*

This report examined the Child Support Program’s (CSP) management of communication and contact arrangements for customers exhibiting difficult or unreasonable behaviour. In a very small number of cases the CSP imposes ‘write only’ arrangements. This arrangement restricts customers contact with the CSP to written communication and is a departure from the CSP’s service delivery approach as a ‘phone first’ organisation.

The Ombudsman’s report noted the CSP’s unique role compared to other government agencies. For each child support case, it has to respond to the needs and enquiries of two customers, whose interests can be opposed. In some cases, a person’s behaviour can appear disproportionate to the child support problem they are experiencing and their conduct can become unreasonable. The report acknowledged the CSP expects customers to treat CSP employees with the appropriate levels of civility, to protect employees and customers from possible harm.

The Ombudsman found that the CSP did not have standardised procedures or a national policy for restricting access to service to customers who are conducting themselves unreasonably.

The Ombudsman’s press release acknowledged that ‘the Child Support Agency has a difficult job; that its customers can sometimes be quite challenging’. It also stated that ‘Mr Asher praised the CSA’s responsiveness to the report and its commitment to fair and accountable administration’.

As a result of their investigation the Ombudsman made 11 recommendations. The CSP welcomed the report and agreed to all 11 recommendations. The CSP has implemented changes in response to the issues raised and finalised eight of the 11 recommendations. The CSP continues to progress the outstanding recommendations for completion.


*DHS—Child Support: Investigation of a parent’s ‘capacity to pay’*

This report examined the CSP’s administration of its powers to base a child support assessment on something other than the
The CSP agreed with 13 of the 14 recommendations. As at 30 June 2011 the CSP had implemented changes in response to the issues raised and finalised 11 of the agreed 13 recommendations. The CSP continues to progress the outstanding recommendations for completion.

Report 13/2010, released 22 September 2010

Engaging with customers with a mental illness in the social security system

This report examines the delivery of services to people with a mental illness and the challenges faced by both government agencies and non-government organisations. The report uses the term ‘falling through the cracks’ to describe the risks of not implementing best practice in the social security system when it comes to servicing people with a mental illness.

This report was prompted by the number of complaints received from people living with a mental illness who had experienced difficulty when interacting with Centrelink and Employment Service Providers. The difficulties included being required to comply with payment conditions that do not allow for the limitations posed by the customer’s illness; being subjected to communication or claim arrangements that do not take into account the barriers posed by the illness; and being required to re-tell their ‘story’ to each new person they encounter in the system.

The investigation for the report revealed that agencies involved do focus, wherever possible, on providing discretion for employees to adjust requirements of customers who require flexibility as a result of mental illness. The report acknowledged that in many instances employees in the social security system do a good job of using the

parent’s actual taxable income. Through the Change of Assessment (CoA) process, the CSP can look beyond a parent’s taxable income if it considers there are special circumstances, and take into account the totality of the parent’s financial situation.

The Ombudsman’s report found that most CoA processes were initiated by the paying or receiving parent lodging an application with the CSP. However, the CSP can also initiate a CoA process which results in financial investigators conducting ‘Capacity to Pay’ (CTP) investigations into specific cases, to determine whether referral for a CoA process is warranted.

The cases the CSP selects for CTP investigations are those for which it has information to suggest that a parent has financial resources that would allow them to contribute more to the support of their children, than reflected by the application of the usual child support formula.

The Ombudsman expressed concern about the CTP case selection methodology, suggesting it overly focused on paying parents. The report also suggested some of the CSP’s publications could be considered to unfairly suggest parents under CTP investigations are deliberately avoiding their child support responsibilities.

The media release from the Acting Ombudsman also noted: ‘The CSA responded positively to the report’s 14 recommendations when it considered them in draft form, and indeed have already moved to address many of the issues raised. Mr Brent praised CSA’s responsiveness and commitment to fair and accountable administration’.

The Ombudsman’s report contained 14 recommendations for improvement to the CSP’s processes for conducting and administering CTP investigations.
flexibility in the system to achieve outcomes for customers.

The report identified four key areas where procedures and policy could be further developed to ensure employees are encouraged and equipped to better match services and payments to customer circumstances and reduce distress and disadvantage.

The report made 11 recommendations to address the issues identified.

**ANAO AUDITS TABLED IN 2010–11—CRS AUSTRALIA**

Report 36 of 2010–11, tabled 14 April 2011

*Service Delivery in CRS Australia*

The audit’s objective was to assess the effectiveness of CRS Australia’s delivery of Disability Management Services. The ANAO considered CRS Australia’s business operation, its governance arrangements, and responsiveness to client feedback. The audit concluded that CRS Australia’s operational processes and service delivery model arrangements enable the organisation to effectively deliver services. The ANAO noted that CRS Australia has regularly met key service delivery milestones as well as achieving an operating profit, and made three recommendations to improve business processes in relation to quality assurance, complaints processes and external reporting. DHS agreed with the recommendations.

As part of its governance strategies, CRS Australia continued to monitor whole-of-government ANAO audit reports to ensure that compliance and best practice were maintained within the organisation.
Appendix E: Freedom of information

The Department of Human Services (DHS) has a page for the Information Publication Scheme (IPS) on its website. In 2010–11 it linked to each portfolio agency—Centrelink, Medicare Australia, Child Support Agency, CRS Australia and Australian Hearing.

As required under the reforms to the Freedom of Information Act 1982 (FOI Act) all portfolio agencies had an IPS plan in place by 1 May 2011. This plan was prepared for the purposes of Part II and, in particular, section 8 of the FOI Act.

The plan set out the proposed arrangements as to how and when the portfolio would, over time, make available operational material and other optional information in a manner that is easy to obtain electronically, and, via phone and mail, for customers without internet access.

Most mandatory information that must be published under section 8 of the FOI Act was available through various documents published on each of the agency websites. To enable customers to easily find this information, each agency website listed all mandatory information requirements under the IPS logo, with the relevant link to the current repository of the agency’s information.

In 2010–11 the information on each website included:

- the agency IPS plan
- details of the structure of the agency’s organisation
- details of the agency’s functions, including its decision-making powers and other powers affecting members of the public (or any particular person or entity, or class of persons or entities)
- details of appointments of officers of the agency that are made under Acts (other than Australian Public Service employees within the meaning of the Public Service Act 1999), such as appointment of statutory office holders
- the agency’s annual reports
- details of arrangements for the public to comment on specific policy proposals for which the agency is responsible, including how (and to whom) those comments may be made
- information in documents to which the agency routinely gives access in response to requests under Part III (access to documents) of the FOI Act, except information that is otherwise exempt
- information that the agency routinely provides to the Parliament in response to requests and orders from the Parliament
- details of an officer (or officers) who can be contacted about access to the agency’s information or documents under the FOI Act.

COMPLIANCE WITH SECTION 8 OF THE FOI ACT—1 JULY 2010 TO 30 APRIL 2011

Functions

The broad functions of DHS are described in DHS overview on page 16. An organisational chart which includes the structure of DHS is on page 8.
Arrangements for outside participation

DHS is open to the views of organisations and individuals, and provides opportunities to contribute to policy development and its implementation. Any organisation or person interested in participating in the formulation of DHS policy, or the development of programs to implement a policy can find details of how to provide feedback at humanservices.gov.au

Categories of documents

DHS has a wide range of publications including booklets, posters and fact sheets containing detailed information about the Child Support Program’s (CSP) and CRS Australia’s services. Publications are available from CSP Customer Service Centres, by calling the CSP, or on the website at humanservices.gov.au. CRS Australia publications are available from CRS Australia offices, by calling 1800 277 277, or on the website at crsaustralia.gov.au

People can ask about or request documents by contacting DHS—see contact details on this page.

The following types of documents are held by DHS and are available, subject to specific exemption provisions under the FOI Act:

• papers and records relating to internal administration, statistical records as well as records relating to human and financial resource management
• ministerial documents and general correspondence
• policy documents, including procedural instructions, recommendations and decisions
• legal documents, including requests for legal advice, advice given and other legal matters
• documents and records relating to program administration, including customer records, investigation documents and appeal documents
• tender documents
• copies of instruments of delegations and authorisation given to departmental employees
• papers relating to meetings (agenda, minutes and reports)
• statistical reports and analysis documents and records.

Obtaining access to documents

Department of Human Services (including CSP)

The FOI Act gives people a legally enforceable right of access to documents held by DHS. Many documents are available on request, in full or in part. Formal requests must be in writing.

People can get certain information, including personal information held about them, without following a formal process under the FOI Act by contacting DHS.

A DHS form, incorporating Centrelink and Child Support, is available at any Centrelink Customer Service Centre (CSC). Alternatively it can be downloaded or completed and submitted online at humanservices.gov.au. A letter, fax or statement over the counter at any CSC is also acceptable, as is an email to csafoiteam@humanservices.gov.au

Requests for personal information are free. However, requests for other documents held may incur processing charges.

FOI Team, Child Support Program
GPO Box 9815
Sydney NSW 2001
Fax: 1300 309 949
Email: csafoiteam@humanservices.gov.au
Website: humanservices.gov.au
**CRS Australia**

Access to documents under the FOI Act must be in writing, state that the request is an application for the purposes of the FOI Act, provide information about the documents the applicant needs to access, and provide an address for reply.

Where people seek documents containing their own information, CRS Australia follows informal general release guidelines that eliminate the need for a formal FOI application in most cases. An informal request for access to documents can be made either verbally or in writing to the person’s rehabilitation consultant.

A fact sheet outlining the general release and FOI application process is available for potential applicants. CRS Australia employees who can advise on FOI matters can be contacted through:

FOI Coordinator CRS Australia
Locked Bag 8720
Canberra ACT 2601
Phone: 02 6211 6900
Fax: 02 6211 6902
Email: foi@crsaustralia.gov.au
Website: crsaustralia.gov.au

Due to the integration of Freedom of Information functions across the portfolio, the contacts listed for DHS and CRS Australia may change. Please visit our website humanservices.gov.au for the most up-to-date contact details.
Chapter 8: Appendices

Appendix F: Commonwealth Fraud Control Guidelines certification

Australian Government
Department of Human Services

Annual Report 2010–11 Fraud Control Certification

In accordance with Guideline 5.8 of the Commonwealth Fraud Control Guidelines 2011, issued by the Minister for Home Affairs under Regulation 16A of the Financial Management and Accountability Regulations 1997, I, Kathryn Campbell, Secretary, Department of Human Services, hereby certify to the Minister for Human Services that I am satisfied that:

- the Department of Human Services has prepared fraud risk assessments and a fraud control plan;
- the Department of Human Services has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency; and
- the Department of Human Services has taken all reasonable measures to minimise the incidence of fraud in the agency and to investigate and recover the proceeds of fraud against the agency.

K. Campbell
Kathryn Campbell
Secretary
Department of Human Services
6 September 2011

PO Box 3959, Manuka ACT 2603 • Telephone (02) 6233 4000 • Toll Free 1200 55 44 79
www.humanservices.gov.au
Appendix G: Consultancy contracts

Following the announcement of Service Delivery Reform (SDR), procurement and contract management teams from Centrelink, Medicare Australia and the Department of Human Services (DHS) came together to ensure the integrated department gets best value for money and adheres to appropriate selection processes.

The following legend explains the data contained in Tables 13 and 15:

(1) Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines (December 2008):

- **Open Tender**—a procurement procedure in which a request for tender is published inviting all suppliers that satisfy the conditions for participation to submit tenders. Open approaches to the market include requests for tender, requests for expressions of interest and requests for inclusion on a multi-use list, all of which are published on AusTender.

- **Select Tender**—a procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders. This procurement process may only be used under certain defined circumstances.

- **Direct Sourcing**—refers to a procurement process in which an agency invites a potential supplier or suppliers of its choice to make submissions. Direct sourcing may include a competitive process, for example obtaining quotes.

- **Panel**—an arrangement under which a number of suppliers, initially selected through an open tender process, may each supply goods or services to an agency as specified in the panel arrangements. Quotes are sought from suppliers that have pre-qualified on the agency panels to supply to the Government. This category includes standing offers and supplier panels where the supply of goods and services may be provided for a pre-determined length of time, usually at a pre-arranged price.

(2) Justification for decision to use consultancy:

- A—skills currently unavailable within agency
- B—need for specialised or professional skills
- C—need for independent research or assessment.
<table>
<thead>
<tr>
<th>Reference number</th>
<th>Consultant name</th>
<th>Description</th>
<th>Contract price ($)</th>
<th>Selection process</th>
<th>Justification</th>
<th>Reference number</th>
<th>Consultant name</th>
<th>Description</th>
<th>Contract price ($)</th>
<th>Selection process</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>06DHS1 95A-04</td>
<td>Accenture Australia Holdings Pty Ltd</td>
<td>SDR Design Authority</td>
<td>87 340</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS1 28-01</td>
<td>Accenture Australia Holdings Pty Ltd</td>
<td>Review and recommend capability direction—Enterprise Architecture</td>
<td>380 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11DHS0 42/A</td>
<td>Bull and Bear Special Assignments Pty Ltd</td>
<td>Review of job roles and reporting arrangements in Child Support Program Operations Division</td>
<td>155 600</td>
<td>Panel</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS1 37-01</td>
<td>Corporate Diagnostics Pty Ltd</td>
<td>Evaluation strategy to support the implementation and outcome evaluation of the Automated Outbound Dialling Pilot Project</td>
<td>32 175</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>06DHS2 34/A-06</td>
<td>Ernst and Young</td>
<td>Quality Outcomes evaluation review</td>
<td>100 520</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11DHS215</td>
<td>Grosvenor Management Consulting</td>
<td>Evaluation framework for the evaluation of the case coordination trials</td>
<td>60 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11DHS257</td>
<td>H.C. Coombs Policy Forum, Australian National Institute of Public Policy</td>
<td>Develop a framework for measuring social return on investment</td>
<td>110 000</td>
<td>Direct Sourcing</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11DHS082</td>
<td>Predicate Partners</td>
<td>SDR design model</td>
<td>75 420</td>
<td>Direct Sourcing</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS208</td>
<td>Profmark Consulting Pty Ltd</td>
<td>Review of internal legal services</td>
<td>30 700</td>
<td>Direct Sourcing</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reference number</td>
<td>Consultant name</td>
<td>Description</td>
<td>Contract price ($)</td>
<td>Selection process (1)</td>
<td>Justification (2)</td>
<td></td>
<td></td>
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<tr>
<td>10DHS2 01-01/A</td>
<td>Tanner James Management Consultants Pty Ltd</td>
<td>Portfolio, Programme, Project Management Maturity Model (P3M3) assessment of Centrelink, Medicare Australia and DHS for the Portfolio Capability Improvement Plan</td>
<td>90 000</td>
<td>Panel</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS1 61-04</td>
<td>The Boston Consulting Group Pty Ltd</td>
<td>Finalise SDR Blueprint</td>
<td>165 360</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11DHS253</td>
<td>The Boston Consulting Group Pty Ltd</td>
<td>Development of Blueprint and Principle for Participation Measures</td>
<td>195 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS1 61-03</td>
<td>The Boston Consulting Group Pty Ltd</td>
<td>Develop an ICT Capability Maturity Framework using a strategic planning tool</td>
<td>300 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS1 61-02</td>
<td>The Boston Consulting Group Pty Ltd</td>
<td>SDR benefits measurement and road mapping</td>
<td>499 640</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>10DHS1 50-03</td>
<td>The Nous Group Pty Ltd</td>
<td>Advice on mapping the rollout of SDR and other portfolio activities</td>
<td>45 100</td>
<td>Panel</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>11DHS250</td>
<td>The Nous Group Pty Ltd</td>
<td>Establish social exclusion indicators and their potential to identify customers at risk</td>
<td>67 300</td>
<td>Panel</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS1 62-02/A</td>
<td>Thinkplace Pty Ltd</td>
<td>Develop strategic advice and workshop facilitation for the Child Support Program</td>
<td>27 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10DHS1 62-07/B</td>
<td>Thinkplace Pty Ltd</td>
<td>Development of Blueprint for the Connected Authentication Project</td>
<td>41 640</td>
<td>Panel</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reference number</td>
<td>Consultant name</td>
<td>Description</td>
<td>Contract price ($)</td>
<td>Selection process</td>
<td>Justification</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>10DHS1 62-03/A</td>
<td>Thinkplace Pty Ltd</td>
<td>Development of case studies and personas</td>
<td>79 471</td>
<td>Panel</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10DHS1 62-09/C</td>
<td>Thinkplace Pty Ltd</td>
<td>Case Coordination—service pathways identification</td>
<td>115 570</td>
<td>Panel</td>
<td>C</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>11DHS002</td>
<td>Third Horizon Consulting Partners Pty Ltd</td>
<td>Implementation planning for People Services integration</td>
<td>70 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11HS230</td>
<td>Third Horizon Consulting Partners Pty Ltd</td>
<td>Development of funding model—Phase 1</td>
<td>234 878</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11DHS260</td>
<td>Third Horizon Consulting Partners Pty Ltd</td>
<td>Development of funding model—Phase 2</td>
<td>115 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11DHS017</td>
<td>Third Horizon Consulting Partners Pty Ltd</td>
<td>Implementation planning for Finance integration</td>
<td>154 000</td>
<td>Panel</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3 231 714</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The total of contract values does not reflect contract expenditure. See Consultancy services on page 95 for 2010–11 expenditure on all consultancies (including any with a value less than $10 000).
### Table 25: CRS Australia consultancy services to the value of $10,000 or more let during 2010–11

<table>
<thead>
<tr>
<th>Agency reference number</th>
<th>Consultant name</th>
<th>Description</th>
<th>Contract price ($)</th>
<th>Selection process</th>
<th>Justification (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1268</td>
<td>Health for Industry (Medibank Health Solutions)</td>
<td>Employee health case review and recommendations for actions</td>
<td>11,953</td>
<td>Panel</td>
<td>Independent research or assessment</td>
</tr>
<tr>
<td>1498</td>
<td>DBM Consultants</td>
<td>Stakeholder (job seeker and employer) satisfaction survey</td>
<td>68,970</td>
<td>Panel</td>
<td>Independent research or assessment</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>80,923</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The total of contract values does not reflect contract expenditure. See Consultancy services on page 112 for 2010–11 expenditure on all consultancies (including any with a value less than $10,000).
Appendix H: Ecologically sustainable development and environmental performance

Following the announcement of Service Delivery Reform (SDR) environmental management teams from Centrelink, Medicare Australia and the Department of Human Services (DHS) came together to ensure the integrated department continued to carry out its business in environmentally responsible ways.

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires Commonwealth organisations to report annually on their environmental performance and contribution to the principles of ecologically sustainable development (ESD).

All portfolio agencies were committed to:

- complying with all relevant environmental legislation and regulations
- conducting their operations in a manner that minimises environmental impacts and prevents pollution
- setting environmental objectives and targets to enable continuous improvement.

**HOW ACTIVITIES ACCORDED WITH THE PRINCIPLES OF ESD—SECTION 516A(6)(a)**

During 2010–11 DHS continued to conduct operations in an environmentally responsible manner. Potential impacts were mitigated through efficient use of resources, effective waste management and pollution prevention. DHS continued the development and implementation of an Environmental Management System (EMS) that aligned to the International Standard ISO 14001:2004. Environmental policies, plans and procedures influenced the decision-making processes of DHS.
PROGRAMS THAT ACCORDED WITH THE PRINCIPLES OF ESD—SECTION 516A(6)(a)

DHS did not administer any programs that have a direct impact on ecologically sustainable development. Its procurement policies, motor vehicle policy, and practice of sustainable office management accord with ESD principles. Details of those policies and practices are reported under Measures taken to minimise the effect of activities on the environment—section 516(6)(d) below.

HOW DHS OUTCOMES CONTRIBUTED TO THE PRINCIPLES OF ESD—SECTION 516A(6)(b)

The contribution by DHS to ESD was the effective delivery of Australian Government services with minimised environmental impact. DHS had environmental management strategies to maximise the proportion of renewable materials and energy used to achieve business outcomes and minimise associated waste production through efficient consumption of resources and waste recycling.

EFFECT OF DHS ACTIVITIES ON THE ENVIRONMENT—SECTION 516A(6)(c)

The daily operations of DHS had an impact on the environment. While carrying out its business, resources such as electricity, paper and water were consumed and waste was generated. DHS was committed to managing the effects of its business activities on the environment and improving environmental performance.

MEASURES TAKEN TO MINIMISE THE EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516(6)(d)

Environmental Management System

DHS worked towards implementing an EMS, which is a framework to manage the impacts of DHS business activities on the environment. The system contributed to DHS program outcomes and accords with the principles of ESD.

Implementation of an EMS will generate significant environmental benefits for DHS. It will also facilitate better resource allocation and cost savings, and contribute to overall employee satisfaction.

In 2010–11 DHS focused on the integration of policies and EMS requirements for all agencies under the portfolio, including Centrelink and Medicare Australia. Compliance to the standard ISO 14001 is still a priority for DHS and the main focus for the revision of current EMS policies and procedures.

Environmental policies, procedures and guidelines

DHS policies, procedures and guidelines informed the public and its employees of the way it intends to manage its environmental performance. These policies, procedures and guidelines ensure the environment is considered during business planning and decision-making processes.
2010–11 environmental management objectives and targets

A major product of the EMS was a set of environmental objectives, targets and performance indicators that form the basis for measuring the effectiveness of yearly environmental management programs. Table 26 outlines environmental management targets for 2010–11.

**Table 26: DHS environmental targets 2010–11**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Office—tenant light and power</td>
<td>≤7500 MJ per person</td>
</tr>
<tr>
<td>Office—central services</td>
<td>≤400 MJ per m²</td>
</tr>
<tr>
<td>Other buildings</td>
<td>≤130 MJ per m²</td>
</tr>
</tbody>
</table>

During 2010–11 the Australian Government released two new policies to improve environmental performance in the public sector. These included the *Australian Government ICT Sustainability Plan 2010–2015* and the *Australian Packaging Covenant—Action Plan July 2010 to June 2015*. DHS will review its operations and incorporate measures to meet the targets and policy obligations set in these plans.

**Procurement and the environment**

DHS ensured that environmental considerations were part of normal procurement practice, consistent with traditional factors such as product safety, price, performance and availability. Procurement decisions were no longer confined to considerations of price and functionality but also included considerations of environmental performance. Consequently, environmental performance provisions were included in procurement tenders and associated contracts.

**Building an environmentally-aware business culture**

To raise environmental awareness and improve environmental performance, DHS promoted its environmental policies and procedures.

**Internal environment program**

Green Teams had a local role of communicating and promoting green office awareness practices and overseeing the implementation of environmental recommendations within the business. This helped to build local environmental networks which were supported by awareness activities.

**External—government sector**

DHS continued its role as a member of the Government Agencies Environmental Network. The 30-member network was established by Centrelink, the Department of Defence and the Australian Taxation Office to drive environmental performance improvements within public agencies. Its aims are to:

- share best-practice ideas on environmental management
- initiate best-practice activities for public agencies
- facilitate uptake of ideas within agencies.

**GENERAL REPORTING FOR 2010–11**

During 2010–11 the corporate functions of Centrelink, Medicare Australia and DHS continued to be consolidated into one department. Due to this consolidation and transition, various elements of environmental information cannot be reported at an agency level for 2010–11.

**Energy**

DHS had eight Green Lease Schedules in accordance with the Energy Efficiency in
Government Operations policy. Each schedule incorporated a signed Energy Management Plan between DHS and building owners to achieve required energy targets for a 4.5 star National Australian Built Environment Rating Scheme (NABERS) rating.

During 2010–11 DHS undertook a NABERS self-assessment of its property portfolio. This was the first NABERS portfolio rating for DHS and achieved an average of 2.7 stars. This will provide a benchmark for measuring future improvements in our energy performance.

Due to energy consumption reporting arrangements, information relating to energy performance for 2010–11 will not be available until the end of October 2011. Information is provided for the previous years (see Table 27).

Table 27: DHS energy use

<table>
<thead>
<tr>
<th>Measure</th>
<th>Metric</th>
<th>2008–09</th>
<th>2009–10</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy use</td>
<td>GJ</td>
<td>54 281</td>
<td>31 499</td>
<td>–41.9%</td>
</tr>
<tr>
<td>Electricity energy use</td>
<td>GJ</td>
<td>48 613</td>
<td>30 094</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>GJ</td>
<td>4 061</td>
<td>0</td>
<td>–100.00%</td>
</tr>
<tr>
<td>Vehicle fuel</td>
<td>GJ</td>
<td>1 607</td>
<td>1 405</td>
<td>–12.56%</td>
</tr>
</tbody>
</table>

1 Central services not reported to avoid skewing the total data unnecessarily, as reliable or accurate data was not available. Steps are now being taken to upload DHS data to the departmental energy database which will enable accurate reporting of central services in future years. Dependence on natural gas consumption decreased to zero due to changed leasing arrangements.

Transport

DHS continued to ensure that all fleet vehicles, where possible, had a Green Vehicle Guide rating of 10.5 or greater. DHS E10 fuel policy remained in place and employees were required to purchase E10 fuel if possible.

Paper

In 2010–11 DHS implemented duplex printing at all sites. Table 28 shows DHS paper consumption for 2009–10 and 2010–11.

Table 28: DHS paper consumption

<table>
<thead>
<tr>
<th>Measure</th>
<th>Metric</th>
<th>2009–10</th>
<th>2010–11</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper use (internal copy)</td>
<td>tonnes</td>
<td>89</td>
<td>72</td>
<td>–19.1%</td>
</tr>
<tr>
<td>Recycled content (copy paper)</td>
<td>%</td>
<td>50</td>
<td>50</td>
<td>–</td>
</tr>
</tbody>
</table>
CRS Australia

MEASURES TAKEN TO MINIMISE THE EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516(6)(d)

Environmental Management System

In 2010–11 CRS Australia focused on effective environmental management. This was reflected in its environmental policy and EMS. The EMS was updated in March 2011 and was based on the international specification ISO 14001:2004, which incorporates environmental considerations in business planning and decision making. The EMS targeted areas such as energy consumption, fleet vehicles, recycling and increasing environmental awareness.

The Environmental Management Systems Association acknowledged the substantial work CRS Australia had undertaken in developing and implementing an EMS, presenting CRS Australia with a merit award in the 2010 Excellence in Environment Management System Awards—Government category.

Energy

CRS Australia leased more than 180 offices nationally, occupying mostly small tenancies. Lease arrangements limited the ability to control environmental issues and to measure energy outcomes. Policy and procedures were in place for managing energy consumption within the constraints of lease agreements.

As part of its commitment to reduce energy use and meet government greenhouse gas emission targets, in 2010–11 CRS Australia:

- purchased 10 per cent of its energy as certified renewable energy (GreenPower) in New South Wales, the Australian Capital Territory, South Australia and Victoria
- encouraged nightly shutdown and the use of sleep modes for computing and other office machinery
- expanded the automatic shutdown of computers each weekend to the power down of inactive computers after four hours
- implemented server virtualisation in the data centre to reduce the physical footprint and power consumption
- continued to replace incandescent lighting with T5 lighting (narrow-diameter fluorescent light tubes), where possible
- continued to use timers and sensor switches for lights, where possible.

Due to energy consumption reporting arrangements, information relating to energy performance for 2010–11 will not be available until the end of October 2011. Information is provided for the previous years (see Table 29).
Table 29: CRS Australia stationary energy use

<table>
<thead>
<tr>
<th>Measure</th>
<th>Metric</th>
<th>2007–08</th>
<th>2008–09</th>
<th>2009–10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stationary energy use</td>
<td>GJ</td>
<td>21 636</td>
<td>19 728</td>
<td>17 565</td>
</tr>
<tr>
<td>NABERS rated 4.5 or above sites</td>
<td>sites</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Greenhouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>tCO₂-e</td>
<td>6 021</td>
<td>5 765</td>
<td>5 264</td>
</tr>
<tr>
<td>Greenhouse gas offsets</td>
<td>tCO₂-e</td>
<td>79.44</td>
<td>128.44</td>
<td>239.37</td>
</tr>
</tbody>
</table>

All of CRS Australia’s fleet vehicles subscribed to the Green Fleet Carbon Offset Program. This equated to an offset of 946 tonnes of CO₂-e (carbon dioxide equivalent) achieved by planting 3530 biodiverse trees.

Under CRS Australia’s motor vehicle policy, metropolitan offices must have a business fleet of four-cylinder cars. The same policy is promoted in regional areas. The use of vehicles that run on alternative fuels such as ethanol-blended fuel was encouraged.

On average in 2010–11 all vehicles in the fleet exceeded the Government Green vehicle Guide (GvG) efficiency target, and over 80 per cent rated in the top half.

Table 30: CRS Australia transport energy use

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport energy use</td>
<td>GJ</td>
<td>11 717</td>
<td>10 923</td>
<td>9 866</td>
<td>1</td>
</tr>
<tr>
<td>Cars GVG 10.5 and above</td>
<td>%</td>
<td>52</td>
<td>64</td>
<td>80</td>
<td>94</td>
</tr>
<tr>
<td>Ethanol blend fuel use (year end)</td>
<td>%</td>
<td>11</td>
<td>11</td>
<td>8</td>
<td>1</td>
</tr>
</tbody>
</table>

1 Data will not be available until the end of October 2011.
Reducing waste and promoting recycling

The National Packaging Covenant is aimed at reducing waste and promoting recycling. CRS Australia participated in this initiative and began a rolling replacement of all multifunction devices (MFDs) in the organisation in 2010. All the devices were defaulted to duplex printing and an overall reduction in paper consumption was encouraged, along with use of electronic publishing and communication and purchasing paper with 50 per cent recycled content where possible.

CRS Australia continued its participation in Close the Loop®, a printer and toner cartridge recycling program. All brands of printer consumables were accepted and there was a guarantee that no material from this process would be sent to landfill. Mobile phone musters were also conducted.

Most CRS Australia offices used co-mingled recycling and paper and cardboard recycling. It was hard to accurately measure the results because all offices were leased and most had shared waste and recycling arrangements. Waste is reported to the Department of Environment, Water, Heritage and the Arts each year using the National Packaging Covenant Reporting Tool.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green office consumables</td>
<td>%</td>
<td>10.9</td>
<td>14.9</td>
<td>17.7</td>
<td>38</td>
</tr>
<tr>
<td>Paper use (internal copy)</td>
<td>tonnes</td>
<td>67.56</td>
<td>55.33</td>
<td>73.61</td>
<td>62.86</td>
</tr>
<tr>
<td>Recycled content (copy paper)</td>
<td>%</td>
<td>86</td>
<td>99.7</td>
<td>97.6</td>
<td>99.7</td>
</tr>
<tr>
<td>Recycled print consumables (Close the Loop®)</td>
<td>kg</td>
<td>550</td>
<td>464</td>
<td>482</td>
<td>57¹</td>
</tr>
</tbody>
</table>

¹ Usage of Close the Loop® has decreased due to CRS Australia upgrading most printers to MFDs, whose toner cartridges are recycled directly with Konica.

Table 31: CRS Australia green procurement

CRS AUSTRALIA’S MECHANISMS FOR REVIEWING AND INCREASING THE EFFECTIVENESS OF ITS ENVIRONMENTAL MANAGEMENT STRATEGIES—SECTION 516A(6)(d)

ESD principles were included in the CRS Australia Strategic Plan 2009–12 and were identified as a key strategy in the national business plan.

The Environmental Management Committee coordinated and formulated recommendations to the Executive regarding environmental initiatives across the organisation.

The EMS is reviewed annually to assess current initiatives and implement updates. Highlights during the year included:

- developing an online environmental audit that can be used annually for all offices to measure behavioural change in the organisation
- expanding automatic shutdown of computers each weekend to the shutdown of inactive computers after a nominated period, currently four hours. The software used to shutdown idle computers will result in power
consumption savings to meet green standards and produce cost savings

- hosting an online environmental discussion group to implement ideas from employees across Australia
- publishing environmental hints, tips and articles on the environmental pages of the intranet site
- promoting and participating in external environmental initiatives such as National Recycling Week and Earth Hour 2011
- providing online environmental training presentations and information sessions for employees
- providing assistance and advice to the Green Team and other interested employees about environmental activities and requests for information.

CRS Australia was also part of the Government Agencies Environmental Network which is an important mechanism for providing and receiving feedback on environmental initiatives.
Appendix I: Employee remuneration overview

DEPARTMENT OF HUMAN SERVICES

Non-Senior Executive Service remuneration

Arrangements
At 30 June 2011, 4510 non-Senior Executive Service (SES) employees were covered by the Department of Human Services—Child Support Agency Collective Agreement 2008–2011.

Employee salary ranges
Table 32 shows the range of job classifications and salary ranges for employees covered by the collective agreement.

Table 32: Salary ranges for employees covered by the Department of Human Services—Child Support Agency Collective Agreement 2008–2011

<table>
<thead>
<tr>
<th>Classification</th>
<th>Salary range ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Level 2</td>
<td>99 706–119 694</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>88 314–95 366</td>
</tr>
<tr>
<td>APS 6</td>
<td>70 605–79 136</td>
</tr>
<tr>
<td>APS 5</td>
<td>63 783–68 325</td>
</tr>
<tr>
<td>APS 4</td>
<td>57 188–62 783</td>
</tr>
<tr>
<td>APS 3</td>
<td>51 309–57 187</td>
</tr>
<tr>
<td>APS 2</td>
<td>46 286–49 955</td>
</tr>
<tr>
<td>APS 1</td>
<td>41 142–44 180</td>
</tr>
</tbody>
</table>

SES remuneration

Table 33: Salary ranges for SES classifications

<table>
<thead>
<tr>
<th>Classification</th>
<th>Salary range ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES Band 3</td>
<td>230 000–280 000</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>180 000–220 000</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>140 000–180 000</td>
</tr>
</tbody>
</table>
**Performance pay**

**Table 34:** Performance pay for 2009–10, paid in 2010–11

<table>
<thead>
<tr>
<th>Classification</th>
<th>Employees paid</th>
<th>Amount paid ($)</th>
<th>Average ($)</th>
<th>Range ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES Band 1–3</td>
<td>45</td>
<td>751 100</td>
<td>16 691</td>
<td>500–37 500</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>59</td>
<td>133 282</td>
<td>2 259</td>
<td>500–13 925</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>114</td>
<td>173 001</td>
<td>1 517</td>
<td>381–10 270</td>
</tr>
<tr>
<td>APS 1–6</td>
<td>180</td>
<td>86 313</td>
<td>479</td>
<td>23–500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>398</strong></td>
<td><strong>1 143 696</strong></td>
<td><strong>2 874</strong></td>
<td><strong>23–37 500</strong></td>
</tr>
</tbody>
</table>

1 Includes employees covered by the collective agreement and Australian Workplace Agreements.

**CRS Australia**

**Arrangements**

At 30 June 2011, 1942 non-SES employees were covered by the *CRS Australia Collective Agreement 2008–2011*. At 1 July 2010 four employees were employed on Australian Workplace Agreements (AWAs). In 2010–11 they terminated their AWAs by agreement.

**Table 35:** CRS Australia—employment arrangements at 30 June 2011

<table>
<thead>
<tr>
<th></th>
<th>SES</th>
<th>Non-SES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective agreement</td>
<td>0</td>
<td>1 903</td>
</tr>
<tr>
<td>Common law contract</td>
<td>0</td>
<td>2¹</td>
</tr>
<tr>
<td>s. 24(1)²</td>
<td>5</td>
<td>37²</td>
</tr>
</tbody>
</table>

¹ Determination under section 24(1) of the *Public Service Act 1999*.
² Employees contained within these numbers have employment conditions underpinned by the collective agreement.
Employee salary ranges

Tables 36 to 39 show the range of job classifications and salary pay ranges for employees covered by the various agreements.

**Table 36: CRS Australia—collective agreement salary ranges at 30 June 2011**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Minimum ($)</th>
<th>Maximum ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Level 2</td>
<td>99,467</td>
<td>118,747</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>86,062</td>
<td>94,996</td>
</tr>
<tr>
<td>Senior Rehabilitation Consultant</td>
<td>86,037</td>
<td>86,037</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 2</td>
<td>67,939</td>
<td>81,914</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 1</td>
<td>50,253</td>
<td>67,339</td>
</tr>
<tr>
<td>APS 6</td>
<td>67,939</td>
<td>78,764</td>
</tr>
<tr>
<td>APS 5</td>
<td>62,335</td>
<td>67,339</td>
</tr>
<tr>
<td>APS 4</td>
<td>56,000</td>
<td>61,928</td>
</tr>
<tr>
<td>APS 3</td>
<td>50,253</td>
<td>55,165</td>
</tr>
<tr>
<td>APS 2</td>
<td>44,064</td>
<td>49,755</td>
</tr>
<tr>
<td>APS 1</td>
<td>39,053</td>
<td>43,742</td>
</tr>
</tbody>
</table>

**Table 37: CRS Australia—section 24(1) determination salary ranges at 30 June 2011**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Minimum ($)</th>
<th>Maximum ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES Band 1 and 2¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>99,467</td>
<td>118,747</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>86,062</td>
<td>94,996</td>
</tr>
<tr>
<td>APS 6</td>
<td>67,939</td>
<td>78,764</td>
</tr>
<tr>
<td>APS 4</td>
<td>56,000</td>
<td>61,928</td>
</tr>
</tbody>
</table>

¹ SES Band 1 and 2 salaries have not been included, as this would enable identification of individual packages because of the small number of employees at that level (five SES employees).
### Table 38: CRS Australia—common law contract salary ranges at 30 June 2011

<table>
<thead>
<tr>
<th>Classification</th>
<th>Minimum ($)</th>
<th>Maximum ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Level 2</td>
<td>99,467</td>
<td>118,747</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>86,062</td>
<td>94,996</td>
</tr>
</tbody>
</table>

### Table 39: CRS Australia—reward payments for 2009–10, paid in 2010–11

<table>
<thead>
<tr>
<th>Classification</th>
<th>Employees paid</th>
<th>Amount ($)</th>
<th>Average ($)</th>
<th>Range ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Level 2/SES(^1)</td>
<td>8</td>
<td>82,417</td>
<td>10,302</td>
<td>4,843–23,000</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>31</td>
<td>156,182</td>
<td>5,038</td>
<td>1,712–5,463</td>
</tr>
<tr>
<td>Senior Rehabilitation Consultant</td>
<td>63</td>
<td>285,987</td>
<td>4,539</td>
<td>2,942–4,947</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 2</td>
<td>177</td>
<td>535,993</td>
<td>3,028</td>
<td>530–4,710</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 1</td>
<td>14</td>
<td>17,423</td>
<td>1,245</td>
<td>800–3,098</td>
</tr>
<tr>
<td>APS 6</td>
<td>17</td>
<td>52,871</td>
<td>3,110</td>
<td>1,282–4,529</td>
</tr>
<tr>
<td>APS 5</td>
<td>25</td>
<td>76,704</td>
<td>3,068</td>
<td>1,192–3,872</td>
</tr>
<tr>
<td>APS 4</td>
<td>40</td>
<td>88,674</td>
<td>2,217</td>
<td>859–3,561</td>
</tr>
<tr>
<td>APS 3</td>
<td>18</td>
<td>36,586</td>
<td>2,033</td>
<td>500–3,172</td>
</tr>
<tr>
<td>APS 2</td>
<td>12</td>
<td>27,473</td>
<td>2,289</td>
<td>676–2,861</td>
</tr>
<tr>
<td>APS 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>405</strong></td>
<td><strong>1,360,310</strong></td>
<td><strong>3,359</strong></td>
<td><strong>500–23,000</strong></td>
</tr>
</tbody>
</table>

\(^1\) SES has been combined with Executive Level 2 to ensure that payments to individuals cannot be identified.
Appendix J: Staffing statistics

DEPARTMENT OF HUMAN SERVICES

At 30 June 2011 the Department of Human Services (DHS) had 4565 employees who were employed under the Public Service Act 1999. This was a decrease of 19 employees or 0.4 per cent since 30 June 2010.

Part-time work participation increased by 98 employees or 2.2 per cent to 19.7 per cent of the workforce at 30 June 2011. Women comprised 72.0 per cent of the workforce. This was a decrease of 33 employees or 0.5 per cent since 30 June 2010.

The following tables record employees against the positions they normally occupy, noting that some may be working temporarily in other positions. All figures are based on headcount at 30 June 2011.

Table 40: DHS—employees by classification and location

<table>
<thead>
<tr>
<th>Classification</th>
<th>ACT</th>
<th>NSW</th>
<th>QLD</th>
<th>SA/NT</th>
<th>TAS</th>
<th>VIC</th>
<th>WA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>SES Band 3</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>27</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>37</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>103</td>
<td>12</td>
<td>11</td>
<td>4</td>
<td>2</td>
<td>11</td>
<td>3</td>
<td>146</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>196</td>
<td>55</td>
<td>58</td>
<td>21</td>
<td>9</td>
<td>46</td>
<td>9</td>
<td>394</td>
</tr>
<tr>
<td>APS 6</td>
<td>147</td>
<td>155</td>
<td>147</td>
<td>58</td>
<td>29</td>
<td>115</td>
<td>42</td>
<td>693</td>
</tr>
<tr>
<td>APS 5</td>
<td>76</td>
<td>125</td>
<td>106</td>
<td>44</td>
<td>24</td>
<td>110</td>
<td>30</td>
<td>509</td>
</tr>
<tr>
<td>APS 4</td>
<td>109</td>
<td>623</td>
<td>357</td>
<td>160</td>
<td>139</td>
<td>483</td>
<td>128</td>
<td>1 999</td>
</tr>
<tr>
<td>APS 3</td>
<td>39</td>
<td>243</td>
<td>159</td>
<td>103</td>
<td>24</td>
<td>139</td>
<td>10</td>
<td>717</td>
</tr>
<tr>
<td>APS 2</td>
<td>1</td>
<td>11</td>
<td>14</td>
<td>5</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td>45</td>
</tr>
<tr>
<td>APS 1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>714</td>
<td>1 226</td>
<td>855</td>
<td>399</td>
<td>229</td>
<td>914</td>
<td>228</td>
<td>4 565</td>
</tr>
</tbody>
</table>
### Table 41: DHS—employees by classification and employment type

<table>
<thead>
<tr>
<th>Classification</th>
<th>Ongoing</th>
<th>Non-ongoing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>SES Band 3</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>14</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>37</td>
<td>0</td>
<td>37</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>145</td>
<td>1</td>
<td>146</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>386</td>
<td>8</td>
<td>394</td>
</tr>
<tr>
<td>APS 6</td>
<td>685</td>
<td>8</td>
<td>693</td>
</tr>
<tr>
<td>APS 5</td>
<td>500</td>
<td>9</td>
<td>509</td>
</tr>
<tr>
<td>APS 4</td>
<td>1,994</td>
<td>5</td>
<td>1,999</td>
</tr>
<tr>
<td>APS 3</td>
<td>680</td>
<td>37</td>
<td>717</td>
</tr>
<tr>
<td>APS 2</td>
<td>45</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>APS 1</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,495</strong></td>
<td><strong>70</strong></td>
<td><strong>4,565</strong></td>
</tr>
</tbody>
</table>

### Table 42: DHS—employees by classification and attendance type

<table>
<thead>
<tr>
<th>Classification</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>SES Band 3</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>12</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>36</td>
<td>1</td>
<td>37</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>136</td>
<td>10</td>
<td>146</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>350</td>
<td>44</td>
<td>394</td>
</tr>
<tr>
<td>APS 6</td>
<td>583</td>
<td>110</td>
<td>693</td>
</tr>
<tr>
<td>APS 5</td>
<td>418</td>
<td>91</td>
<td>509</td>
</tr>
<tr>
<td>APS 4</td>
<td>1,530</td>
<td>469</td>
<td>1,999</td>
</tr>
<tr>
<td>APS 3</td>
<td>563</td>
<td>154</td>
<td>717</td>
</tr>
<tr>
<td>APS 2</td>
<td>31</td>
<td>14</td>
<td>45</td>
</tr>
<tr>
<td>APS 1</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,666</strong></td>
<td><strong>899</strong></td>
<td><strong>4,565</strong></td>
</tr>
</tbody>
</table>
Table 43: DHS—employees by classification and gender

<table>
<thead>
<tr>
<th>Classification</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>SES Band 3</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>7</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>14</td>
<td>23</td>
<td>37</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>72</td>
<td>74</td>
<td>146</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>234</td>
<td>160</td>
<td>394</td>
</tr>
<tr>
<td>APS 6</td>
<td>509</td>
<td>184</td>
<td>693</td>
</tr>
<tr>
<td>APS 5</td>
<td>371</td>
<td>138</td>
<td>509</td>
</tr>
<tr>
<td>APS 4</td>
<td>1516</td>
<td>483</td>
<td>1999</td>
</tr>
<tr>
<td>APS 3</td>
<td>530</td>
<td>187</td>
<td>717</td>
</tr>
<tr>
<td>APS 2</td>
<td>28</td>
<td>17</td>
<td>45</td>
</tr>
<tr>
<td>APS 1</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3289</td>
<td>1276</td>
<td>4565</td>
</tr>
</tbody>
</table>
**Table 44: DHS—employees by classification and diverse backgrounds**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Indigenous Ongoing</th>
<th>Indigenous Non-ongoing</th>
<th>Disability Ongoing</th>
<th>Disability Non-ongoing</th>
<th>NESB Non-ongoing</th>
<th>NESB Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SES Band 3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>5</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>36</td>
<td>1</td>
</tr>
<tr>
<td>APS 6</td>
<td>7</td>
<td>1</td>
<td>11</td>
<td>0</td>
<td>57</td>
<td>2</td>
</tr>
<tr>
<td>APS 5</td>
<td>7</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>44</td>
<td>2</td>
</tr>
<tr>
<td>APS 4</td>
<td>36</td>
<td>2</td>
<td>46</td>
<td>0</td>
<td>240</td>
<td>0</td>
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<td>APS 3</td>
<td>20</td>
<td>1</td>
<td>6</td>
<td>0</td>
<td>121</td>
<td>12</td>
</tr>
<tr>
<td>APS 2</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>APS 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76</strong></td>
<td><strong>4</strong></td>
<td><strong>79</strong></td>
<td><strong>0</strong></td>
<td><strong>513</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

1 Non-English Speaking Background (NESB)—is based on an employee’s ‘First language spoken’ and includes ‘Language other than English’ and ‘English and another Language’.

Note: The DHS 2009–10 annual report only reported on NESB based on an employee’s ‘First language spoken’ as ‘Language other than English’, therefore this measure has increased significantly.
CRS AUSTRALIA

At 30 June 2011, 1947 employees (including employees on long-term leave) were employed by CRS Australia under the Public Service Act 1999. This is a decrease of 106 employees since 30 June 2010.

The workforce consisted of 1698 (87.2 per cent) ongoing and 1148 (59.0 per cent) full-time. Women comprised 82.8 per cent of the workforce. The following tables contain summary information at 30 June 2011 on the staffing of CRS Australia.

Table 45: CRS Australia—employees by classification and location

<table>
<thead>
<tr>
<th>Classification</th>
<th>ACT</th>
<th>NSW</th>
<th>QLD</th>
<th>SA/NT</th>
<th>TAS</th>
<th>VIC</th>
<th>WA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES Band 2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>10</td>
<td>28</td>
<td>26</td>
<td>12</td>
<td>3</td>
<td>17</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Senior Rehabilitation Consultant</td>
<td>3</td>
<td>52</td>
<td>19</td>
<td>17</td>
<td>4</td>
<td>34</td>
<td>12</td>
<td>141</td>
</tr>
<tr>
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<td>10</td>
<td>295</td>
<td>152</td>
<td>94</td>
<td>22</td>
<td>201</td>
<td>65</td>
<td>839</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 1</td>
<td>4</td>
<td>29</td>
<td>22</td>
<td>16</td>
<td>5</td>
<td>30</td>
<td>12</td>
<td>118</td>
</tr>
<tr>
<td>APS 6</td>
<td>10</td>
<td>4</td>
<td>27</td>
<td>4</td>
<td>0</td>
<td>9</td>
<td>4</td>
<td>58</td>
</tr>
<tr>
<td>APS 5</td>
<td>6</td>
<td>43</td>
<td>14</td>
<td>7</td>
<td>5</td>
<td>27</td>
<td>10</td>
<td>112</td>
</tr>
<tr>
<td>APS 4</td>
<td>14</td>
<td>41</td>
<td>64</td>
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<td>33</td>
<td>12</td>
<td>185</td>
</tr>
<tr>
<td>APS 3</td>
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<td>41</td>
<td>31</td>
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<td>27</td>
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<td>136</td>
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<td>32</td>
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<td>26</td>
<td>218</td>
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<tr>
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<td>4</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>23</td>
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<tr>
<td>Total</td>
<td>76</td>
<td>632</td>
<td>394</td>
<td>203</td>
<td>56</td>
<td>436</td>
<td>150</td>
<td>1947</td>
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### Table 46: CRS Australia—employees by classification and employment type

<table>
<thead>
<tr>
<th>Classification</th>
<th>Ongoing</th>
<th>Non-ongoing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES Band 2</td>
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<td>2</td>
</tr>
<tr>
<td>SES Band 1</td>
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<td>3</td>
</tr>
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<td>12</td>
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<tr>
<td>Executive Level 1</td>
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<td>100</td>
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<td>839</td>
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<td>118</td>
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<td>2</td>
<td>58</td>
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<tr>
<td>APS 5</td>
<td>107</td>
<td>5</td>
<td>112</td>
</tr>
<tr>
<td>APS 4</td>
<td>152</td>
<td>33</td>
<td>185</td>
</tr>
<tr>
<td>APS 3</td>
<td>117</td>
<td>19</td>
<td>136</td>
</tr>
<tr>
<td>APS 2</td>
<td>177</td>
<td>41</td>
<td>218</td>
</tr>
<tr>
<td>APS 1</td>
<td>5</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1 698</td>
<td>249</td>
<td>1 947</td>
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</table>

### Table 47: CRS Australia—employees by classification and attendance type

<table>
<thead>
<tr>
<th>Classification</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Total</th>
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<tbody>
<tr>
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<td>2</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>87</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>Senior Rehabilitation Consultant</td>
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<td>141</td>
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<td>839</td>
</tr>
<tr>
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<td>42</td>
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<td>58</td>
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<td>30</td>
<td>112</td>
</tr>
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<td>43</td>
<td>185</td>
</tr>
<tr>
<td>APS 3</td>
<td>94</td>
<td>42</td>
<td>136</td>
</tr>
<tr>
<td>APS 2</td>
<td>109</td>
<td>109</td>
<td>218</td>
</tr>
<tr>
<td>APS 1</td>
<td>9</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1 148</td>
<td>799</td>
<td>1 947</td>
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</table>
Table 48: CRS Australia—employees by classification and gender

<table>
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<tr>
<th>Classification</th>
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<th>Total</th>
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</tr>
<tr>
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<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Executive Level 2</td>
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<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Executive Level 1</td>
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<td>100</td>
</tr>
<tr>
<td>Senior Rehabilitation Consultant</td>
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<td>141</td>
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<td>Rehabilitation Consultant Level 2</td>
<td>722</td>
<td>117</td>
<td>839</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 1</td>
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<td>26</td>
<td>118</td>
</tr>
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<td>APS 6</td>
<td>36</td>
<td>22</td>
<td>58</td>
</tr>
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<td>APS 5</td>
<td>73</td>
<td>39</td>
<td>112</td>
</tr>
<tr>
<td>APS 4</td>
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<td>37</td>
<td>185</td>
</tr>
<tr>
<td>APS 3</td>
<td>122</td>
<td>14</td>
<td>136</td>
</tr>
<tr>
<td>APS 2</td>
<td>206</td>
<td>12</td>
<td>218</td>
</tr>
<tr>
<td>APS 1</td>
<td>18</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 612</strong></td>
<td><strong>335</strong></td>
<td><strong>1 947</strong></td>
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### Table 49: CRS Australia—employees by classification and diverse backgrounds

<table>
<thead>
<tr>
<th>Classification</th>
<th>Indigenous</th>
<th></th>
<th>Disability</th>
<th></th>
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<th>NESB¹</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Non-ongoing</td>
<td>Ongoing</td>
<td>Non-ongoing</td>
<td>Ongoing</td>
<td>Non-ongoing</td>
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<td>0</td>
</tr>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
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<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Executive Level 1</td>
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<td>0</td>
<td>2</td>
<td>0</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Senior Rehabilitation Consultant</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 2</td>
<td>3</td>
<td>0</td>
<td>22</td>
<td>2</td>
<td>133</td>
<td>8</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 1</td>
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<td>0</td>
<td>3</td>
<td>1</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>APS 6</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
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</tr>
<tr>
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<td>0</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>APS 3</td>
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<td>4</td>
<td>1</td>
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<td>2</td>
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<td>APS 2</td>
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<td>1</td>
<td>16</td>
<td>4</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>APS 1</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19</strong></td>
<td><strong>1</strong></td>
<td><strong>63</strong></td>
<td><strong>9</strong></td>
<td><strong>262</strong></td>
<td><strong>41</strong></td>
</tr>
</tbody>
</table>

¹ Non-English Speaking Background (NESB)—is based on an employee’s ‘First language spoken’ and includes ‘Language other than English’ and ‘English and another Language’.
## Appendix K: Resource statements

### Table 50: Agency resource statements 2010–11

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(a) – (b)</td>
<td></td>
</tr>
</tbody>
</table>

#### Ordinary annual services

- **Prior year appropriation**: 245,775
- **Departmental appropriation**: 543,286
- **s31 relevant agency receipts**: 206,416

#### Administered expenses

- **Outcome 1**: 6,336

#### Total ordinary annual services

- **A**: 1,001,813

#### Other services

- **Departmental non-operating**
  - **Prior year appropriations**: 6,340
  - **Total**: 6,340

- **Administered non-operating**
  - **Administered assets and liabilities**: 160
  - **Total**: 160

#### Total other services

- **B**: 6,500

#### Total available annual appropriations and payments

- **1,008,313**
- **746,577**
### Special appropriations

**Special appropriations limited by criteria/entitlement**

*Child Support (Registration and Collection) Act 1988*

- Section 77—unremitted deductions 83 003
- Section 78—unexplained remittances 0

**Total special appropriations**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>(b)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a)–(b)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td>83 003</td>
<td></td>
</tr>
</tbody>
</table>

### Special Accounts

- Opening balance 51 953
- Appropriation receipts 85 444
- Non-appropriation receipts to Special Accounts 1 084 155
- Payments made 1 166 869

**Total Special Accounts**

<table>
<thead>
<tr>
<th></th>
<th>D</th>
<th>1 221 552</th>
<th>1 166 869</th>
<th>54 683</th>
</tr>
</thead>
</table>

**Total resourcing and payments (A+B+C+D)**

<table>
<thead>
<tr>
<th></th>
<th>2 229 865</th>
<th>1 996 449</th>
</tr>
</thead>
</table>

Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations 2 441 85 444

**Total net resourcing and payments for Department of Human Services**

<table>
<thead>
<tr>
<th></th>
<th>2 227 424</th>
<th>1 911 005</th>
</tr>
</thead>
</table>

---

1. *Appropriation Bill (No.1) 2010–11.*
2. Appropriation carried forward from previous year.
3. Includes a transfer of an amount of $0.140m of the departmental item for the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to the Department of Human Services (DHS) in accordance with the Finance Minister’s Determination 2010/42 under subsection 32(2) of the *Financial Management and Accountability Act 1997.* Also, includes an amount of $39.580m in 2010–11 for the Departmental Capital Budget.
4. *Appropriation Bill (No.2) 2010–11.*
5. Appropriation receipts from DHS annual, and special appropriations for 2010–11 included above.
Table 51: Expenses and resources for Outcome 1

Outcome 1—Informed government decisions on, and access to, social, health and child support services for Australians through policy development and advice, and the coordination and delivery of services.

<table>
<thead>
<tr>
<th>Program 1.1: Human Services</th>
<th>Budget 2010–11</th>
<th>Actual expenses 2010–11</th>
<th>Variation</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(a) – (b)</td>
<td></td>
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<tr>
<td>Ordinary Annual Services (Appropriation Bill No.1)</td>
<td>4 846</td>
<td>2 376</td>
<td>2 470</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the Budget year</td>
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<td>35</td>
</tr>
<tr>
<td>Departmental expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services (Appropriation Bill No.1)</td>
<td>503 706</td>
<td>503 706</td>
<td>–</td>
</tr>
<tr>
<td>Revenues from independent sources (Section 31)</td>
<td>192 425</td>
<td>202 437</td>
<td>(10 012)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the Budget year</td>
<td>109 327</td>
<td>108 434</td>
<td>893</td>
</tr>
<tr>
<td><strong>Total for Program 1.1</strong></td>
<td><strong>810 357</strong></td>
<td><strong>816 971</strong></td>
<td><strong>(6 614)</strong></td>
</tr>
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</table>

Program 1.2: Child Support

Administered expenses

<table>
<thead>
<tr>
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<th>Actual expenses 2010–11</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(a) – (b)</td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services (Appropriation Bill No.1)</td>
<td>1 475</td>
<td>2 441</td>
<td>(966)</td>
</tr>
<tr>
<td>Special appropriations</td>
<td>74 758</td>
<td>83 003</td>
<td>(8 245)</td>
</tr>
<tr>
<td>Special Accounts</td>
<td>1 078 476</td>
<td>1 036 479</td>
<td>41 997</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the Budget year</td>
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<td>$’000</td>
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</tr>
<tr>
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<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td>(a)</td>
<td>(b)</td>
<td>(a) – (b)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the Budget year</td>
<td>125 377</td>
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**Total for Program 1.2**

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<tbody>
<tr>
<td>1 280 086</td>
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<td>53 587</td>
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**Outcome 1 Totals by appropriation type**

<table>
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<th>$’000</th>
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</thead>
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<td>Ordinary annual services (Appropriation Bill No.1)</td>
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<td>1 504</td>
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<tr>
<td>Other services (Appropriation Bill No.2)</td>
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<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Special Appropriations</td>
<td>74 758</td>
<td>83 003</td>
<td>(8 245)</td>
</tr>
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<td>Special Accounts</td>
<td>1 078 476</td>
<td>1 036 497</td>
<td>41 979</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the Budget year</td>
<td>125 430</td>
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</table>

<table>
<thead>
<tr>
<th>Departmental expenses</th>
<th>$’000</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary annual services (Appropriation Bill No.1)</td>
<td>503 706</td>
<td>503 706</td>
<td>–</td>
</tr>
<tr>
<td>Revenues from independent sources (Section 31)</td>
<td>192 425</td>
<td>202 437</td>
<td>(10 012)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the Budget year</td>
<td>109 327</td>
<td>108 434</td>
<td>893</td>
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</table>

**Total expenses for Outcome 1**

<table>
<thead>
<tr>
<th>$’000</th>
<th>$’000</th>
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</thead>
<tbody>
<tr>
<td>2 090 443</td>
<td>2 043 470</td>
<td>46 973</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Average staffing level (number)</th>
<th>2010–11</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5 625</td>
<td>5 733</td>
</tr>
</tbody>
</table>

1 Full year budget derived from Portfolio Budget Statements 2011–12.
Appendix L: Correction of errors in 2009–10 annual report

DEPARTMENT OF HUMAN SERVICES

The following errors were made in Tables 2 and 5, and Figure 10 in the Department of Human Services (DHS) 2009–10 annual report.

<table>
<thead>
<tr>
<th>Page</th>
<th>Description</th>
<th>Error</th>
<th>Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>39</td>
<td>Table 2—Performance highlights—Child Support Program</td>
<td>91.5%</td>
<td>91.8%</td>
</tr>
<tr>
<td></td>
<td>Item: Child Support CSP Collect collection rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Column: Performance 2008–09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Table 2—Performance highlights—Child Support Program</td>
<td>52.0%</td>
<td>53.2%</td>
</tr>
<tr>
<td></td>
<td>Item: Percentage of Private Collect cases to total active cases (CSP and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Private Collect cases)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Column: Performance 2008–09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Table 5—Service delivery indicators 2007–08 to 2009–10</td>
<td>23 313</td>
<td>20 151</td>
</tr>
<tr>
<td></td>
<td>Item: Change of assessment applications finalised</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Column: 2009–10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Table 5—Service delivery indicators 2007–08 to 2009–10</td>
<td>2 592</td>
<td>2 679</td>
</tr>
<tr>
<td></td>
<td>Item: SSAT applications</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Column: 2009–10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>Figure 10—CSP service delivery indicators 2007–08</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>to 2009–10</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Data points have been misrepresented where there are errors reported for</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Table 5 page 47 (see above).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Request statistics—the number of Freedom of Information (FOI) requests received in 2009–10 was reported as 500. Two of these requests were transferred in full from another Commonwealth agency and should not have been included in the DHS FOI statistics, to ensure that FOI requests are not counted more than once across the Commonwealth.

Revised text for Request statistics is highlighted in blue.

Request statistics—the department handles requests for access to documents in accordance with the Freedom of Information Act 1982 received by the Department of Human Services, CRS Australia and Child Support Program.

In 2009–10, 498 FOI requests were received. Taking into account cases pending from previous years, 424 requests were finalised. The outcomes of the cases processed were:

- applicants withdrew 68 requests before decisions on access were made
- full access was granted in 129 cases
- part access was allowed in 197 cases
- access was refused in 26 cases
- four cases were transferred to other agencies.

CRS AUSTRALIA
No errors were reported for CRS Australia in the DHS 2009–10 annual report.
## Appendix M: Compliance index

### Table 52: Compliance with the *Requirements for annual reports—for departments, executive agencies and FMA Act bodies*

<table>
<thead>
<tr>
<th>Reference in Annual Report Guidelines</th>
<th>Part of report</th>
<th>Description</th>
<th>Requirement</th>
<th>Page number(s) in this report</th>
</tr>
</thead>
<tbody>
<tr>
<td>8(3) &amp; A.4</td>
<td></td>
<td>Letter of transmittal</td>
<td>Mandatory</td>
<td>iii</td>
</tr>
<tr>
<td>A.5</td>
<td></td>
<td>Table of contents</td>
<td>Mandatory</td>
<td>v</td>
</tr>
<tr>
<td>A.5</td>
<td></td>
<td>Index</td>
<td>Mandatory</td>
<td>264</td>
</tr>
<tr>
<td>A.5</td>
<td></td>
<td>Glossary</td>
<td>Mandatory</td>
<td>258</td>
</tr>
<tr>
<td>A.5</td>
<td></td>
<td>Contact officer(s)</td>
<td>Mandatory</td>
<td>ii</td>
</tr>
<tr>
<td>A.5</td>
<td></td>
<td>Internet home page address and Internet address for report</td>
<td>Mandatory</td>
<td>ii</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Review by Secretary</td>
<td>Mandatory</td>
<td>2–5</td>
</tr>
<tr>
<td>9(1)</td>
<td></td>
<td>Review by departmental secretary</td>
<td>Mandatory</td>
<td>2–5</td>
</tr>
<tr>
<td>9(2)</td>
<td></td>
<td>Summary of significant issues and developments</td>
<td>Suggested</td>
<td>2–4</td>
</tr>
<tr>
<td>9(2)</td>
<td></td>
<td>Overview of department’s performance and financial results</td>
<td>Suggested</td>
<td>5</td>
</tr>
<tr>
<td>9(2)</td>
<td></td>
<td>Outlook for following year</td>
<td>Suggested</td>
<td>4–5</td>
</tr>
<tr>
<td>9(3)</td>
<td></td>
<td>Significant issues and developments—portfolio</td>
<td>Portfolio agency departments—suggested</td>
<td>2–5</td>
</tr>
</tbody>
</table>

1The reference is to the location of the item in the requirements—e.g., ‘A.4’ refers to the fourth item in Attachment A.
<table>
<thead>
<tr>
<th>Reference in Annual Report Guidelines¹</th>
<th>Part of report</th>
<th>Description</th>
<th>Requirement</th>
<th>Page number(s) in this report</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Departmental overview</td>
<td>Mandatory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10(1)</td>
<td>Role and functions</td>
<td>Mandatory</td>
<td>16–19</td>
<td></td>
</tr>
<tr>
<td>10(1)</td>
<td>Organisational structure</td>
<td>Mandatory</td>
<td>8–12</td>
<td></td>
</tr>
<tr>
<td>10(1)</td>
<td>Outcome and program structure</td>
<td>Mandatory</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>10(2)</td>
<td>Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change</td>
<td>Mandatory</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>10(3)</td>
<td>Portfolio structure</td>
<td>Mandatory for portfolio departments</td>
<td>8–12</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Report on performance</td>
<td>Mandatory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11(1)</td>
<td>Review of performance during the year in relation to programs and contribution to outcomes</td>
<td>Mandatory</td>
<td>27–83</td>
<td></td>
</tr>
<tr>
<td>11(2)</td>
<td>Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements</td>
<td>Mandatory</td>
<td>19–21</td>
<td></td>
</tr>
<tr>
<td>11(2)</td>
<td>Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change</td>
<td>Mandatory</td>
<td>19–21</td>
<td></td>
</tr>
<tr>
<td>Reference in Annual Report Guidelines¹</td>
<td>Part of report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number(s) in this report</td>
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<td>----------------------------------------</td>
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<td>-----------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>11(2)</td>
<td></td>
<td>Narrative discussion and analysis of performance</td>
<td>Mandatory</td>
<td>27–83</td>
</tr>
<tr>
<td>11(2)</td>
<td></td>
<td>Trend information</td>
<td>Mandatory</td>
<td>27–119</td>
</tr>
<tr>
<td>11(3)</td>
<td></td>
<td>Performance of purchaser/provider arrangements</td>
<td>If applicable—suggested</td>
<td></td>
</tr>
<tr>
<td>11(3)</td>
<td></td>
<td>Significant changes in nature of principal functions/services</td>
<td>Suggested</td>
<td>27–35</td>
</tr>
<tr>
<td>11(3)</td>
<td></td>
<td>Factors, events or trends influencing departmental performance</td>
<td>Suggested</td>
<td>27–119</td>
</tr>
<tr>
<td>11(3)</td>
<td></td>
<td>Contribution of risk management in achieving objectives</td>
<td>Suggested</td>
<td>59, 90, 110</td>
</tr>
<tr>
<td>11(4)</td>
<td></td>
<td>Social inclusion outcomes</td>
<td>If applicable—mandatory</td>
<td></td>
</tr>
<tr>
<td>11(5)</td>
<td></td>
<td>Performance against service charter customer service standards, complaints data, and the department’s response to complaints</td>
<td>If applicable—mandatory</td>
<td>51, 61–65, 80, 94</td>
</tr>
<tr>
<td>11(6)</td>
<td></td>
<td>Discussion and analysis of the department’s financial performance</td>
<td>Mandatory</td>
<td>121–201</td>
</tr>
<tr>
<td>11(7)</td>
<td></td>
<td>Discussion of any significant changes from the prior year or from budget.</td>
<td>Suggested</td>
<td>4–5, 27–35, 43, 122</td>
</tr>
<tr>
<td>11(8)</td>
<td></td>
<td>Agency resource statement and summary resource tables by outcomes</td>
<td>Mandatory</td>
<td>243–244</td>
</tr>
<tr>
<td>11(9)</td>
<td></td>
<td>Developments since the end of the financial year that have affected or may significantly affect the department’s operations or financial results in future</td>
<td>If applicable—mandatory</td>
<td>27–35, 122–123</td>
</tr>
<tr>
<td>Reference in Annual Report Guidelines</td>
<td>Part of report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number(s) in this report</td>
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<tr>
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</tr>
<tr>
<td>12</td>
<td></td>
<td>Management accountability</td>
<td></td>
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<tr>
<td>12(1)</td>
<td></td>
<td>Corporate governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines</td>
<td>Mandatory</td>
<td>217</td>
</tr>
<tr>
<td>12(2)</td>
<td></td>
<td>Statement of the main corporate governance practices in place</td>
<td>Mandatory</td>
<td>6, 14–16, 21–25</td>
</tr>
<tr>
<td>12(3)</td>
<td></td>
<td>Names of the senior executive and their responsibilities</td>
<td>Suggested</td>
<td>8–14</td>
</tr>
<tr>
<td>12(3)</td>
<td></td>
<td>Senior management committees and their roles</td>
<td>Suggested</td>
<td>14–16, 22–25</td>
</tr>
<tr>
<td>12(3)</td>
<td></td>
<td>Corporate and operational planning and associated performance reporting and review</td>
<td>Suggested</td>
<td>18–21</td>
</tr>
<tr>
<td>12(3)</td>
<td></td>
<td>Approach adopted to identifying areas of significant financial or operational risk</td>
<td>Suggested</td>
<td>23, 25, 43, 56, 90–94, 110–111</td>
</tr>
<tr>
<td>12(3)</td>
<td></td>
<td>Policy and practices on the establishment and maintenance of appropriate ethical standards</td>
<td>Suggested</td>
<td>101, 117</td>
</tr>
<tr>
<td>12(3)</td>
<td></td>
<td>How nature and amount of remuneration for SES officers is determined</td>
<td>Suggested</td>
<td>101, 115, 231–234</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>External scrutiny</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12(4)</td>
<td></td>
<td>Judicial decisions and decisions of administrative tribunals</td>
<td>Mandatory</td>
<td>61, 109</td>
</tr>
</tbody>
</table>

Department of Human Services Annual Report 2010–11
<table>
<thead>
<tr>
<th>Reference in Annual Report Guidelines</th>
<th>Part of report</th>
<th>Description</th>
<th>Requirement</th>
<th>Page number(s) in this report</th>
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<tr>
<td>12(4)</td>
<td></td>
<td>Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman</td>
<td>Mandatory</td>
<td>88, 108–109, 210–213</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management of human resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12(5)</td>
<td></td>
<td>Assessment of effectiveness in managing and developing human resources to achieve departmental objectives</td>
<td>Mandatory</td>
<td>34, 100–101</td>
</tr>
<tr>
<td>12(6)</td>
<td></td>
<td>Workforce planning, staff turnover and retention</td>
<td>Suggested</td>
<td>34, 97–106</td>
</tr>
<tr>
<td>12(6)</td>
<td></td>
<td>Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs</td>
<td>Suggested</td>
<td>34, 103–104, 115, 231–234</td>
</tr>
<tr>
<td>12(6)</td>
<td></td>
<td>Training and development undertaken and its impact</td>
<td>Suggested</td>
<td>78, 100, 104, 116</td>
</tr>
<tr>
<td>12(6)</td>
<td></td>
<td>Productivity gains</td>
<td>Suggested</td>
<td>115</td>
</tr>
<tr>
<td>12(7)</td>
<td></td>
<td>Statistics on staffing</td>
<td>Mandatory</td>
<td>235–242</td>
</tr>
<tr>
<td>12(8)</td>
<td></td>
<td>Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs</td>
<td>Mandatory</td>
<td>34, 103–104, 115, 231–234</td>
</tr>
<tr>
<td>12(9) &amp; B</td>
<td></td>
<td>Performance pay</td>
<td>Mandatory</td>
<td>104, 232, 234</td>
</tr>
<tr>
<td>Reference in Annual Report Guidelines</td>
<td>Part of report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number(s) in this report</td>
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<td>--------------------------------------</td>
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<tr>
<td>12(10)–(11)</td>
<td>Assets management</td>
<td>Assessment of effectiveness of assets management</td>
<td>If applicable—mandatory</td>
<td>96, 113</td>
</tr>
<tr>
<td>12(12)</td>
<td>Purchasing</td>
<td>Assessment of purchasing against core policies and principles</td>
<td>Mandatory</td>
<td>94–95, 112</td>
</tr>
<tr>
<td>12(13)–(24) &amp; C, D</td>
<td>Consultants</td>
<td>Summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST), and a statement noting that information on contracts and consultancies is available through the AusTender website</td>
<td>Mandatory</td>
<td>95, 112, 218–222</td>
</tr>
<tr>
<td>12(25)</td>
<td>Australian National Audit Office access clauses</td>
<td>Absence of provisions in contracts allowing access by the Auditor-General</td>
<td>Mandatory</td>
<td>95, 113</td>
</tr>
<tr>
<td>12(26)</td>
<td>Exempt contracts</td>
<td>Contracts exempt from the AusTender</td>
<td>Mandatory</td>
<td>95, 112</td>
</tr>
<tr>
<td>13</td>
<td>Financial statements</td>
<td>Financial statements</td>
<td>Mandatory</td>
<td>125–201</td>
</tr>
<tr>
<td>Reference in Annual Report Guidelines(^1)</td>
<td>Part of report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number(s) in this report</td>
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<td>---------------------------------------------</td>
<td>----------------</td>
<td>-------------</td>
<td>-------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>14(1) &amp; C</td>
<td></td>
<td>Freedom of Information for the period 1 July 2010 to 30 April 2011 inclusive (subsection 8(1) of the Freedom of Information Act 1982) as it existed prior to 1 May 2011)</td>
<td>Mandatory</td>
<td>88–89, 109, 214–215</td>
</tr>
<tr>
<td>14(1) &amp; C</td>
<td></td>
<td>Advertising and Market Research (section 311A of the Commonwealth Electoral Act 1918) and statement on advertising campaigns</td>
<td>Mandatory</td>
<td>205–207</td>
</tr>
<tr>
<td>14(2) &amp; D</td>
<td></td>
<td>Grant programs</td>
<td>Mandatory</td>
<td>95, 113</td>
</tr>
<tr>
<td>14(3) &amp; D</td>
<td></td>
<td>Disability reporting—explicit and transparent reference to agency-level information available through other reporting mechanisms</td>
<td>Mandatory</td>
<td>204</td>
</tr>
<tr>
<td>14(4)</td>
<td></td>
<td>Correction of material errors in previous annual report</td>
<td>If applicable—mandatory</td>
<td>247–248</td>
</tr>
<tr>
<td>F</td>
<td></td>
<td>List of requirements</td>
<td>Mandatory</td>
<td>249–255</td>
</tr>
</tbody>
</table>
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered items</td>
<td>Revenues, expenses, assets and liabilities that the government controls, but which an agency or authority manages on the Commonwealth’s behalf.</td>
</tr>
<tr>
<td>Appropriation</td>
<td>An amount of public moneys parliament authorises for spending for a particular purpose.</td>
</tr>
<tr>
<td>AusTender</td>
<td>The Australian Government’s web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.</td>
</tr>
<tr>
<td>Co-design</td>
<td>Co-design means working with customers, employees and stakeholders to design, shape and deliver better services. As well as engaging with customers, co-design draws on the knowledge, ideas and insights of stakeholders and employees from across the Department of Human Services (DHS) and the community at large.</td>
</tr>
<tr>
<td>Collective agreement</td>
<td>A collective agreement relating to employment conditions made directly between an employer and a group of employees.</td>
</tr>
<tr>
<td>Co-location of services</td>
<td>Co-location of services improves the way people deal with the Australian Government by providing convenient, easy-to-access, coordinated services from a single location. Customers who visit a co-located office can choose from a range of Centrelink, Medicare and Child Support services.</td>
</tr>
<tr>
<td>Commonwealth Procurement Guidelines</td>
<td>The Commonwealth Procurement Guidelines establish the core procurement policy framework and articulate the government’s expectations for all FMA Act agencies and their officials when performing duties related to procurement.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ecologically sustainable development</td>
<td>The National Strategy for Ecologically Sustainable Development defines ecologically sustainable development as 'using, conserving and enhancing the community’s resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased'.</td>
</tr>
<tr>
<td>Integrated department</td>
<td>On 1 July 2011 Centrelink and Medicare Australia integrated into the new department. This integration is part of Service Delivery Reform and will enable more effective and efficient delivery of services to Australian people.</td>
</tr>
<tr>
<td>Key performance indicators</td>
<td>These are financial and non-financial measures used to help define and evaluate an organisation’s success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.</td>
</tr>
<tr>
<td>Non-ongoing employee</td>
<td>A person engaged as an Australian Public Service (APS) employee under subsection 22(2)(b) or 22(2)(c) of the Public Service Act 1999.</td>
</tr>
<tr>
<td>Ongoing employee</td>
<td>A person engaged as an ongoing APS employee under subsection 22(2)(a) of the Public Service Act 1999.</td>
</tr>
<tr>
<td>Outcome</td>
<td>An outcome is the intended result, consequence or impact of government actions on the Australian community.</td>
</tr>
<tr>
<td>Policy departments</td>
<td>Australian Government policy departments are responsible for developing and implementing policies and programs for the Australian community. DHS delivers payments and services on behalf of a number of Australian Government policy departments and agencies.</td>
</tr>
<tr>
<td>Portfolio Additional Estimates</td>
<td>Changes in funding requirements that occur after the presentation of the Budget. These changes to funding require the consideration of Additional Estimates by the House of Representatives and the Senate.</td>
</tr>
<tr>
<td><strong>Portfolio Budget Statements</strong></td>
<td>Budget-related paper detailing Budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Programs</strong></td>
<td>Australian Government programs deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.</td>
</tr>
<tr>
<td><strong>Service Delivery Reform</strong></td>
<td>Reform to government service delivery through DHS. Under Service Delivery Reform, DHS transforms the way it delivers services to make people’s dealings with government easier and quicker.</td>
</tr>
<tr>
<td><strong>Social inclusion</strong></td>
<td>The Australian Government’s social inclusion agenda aims to make sure every Australian has the capability, opportunity and resources to participate in the economy and play an active role in their community while taking responsibility for shaping their own lives.</td>
</tr>
<tr>
<td><strong>Wrap-around services</strong></td>
<td>Multiple services provided in the one location for people with complex needs.</td>
</tr>
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<th>Description</th>
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<td>AAT</td>
<td>Administrative Appeals Tribunal</td>
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<td>ANAO</td>
<td>Australian National Audit Office</td>
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<td>AOD</td>
<td>Automated Outbound Dialling</td>
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<td>APS</td>
<td>Australian Public Service</td>
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<td>ASIC</td>
<td>Australian Securities Investment Commission</td>
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<td>ATO</td>
<td>Australian Taxation Office</td>
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<tr>
<td>AWA</td>
<td>Australian Workplace Agreement</td>
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<tr>
<td>CALD</td>
<td>Culturally and linguistically diverse</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CGHS</td>
<td>Central Gippsland Health Service</td>
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<td>CHAS</td>
<td>Customers Having a Say</td>
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<td>CoA</td>
<td>Change of Assessment</td>
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<td>Council of Australian Governments</td>
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<td>Commonwealth Procurement Guidelines</td>
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<td>Community and Public Sector Union</td>
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<td>Customer Service Centre</td>
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<td>Conspicuous Service Cross</td>
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<td>Customer Service Officer</td>
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<td>Child Support Program</td>
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<td>Capacity to Pay</td>
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<td>DEEWR</td>
<td>Department of Education, Employment and Workplace Relations</td>
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<td>Department of Human Services</td>
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<td>DIAC</td>
<td>Department of Immigration and Citizenship</td>
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<td>DMS</td>
<td>Disability Management Services</td>
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<td>DoHA</td>
<td>Department of Health and Ageing</td>
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<td>DSS</td>
<td>Disability Service Standards</td>
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<td>DVA</td>
<td>Department of Veterans' Affairs</td>
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<td>Acronym</td>
<td>Full Form</td>
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<td>Executive Level</td>
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<td>EMS</td>
<td>Environmental Management System</td>
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<td>EPBC Act</td>
<td>Environment Protection and Biodiversity Conservation Act 1999</td>
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<td>ecologically sustainable development</td>
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<td>FaHCSIA</td>
<td>Department of Families, Housing, Community Services and Indigenous Affairs</td>
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<td>geo-demographic interactive simulation tool</td>
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<td>Honourable</td>
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<td>human resources</td>
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<td>information and communications technology</td>
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<td>IDC</td>
<td>interdepartmental committee</td>
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<td>IPS</td>
<td>Information Publication Scheme</td>
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<td>Job Capacity Assessments</td>
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<td>megajoules</td>
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<td>NABERS</td>
<td>National Australian Built Environment Rating System</td>
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<td>National Aboriginal and Islander Day Observance Committee</td>
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<td>NESB</td>
<td>non-English speaking background</td>
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<td>National Occupational Health and Safety Committee</td>
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<td>OAIC</td>
<td>Office of the Australian Information Commissioner</td>
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<td>the Human Services Portfolio</td>
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<td>Description</td>
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<td>RAP</td>
<td>Reconciliation Action Plan</td>
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<td>SDR</td>
<td>Service Delivery Reform</td>
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<td>SES</td>
<td>Senior Executive Service</td>
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<td>SMS</td>
<td>Short Message Service</td>
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<td>Social Security Appeals Tribunal</td>
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<td>TIS</td>
<td>Translating and Interpreting Service</td>
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<td>TTY</td>
<td>teletypewriter</td>
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The Leafcutter Ants: working together

The Leafcutter Ant, next to humans, forms the largest and most complex animal societies on earth. Their bodies are amazingly powerful and are able to carry pieces of leaf that weigh at least 10 times their own body weight. Just like the Leafcutter Ants, the Human Services Portfolio is strong, organised and unified, working together to achieve a common goal.