



BUDGET★
PORTFOLIO BUDGET STATEMENTS 2011-12
BUDGET RELATED PAPER NO. 1.11

HUMAN SERVICES PORTFOLIO

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

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The document must be attributed as the Portfolio Budget Statements 2011-12 Human Services Portfolio.

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**The Hon Tanya Plibersek MP
Minister for Human Services
Minister for Social Inclusion**

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HOUSE OF REPRESENTATIVE
PARLIAMENT HOUSE
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President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2011-12 Budget for the Human Services portfolio.

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

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

Yours sincerely

Tanya Plibersek

Abbreviations and conventions

The following notation may be used:

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\$m	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Darren Box, Chief Financial Officer, Department of Human Services on (02) 6223 4433.

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2011-12 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2011-12 (or Appropriation Bill [Parliamentary Departments] No. 1 2011-12 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

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PORTFOLIO OVERVIEW

HUMAN SERVICES PORTFOLIO OVERVIEW

Minister and portfolio responsibilities

The Department of Human Services was created on 26 October 2004, as part of the Finance and Administration 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 (AAOs) issued on 30 January 2007, the Department of Human Services and its agencies were transferred to a newly created Human Services portfolio.

The Human Services portfolio provides policy advice on service delivery matters to government to ensure effective, innovative, and efficient implementation of Government service delivery. The portfolio also delivers a range of government and other payments and services to Australians.

New portfolio governance arrangements

The *Human Services Legislation Amendment Bill 2011* is drafted to integrate Centrelink and Medicare Australia into the Department of Human Services from 1 July 2011. It is therefore intended that all programs currently delivered by Medicare Australia and Centrelink would be delivered by the Department from that date.

The 2011-12 Appropriation Bills are drafted on the basis that integration occurs on 1 July 2011, and therefore contain appropriations for the 2011-12 Budget year only for the Department of Human Services, and nil for Centrelink and Medicare Australia.

However, if the *Human Services Legislation Amendment Bill 2011* does not come into effect on 1 July 2011, Medicare Australia and Centrelink will remain separate agencies until such time as the legislation comes into effect. The Appropriation Bills therefore contain contingency provisions that would effectively split the Department of Human Services appropriations into separate appropriations for the three agencies.

HUMAN SERVICES AGENCIES

AGENCIES WITHIN THE HUMAN SERVICES PORTFOLIO

The Human Services portfolio currently comprises the following General Government Sector entities and Non-General Government Sector Entities, as shown in Figure 1a.

General Government Sector Entities

- The **Department of Human Services (DHS)** comprises the Central Department, the Child Support Program and CRS Australia. The Central Department's role is 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. The Child Support Program provides support to separated parents to provide the financial and emotional support necessary for their children's wellbeing. CRS Australia assists people with an injury or a disability to find employment or return to work by providing individualised vocational rehabilitation, and helping employers to keep their workplaces safe.
- **Centrelink** delivers a range of government payments and services for retirees, the unemployed, families, carers, parents, people with disabilities, Indigenous people, and people from diverse cultural and linguistic backgrounds, and provides services at times of major change.
- **Medicare Australia** looks after the health of Australians through efficient services and payments such as Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register and the Australian Organ Donor Register.

Should the *Human Services Legislation Amendment Bill 2011* be passed and come into effect on 1 July 2011, Centrelink and Medicare Australia will be integrated into the Department of Human Services. This document has been prepared to reflect the integrated Department of Human Services, as shown in Figure 1b. Figure 1a reflects the current Human Services portfolio structure and outcomes.

Non-General Government Sector Entities (Public Non-Financial Corporations)

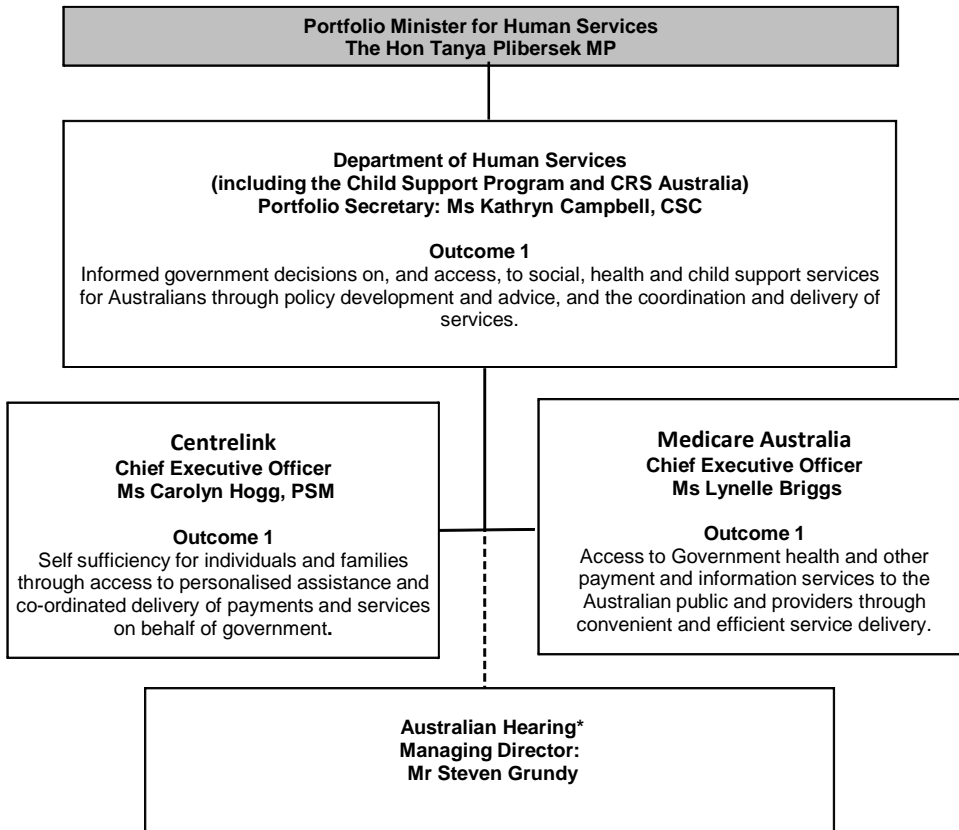
- **Australian Hearing** is one of the largest hearing service providers in the world and is dedicated to helping people manage their hearing impairment so they have a better quality of life. Australian Hearing provides a full range of hearing services for children and young people up to the age of 21, eligible adults and aged pensioners, and most war veterans.

As required under Section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates. These entities are not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements.

More comprehensive information on activities undertaken within the Department of Human Services is available on the following web site.

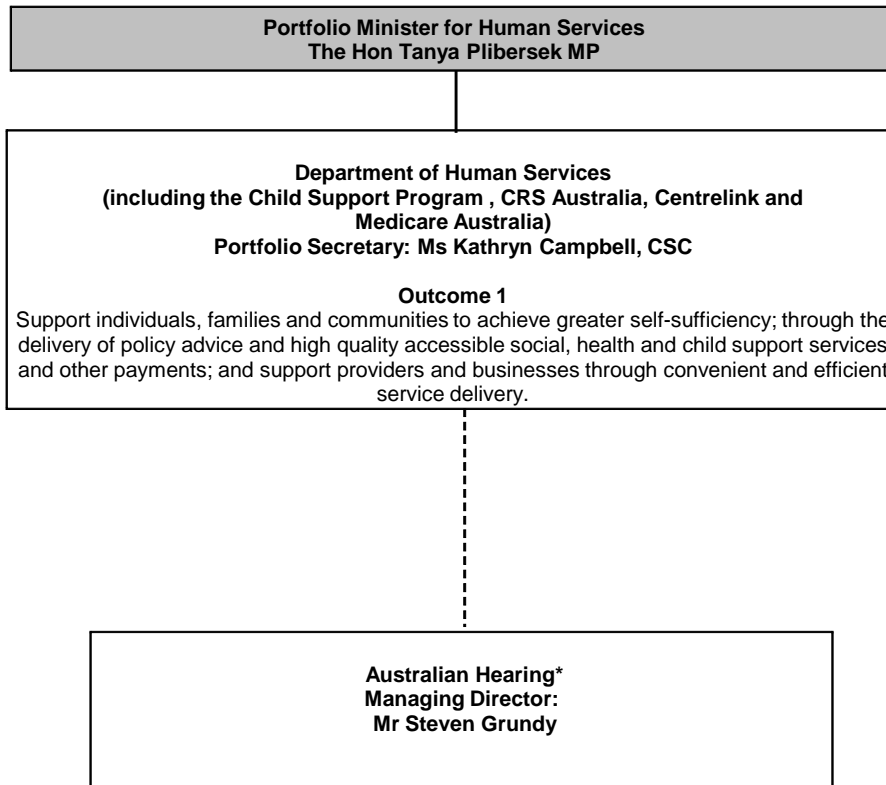
<http://www.humanservices.gov.au>

Figure 1a: Current Human Services portfolio structure and outcomes



* This agency is a Non-General Government Sector entity and is not consolidated into the Commonwealth general government sector fiscal estimates. Therefore it is not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements.

Figure 1b: New Human Services portfolio structure and outcome should the *Human Services Legislation Act Bill 2011* be passed and come into effect on 1 July 2011.



* This agency is a Non-General Government Sector entity and is not consolidated into the Commonwealth general government sector fiscal estimates. Therefore it is not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements.

PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2011-12 budget year.

Table 1: Portfolio Resources 2011-12

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Human Services					
Administered appropriations	9.3	-	77.4	1,190.4	1,277.1
Departmental appropriations	4,193.7	25.2	-	242.4	4,461.3
Portfolio total:	4,203.0	25.2	77.4	1,432.8	5,738.4
Resources available within portfolio:					5,738.4

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Human Services

Agency resources and planned performance

DEPARTMENT OF HUMAN SERVICES

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DEPARTMENT OF HUMAN SERVICES

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Human Services portfolio (the portfolio) performs a significant function in the development of service delivery policy and provides access to social, health and other payments and services on behalf of Australian Government policy departments and other organisations. These payments and services support Government outcomes in policy and program areas such as Social Inclusion, Closing the Gap, Welfare Reform, Health Reform and Emergency Management.

Should the *Human Services Legislation Amendment Bill 2011* be passed, Centrelink and Medicare Australia would integrate into the Department of Human Services from 1 July 2011. This would provide further opportunities to increase efficiencies across the portfolio with the aim of delivering improved and more convenient services for Australians.

The Department of Human Services, integrated with Centrelink and Medicare Australia, is hereafter referred to as the Department.

The Department's contribution to the Government's agenda is reflected in its outcome statement which is to:

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

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

- the development of innovative and flexible service delivery policy that supports the implementation of Government policy and programs;
- the design and development of service delivery systems that are convenient and accessible, and meet the diverse needs of the community;
- the provision of payments and services that match customers' circumstances;
- support for people to help them understand their rights and responsibilities and meet their obligations; and

- work with the public, private and non-government organisations, State and Territory Governments and other Australian Government departments and agencies to build partnerships for the delivery of services.

Service Delivery Reform is the Government's strategy to provide Australians with better access to social, health and welfare services. As part of the reform, the Department is working to enhance its flexibility and effectiveness in delivering easy, high quality services that work for all Australians. This will enable the Department to better coordinate, tailor and target its services for people based on their needs and circumstances through avenues most accessible and suited to them.

Other significant new measures affecting the Department include the National Health Reforms and Building Australia's Future Workforce package.

The Department will also continue to contribute to the implementation of recommendations made in *Ahead of the Game: Blueprint for the Reform of Australian Government Administration* (Advisory Group on Reform of Australian Government Administration, March 2010), particularly those relating to delivering better services for citizens.

There are a number of environmental factors that will drive the activities of the Department. In summary these are:

- the demographic trend of Australia's rapidly ageing population resulting in both increased customer numbers and a shortage of skilled working age people;
- emerging community expectations around convenient access to and quality of services;
- the need to deliver services that improve our efficiency and more effectively meet customer needs through better use of technology and self service channels;
- the need to provide timely citizen access to government services during emergencies and balance these short term demands with the continuous delivery of payments and services and support to third party providers; and
- government trends towards greater integration and cross-agency initiatives with shared services and infrastructure, to provide more efficient and less costly services.

DHS Budget Statements

The Department's key strategies are set out below:

- improve the delivery of high quality services to the Australian community;
- implement the Government's Service Delivery Reform approach – “easy, high quality and works for you”;
- work with other government agencies to develop and deliver innovative and flexible services and policies informed by service delivery expertise, customer experience and on-the-ground knowledge of the community;
- contribute to the development and delivery of government priorities, such as Participation, Social Inclusion, Closing the Gap, National Health Reform and eHealth;
- ensure service delivery is convenient and accessible and meets the diverse needs of the Australian community;
- improve service delivery at the local level, particularly for people living in areas of disadvantage and remote and regional areas;
- work with business and health professionals to deliver more effective and efficient services;
- provide advice and service delivery that balances individuals' preference for service delivery with the risks to taxpayer funds caused by fraud and incorrect payments;
- improve the administration and integrity of the programs we deliver; and
- develop an ICT capability that supports service delivery and government priorities.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011

	Estimate of prior + year amounts available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation ⁷ 2010-11 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	722,186		722,186	866,699
Departmental appropriation ³		4,193,691	4,193,691	3,842,772
s31 Relevant agency receipts ⁴		242,432	242,432	449,939
Total	722,186	4,436,123	5,158,309	5,159,410 ⁸
Administered expenses				
Outcome 1		9,313	9,313	6,336
Total	-	9,313	9,313	6,336 ⁹
Total ordinary annual services	A 722,186	4,445,436	5,167,622	5,165,746
Other services⁵				
Departmental non-operating				
Prior year departmental appropriation ²	7,944		7,944	32,545
Equity injections		25,213	25,213	77,477
Total	7,944	25,213	33,157	110,022 ¹⁰
Administered non-operating				
Administered assets and liabilities		-	-	160
Total	-	-	-	160
Total other services	B 7,944	25,213	33,157	110,182
Total available annual appropriations	730,130	4,470,649	5,200,779	5,275,928
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Child Support (Registration and Collection) Act 1988</i>				
Section 77 - unremitted deductions		77,325	77,325	74,708
Section 78 - unexplained remittances		50	50	50
Total special appropriations	C -	77,375	77,375	74,758 ¹¹
Total appropriations excluding special accounts	730,130	4,548,024	5,278,154	5,350,686

Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011 (continued)

	Estimate of prior + year amounts available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
Special accounts				
Opening balance ⁶	51,953		51,953	51,953
Appropriation receipts		78,922	78,922	76,233
Non-appropriation receipts to Special accounts		1,190,379	1,190,379	1,150,127
Total Special accounts	D 51,953	1,269,301	1,321,254	1,278,313 ¹²
Total resourcing				
A+B+C+D	782,083	5,817,325	6,599,408	6,628,999
Less appropriations drawn from annual or special appropriations above and credited to special accounts		78,922	78,922	76,233
Total net resourcing for Department of Human Services	782,083	5,738,403	6,520,486	6,552,766 ¹³

1 Appropriation Bill (No.1) 2011-12.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$285.001m in 2011-12 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'. It also includes \$56.121m to fund expense incurred in 2010-11.

4 s31 Relevant Agency receipts — estimate.

5 Appropriation Bill (No.2) 2011-12.

6 Estimated opening balance for special accounts (excluding opening balances held in the special accounts in the nature of 'Special Public Money'). For further information on special accounts see Table 3.1.2.

7 The Department of Human Services (DHS), Centrelink and Medicare Australia will be integrated on 1 July 2011 into a single agency subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament. Actual available appropriations for 2010-11 shows the combined amounts for the three agencies.

8 Total Departmental Appropriations for 2010-11 is made up of: DHS \$987.007m, Centrelink \$3,244.185m and Medicare Australia \$928.218m.

9 Total Administered expenses for 2010-11 is made up of: DHS \$6.336m.

10 Total Departmental non-operating for 2010-11 is made up of: DHS \$0.734m, Centrelink \$61.190m and Medicare Australia \$48.098m.

11 Total special appropriations for 2010-11 is made up of: DHS \$74.758m.

12 Total special accounts for 2010-11 is made up of: DHS \$1,278.313m.

13 Total net resourcing for 2010-11 is made up of: DHS \$2,271.075m; Centrelink \$3,305.375m and Medicare Australia \$976.316m.

Reader note: All figures are GST exclusive.

Third party payments from and on behalf of other agencies

	2011-12 \$'000	2010-11 \$'000
Payments made on behalf of other agencies		
(disclosed in the respective Agency Resource Statement)		
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)¹⁴		
Special Appropriations - A New Tax System (Family Assistance) (Administration) Act 1999	19,027,340	19,143,416
Special Appropriation - Social Security (Administration) Act 1999	54,104,668	50,922,915
Special Appropriation - Paid Parental Leave Act 2010	1,394,521	349,243
Annual Appropriation - Ex Gratia and Act of Grace Payments	3,729	3,837
Department of Innovation, Industry, Science and Research (DIISR)¹⁴		
Annual Appropriation - LPG Vehicle Scheme	33,175	43,000
Australian Government Attorney-General's Department (AG)¹⁴		
Special Appropriation - National Security and Criminal Justice - Social Security Act 1999	55,500	910,981
Annual Appropriation - Disaster Income Recovery Subsidy	-	120,750
Annual Appropriation - Queensland Premier Disaster Relief	-	90,000
Department of Sustainability, Environment, Water, Population and Communities (DSEWPAC)¹⁴		
Annual Appropriation - Sustainable Rural Water Use and Infrastructure	-	881
Department of Infrastructure and Transport (DIT)¹⁴		
Annual Appropriation - Bass Strait Passenger Vehicle Equalisation Scheme	41,200	40,000
Annual Appropriation - Tasmanian Freight Equalisation Scheme	114,400	110,000
Annual Appropriation - Tasmanian Wheat Freight Scheme	1,050	-
Department of Education, Employment and Workplace Relations (DEEWR)¹⁴		
Special Appropriation - A New Tax System (Family Assistance) (Administration) Act 1999 ¹⁵	3,778,455	3,443,385
Special Appropriation - Social Security (Administration) Act 1999	13,551,226	13,586,356
Special Appropriation - Social Security Act 1991	2,858,396	3,089,962
Special Appropriation - Student Assistance Act 1973	272,061	269,428
Annual Appropriation - Compensation and Debt Relief	198	198
Annual Appropriation - Child Care For Eligible Parents Undergoing Training	53,585	52,675
Department of Agriculture, Fisheries and Forestry (DAFF)¹⁴		
Special Appropriation - Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)	8,379	152,035
Annual Appropriation - Drought Assistance - Interim Income Support Payments	-	1,094
Annual Appropriation - Drought Assistance - Professional Advice	-	15,500
Annual Appropriation - Drought Assistance - Re-establishment Assistance	9,613	24,000
Annual Appropriation - Drought Policy Reform - Pilot of New Measures in Western Australia	12,757	2,863
Annual Appropriation - Tackling Climate Change - Australia's Farming Future - Climate Change Adjustment Program	16,414	16,760

¹⁴ Numbers provided for 2010-11 represents amounts paid by Centrelink prior to integration.

¹⁵ The figures disclosed include Child Care Benefit program appropriations amounting to \$2,052.4m in 2010-11 and \$2,177.8m in 2011-12 which both Centrelink and DEEWR deliver to customers on behalf of DEEWR.

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

	2011-12	2010-11
	\$'000	\$'000
Department of Veterans' Affairs¹⁶		
<i>Veterans' Entitlements Act 1986 & Related Acts</i>	3,796,970	3,770,295
<i>Military Rehabilitation and Compensation Act 2004</i>	5,261	4,968
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	602	600
Department of Health and Ageing¹⁶		
<i>Health Insurance Act 1973 - Medical Benefits</i>	16,892,683	16,383,915
<i>Dental Benefits Act 2008</i>	74,829	68,089
<i>National Health Act 1953 - Pharmaceutical Benefits</i>	9,525,697	8,928,407
<i>National Health Act 1953 - Aids and Appliances</i>	84,441	78,107
<i>Private Health Insurance Act 2007</i>	3,728,102	4,655,935
<i>Medical Indemnity Agreement Act 2002</i>	117,199	108,699
<i>Aged Care Act 1997 (Total)</i>	8,239,872	7,694,204
<i>FMA Act 1987 - Australian Childhood Immunisation Register</i>	8,340	9,494
Department of Climate Change and Energy Efficiency¹⁶	-	-
<i>Water Entitlements and Home Insulation Act 2009-2010</i>	-	21,989
Total payments made on behalf of other agencies	137,810,663	134,113,981
Receipts received from other agencies for the provision of services		
Australian Electoral Commission (AEC)	-	5,433
Australian Government Attorney-General's Department (AG)	-	546
Centrelink ¹⁷	-	8,985
Department of Climate Change and Energy Efficiency (DCCEE)	446	12,934
Department of Defence	623	609
Department of Education, Employment and Workplace Relations (DEEWR)	144,156	257,861
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)	9,324	16,413
Department of Finance and Deregulation (DOFD)	-	500
Department of Foreign Affairs and Trade (DFAT)	4,940	5,848
Department of Health and Ageing (DoHA)	14,783	31,876
Department of Human Services (DHS) ¹⁷	-	11,807
Department of Immigration and Citizenship (DIAC)	-	334
Department of Infrastructure and Transport (DIT)	-	1,061
Department of Veterans' Affairs (DVA)	16,355	22,514
Medicare Australia (MA) ¹⁷	-	1,050
Total s31 Relevant agency receipts received for the provision of services¹⁸	190,627	377,771

16 Numbers provided for 2010-11 represents amounts paid by Medicare Australia prior to integration.

17 Numbers provided for 2010-11 represents receipts received between DHS, MA and Centrelink.

18 Total s31 relevant agency receipts are made up of: DHS \$160.206m, Centrelink \$115.732m and MA \$101.833m.

1.3 Budget measures

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

Table 1.2: Department of Human Services 2011-12 Budget measures

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Service Delivery Reform						
- improving services						
- increased support for people needing assistance	1.1	-	11,266	18,056	21,942	21,563
Departmental expenses		-	11,266	18,056	21,942	21,563
- involving users and the community in designing improved service delivery	1.1	-	4,572	4,557	1,941	1,944
Departmental expenses		-	4,572	4,557	1,941	1,944
- improving access						
- extending services through Medicare and Centrelink one-stop-shops	1.1	-	8,148	8,973	9,213	1,410
Departmental expenses		-	8,148	8,973	9,213	1,410
- extension of rural mobile services and outreach support for the homeless	1.1	-	2,720	4,758	8,038	8,947
Departmental expenses		-	2,720	4,758	8,038	8,947
- claiming Medicare benefits online	1.1	-	1,241	929	(882)	(1,696)
Departmental expenses		-	1,241	929	(882)	(1,696)
- single web and telephone service	1.1	-	11,806	5,668	4,591	3,805
Departmental expenses		-	11,806	5,668	4,591	3,805
- improving portfolio business						
- improving online services	1.1	-	41,455	25,151	15,575	21,426
Departmental expenses		-	41,455	25,151	15,575	21,426
- integrated business operation and workflow management system	1.1	-	(41,583)	(98,810)	(100,206)	(100,725)
Departmental expenses		-	(41,583)	(98,810)	(100,206)	(100,725)
- simplifying and automating online services	1.1	-	(6,285)	(23,865)	(47,472)	(62,784)
Departmental expenses		-	(6,285)	(23,865)	(47,472)	(62,784)
- integrating the portfolio						
- corporate integration	1.1	-	65,625	40,915	18,470	12,396
Departmental expenses		-	65,625	40,915	18,470	12,396

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Service Delivery Reform (continued)						
- integrating the portfolio (continued)						
- information and communications technology integration						
	1.1	-	10,610	3,031	(10,182)	(31,995)
Centrelink - call centre supplementation						
	1.1	-	51,000	-	-	-
Building Australia's Future Workforce						
- improved services - tailored support for job seekers						
	1.1	-	3,815	4,126	5,464	6,122
- Community Innovation through Collaboration						
		-	1,474	1,488	1,502	1,516
		-	2,760	10,790	9,821	8,853
Fraud prevention and compliance						
- improving compliance with income reporting						
	1.1	-	3,196	2,095	1,573	2,589
Attorney-General's Department						
Natural Disaster Recovery and Rebuilding						
- Assistance to individuals affected by floods in Queensland and other states						
	1.1	13,600	-	-	-	-
- assistance to individuals affected by Tropical Cyclone Yasi						
	1.1	6,400	-	-	-	-
Department of Agriculture, Fisheries and Forestry						
Drought Assistance						
- Exceptional Circumstances assistance for primary producers						
	1.1	382	338	-	-	-
- Exceptional Circumstances assistance for small businesses						
	1.1	4	434	-	-	-
- re-establishment assistance - extension						
	1.1	-	503	18	-	-
- transitional income support - extension						
	1.1	-	1,626	37	-	-
- professional advice and planning grant - wind up costs						
	1.1	(1,175)	1,331	-	-	-
Drought policy reform - pilot of new measures in Western Australia - extension and expansion						
	1.1	-	7,358	105	-	-

¹ Measures for 2010–11 are related to Centrelink.
Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Department of Broadband, Communications and the Digital Economy						
Digital Television Switchover - assistance	1.1					
Departmental expenses		-	6,445	22,938	11,813	229
Department of Education, Employment and Workplace Relations						
Natural Disaster Recovery and Rebuilding						
- assistance to business affected by Tropical Cyclone Yasi						
Departmental expenses ¹	1.1	7,000	-	-	-	-
Employment Services Arrangements						
- efficiencies						
Departmental expenses		-	1,051	(15,029)	(15,200)	(15,332)
- New Enterprise Incentive Scheme - continuation and extension to Disability Employment Services job seekers						
Departmental expenses	1.1	-	1,285	77	74	112
Building Australia's Future Workforce						
- connection interviews and jobseeker workshops						
Departmental expenses	1.1	-	4,039	4,769	4,409	4,446
- wage subsidy for the very long-term unemployed						
Departmental expenses	1.1	-	1,309	185	187	188
- increased obligations for very long-term unemployed job seekers						
Departmental expenses	1.1	-	6	1,599	1,664	1,674
- Priority Employment Area initiatives - extension						
Departmental expenses	1.1	-	3,084	3,055	-	-
- changes to the eligibility criteria for Youth Allowance (Other) and Newstart Allowance						
Departmental expenses	1.1	-	7,514	3,135	2,224	2,189
- improved access to the Language, Literacy, and Numeracy program						
Departmental expenses	1.1	-	52	52	53	53
- incentives for single parents and Parenting Payment reforms						
Departmental expenses	1.1	-	2,932	6,037	2,345	2,878
- streamlining services for job seekers						
Departmental expenses	1.1	-	8,710	7,918	6,278	6,193

1 Measures for 2010-11 are related to Centrelink.
Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Department of Education, Employment and Workplace Relations (continued)						
Building Australia's Future Workforce (continued)						
- targeted locations income management and extension of the School Enrolment and Attendance measure	1.1	-	5,606	-	-	-
Departmental expenses						
- Compulsory Participation Plans and Support for Teenage Parents - targeted locations	1.1	-	9,692	4,650	1,977	1,979
Departmental expenses						
- transitional activities for early school leavers	1.1	-	677	101	102	103
Departmental expenses						
- Compulsory participation requirements for Jobless Families - targeted locations	1.1	-	11,977	8,696	6,669	6,676
Departmental expenses						
Department of Families, Housing, Community Services and Indigenous Affairs						
Strengthening Compliance for Child Support	1.1	-	10,836	10,931	11,026	11,510
Departmental expenses						
Social Security Agreement with Hungary	1.1	-	1,410	2,784	372	375
Departmental expenses						
Provisional Partner Visa Holders - Entitlement to Special Benefit	1.1	-	1,138	(913)	(1,041)	(1,050)
Departmental expenses						
Cape York Welfare Reform Trial - extension	1.1	-	1,437	1,450	-	-
Departmental expenses						
Child protection and voluntary income management in Western Australia - continuation	1.1	-	10,849	-	-	-
Departmental expenses						
Disability Support Pension - portability changes	1.1	205	1,582	1,581	1,243	1,076
Departmental expenses ¹						
Reform of family payments - pause indexation of upper limits and thresholds for a further two years	1.1	-	78	(5,008)	(14,521)	(14,652)
Departmental expenses						

1 Measures for 2010-11 are related to Centrelink.
Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Department of Families, Housing, Community Services and Indigenous Affairs (continued)						
Reform of family payments (continued)						
- pause indexation of Family Tax Benefit supplements for three years						
	1.1					
		150	156	(107)	(247)	(491)
Reform of Family Payments - Aligning Family Tax Benefit Part A eligibility with Youth Allowance age of independence						
	1.1					
		-	1,537	(83)	(184)	(232)
Community Development Employment Projects program - eligibility for the Approved Program of Work Supplement						
	1.1					
		90	1,896	199	201	203
Building Australia's Future Workforce - implementation of more efficient and accurate assessments for Disability Support Pension						
	1.1					
		-	2,784	1,381	1,052	1,061
- Disability Support Pension - participation requirements						
	1.1					
		-	8,308	14,917	25,703	18,832
- Disability Support Pension - allow all recipients to work up to 30 hours a week						
	1.1					
		-	742	2,676	-	-
- Audit of Disability Support Pension new claim assessments						
	1.1					
		-	-	-	-	-
- targeted locations income management and extension of the School Enrolment and Attendance Measure						
	1.1					
		-	8,845	19,823	19,718	19,642
Department of Health and Ageing						
Pharmaceutical Benefits Scheme						
- new listings from 1 April 2011						
	1.1					
		23	94	103	107	113
- new listing from 1 July 2011						
	1.1					
		-	123	124	126	126
Medicare Benefits Schedule - new and revised listings						
		149	94	58	46	51

1 Measures for 2010–11 are related to Centrelink.

2 Measures for 2010–11 are related to Medicare Australia.

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Department of Health and Ageing						
(continued)						
Aged Care - Residential aged care viability supplement - continuation and expansion						
	1.1					
	Departmental expenses	-	165	-	-	-
Primary Care - redirection of the domestic violence referral points project						
	1.1					
	Departmental expenses ²	53	188	-	-	-
A Better Start for Children with Disability - Early Intervention						
	1.1					
	Departmental expenses ²	170	178	101	82	50
Diagnostic imaging - reforms						
	1.1					
	Departmental expenses	-	61	124	118	75
National Mental Health Reform - health and wellbeing checks for three year olds						
	1.1					
	Departmental expenses	-	-	43	-	-
- Better Access Initiative - rationalisation of allied health treatment sessions						
	1.1					
	Departmental expenses	-	(110)	(220)	(281)	(350)
National Health and Hospitals Network - General practice and primary care - coordinated diabetes care - deferral						
	1.1					
	Departmental expenses ³	-	-	-	-	-
Primary care - continuation of incentives to improve access to after-hours care						
	1.1					
	Departmental expenses ³	-	-	-	-	-
Better access initiative for occupational therapists and social workers - continuation						
	1.1					
	Departmental expenses ³	-	-	-	-	-
Department of Veteran Affairs						
Prisoner of War Recognition Supplement - establishment						
	1.1					
	Departmental expenses	-	106	8	8	8

² Measures for 2010–11 are related to Medicare Australia.

³ These measures will appear in Budget Paper No.2 and the estimates for the Department of Human Services will be adjusted post Budget.

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Cross Portfolio						
Migration Program - allocation of places for 2011-12	1.1					
Departmental expenses		-	1,437	2,209	3,343	3,652
Natural Disaster Recovery and Rebuilding - Commission of Inquiry into Queensland Floods	1.1					
Departmental expenses		-	(87)	-	-	-
Efficiency dividend - temporary increase in the rate	1.1					
Departmental expenses		-	(18,039)	(36,425)	(45,283)	(54,334)
Total expense measures						
Administered		-	2,760	10,790	9,821	8,853
Departmental		27,051	280,837	61,171	(46,250)	(118,429)
Total		27,051	283,597	71,961	(36,429)	(109,576)

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Capital measures						
Service Delivery Reform						
- improving access						
- extending services through Medicare and Centrelink one-stop-shops						
	1.1					
Departmental capital						
		-	-	-	-	-
- single web and telephone service						
	1.1					
Departmental capital						
		-	-	-	-	-
- improving portfolio business						
- improving online services						
	1.1					
Departmental capital						
		-	-	-	-	-
- integrating the portfolio						
- corporate integration						
	1.1					
Departmental capital						
		-	-	-	-	-
- information and communications technology integration						
	1.1					
Departmental capital						
		-	-	-	-	-
Building Australia's Future Workforce						
-improved services - tailored support for job seekers						
	1.1					
Departmental capital						
		-	-	-	-	-
Department of Broadband, Communications and the Digital Economy						
Digital Television Switchover - assistance						
	1.1					
Departmental capital						
		-	-	822	-	-
Department of Education, Employment and Workplace Relations						
Building Australia's Future Workforce						
- connection interviews and jobseeker workshops						
	1.1					
Departmental capital						
		-	312	-	-	-
- streamlining services for job seekers						
	1.1					
Departmental capital						
		-	3,233	-	-	-
Department of Families, Housing, Community Services and Indigenous Affairs						
Building Australia's Future Workforce						
- targeted locations income management and extension of School Enrolment and Attendance Measure						
	1.1					
Departmental capital						
		-	288	-	-	-
Department of Health and Ageing						
Aged Care - Residential aged care viability supplement - continuation and expansion						
	1.1					
Departmental capital						
		-	194	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Department of Human Services 2011-12 Budget measures (continued)

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Capital measures (continued)						
Cross Portfolio						
Efficiency dividend - temporary increase in the rate	1.1					
Departmental capital		-	(1,447)	(1,614)	(1,597)	(3,666)
Total Departmental capital measures		-	2,580	(792)	(1,597)	(3,666)

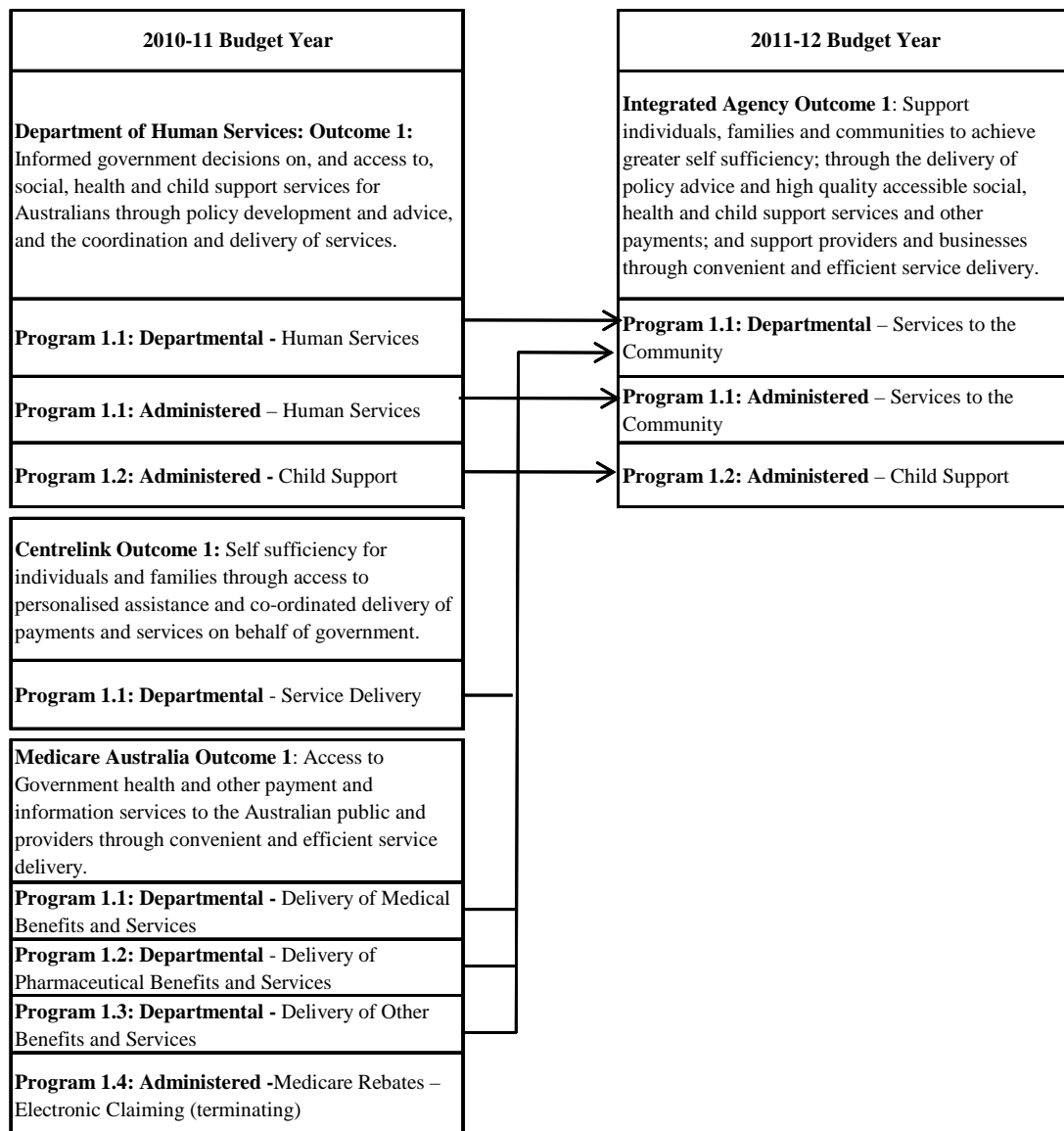
Prepared on a Government Finance Statistics (fiscal) basis.

Note: The measures "Family Tax Benefit Part A – more flexible advances", "Healthy Start for School", "Child Care Rebate – additional payment option", "Building Australia's Future Workforce - Supporting Families with Teenagers", "Drought Assistance – interim income support for primary producers – Delungra area", "Drought Assistance – interim income support for small business – Delungra area", "Community Development Employment Projects program – continuation of grandfathered wage arrangements", and "Pharmaceutical Benefits Scheme – new and extensions to listings from 1 February 2011" will appear in the Budget Paper No.2 as they were decided after MYEFO. However they were reported in the 2010-11 Portfolio Additional Estimates Statements and therefore will not appear in 2011-12 Portfolio Budget Statements.

1.4 TRANSITION FROM PREVIOUS PROGRAM STRUCTURE TO INTEGRATED PROGRAM STRUCTURE

The proposed integration of Centrelink and Medicare Australia into the Department of Human Services has resulted in a review of the Program Structure across the three agencies. The table below outlines the transition from the 2010-11 Budget year to the program reporting framework used for the 2011-12 Budget.

Figure 2: Transition Table



Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

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

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.	2010-11 Estimated actual expenses ³ \$'000	2011-12 Estimated expenses \$'000
Program 1.1: Services to the Community		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	4,846	7,766
Expenses not requiring appropriation in the Budget year ¹	53	53
Departmental expenses		
Departmental appropriation ²	4,095,353	4,092,919
Expenses not requiring appropriation in the Budget year ¹	372,044	250,960
Total for Program 1.1	4,472,296 ⁴	4,351,698
Departmental expenses by subfunction		
Medical services and benefit	588,789	-
Pharmaceutical services and benefits	162,962	-
Health - general administration	-	714,775
Assistance to people with disabilities	189,724	158,373
Social security and welfare - general administration	3,525,922	3,470,731
Program 1.2: Child Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,475	1,547
Special appropriations	74,758	77,375
Special Accounts	1,078,476	1,130,636
Expenses not requiring appropriation in the Budget year ¹	125,377	115,652
Total for Program 1.2	1,280,086 ⁵	1,325,210
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	6,321	9,313
Special appropriations	74,758	77,375
Special Accounts	1,078,476	1,130,636
Expenses not requiring appropriation in the Budget year ¹	125,430	115,705
Departmental expenses		
Departmental appropriation ²	4,095,353	4,092,919
Expenses not requiring appropriation in the Budget year ¹	372,044	250,960
Total expenses for Outcome 1	5,752,382 ⁶	5,676,908
	2010-11	2011-12
Average Staffing Level (number)	34,839 ⁷	33,583

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- 1 Departmental expenses not requiring appropriation in the Budget year is made up of unfunded depreciation expense, amortisation expense, audit services and operating results. Administered expenses not requiring appropriation in the Budget year is made up of depreciation expense and net write down of assets.
- 2 Departmental Appropriation combines expenses funded by 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31).
- 3 The Department of Human Services, Centrelink and Medicare Australia will be integrated on 1 July 2011 into a single agency subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament. Actual available appropriations for 2010-11 shows the combined amounts for the three agencies.
- 4 Total for Program 1.1 for 2010-11 is made up of: DHS \$810.357m; Centrelink \$2,910.188m and Medicare Australia \$751.751m.
- 5 Total for Program 1.2 for 2010-11 is made up of: DHS \$1,280.086m.
- 6 Total Expenses for Outcome 1 for 2010-11 is made up of: DHS \$2,090.443m; Centrelink \$2,910.188m and Medicare Australia \$751.751m.
- 7 Average Staffing Level (ASL) for 2010-11 is made up of DHS 5,625; Centrelink 24,030 and Medicare Australia 5,184. Actual ASL at 30 April 2011 was 34,013.

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

Contributions to Outcome 1

Program 1.1: Services to the Community

Program objectives

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

Linked to:

The Department of Human Services delivers a range of payments and services on behalf of a number of government departments and other entities, including:

- Department of Education, Employment and Workplace Relations
- Department of Families, Housing, Community Services and Indigenous Affairs (including Family Assistance Office)
- Department of Infrastructure and Transport
- Department of Veterans' Affairs
- Department of Health and Ageing
- Department of Agriculture, Fisheries and Forestry
- Department of Foreign Affairs and Trade
- Department of Sustainability, Environment, Water, Population and Community
- Department of Broadband, Communications and Digital Economy
- Department of Immigration and Citizenship
- Department of Innovation, Industry, Science and Research
- Department of the Treasury
- Department of Climate Change and Energy Efficiency
- Attorney-General's Department
- Australian Taxation Office
- Australian Electoral Commission
- Department of Defence
- Australian Organ and Tissue Donation and Transplantation Authority
- Various State and Territory Governments
- Countries with which Australia has an International Social Security Agreement

Program 1.1 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
Income Management Card	4,846	5,006	5,006	5,006	5,006
Future Workforce	-	2,760	10,790	9,821	8,853
Expenses not requiring appropriation in the Budget year ¹	53	53	54	-	-
Annual departmental expenses: funded by:					
Departmental appropriation	3,642,514	3,852,906	3,617,352	3,618,747	3,608,961
Revenue from other sources	452,839	240,013	232,575	231,575	230,939
Expenses not requiring appropriation in the Budget year ¹	372,044	250,960	241,950	243,976	249,366
Total program expenses	4,472,296	4,351,698	4,107,727	4,109,125	4,103,125
Departmental expenses by subfunction					
Medical services and benefit	588,789	-	-	-	-
Pharmaceutical services and benefits	162,962	-	-	-	-
Health - general administration	-	714,775	637,850	640,251	662,410
Assistance to people with disabilities	189,724	158,373	157,734	157,709	159,059
Social security and welfare - general administration	3,525,922	3,470,731	3,296,293	3,296,338	3,267,797
Total Departmental expenses by subfunction	4,467,397	4,343,879	4,091,877	4,094,298	4,089,266

¹ Departmental expenses not requiring appropriation in the Budget year is made up of unfunded depreciation expense, amortisation expense, audit services and operating results. Administered expenses not requiring appropriation in the Budget year is made up of depreciation expense.

Program 1.1 Deliverables

The Department supports individuals, families and communities to achieve greater self-sufficiency by providing access to social, health and child support payments and services on behalf of Government. The Department provides access through deliverables which include:

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

The Department also provides access to tailored services including:

- translated information on payments and services, interpreter services and multicultural service officers;
- access points that deliver self-help facilities;
- agents located in rural and remote communities who provide a range of products and services and remote access service centres that deliver face-to-face services;
- Australian Government Mobile Offices which provide services in rural, remote and disaster affected communities;
- Indigenous Service Officers who connect Indigenous people and communities with departmental services;
- referrals to support services and the provision of specialist services through the department's health and allied health professionals which include psychologists, social workers, occupational therapists, registered nurses, physiotherapists, exercise physiologists, rehabilitation counsellors; and
- the delivery of expert assessment, injury management, vocational rehabilitation and employment services to assist people who have a disability, injury or health condition to get and keep a job through CRS Australia.

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

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

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

The level of access to payments and services that support greater self-sufficiency is also demonstrated by:

- the total value of payments delivered on behalf of policy departments; and
- the total amount of child support transferred between parents.

The delivery of access to payments and services will be reported through the:

- number of Customer Service Centres;
- number of website visits;
- number of calls to call centres answered;
- number of languages information on payments and services are provided in;
- number of languages interpreter services are provided in;
- total amount of child support transferred between parents;
- number of multicultural services officers;
- number of access points that deliver self-help facilities;
- number of agents located in rural and remote communities that deliver face-to-face services;
- number of Australian Government Mobile Offices which provide services in rural, remote and disaster affected communities;
- number of health and allied health professionals which include psychologists, social workers, occupational therapists, registered nurses, physiotherapists, exercise physiologists, rehabilitation counsellors;
- number of Local Connections to Work sites (these aim to connect individuals to community services under one roof);
- the number of case-coordination sites (these deliver specialist services for those who suffer from multiple disadvantages); and,
- that CRS Australia remains certified against the Disability Services Standards and other system accreditation requirements.

Program 1.1 Key Performance Indicators

Should the *Human Services Legislation Amendment Bill 2011* be passed and come into effect on 1 July 2011, Centrelink and Medicare Australia would be integrated into the Department of Human Services from 1 July 2011. For the purposes of the 2011-12 Portfolio Budget Statements, the Department has moved from specific Key Performance Indicators (KPIs) for DHS, Medicare Australia and Centrelink to one set of KPIs for the integrated department. This reflects the potential passage of the *Human Services Legislation Amendment Bill 2011*. At a high level, the Department's performance will be demonstrated through:

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget target	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
Minister is satisfied with the quality, relevance and timeliness of ministerial briefing, correspondence and other departmental advice.	N/A	Satisfied	Satisfied	Satisfied	Satisfied
Effective working arrangements with other government departments are in place which support the department's contribution to policy development through service delivery policy advice.	N/A	Effective	Effective	Effective	Effective
Key initiatives delivered within timeframes and on budget.	N/A	All	All	All	All
Achievement of payment quality standards.	N/A	Achieved	Achieved	Achieved	Achieved
Achievement of customer satisfaction standards.	N/A	Achieved	Achieved	Achieved	Achieved
Increase in the proportion of transactions completed through electronic channels.	N/A	Increase	Increase	Increase	Increase
Support economic and social participation of Indigenous Australians through the timely delivery of appropriate departmental payments and services.	N/A	Baselining In 2011-12	Note: Baselining In 2011-12	Note: Baselining In 2011-12	Note: Baselining In 2011-12
CRS Australia to maximise workforce participation rates for Government at or above the market average for job seekers that remain in employment for 13 weeks.	70%	70%	70%	70%	70%

Program 1.2: Child Support

Program 1.2 Objective

- The Child Support Program is designed to ensure that both parents contribute to the cost of their children, according to their capacity. The scheme is expected to transfer \$3.1 billion between parents for the benefits of approximately 1.2 million children in 2011-12.

Program 1.2 Expenses

- Movement in program expenses across the forward years is due to increases in amounts of child support being transferred between parents.

Program 1.2 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses:					
<i>Child Support dishonoured cheques and other shortfalls</i>	1,475	1,547	1,596	1,636	1,677
Special Appropriations:					
<i>Child Support s77 - unremitted deductions</i>	74,708	77,325	79,750	81,745	83,790
<i>Child Support s77 - unexplained remittance</i>	50	50	50	50	50
Special Account Expenses:					
<i>Child Support Account</i>	1,078,476	1,130,636	1,166,822	1,196,586	1,227,093
Expenses not requiring appropriation in the Budget year ¹	125,377	115,652	118,529	120,894	123,319
Total program expenses	1,280,086	1,325,210	1,366,747	1,400,911	1,435,929

1. Expenses not requiring appropriation in the Budget year is made up of net write-down of assets.

Program 1.2 Deliverables

- Collect and disburse child support payments.

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Program 1.2 Key Performance Indicators

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget target	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
Total amount of child support transferred between parents.	\$3.0 billion	\$3.1 billion	\$3.1 billion	\$3.2 billion	\$3.2 billion
Child Support collection rate (CSA collect only).	91.5%	91.6%	91.7%	91.7%	91.7%
Percentage of private collect cases to total active cases (CSA and private collect cases).	52%	52%	52%	52%	52%
The percentage of domestic active paying parents without debt.	73.5%	73.5%	73.5%	73.5%	73.5%

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2011-12 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

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

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

	Outcome	Opening	Receipts	Payments	Adjustments	Closing
		balance	2011-12	2011-12	2011-12	2011-12
		2010-11	2010-11	2010-11	2010-11	2010-11
		\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Account ¹ (A)	1	51,953	1,269,301	(1,269,301)	-	51,953
		51,953	1,226,360	(1,226,360)	-	51,953
Recovery of Compensation for Health Care & Other Services Special Account ² (A)	1	56,586	246,136	(245,931)	-	56,791
		56,386	241,073	(240,873)	-	56,586
Superannuation Clearing House ³ (A)	1	-	136,713	(136,713)	-	-
		-	53,554	(53,554)	-	-
Other Trust Moneys - Department of Human Services Special Account ⁴ (A)	1	-	-	-	-	-
Commonwealth Service Delivery Agency Other Trust Moneys Account ⁵ (A)	1	-	-	-	-	-
		123	2,652	(2,775)	-	-
Services for Other Entities and Trust Moneys - Medicare Australia Special Account ⁶ (D)	1	-	-	-	-	-
		99	1,470	(1,470)	-	99
Services for Other Entities and Trust Moneys – Department of Human Services Special Account ⁷ (A) & (D)	1	-	4,387	(3,731)	99	755
		-	-	-	-	-
Total Special Accounts						
2011-12 Budget estimate		108,539	1,656,537	(1,655,676)	99	109,499
<i>Total Special Accounts</i>						
<i>2010-11 estimate actual</i>		108,561	1,525,109	(1,525,032)	-	108,638

(A) = Administered
(D) = Departmental

- 1 Child Support Account - s73 *Child Support (Registration and Collection) Act 1988* is operated by the Department of Human Services. The purpose of this account is to receive payments for child support debts and appropriation amounts to be paid to child support recipients.
- 2 Recovery of Compensation for Health Care and Other Services Special Account - s20 *FMA Act* Determination 2005/24 - was operated by Medicare Australia in 2010-11. Funds are held pending a determination of the amount recoverable in respect of Medicare Benefits and nursing Home or Residential Care Subsidies paid. The amount recovered is returned to the Official Public Account via the Department of Health and Ageing.
- 3 Superannuation Clearing House Special Account - s20 *FMA Act* Determination 2010/05 was operated by Medicare Australia in 2010-11. The purpose of this account is for the receipt of employer superannuation contributions by eligible employers and payment to the relevant superannuation funds.
- 4 Other Trust Moneys - Department of Human Services Special Account, s20 *FMA Act* Determination 2005/12 - this special account operated by the Department of Human Services is expected to be abolished from 1 July 2011 subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament and a consequent determination made under s20 of the *FMA Act*.
- 5 Commonwealth Service Delivery Agency Other Trust Moneys Account - s20 *FMA Act* Determination 2001/4 - this special account operated by Centrelink in 2010-11 is expected to be abolished from 1 July 2011 subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament and a consequent determination made under s20 of the *FMA Act*.
- 6 Services for Other Entities and Trust Moneys - Medicare Australia Special Account, s20 *FMA Act* Determination 2009/18 - this special account operated by Medicare Australia in 2010-11 is expected to be abolished from 1 July 2011 subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament and a consequent determination made under s20 of the *FMA Act*.
- 7 Services for Other Entities and Trust Moneys - Department of Human Services Special Account. This special account is expected to commence on 1 July 2011 subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament and a consequent determination made under s20 of the *FMA Act*. This special account will enable the Department of Human Services to hold and expend amounts on behalf of persons or entities other than the Commonwealth. The closing balances of Commonwealth Service Delivery Agency Other Trust Moneys Account (operated by Centrelink), Services for Other Entities and Trust Moneys - Medicare Australia Special Account (operated by Medicare Australia) and Other Trust Moneys - Department of Human Services Special Account (operated by Department of Human Services) are expected to be transferred to this special account from 1 July 2011.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
	Department of Human Services						
Outcome 1							
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery							
Administered 2011-12	5,006	-	-	5,006	-	5,006	1.1
<i>Administered 2010-11</i>	<i>4,846</i>	<i>160</i>	-	<i>5,006</i>	-	<i>5,006</i>	<i>1.1</i>
Departmental 2011-12	88,082	-	-	88,082	66,319	154,401	1.1
<i>Departmental 2010-11</i>	<i>89,901</i>	-	-	<i>89,901</i>	<i>69,600</i>	<i>159,501</i>	<i>1.1</i>
Total outcome 2011-12	93,088	-	-	93,088	66,319	159,407	
<i>Total outcome 2010-11</i>	<i>94,747</i>	<i>160</i>	-	<i>94,907</i>	<i>69,600</i>	<i>164,507</i>	
Total administered 2011-12	5,006	-	-	5,006	-	5,006	
<i>Total administered 2010-11</i>	<i>4,846</i>	<i>160</i>	-	<i>5,006</i>	-	<i>5,006</i>	
Total departmental 2011-12	88,082	-	-	88,082	66,319	154,401	
<i>Total departmental 2010-11</i>	<i>89,901</i>	-	-	<i>89,901</i>	<i>69,600</i>	<i>159,501</i>	
Total AGIE 2011-12	93,088	-	-	93,088	66,319	159,407	
<i>Total AGIE 2010-11</i> ¹	<i>94,747</i>	<i>160</i>	-	<i>94,907</i>	<i>69,600</i>	<i>164,507</i>	

1. The Department of Human Services, Centrelink and Medicare Australia will be integrated on 1 July 2011 into a single agency subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament. Actual available appropriations for 2010-11 shows the combined amounts for the three agencies:

- Total administered 2010-11 is made up of: DHS \$5.006m.
- Total departmental 2010-11 is made up of: DHS \$1.254m; Centrelink \$151.101m and Medicare Australia \$7.146m.
- Total AGIE for 2010-11 is made up of: DHS \$6.260m; Centrelink \$151.101m and Medicare Australia \$7.146m.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The agency resource statement in Table 1.1 shows how the 2011-12 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), receipts from other sources, and Special Account receipts.

A brief analysis of the Department of Human Services budgeted financial statements is provided below.

3.2.2 Analysis of budgeted financial statements

The financial statements are presented to reflect integration of Centrelink and Medicare Australia into the Department of Human Services as of 1 July 2011. In order to show comparable data for 2010-11, the aggregate of the three existing agencies is shown.

The estimated actual splits for 2010-11 at the sub-total level for the three agencies are disclosed in footnotes. These notes can be compared with tables published in the 2010-11 Portfolio Budget Statements and the 2010-11 Portfolio Additional Estimates Statements.

Departmental financial statements

The departmental financial statements present a relatively stable set of financial operations with trends noted below.

Departmental comprehensive income statement (Table 3.2.1)

The decline in total expenses from 2010-11 to 2011-12 (\$123.5 million) mainly reflects the estimated operating loss attributable to the agency in 2010-11 of \$129.8 million. The operating loss was approved to allow the portfolio to undertake activities in 2010-11 necessary for integrating the portfolio into a single department as of 1 July 2011 and to allow Centrelink to restructure its staffing resources to accommodate a lower level of funding from 2009-10. The further decline in 2012-13 (\$252.0 million) reflects savings to be achieved under the Service Delivery Reform package of measures.

The decline in sales of goods and services revenue from 2010-11 to 2011-12 (\$210.4 million) largely reflects the 2010-11 Budget measure for the Job Capacity Assessment activity which replaced user charges by Centrelink with direct appropriation funding and the termination of some service agreements with other agencies.

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The increase in appropriation revenue from 2010-11 to 2011-12 (\$209.5 million) also reflects the above Job Capacity Assessment measure and new measures in the 2011-12 Budget including the Service Delivery Reform package and the Building Australia's Future Workforce package. The decline in appropriation revenue after 2011-12 reflects the savings to be achieved under the Service Delivery Reform package.

Departmental balance sheet (Table 3.2.2)

The reduction in receivables and payables from 2010-11 to 2011-12 reflects the elimination of payables and receivables between the three agencies on integration.

Departmental cash flow (Table 3.2.4)

The reduction in cash received for goods and services in 2011-12 reflects the reduction in goods and services revenue noted above.

Administered financial statements

Administered comprehensive income statement (Table 3.2.7)

The commencement of grants in 2011-12 and building up in 2012-13 reflects the Community Innovation through Collaboration initiative under the Building Australia's Future Workforce package.

Administered balance sheet (Table 3.2.8)

The rise in receivables across the period relates to income maintenance and penalties receivable under the Child Support program.

3.2.3 Budgeted financial statements tables

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

	Estimated actual ¹ 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
EXPENSES					
Employee benefits	2,746,999	2,630,194	2,453,473	2,495,660	2,417,471
Supplier expenses	1,466,732	1,452,576	1,384,337	1,343,163	1,411,488
Depreciation and amortisation	246,855	256,302	249,260	250,668	255,500
Write-down and impairment of assets	6,500	4,517	4,517	4,517	4,517
Losses from asset sales	21	-	-	-	-
Other	290	290	290	290	290
Total expenses	4,467,397 ²	4,343,879	4,091,877	4,094,298	4,089,266
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	449,391	236,723	229,450	228,777	228,141
Rental income	1,508	1,508	1,508	1,508	1,508
Other	1,940	1,782	1,617	1,290	1,290
Total own-source revenue	452,839 ³	240,013	232,575	231,575	230,939
Gains					
Other	3,408	3,378	3,433	3,488	3,545
Total gains	3,408 ⁴	3,378	3,433	3,488	3,545
Total own-source income	456,247	243,391	236,008	235,063	234,484
Net cost of (contribution by) services					
	4,011,150	4,100,488	3,855,869	3,859,235	3,854,782
Revenue from Government ⁶	3,642,514 ⁵	3,852,906	3,617,352	3,618,747	3,608,961
Surplus (Deficit)	(368,636)	(247,582)	(238,517)	(240,488)	(245,821)
Surplus (Deficit) attributable to the Australian Government	(368,636)	(247,582)	(238,517)	(240,488)	(245,821)
Total comprehensive income	(368,636)	(247,582)	(238,517)	(240,488)	(245,821)
Total comprehensive income attributable to the Australian Government	(368,636)	(247,582)	(238,517)	(240,488)	(245,821)
plus non-appropriated expenses depreciation and amortisation expenses	238,835	249,202	240,771	242,764	248,173
Total Comprehensive Income (loss) Attributable to the agency	(129,801)	1,620	2,254	2,276	2,352

Prepared on Australian Accounting Standards basis.

- Numbers provided for 2010-11 show combined amounts for the Department of Human Services, Centrelink and Medicare Australia prior to integration.
- Total expenses for 2010-11 is made up of: DHS \$805.458m; Centrelink \$2,910.188m and Medicare Australia \$751.751m.
- Total own-source revenue for 2010-11 is made up of: DHS \$192.425m; Centrelink \$160.527m and Medicare Australia \$99.887m.
- Total gains for 2010-11 is made up of: DHS \$0.438m; Centrelink \$2.720m and Medicare Australia \$0.250m.

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5. Total revenue from Government for 2010-11 is made up of: DHS \$503.706m; Centrelink \$2,519.676m and Medicare Australia \$619.132m.
6. Revenue in 2011-12 includes a provisional amount of \$0.337m which has not been included in the appropriation.

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

	Estimated actual ¹ 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	34,428	34,354	34,766	35,243	35,718
Trade and other receivables	856,765	788,127	775,364	748,833	793,637
Other	29,682	29,682	29,682	29,682	29,682
Total financial assets	920,875 ²	852,163	839,812	813,758	859,037
Non-financial assets					
Land and buildings	376,510	386,038	372,569	368,561	360,072
Property, plant and equipment	150,820	187,870	164,795	129,684	139,016
Intangibles	358,296	383,167	347,891	310,445	295,516
Heritage Cultural Assets	89	89	89	89	89
Other	73,318	74,894	76,550	78,255	78,255
Total non-financial assets	959,033 ³	1,032,058	961,894	887,034	872,948
Assets held for sale	174	174	174	174	174
Total assets	1,880,082	1,884,395	1,801,880	1,700,966	1,732,159
LIABILITIES					
Payables					
Suppliers	176,196	171,097	170,846	167,487	182,321
Other	280,272	216,657	214,508	219,634	219,662
Total payables	456,468 ⁴	387,754	385,354	387,121	401,983
Interest bearing liabilities					
Leases	3,538	3,538	3,538	3,538	3,538
Total interest bearing liabilities	3,538 ⁵	3,538	3,538	3,538	3,538
Provisions					
Employee provisions	735,366	750,220	753,607	770,830	797,498
Other	57,140	52,681	47,183	42,340	38,216
Total provisions	792,506 ⁶	802,901	800,790	813,170	835,714
Total liabilities	1,252,512	1,194,193	1,189,682	1,203,829	1,241,235
Net assets	627,570	690,202	612,198	497,137	490,924
EQUITY*					
Parent entity interest					
Contributed equity	809,082	951,838	1,112,349	1,237,776	1,477,384
Reserves	69,692	5,832	5,834	5,834	5,834
Retained surplus (accumulated deficit)	(251,204)	(267,468)	(505,985)	(746,473)	(992,294)
Total parent entity interest	627,570 ⁷	690,202	612,198	497,137	490,924
Total Equity	627,570	690,202	612,198	497,137	490,924

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

1 Numbers provided for 2010-11 show combined amounts for the Department of Human Services, Centrelink and Medicare Australia prior to integration.

2 Total Financial assets for 2010-11 is made up of: DHS \$240.575m; Centrelink \$460.077m and Medicare Australia \$220.223m.

3 Total Non-financial assets for 2010-11 is made up of: DHS \$111.732m; Centrelink \$656.367m and Medicare Australia \$190.934m.

4 Total Payables for 2010-11 is made up of: DHS \$128.837m; Centrelink \$240.242m and Medicare Australia \$87.389m.

5 Total Interest bearing liabilities for 2010-11 is made up of: DHS \$3.538m.

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- 6 Total Provisions for 2010-11 is made up of: DHS \$115.278m; Centrelink \$559.771m and Medicare Australia \$117.457m.
- 7 Total Parent entity interest for 2010-11 is made up of: DHS \$104.654m; Centrelink \$316.605m and Medicare Australia \$206.311m.

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2011-12)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2011					
Balance carried forward from previous period	(23,194)	5,832	-	122,016	104,654
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(23,194)	5,832	-	122,016	104,654
Comprehensive income					
Surplus (deficit) for the period	(247,582)	-	-	-	(247,582)
Total comprehensive income	(247,582)	-	-	-	(247,582)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	25,213	25,213
Departmental Capital Budget (DCBs)	-	-	-	285,001	285,001
Restructuring ¹	3,308	-	-	519,608	522,916
Sub-total transactions with owners	3,308	-	-	829,822	833,130
Transfers between equity components					
Estimated closing balance as at 30 June 2012	(267,468)	5,832	-	951,838	690,202

1. These figures include net assets from Centrelink and Medicare Australia to be transferred to DHS subject to the passage of the *Human Services Legislation Amendment Bill 2011* currently before Parliament.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual ¹ 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	491,707	264,131	254,298	253,281	252,862
Appropriations	4,249,094	4,110,787	3,879,709	3,898,689	3,817,274
Net GST received	140,385	136,415	124,066	120,882	121,572
Other	2,417	2,288	2,129	1,769	1,290
Total cash received	4,883,603 ²	4,513,621	4,260,202	4,274,621	4,192,998
Cash used					
Employees	2,744,670	2,614,175	2,450,297	2,472,460	2,388,724
Suppliers	1,620,977	1,617,735	1,538,305	1,495,143	1,544,187
Cash to the Official Public Account	463,781	259,902	255,205	253,575	253,016
Other	376	290	290	290	290
Total cash used	4,829,804 ³	4,492,102	4,244,097	4,221,468	4,186,217
Net cash from (used by) operating activities	53,799	21,519	16,105	53,153	6,781
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	350,068	332,251	181,938	178,603	245,914
Total cash used	350,068 ⁴	332,251	181,938	178,603	245,914
Net cash from (used by) investing activities	(350,068)	(332,251)	(181,938)	(178,603)	(245,914)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	282,351	310,658	166,245	125,927	239,608
Total cash received	282,351 ⁵	310,658	166,245	125,927	239,608
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	282,351	310,658	166,245	125,927	239,608
Net increase (decrease) in cash held	(13,918)	(74)	412	477	475
Cash and cash equivalents at the beginning of the reporting period	48,346 ⁶	34,428	34,354	34,766	35,243
Cash and cash equivalents at the end of the reporting period	34,428	34,354	34,766	35,243	35,718

1. Numbers provided for 2010-11 show combined amounts for the Department of Human Services, Centrelink and Medicare Australia prior to integration.
2. Total operating cash received for 2010-11 is made up of: DHS \$950.813m, Centrelink \$3,027.382m and Medicare Australia \$905.408m.
3. Total operating cash used for 2010-11 is made up of: DHS \$942.759m, Centrelink \$3,023.548m, and Medicare Australia \$863.497m.
4. Total Investing cash used for 2010-11 is made up of: DHS \$39.942m, Centrelink \$227.403m and Medicare Australia \$82.723m.

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5. Total Financing cash received for 2010-11 is made up of: DHS \$33.636m, Centrelink \$206.052m and Medicare Australia \$42.663m.
 6. Cash and cash equivalents at the beginning of the reporting period for 2010-11 is made up of: DHS \$9.551m; Centrelink \$31.087m and Medicare Australia \$7.708m.
- Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual ² 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	221,129	285,001	158,499	125,427	239,608
Equity injections - Bill 2	77,477	25,213	2,012	-	-
Total capital appropriations	298,606 ³	310,214	160,511	125,427	239,608
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	289,055	310,214	160,511	125,427	239,608
Other Items	9,551	-	-	-	-
Total Items	298,606 ⁴	310,214	160,511	125,427	239,608
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	91,793	33,157	2,746	-	-
Funded by capital appropriation - DCB ¹	215,185	285,445	163,499	125,927	239,608
Funded internally from departmental resources	13,476	13,649	15,693	52,676	6,306
TOTAL	320,454 ⁵	332,251	181,938	178,603	245,914
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	320,454	332,251	181,938	178,603	245,914
plus payables	29,614				
Total cash used to acquire assets	350,068 ⁶	332,251	181,938	178,603	245,914

1. Does not include annual finance lease costs. Include purchase from current and previous years Departmental Capital Budgets.

2. Numbers provided for 2010-11 combined amounts for the Department of Human Services, Centrelink and Medicare Australia prior to integration on 1 July 2011.

3. Total capital appropriations for 2010-11 is made up of: DHS \$39.580m; Centrelink \$206.052m and Medicare Australia \$52.974m.

4. Total items for 2010-11 is made up of: DHS \$39.580m; Centrelink \$206.052m and Medicare Australia \$52.974m.

5. Total purchase of non-financial assets for 2010-11 is made up of: DHS \$41.230m; Centrelink \$196.501m and Medicare Australia \$82.723m.

6. Total cash used to acquire assets for 2010-11 is made up of: DHS \$39.942m; Centrelink \$227.403m and Medicare Australia \$82.723m.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2011-12)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Intangibles	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2011							
Gross book value	1,590	70,284	24,726	-	82,158	-	178,758
Accumulated depreciation/amortisation and impairment	-	(16,222)	(7,995)	-	(50,990)	-	(75,207)
Opening net book balance	1,590	54,062	16,731	-	31,168	-	103,551
CAPITAL ASSET ADDITIONS							
Estimated expenditure on new or replacement assets							
By purchase - appropriation equity ¹	-	-	600	-	32,557	-	33,157
By purchase - appropriation ordinary annual services ²	-	102,267	95,918	-	87,260	-	285,445
By purchase - other	-	3,475	1,773	-	8,401	-	13,649
From acquisition of entities or operations (including restructuring) ³	3,975	316,883	134,089	89	327,128	174	782,338
Total additions	3,975	422,625	232,380	89	455,346	174	1,114,589
Other movements							
Depreciation/amortisation expense	-	(95,714)	(60,241)	-	(100,347)	-	(256,302)
Other	-	(500)	(1,000)	-	(3,000)	-	(4,500)
As at 30 June 2012							
Gross book value	5,565	654,211	365,085	89	1,009,256	174	2,034,380
Accumulated depreciation/amortisation and impairment	-	(273,738)	(177,215)	-	(626,089)	-	(1,077,042)
Closing net book balance	5,565	380,473	187,870	89	383,167	174	957,338

Prepared on Australian Accounting Standards basis.

1 "Appropriation equity" refers to equity injections provided through Appropriation Bill (No.2).

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) for Departmental Capital Budgets.

3 "From acquisition of entities or operations (including restructuring)" refers to the net book value of Centrelink's and Medicare Australia's non-financial assets to be transferred to the Department of Human Services on 1 July 2011.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation revenue					
Fees and fines	57,752	59,774	61,647	63,188	64,768
Dividends	5,635	3,591	4,876	5,648	5,874
Competitive neutrality revenue	7,978	6,830	7,891	8,604	8,937
Other	1,228,769	1,271,771	1,311,640	1,344,430	1,378,042
Total non-taxation revenue	1,300,134	1,341,966	1,386,054	1,421,870	1,457,621
Total revenues administered on behalf of Government	1,300,134	1,341,966	1,386,054	1,421,870	1,457,621
Total income administered on behalf of Government	1,300,134	1,341,966	1,386,054	1,421,870	1,457,621
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	4,846	6,766	6,796	6,827	6,859
Grants	-	1,000	9,000	8,000	7,000
Depreciation and amortisation	53	53	54	-	-
Write-down and impairment of assets	125,377	115,652	118,529	120,894	123,319
Other	1,154,709	1,209,558	1,248,218	1,280,017	1,312,610
Total expenses administered on behalf of Government	1,284,985	1,333,029	1,382,597	1,415,738	1,449,788

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	248	248	248	248	248
Receivables	636,843	655,554	676,894	699,450	722,786
Other investments	30,741	30,741	30,741	30,741	30,741
Total financial assets	667,832	686,543	707,883	730,439	753,775
Non-financial assets					
Property, plant and equipment	107	54	-	-	-
Total non-financial assets	107	54	-	-	-
Total assets administered on behalf of Government	667,939	686,597	707,883	730,439	753,775
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Child support payable	26,673	26,673	26,673	26,673	26,673
Other	15,733	15,733	15,733	15,733	15,733
Total payables	42,406	42,406	42,406	42,406	42,406
Provisions					
Other	617,061	636,240	656,763	678,393	701,156
Total provisions	617,061	636,240	656,763	678,393	701,156
Total liabilities administered on behalf of Government	659,467	678,646	699,169	720,799	743,562

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
OPERATING ACTIVITIES					
Cash received					
Dividends	14,257	11,246	12,326	13,714	14,642
Net GST received	501	777	1,580	1,483	1,386
Other	1,155,902	1,196,357	1,233,859	1,264,706	1,296,324
Total cash received	1,170,660	1,208,380	1,247,765	1,279,903	1,312,352
Cash used					
Grant payments	-	1,100	9,900	8,800	7,700
Suppliers	5,347	7,443	7,476	7,510	7,545
Net GST paid	-	-	-	-	-
Other	1,150,127	1,190,379	1,227,695	1,258,387	1,289,847
Total cash used	1,155,474	1,198,922	1,245,071	1,274,697	1,305,092
Net cash from (used by) operating activities	15,186	9,458	2,694	5,206	7,260
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	160	-	-	-	-
Total cash used	160	-	-	-	-
Net cash from (used by) investing activities	(160)	-	-	-	-
Net increase (decrease) in cash held	15,026	9,458	2,694	5,206	7,260
Cash and cash equivalents at beginning of reporting period	248	248	248	248	248
Cash from Official Public Account for:					
- Appropriations					
- Operating	81,079	86,688	97,192	98,258	99,376
- Non-operating	160	-	-	-	-
- Special Accounts	1,073,894	1,111,457	1,146,299	1,174,956	1,204,330
- s30A drawdowns	501	777	1,580	1,483	1,386
	1,155,634	1,198,922	1,245,071	1,274,697	1,305,092
Cash to Official Public Account for:					
- Appropriations	76,233	78,922	81,396	83,431	85,517
- Administered revenue	20,032	17,224	18,490	20,033	21,119
- Special Accounts	1,073,894	1,111,457	1,146,299	1,174,956	1,204,330
- s30A repayment	501	777	1,580	1,483	1,386
	1,170,660	1,208,380	1,247,765	1,279,903	1,312,352
Cash and cash equivalents at end of reporting period	248	248	248	248	248

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Administered assets and liabilities - Bill 2	160	-	-	-	-
Total capital appropriations	160	-	-	-	-
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	160	-	-	-	-
Total Items	160	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	160	-	-	-	-
TOTAL	160	-	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	160	-	-	-	-
Total cash used to acquire assets	160	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.11: Schedule of Asset Movements — Administered

	Asset Category (as appropriate)							Total
	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Investment property	Intangibles	Other	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2011								
Gross book value	-	-	160	-	-	-	-	160
Accumulated depreciation/amortisation and impairment	-	-	(53)	-	-	-	-	(53)
Opening net book balance	-	-	107	-	-	-	-	107
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity ¹	-	-	-	-	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	-	-	-	-	-	-
By purchase - donated funds	-	-	-	-	-	-	-	-
By purchase - other	-	-	-	-	-	-	-	-
Total additions	-	-	-	-	-	-	-	-
Other movements								
Depreciation/amortisation expense	-	-	53	-	-	-	-	53
As at 30 June 2012								
Gross book value	-	-	160	-	-	-	-	160
Accumulated depreciation/amortisation and impairment	-	-	(106)	-	-	-	-	(106)
Closing net book balance	-	-	54	-	-	-	-	54

Prepared on Australian Accounting Standards basis.

¹ "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2011-12.
 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2011-12 for depreciation / amortisation expenses, Administered Capital Budgets or other operational expenses.

3.2.4 Notes to the financial statements

Basis of accounting

The Budgeted Financial Statements have been prepared in accordance with:

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

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

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

The *Human Services Legislation Amendment Bill 2011* legislation is currently before the Parliament and supports the Government's agenda for service delivery reform and provides for the integration of Medicare Australia and Centrelink into the Department of Human Services.

As part of the integration process the net book value of assets and liabilities of Medicare Australia and Centelink will be transferred to and reflected in the opening balances of the Department of Human Services for 2011-12.

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

The presentation of the Comprehensive Income Statement includes the "Reconciliation of operating result attributable to the agency" note, whereby the Department's net operating result is adjusted by unfunded depreciation and amortisation expense. This treatment is the result of the net cash arrangement that has been implemented as part of the Operation Sunlight reform agenda.

Departmental and Administered items

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

- non financial assets used in providing goods and services;
- liabilities for employee entitlements;

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- revenue from appropriations or independent sources in payment for outputs; and
- employee, supplier and depreciation expenses incurred in providing departmental outputs.

Administered items are those items controlled by the Government and managed, or oversighted, by the Department on behalf of the Government.

PORTFOLIO GLOSSARY

Term	Meaning
Activities	The actions/functions performed by agencies to deliver government policies.
Actual Available Appropriation	The <i>Actual Available Appropriation</i> indicates the total appropriations available to the agency for 2010-11 as at the 2011-12 Budget. It includes all appropriations made available to the agency in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movements of funds). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Administered Item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the agency and any unspent appropriation is returned to the Consolidated Revenue Fund at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.
Agency	Generic term for Australian Government General Government Sector entities, including those governed by the <i>Financial Management and Accountability Act 1997</i> .
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
Appropriations and Cash Management Module (ACM)	A module of the Central Budget Management System from which agencies draw down funds from the Consolidated Revenue Fund.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole of government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.

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Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories.
Budget Paper 4 (BP4)	Agency Resourcing. Details total resourcing available to agencies.
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administered by the Department of Finance and Deregulation. It contains the Commonwealth program list and produces the Annual Appropriation Bills.
Clear Read Principle	Under the Outcomes arrangements there is an essential clear link between the Appropriation Bills, the PB Statements, the Portfolio Additional Estimates Statements (PAES), and annual reports of agencies. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PB Statements should be avoided. This is called the "clear read" between the different documents. Under this Principle the planned performance in PB Statements is to be provided on the same basis as actual performance in the annual reports covering the same period, to permit a clear read across planning and actual performance reporting documents. Agencies should take this into account in designing their performance reporting arrangements.
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Item	Resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.

Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: e.g. ANAO audit services – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Financial Management and Accountability Act 1997 (<i>FMA Act</i>)	The <i>FMA Act</i> sets out the financial management, accountability and audit obligations of agencies (including Departments) that are financially part of the Commonwealth (and form part of the General Government Sector). A list of <i>FMA Act</i> agencies can be found at: finance.gov.au/financial-framework/fma-legislation/docs/FMA-Agencies-List.pdf
Forward Estimates Period	The three years following the budget year. For example if 2011-12 is the budget year, 2012-13 is forward year 1, 2013-14 is forward year 2 and 2014-15 is forward year 3. This period does not include the current or budget year.
General Government Sector (GGS)	A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Intended Result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.

Glossary

Measure	A new policy or savings decision of the government with financial impacts on the government's: underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Official Public Account (OPA)	The OPA is the government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community.
Outcome Statement	An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework: 1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; 2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and 3. to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives.
Output	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.
Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program Support	The agency running costs allocated to a program. This is funded as part of the agency's departmental appropriations.
s31	Section 31 of the <i>FMA Act</i> .

Glossary

Target Group	A specific group being targeted for assistance by government policy.
Transfer	Cash paid to recipients of the applicable program. This includes welfare payments and tax rebates.