



**BUDGET**★  
**PORTFOLIO BUDGET STATEMENTS 2012-13**  
BUDGET RELATED PAPER NO. 1.11

HUMAN SERVICES PORTFOLIO

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

ISBN 978 1743 394335



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The document must be attributed as the Portfolio Budget Statements 2012-13 Human Services Portfolio.

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**SENATOR THE HON KIM CARR**  
**MINISTER FOR HUMAN SERVICES**

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 2012-13 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

A handwritten signature in black ink, appearing to read 'Kim Carr', written over a horizontal line.

Kim Carr

## Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

## Enquiries

Should you have any enquiries regarding this publication please contact 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 2012-13 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 2012-13 (or Appropriation Bill [Parliamentary Departments] No. 1 2012-13 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 (the department) 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 and its agencies (Centrelink and Medicare Australia) were transferred to a newly created Human Services portfolio.

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

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

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

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

## Human Services Agencies

The Human Services portfolio comprises the Department of Human Services which is a General Government Sector entity and Australian Hearing which is a non-General Government Sector entity, as shown in Figure 1.

### *Portfolio Overview*

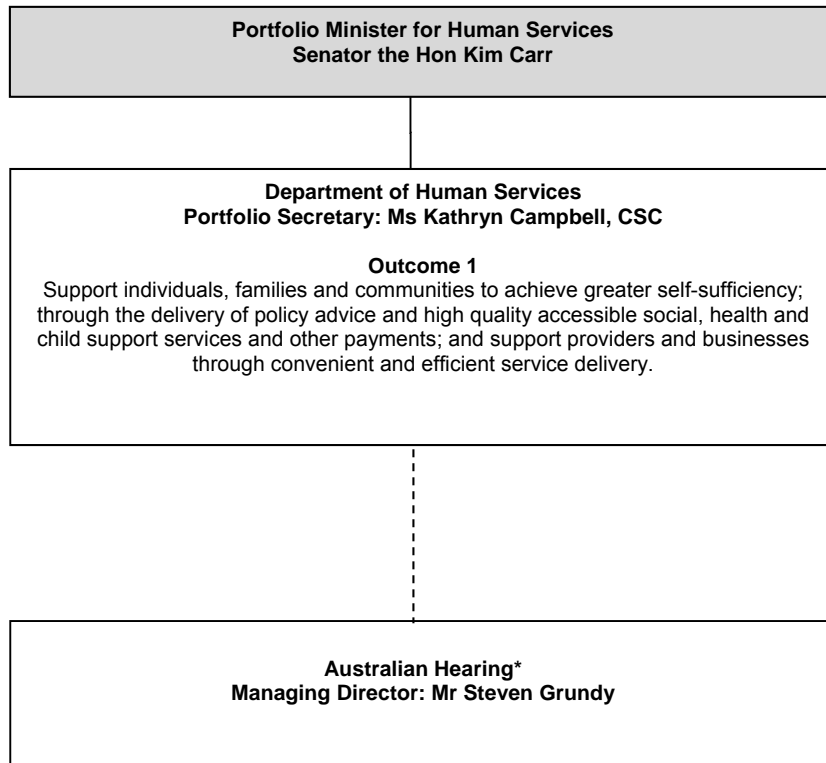
Australian Hearing is one of the largest hearing service providers in the world and is dedicated to helping people manage their hearing impairment so they have a better quality of life. Australian Hearing provides a full range of hearing services for young Australians up to the age of 26, eligible adults 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 is available on the following web site:

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

**Figure 1: 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.

## PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2012-13 budget year, by agency.

**Table 1: Portfolio Resources 2012-13**

	Appropriation				Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	Receipts \$m	\$m
<b>Department of Human Services</b>					
Administered appropriations	18.1	-	89.1	1,272.5	1,379.6
Departmental appropriations	4,007.7	41.1	-	303.1	4,351.9
<b>Total:</b>	<b>4,025.8</b>	<b>41.1</b>	<b>89.1</b>	<b>1,575.6</b>	<b>5,731.5</b>
<b>Portfolio total</b>					<b>5,731.5</b>
<b>Resources available within portfolio:</b>					<b>5,731.5</b>

# **AGENCY RESOURCES AND PLANNED PERFORMANCE**

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# **Department of Human Services**

## **Agency resources and planned performance**



## DEPARTMENT OF HUMAN SERVICES

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# DEPARTMENT OF HUMAN SERVICES

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Department of Human Services (the department) delivers social and health-related services, building on a strong heritage of service excellence from Centrelink, Medicare, CRS Australia and the Child Support Program. The department continually builds on its foundation of service excellence to shape how government services are delivered to the Australian community. Through close collaboration with the community and partner agencies, the department plays an active role in developing new approaches to social and health-related policy and service delivery.

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

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

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

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

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

The department looks after people facing financial hardship or structural adjustment and works for Australians through every stage of their lives.

### *DHS Budget Statements*

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

The department's priorities over the four years from 2012 to 2016 include:

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

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012**

	Estimate of Prior <sup>+</sup> year amounts available in 2012-13 \$'000	Proposed at Budget <sup>=</sup> 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	835,535	-	835,535	665,743
Departmental appropriation <sup>3</sup>	-	4,007,694	4,007,694	4,267,616
s31 Relevant agency receipts <sup>4</sup>	-	303,085	303,085	346,590
<b>Total</b>	<b>835,535</b>	<b>4,310,779</b>	<b>5,146,314</b>	<b>5,279,949</b>
<b>Administered expenses</b>				
Outcome 1 <sup>5</sup>	-	18,084	18,084	9,912
<b>Total</b>	<b>-</b>	<b>18,084</b>	<b>18,084</b>	<b>9,912</b>
<b>Total ordinary annual services</b> <b>A</b>	<b>835,535</b>	<b>4,328,863</b>	<b>5,164,398</b>	<b>5,289,861</b>
<b>Other services<sup>6</sup></b>				
<b>Departmental non-operating</b>				
Prior year departmental appropriation	278	-	278	41,751
Equity injections	-	41,071	41,071	31,994
<b>Total</b>	<b>278</b>	<b>41,071</b>	<b>41,349</b>	<b>73,745</b>
<b>Total other services</b> <b>B</b>	<b>278</b>	<b>41,071</b>	<b>41,349</b>	<b>73,745</b>
<b>Total available annual appropriations</b>	<b>835,813</b>	<b>4,369,934</b>	<b>5,205,747</b>	<b>5,363,606</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
<i>Child Support (Registration and Collection) Act 1988</i>				
Section 77 - unremitted deductions	-	89,023	89,023	92,404
Section 78 - unexplained remittances	-	50	50	50
<b>Total Special appropriations</b> <b>C</b>	<b>-</b>	<b>89,073</b>	<b>89,073</b>	<b>92,454</b>
<b>Total appropriations excluding Special accounts</b>	<b>835,813</b>	<b>4,459,007</b>	<b>5,294,820</b>	<b>5,456,060</b>

**Table 1.1: Department of Human Services Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012 (continued)**

	Estimate of Prior year amounts available in 2012-13 \$'000	Proposed at Budget 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
<b>Special Accounts</b>				
Opening balance <sup>7</sup>	54,683	-	54,683	54,683
Appropriation receipts <sup>8</sup>	-	91,363	91,363	96,152
Non-appropriation receipts to Special Accounts <sup>9</sup>	-	1,272,471	1,272,471	1,232,720
<b>Total Special Account</b> D	<b>54,683</b>	<b>1,363,834</b>	<b>1,418,517</b>	<b>1,383,555</b>
<b>Total resourcing</b> A+B+C+D	<b>890,496</b>	<b>5,822,841</b>	<b>6,713,337</b>	<b>6,839,615</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	91,363	91,363	96,152
<b>Total net resourcing for the Department of Human Services</b>	<b>890,496</b>	<b>5,731,478</b>	<b>6,621,974</b>	<b>6,743,463</b>

1. Appropriation Bill (No.1) 2012-13.
2. Estimated adjusted balance carried forward from previous year.
3. The 2012-13 estimate as at Budget of \$4,007.7 million includes an amount of \$126.7 million in 2012-13 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount is designated as 'contribution by owners' in Table 3.2.3.
4. Section 31 Relevant agency receipts - estimate.
5. The 2012-13 estimate as at Budget of \$18.1 million does not include any amounts for an Administered Capital Budget.
6. Appropriation Bill (No. 2) 2012-13.
7. Estimated opening balance for special accounts.  
(This figure excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Entities). For further information on special accounts see Table 3.1.2.
8. Appropriation receipts from annual and special appropriations for 2012-13 included in 'total appropriations excluding special accounts' above.
9. Includes receipts from non-custodial parents for the Child Support Account.

**Third party payments from and on behalf of other agencies**

	<b>2012-13</b> \$'000	<b>2011-12</b> \$'000
<b>Payments made on behalf of other agencies</b> (disclosed in the respective Agency Resource Statement)		
<b>Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)</b>		
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	58,452,239	55,373,183
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	20,173,888	20,774,692
Special Appropriation - <i>Paid Parental Leave Act 2010</i>	1,426,951	1,359,294
Annual Appropriation - Ex Gratia and Act of Grace Payments	3,762	5,829
Total FaHCSIA	80,056,840	77,512,998
<b>Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE)</b>		
Annual Appropriation - LPG Vehicle Scheme	26,100	28,175
Special Appropriation - <i>Social Security Act 1991</i>	2,884,000	1,451,079
Total DIISRTE	2,910,100	1,479,254
<b>Attorney-General's Department (AG)</b>		
Special Appropriation - National Security and Criminal Justice - <i>Social Security (Administration) Act 1999</i>	55,500	85,500
Total AG	55,500	85,500
<b>Department of Infrastructure and Transport (DIT)</b>		
Annual Appropriation - Bass Strait Passenger Vehicle Equalisation Scheme	41,200	40,000
Annual Appropriation - Tasmanian Freight Equalisation Scheme	101,900	100,000
Annual Appropriation - Tasmanian Wheat Freight Scheme	1,050	-
Total DIT	144,150	140,000
<b>Department of Education, Employment and Workplace Relations (DEEWR)</b>		
Special Appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	4,437,338	4,178,515
Special Appropriation - <i>Social Security (Administration) Act 1999</i>	14,761,161	14,050,967
Special Appropriation - <i>Social Security Act 1991</i>	-	1,587,839
Special Appropriation - <i>Student Assistance Act 1973</i>	279,842	276,998
Annual Appropriation - Compensation and Debt Relief	198	198
Annual Appropriation - Child Care For Eligible Parents Undergoing Training	81,919	88,075
Total DEEWR	19,560,458	20,182,592
<b>Department of Agriculture, Fisheries and Forestry (DAFF)</b>		
Special Appropriation - <i>Farm Household Support Act 1992</i> (Exceptional Circumstances Relief Payments)	-	8,379
Annual Appropriation - Drought Assistance - Professional Advice	-	7,136
Annual Appropriation - Drought Assistance - Re-establishment Assistance	-	14,866
Annual Appropriation - Drought Policy Reform - Pilot of New Measures in Western Australia	-	14,194
Annual Appropriation - Live Animal Exports - Individual Assistance	-	68
Annual Appropriation - Live Animal Exports - Business Assistance	-	14,932
Annual Appropriation - Tackling Climate Change - Australia's Farming Future - Climate Change Adjustment Program	-	17,135
Annual Appropriation - Transitional Farm Family Payment	12,047	-
Total DAFF	12,047	76,710

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

	<b>2012-13</b> \$'000	<b>2011-12</b> \$'000
<b>Payments made on behalf of other agencies (continued)</b>		
<b>Department of Veterans' Affairs (DVA)</b>		
Special Appropriation - <i>Veterans' Entitlements Act 1986 &amp; Related Acts</i>	4,007,247	3,934,091
Special Appropriation - <i>Military Rehabilitation and Compensation Act 2004</i>	9,981	7,796
Special Appropriation - <i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	375	403
Total DVA	4,017,603	3,942,290
<b>Department of Health and Ageing (DoHA)</b>		
Special Appropriation - <i>Health Insurance Act 1973</i> - Medical Benefits	17,762,805	17,523,515
Special Appropriation - <i>Dental Benefits Act 2008</i>	83,087	75,602
Special Appropriation - <i>National Health Act 1953</i> - Pharmaceutical Benefits	9,734,204	9,413,587
Special Appropriation - <i>National Health Act 1953</i> - Aids and Appliances	284,682	265,761
Special Appropriation - <i>Private Health Insurance Act 2007</i>	4,158,297	4,950,581
Special Appropriation - <i>Medical Indemnity Agreement Act 2002</i>	112,300	105,800
Special Appropriation - <i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	1,302	240
Special Appropriation - <i>Aged Care Act 1997</i> (Total)	9,168,304	8,857,695
Special Account - Australian Childhood Immunisation Register	8,317	8,340
Special Appropriation - <i>National Health Act 1953</i> - Continence Aids Payment	63,326	52,164
Total DoHA	41,376,624	41,253,285
<b>Total Third party payments</b>	<b>148,133,322</b>	<b>144,672,629</b>
<b>Receipts received from other agencies for the provision of services</b>		
Attorney-General's Department (AG)	1,073	1,084
Australian Taxation Office (ATO)	116	374
Department of Climate Change and Energy Efficiency (DCCEE)	-	1,241
Department of Education, Employment and Workplace Relations (DEEWR)	160,668	159,433
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)	22,507	26,266
Department of the Treasury	-	1,339
Department of Foreign Affairs and Trade (DFAT)	5,947	5,947
Department of Health and Ageing (DoHA)	31,700	67,810
Department of Veterans' Affairs (DVA)	33,374	33,184
<b>Total s31 relevant agency receipts from other agencies for the provision of services</b>	<b>255,385</b>	<b>296,678</b>

### 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 2012-13 Budget measures**

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures<sup>1</sup></b>						
Call Centre Supplementation - continuation	1.1					
Departmental expenses		-	50,857	51,271	51,689	52,191
Fraud prevention and compliance						
- accelerated real estate review cycle	1.1					
Departmental expenses		-	2,394	3,539	3,568	3,603
- increase in compliance review activity	1.1					
Departmental expenses		-	16,192	16,281	8,191	-
- increased billing assurance for the Medicare Benefits Scheme	1.1					
Departmental expenses		-	3,308	3,127	1,153	-
- increased compliance for international risk	1.1					
Departmental expenses		227	4,334	1,183	1,232	1,287
- increased recovery of high value non-current customer debt	1.1					
Departmental expenses		-	1,496	1,459	1,468	1,482
- matching of Medicare Benefits Schedule and Pharmaceutical Benefits Scheme data						
- termination of measure	1.1					
Departmental expenses		(874)	(859)	(866)	(873)	(882)
- new compliance data sources	1.1					
Departmental expenses		-	1,814	2,336	2,349	2,371
<b>Department of Agriculture, Fisheries and Forestry</b>						
Drought Assistance - Transitional Farm Family Payment - extension	1.1					
Departmental expenses		252	1,487	1,361	-	-
<b>Department of Broadband, Communications and the Digital Economy</b>						
Digital Productivity - leveraging the National Broadband Network infrastructure to enhance service delivery through video conferencing <sup>2</sup>	1.1					
Departmental expenses		(271)	(222)	(226)	(244)	-

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.2: Department of Human Services 2012-13 Budget measures (continued)**

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Department of Education, Employment and Workplace Relations</b>						
Building Australia's Future Workforce - changes to ABSTUDY	1.1					
Departmental expenses		620	175	-	-	-
Jobs, Education and Training Child Care Fee Assistance Program - introduction of a package of reforms	1.1					
Departmental expenses		467	5,822	552	537	542
Parenting Payment - changed eligibility for 1 July 2006 grandfathered recipients	1.1					
Departmental expenses		48	31,993	3,099	1,669	2,094
Remote Jobs and Communities Program - establishment	1.1					
Departmental expenses		-	3,029	(5,176)	(5,485)	(5,538)
Stronger Futures in the Northern Territory - School Nutrition Program - continuation of funding arrangements	1.1					
Departmental expenses		-	345	428	148	149
<b>Department of Families, Housing, Community Services and Indigenous Affairs</b>						
Australian Working Life Residency - strengthening requirements	1.1					
Departmental expenses		-	464	2,641	592	552
Cape York Welfare Reform Trial - extension	1.1					
Departmental expenses		-	1,215	1,224	-	-
Community Development Employment Projects (CDEP) program - continuation of grandfathered wage arrangements	1.1					
Departmental expenses		54	(1,673)	(1,518)	(1,420)	(1,382)
Family Tax Benefit Part A - change to age of eligibility	1.1					
Departmental expenses		-	6,329	1,121	1,020	1,054
Income Management - extension	1.1					
Departmental expenses		-	9,895	123	120	-
Administered Expenses		-	-	-	3,000	-
Portability of Australian Government Payments	1.1					
Departmental expenses		-	3,845	1,391	1,351	1,363
School Enrolment and Attendance in Queensland - continuation	1.1					
Departmental expenses		-	616	737	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.2: Department of Human Services 2012-13 Budget measures (continued)**

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Department of Families, Housing, Community Services and Indigenous Affairs (continued)</b>						
Tripling the tax free threshold - Family Tax Benefit and the Commonwealth Seniors Health Card	1.1					
Departmental expenses		1,425	5,799	7,314	4,511	3,936
Weekly income support payments to vulnerable Australians - expansion	1.1					
Departmental expenses		-	-	-	-	-
<b>Department of Health and Ageing</b>						
Extended Medicare Safety Net - capping benefits including for items with excessive fees	1.1					
Departmental expenses		25	750	-	-	-
Living Longer. Living Better						
- addressing workforce pressures	1.1					
Departmental expenses		-	199	53	28	28
- improving the Aged Care Funding Instrument	1.1					
Departmental expenses		254	3,807	627	552	557
- means testing	1.1					
Departmental expenses		-	20,355	21,721	17,869	17,323
- residential care	1.1					
Departmental expenses		39	113	1,070	1,463	1,401
- staying at home	1.1					
Departmental expenses		63	984	815	1,626	1,728
- tackling dementia	1.1					
Departmental expenses		-	701	-	20	-
Medicare Benefits Schedule - new and revised listings	1.1					
Departmental expenses		2	133	66	(119)	(173)
Mental Health Nurse Incentive Program - additional funding	1.1					
Departmental expenses		447	569	-	-	-
National e-Health Program - continuation	1.1					
Departmental expenses		-	15,247	28,218	-	-
National Health Reform Agreement - establishment of the Administrator and the National Health Funding Body	1.1					
Departmental expenses		1,918	3,903	3,558	1,945	1,964

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.2: Department of Human Services 2012-13 Budget measures (continued)**

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Department of Health and Ageing (continued)</b>						
National Mental Health Reform - Better Access Initiative - continuation	1.1					
Departmental expenses		73	96	-	-	-
Pharmaceutical Benefits Scheme - new and amended listings	1.1					
Departmental expenses		8	(8)	(9)	(8)	(9)
Poly Implant Prosthesis breast implants - Medicare rebates	1.1					
Departmental expenses		19	8	-	-	-
Practice Incentives Program (PIP) - more effective targeting	1.1					
Departmental expenses		-	2,065	143	-	-
Telehealth - redirection of funding	1.1					
Departmental expenses		99	790	339	22	-
<b>Total expense measures</b>						
Administered		-	-	-	3,000	-
Departmental		4,895	198,367	148,002	94,974	85,641
<b>Total</b>		<b>4,895</b>	<b>198,367</b>	<b>148,002</b>	<b>97,974</b>	<b>85,641</b>
<b>Capital measures<sup>1, 3</sup></b>						
<b>Department of Families, Housing, Community Services and Indigenous Affairs</b>						
Australian Working Life Residency - strengthening requirements	1.1					
Departmental capital		-	-	25	-	-
Family Tax Benefit Part A - change to age of eligibility	1.1					
Departmental capital		-	185	-	-	-
Tripling the tax free threshold - Family Tax Benefit and the Commonwealth Seniors Health Card	1.1					
Departmental capital		820	1,558	793	-	-
<b>Department of Health and Ageing</b>						
Living Longer. Living Better - means testing	1.1					
Departmental capital		-	22,880	7,850	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.2: Department of Human Services 2012-13 Budget measures (continued)**

	Program impacted	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Department of Health and Ageing (continued)</b>						
National Health Reform Agreement - establishment of the Administrator and the National Health Funding Body	1.1					
Departmental capital		1,202	1,776	1,523	-	-
National e-Health Program - continuation	1.1					
Departmental capital		-	1,640	1,400	-	-
Mental Health Nurse Incentive Program - additional funding	1.1					
Departmental capital		20	-	-	-	-
<b>Total capital measures</b>						
Administered		-	-	-	-	-
Departmental		2,042	28,039	11,591	-	-
<b>Total</b>		<b>2,042</b>	<b>28,039</b>	<b>11,591</b>	<b>-</b>	<b>-</b>

Prepared on a Government Finance Statistics (fiscal) basis.

1. Measures are listed by lead Portfolio agency where applicable. The full measure description and package details appear in Budget Paper No. 2 under the relevant portfolio.
2. This measure was published in the Human Services Portfolio Additional Estimates Statements 2011-12 but appears in Budget Paper No. 2 as it was decided after MYEFO. The amounts shown represent a revision to the previous estimates.
3. Capital funding for the measure 'Digital Productivity - leveraging the National Broadband Network infrastructure to enhance service delivery through video conferencing' will appear in Budget Paper No. 2 as it was decided after MYEFO. This measure was published in the Human Services Portfolio Additional Estimates Statements 2011-12.

## 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.

The department's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the department's performance in achieving government outcomes.

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

#### 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**

<b>Outcome 1:</b> 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.	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
<b>Program 1.1: Services to the Community</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	7,766	15,794
Expenses not requiring appropriation in the Budget year <sup>1</sup>	36	36
Departmental expenses		
Departmental Appropriation <sup>2</sup>	4,275,660	4,174,024
Expenses not requiring appropriation in the Budget year <sup>1</sup>	254,521	248,985
<b>Total for Program 1.1</b>	<b>4,537,983</b>	<b>4,438,839</b>
<b>Program 1.1 Expenses by subfunction</b>		
Health - general administration	749,557	647,606
Assistance to people with disabilities	187,456	182,866
Social security and welfare - general administration	3,600,970	3,608,367
<b>Total</b>	<b>4,537,983</b>	<b>4,438,839</b>
<b>Program 1.2: Child Support</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,698	2,290
Special appropriations	92,454	89,073
Special accounts	1,137,482	1,183,353
Expenses not requiring appropriation in the Budget year <sup>1</sup>	61,199	82,562
<b>Total for Program 1.2</b>	<b>1,294,833</b>	<b>1,357,278</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	11,464	18,084
Special appropriations	92,454	89,073
Special Accounts	1,137,482	1,183,353
Expenses not requiring appropriation in the Budget year <sup>1</sup>	61,235	82,598
Departmental expenses		
Departmental Appropriation <sup>2</sup>	4,275,660	4,174,024
Expenses not requiring appropriation in the Budget year <sup>1</sup>	254,521	248,985
<b>Total expenses for Outcome 1</b>	<b>5,832,816</b>	<b>5,796,117</b>
	2011-12	2012-13
<b>Average Staffing Level (number)</b>	<b>32,714</b>	<b>32,274</b>

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

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

## Contributions to Outcome 1

### Program 1.1: Services to the Community

#### Program 1.1 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.
- 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:

- Attorney-General's Department
- Department of Agriculture, Fisheries and Forestry
- Department of Broadband, Communications and the Digital Economy
- Department of Climate Change and Energy Efficiency
- Department of Education, Employment and Workplace Relations
- Department of Families, Housing, Community Services and Indigenous Affairs (including Family Assistance Office)
- Department of Finance and Deregulation
- Department of Foreign Affairs and Trade
- Department of Health and Ageing
- Department of Immigration and Citizenship
- Department of Infrastructure and Transport
- Department of Industry, Innovation, Science, Research and Tertiary Education
- Department of the Treasury
- Department of Veterans' Affairs
- Australian Bureau of Statistics
- Australian Crime Commission
- Australian Electoral Commission
- Australian Organ and Tissue Donation and Transplantation Authority
- Australian Taxation Office
- Federal Magistrates Court of Australia
- various state and territory governments
- countries with which Australia has an International Social Security Agreement.

**Program 1.1 Expenses**

Total program expenses decrease by \$404.6 million over the estimates period. This mainly comprises reductions in service delivery expenses of \$97.5 million for health general administration and \$294.7 million for social security and welfare general administration subfunctions.

	2011-12 Estimated actual \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Income Management Card	5,006	5,006	5,006	3,000	-
Future Workforce	2,760	10,788	9,821	8,851	-
Administered expenses not requiring appropriation in the Budget year <sup>1</sup>	36	36	36	35	-
Annual departmental expenses funded by:					
Ordinary annual services (Appropriation Bill No. 1)	3,933,487	3,873,959	3,805,581	3,673,467	3,629,818
Revenues from other sources	342,173	300,065	300,407	249,720	240,618
Departmental expenses not requiring appropriation in the Budget year <sup>2</sup>	254,521	248,985	239,184	245,463	262,965
<b>Total program expenses</b>	<b>4,537,983</b>	<b>4,438,839</b>	<b>4,360,035</b>	<b>4,180,536</b>	<b>4,133,401</b>
<b>Expenses by subfunction</b>					
<b>Departmental</b>					
Health - General Administration	749,557	647,606	647,322	632,748	652,088
Assistance to People with Disabilities	187,456	182,866	182,870	182,872	182,872
Social Security and Welfare - General Administration	3,593,168	3,592,537	3,514,980	3,353,030	3,298,441
<b>Total Departmental</b>	<b>4,530,181</b>	<b>4,423,009</b>	<b>4,345,172</b>	<b>4,168,650</b>	<b>4,133,401</b>
<b>Administered</b>					
Social Security and Welfare - General Administration	7,802	15,830	14,863	11,886	-
<b>Total Administered</b>	<b>7,802</b>	<b>15,830</b>	<b>14,863</b>	<b>11,886</b>	<b>-</b>
<b>Total Expenses by Sub Function</b>	<b>4,537,983</b>	<b>4,438,839</b>	<b>4,360,035</b>	<b>4,180,536</b>	<b>4,133,401</b>

1 Administered expenses not requiring appropriation in the Budget year comprise depreciation expense.

2 Departmental expenses not requiring appropriation in the Budget year comprise depreciation expense, amortisation expense, audit services and operating results.

**Program 1.1 Deliverables**

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

The department also provides access to tailored services including:

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

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

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

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

**Program 1.1 Key Performance Indicators**

On 1 July 2011 the *Human Services Legislation Amendment Act 2011* integrated the services of Medicare Australia and Centrelink into the department. In order to reflect this, additional integrated departmental Key Performance Indicators (KPIs) have been introduced for 2012-13. The department's KPIs will continue to evolve over time. At a high level, the department's performance will be demonstrated through the following KPIs:

Key Performance Indicators	2011-12 Revised target	2012-13 Budget target	2013-14 Forward year 1	2014-15 Forward year 2	2015-16 Forward year 3
<b>Minister is satisfied with the quality, relevance and timeliness of ministerial briefing, correspondence and other departmental advice.</b>	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied
<b>Achievement of customer satisfaction standards.</b>	≥85%	≥85%	≥85%	≥85%	≥85%
<b>Satisfaction with Medicare provider service delivery.</b>	≥70%	≥70%	≥70%	≥70%	≥70%
<b>Achievement of payment quality standards.</b>					
Centrelink: Delivery of correct customer payments.	≥95%	≥95%	≥95%	≥95%	≥95%
Medicare: Delivery of accurate medical and pharmaceutical benefits and services.	≥98%	≥98%	≥98%	≥98%	≥98%
Child Support collection rate (Child Support collect only).	≥91.6%	≥91.7%	≥91.7%	≥91.7%	≥91.7%
<b>Key initiatives delivered within timeframes and on budget and outcomes are achieved.<sup>1</sup></b>					
Service Delivery Reform.	Achieved	Achieved	Achieved	Achieved	Achieved
Building Australia's Future Workforce Budget measures.	Achieved	Achieved	Achieved	Achieved	Achieved
Income Management Budget measures.	Achieved	Achieved	Achieved	Achieved	Achieved
Fraud Prevention and Compliance Budget measures.	Achieved	Achieved	Achieved	Achieved	Achieved
Personally Controlled Electronic Health Record.	Achieved	Achieved	Achieved	Achieved	Achieved
Household Assistance Package.	Achieved	Achieved	Achieved	Achieved	Achieved
<b>Effective working arrangements with other government departments are in place which support the department's contribution to policy development through service delivery policy advice.</b>					
Strategies in place to ensure reporting against MOU and Bilateral Management arrangements are effective.	Effective	Effective	Effective	Effective	Effective
Government stakeholder assessment of the portfolio's agility, flexibility and responsiveness. <sup>2</sup>	3.3	3.6	3.8	4.0	4.0

**Program 1.1 Key Performance Indicators (continued)**

Key Performance Indicators	2011-12 Revised target	2012-13 Budget target	2013-14 Forward year 1	2014-15 Forward year 2	2015-16 Forward year 3
<b>Support economic and social participation of Indigenous Australians through the timely delivery of appropriate departmental payments and services.</b>					
Centrelink: Delivery of correct customer payments for Indigenous customers.	≥95%	≥95%	≥95%	≥95%	≥95%
<b>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.</b>	≥70%	≥70%	≥70%	≥70%	≥70%
<b>Increase in the proportion of self-managed transactions and electronic interactions.<sup>3</sup></b>	1% increase on 2010-11	1% increase on 2011-12	1% increase on 2012-13	1% increase on 2013-14	1% increase on 2014-15
<b>Achievement of face-to-face, call and processing service level standards:<sup>4</sup></b>					
Face-to-face: Average wait time.	N/A	15 minutes	15 minutes	15 minutes	15 minutes
Telephony: Average speed of answer:					
- customers.	N/A	16 minutes	16 minutes	16 minutes	16 minutes
- providers.	N/A	30	30	30	30
Processing: Percentage of claims processed within standard - customers.	N/A	82%	82%	82%	82%
<b>Achievement of payment integrity standards.<sup>5</sup></b>					
Centrelink: Delivery of correct customer payments.	≥95%	≥95%	≥95%	≥95%	≥95%
Centrelink: Debt under recovery.	≥60%	≥60%	≥60%	≥60%	≥60%
Medicare: Completed audit and review cases.	N/A	2,500	2,500	2,500	2,500

1. KPI description revised for 2012-13 to focus on delivering planned outcomes
2. Annual government stakeholder survey – out of 5 index points
3. KPI description revised for 2012-13 to reflect the department's priority towards self-managed transactions and services
4. New KPI for 2012-13
5. New KPI for 2012-13

**Program 1.2: Child Support****Program 1.2 Objectives**

The Department of Human Services' 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 benefit of approximately 1.2 million children in 2012-13.

**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.

	2011-12 Estimated actual \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Child Support dishonoured cheques and other shortfalls	3,698	2,290	2,318	2,376	2,435
Special Appropriations:					
Child Support Act <sup>1</sup>					
- s77 - unremitted deductions	92,404	89,023	90,090	92,343	94,653
- s78 - unexplained remittances	50	50	50	50	50
Special Account Expenses:					
Child Support Account	1,137,482	1,183,353	1,212,152	1,242,907	1,274,432
Administered expenses not requiring appropriation in the Budget year <sup>2</sup>	61,199	82,562	101,177	103,251	105,376
<b>Total program expenses <sup>3</sup></b>	<b>1,294,833</b>	<b>1,357,278</b>	<b>1,405,787</b>	<b>1,440,927</b>	<b>1,476,946</b>

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

2. Administered expenses not requiring appropriation in the Budget year comprise net write down of assets.

3. Program 1.2 expenses are classified against the Assistance to Families with Children subfunction.

**Program 1.2 Deliverables**

Collect and disburse child support payments.

<b>Program 1.2 Key Performance Indicators</b>					
Key Performance Indicators	2011-12 Revised Target	2012-13 Budget target	2013-14 Forward year 1	2014-15 Forward year 2	2015-16 Forward year 3
Total amount of child support transferred between parents.	\$3.1 billion	\$3.1 billion	\$3.2 billion	\$3.2 billion	\$3.2 billion
Child support collection rate (Child Support collect only).	≥91.6%	≥91.7%	≥91.7%	≥91.7%	≥91.7%
Percentage of private collect cases to total active cases (Child Support collect and private collect cases).	≥52%	≥52%	≥52%	≥52%	≥52%
Percentage of domestic active paying parents without debt.	≥73.5%	≥73.5%	≥73.5%	≥73.5%	≥73.5%

## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2012-13 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year.

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

#### **3.1.2 Special Accounts**

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

**Table 3.1.2: Estimates of Special Account Flows and Balances**

		Opening balance <b>2012-13</b> 2011-12	Receipts <b>2012-13</b> 2011-12	Payments <b>2012-13</b> 2011-12	Adjustments <b>2012-13</b> 2011-12	Closing balance <b>2012-13</b> 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Child Support Account <sup>1</sup> (A)	1	54,683	1,363,834	(1,363,834)	-	54,683
		54,683	1,328,872	(1,328,872)	-	54,683
Recovery of Compensation for Health Care & Other Services Special Account <sup>2</sup> (A)	1	71,041	269,257	(245,271)	-	95,027
		47,548	263,719	(240,226)	-	71,041
Superannuation Clearing House Special Account <sup>3</sup> (A)	1	1,955	454,215	(454,215)	-	1,955
		1,955	199,967	(199,967)	-	1,955
Services for Other Entities and Trust Moneys - Medicare Australia Special Account <sup>4</sup> (D)	1	-	-	-	-	-
		101	738	(839)	-	-
Services for Other Entities and Trust Moneys - Department of Human Services Special Account <sup>5</sup> (A) & (D)	1	244	4,935	(4,597)	-	582
		-	5,035	(4,878)	87	244
<b>Total special accounts 2012-13 Budget estimate</b>		<b>127,923</b>	<b>2,092,241</b>	<b>(2,067,917)</b>	<b>-</b>	<b>152,247</b>
<i>Total special accounts 2011-12 estimated actual</i>		<i>104,287</i>	<i>1,798,331</i>	<i>(1,774,782)</i>	<i>87</i>	<i>127,923</i>

(A) = Administered

(D) = Departmental

1. Child Support Account - *s73 Child Support (Registration and Collection) Act 1988*. 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*. Funds are held pending a determination of the amount recoverable in respect of Medicare Benefits and Nursing Home or Residential Care Subsidies paid, subject to the outcome of a claim for compensation. 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*. The purpose of this account is for the receipt of employer superannuation contributions by eligible employers and payment to the relevant superannuation funds.
4. 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, was abolished on 5 December 2011 under *s20 FMA Act Determination 2011/12*.
5. Services for Other Entities and Trust Moneys - Department of Human Services Special Account - *s20 (1) FMA Act Determination 2011/13*. This special account enables the Department of Human Services to hold and expend amounts on behalf of persons or entities other than the Commonwealth. The closing balance of Commonwealth Service Delivery Agency Other Trust Moneys Account (operated by Centrelink), has been transferred to this special account.

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

	Appropriations				Other	Total	Program
	Bill	Bill	Special	Total			
	No. 1	No. 2	approp	approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Department of Human Services</b>							
<b>Outcome 1</b>							
Administered 2012-13	5,006	-	-	5,006	-	5,006	1.1
<i>Administered 2011-12</i>	<i>5,006</i>	<i>-</i>	<i>-</i>	<i>5,006</i>	<i>-</i>	<i>5,006</i>	<i>1.1</i>
Departmental 2012-13	91,689	-	-	91,689	66,446	158,135	1.1
<i>Departmental 2011-12</i>	<i>86,966</i>	<i>-</i>	<i>-</i>	<i>86,966</i>	<i>68,377</i>	<i>155,343</i>	<i>1.1</i>
Total outcome 2012-13	96,695	-	-	96,695	66,446	163,141	
<i>Total outcome 2011-12</i>	<i>91,972</i>	<i>-</i>	<i>-</i>	<i>91,972</i>	<i>68,377</i>	<i>160,349</i>	
<b>Total Department of Human Services</b>							
Total administered 2012-13	5,006	-	-	5,006	-	5,006	
<i>Total administered 2011-12</i>	<i>5,006</i>	<i>-</i>	<i>-</i>	<i>5,006</i>	<i>-</i>	<i>5,006</i>	
Total departmental 2012-13	91,689	-	-	91,689	66,446	158,135	
<i>Total departmental 2011-12</i>	<i>86,966</i>	<i>-</i>	<i>-</i>	<i>86,966</i>	<i>68,377</i>	<i>155,343</i>	
<b>Total AGIE 2012-13</b>	<b>96,695</b>	<b>-</b>	<b>-</b>	<b>96,695</b>	<b>66,446</b>	<b>163,141</b>	
<i>Total AGIE 2011-12</i>	<i>91,972</i>	<i>-</i>	<i>-</i>	<i>91,972</i>	<i>68,377</i>	<i>160,349</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

### **3.2.2 Analysis of budgeted financial statements**

#### **Departmental comprehensive income statement (Table 3.2.1)**

Since the 2011-12 Additional Estimates, expenses in 2012-13 have increased by \$293.5 million, consistent with the movement in total revenue as detailed below. Over the estimates period, total expenses reduce by \$396.8 million (8.8%) which reflects the net effect of the efficiency dividend, budget measures and changes in program specific and economic parameters.

Since the 2011-12 Additional Estimates, appropriation revenue for 2012-13 has increased by \$266.9 million, mainly due to new expense measures of \$198.4 million as per Table 1.2, changes in program specific parameters of \$56.7 million, indexation decrease of \$7.0 million and other variations of \$18.8 million. Over the estimates period, appropriation revenue decreases by \$303.7 million (7.7%).

Own source revenue for 2012-13 has increased by \$17.9 million since 2011-12 Additional Estimates. Movements over the estimates period reflect work to be performed under service agreements with various agencies.

Since the 2011-12 Additional Estimates, the total comprehensive income/loss attributable to the department in 2011-12 has moved from zero, to a loss of \$11.4 million. This is mainly due to an increase of \$56.9 million in employee expenses resulting from a change in the Australian government bond rate affecting employee entitlements. This was partially offset however, by revenue of \$25.3 million in departmental appropriations that are quarantined and cannot be accessed for expenditure without the Finance Minister approval, and revenue of \$20.1 million from the Department of Health and Ageing that will be used for capital expenditures in relation to the National e-Health program.

#### **Departmental balance sheet (Table 3.2.2)**

Total assets are forecast to decrease by \$323.9 million (16.9%) over the estimates period. This is mainly because depreciation expense and asset impairments exceed asset additions funded under the net cash appropriation arrangements. Total liabilities decrease by \$7.2 million (0.6%) over the same period. These movements result in a reduction in total equity of \$316.7 million (48.7%) over the estimates period.

#### **Departmental statement of changes in equity (Table 3.2.3)**

Total equity in 2012-13 reduces by \$80.3 million due to the difference between unfunded depreciation expense, as reflected in the operating result and capital funding for new and replacement assets.

**Departmental cash flows (Table 3.2.4)**

Since the 2011-12 Additional Estimates, cash flows have been impacted by new measures, changes in expenses and changes in own source revenue. This has resulted in increased cash receipts from operating activities in 2012-13 of \$307.4 million and increased payments of \$308.4 million. Over the estimates period, the movements in cash received and cash used for operations reflect the movements in total revenue and total expenses noted above.

**Departmental capital budget statement (Table 3.2.5)**

The reduction in Departmental Capital Budget (DCB) appropriations for the budget and forward year compared to 2011-12 includes the one-off 20% reduction in DCB funding.

**Statement of asset movements (Table 3.2.6)**

The net book values in 2012-13 decrease by \$87.6 million because depreciation expense and asset impairments exceed asset additions funded under the net cash appropriation arrangements.

**Administered income and expenses (Table 3.2.7)**

Administered expenses in 2012-13 have increased by \$59.3 million since 2011-12 Additional Estimates due to increased child support payments and reduced write-offs under the Child Support program. Administered income and expenses increase consistently over the estimates period except for grants and supplier payments which reduce in 2014-15 with the cessation of the measure, 'Building Australia Future Workforce – community innovation through collaboration'.

**Administered assets and liabilities (Table 3.2.8)**

Administered financial assets and liabilities increase over the forward years consistent with increases in receipts and payments in the Child Support program.

**Administered cash flows (Table 3.2.9)**

Administered cash receipts and payments increase over the forward years consistent with increases in receipts and payments in 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 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	2,892,772	2,788,521	2,747,383	2,629,601	2,590,838
Supplier expenses	1,376,824	1,365,068	1,338,809	1,274,424	1,261,226
Depreciation and amortisation	247,326	256,161	245,721	251,366	268,078
Write-down and impairment of assets	13,040	13,040	13,040	13,040	13,040
Other	219	219	219	219	219
<b>Total expenses</b>	<b>4,530,181</b>	<b>4,423,009</b>	<b>4,345,172</b>	<b>4,168,650</b>	<b>4,133,401</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	338,349	296,241	296,583	245,896	236,794
Rental income	2,824	2,824	2,824	2,824	2,824
Other	1,000	1,000	1,000	1,000	1,000
<b>Total own source revenue</b>	<b>342,173</b>	<b>300,065</b>	<b>300,407</b>	<b>249,720</b>	<b>240,618</b>
<b>Gains</b>					
Other Gains	3,378	3,433	3,488	3,545	3,545
<b>Total gains</b>	<b>3,378</b>	<b>3,433</b>	<b>3,488</b>	<b>3,545</b>	<b>3,545</b>
<b>Total own Source Income</b>	<b>345,551</b>	<b>303,498</b>	<b>303,895</b>	<b>253,265</b>	<b>244,163</b>
<b>Net cost of (contribution by) services</b>	<b>4,184,630</b>	<b>4,119,511</b>	<b>4,041,277</b>	<b>3,915,385</b>	<b>3,889,238</b>
Revenue from Government	3,933,487	3,873,959	3,805,581	3,673,467	3,629,818
<b>Surplus (Deficit)</b>	<b>(251,143)</b>	<b>(245,552)</b>	<b>(235,696)</b>	<b>(241,918)</b>	<b>(259,420)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(251,143)</b>	<b>(245,552)</b>	<b>(235,696)</b>	<b>(241,918)</b>	<b>(259,420)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(251,143)</b>	<b>(245,552)</b>	<b>(235,696)</b>	<b>(241,918)</b>	<b>(259,420)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(251,143)</b>	<b>(245,552)</b>	<b>(235,696)</b>	<b>(241,918)</b>	<b>(259,420)</b>

Prepared on Australian Accounting Standards basis.

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

**Note: Reconciliation of comprehensive income attributable to the agency**

	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	(251,143)	(245,552)	(235,696)	(241,918)	(259,420)
plus non-appropriated expenses depreciation and amortisation expenses <sup>1</sup>	239,705	247,151	237,296	243,518	261,020
<b>Total Comprehensive Income (loss) attributable to the Agency</b>	<b>(11,438)</b>	<b>1,599</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>

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

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	25,790	26,068	26,390	26,634	26,649
Trade and other receivables	867,866	863,787	887,893	944,412	904,937
Other	6,431	6,431	6,431	6,431	6,431
<b>Total financial assets</b>	<b>900,087</b>	<b>896,286</b>	<b>920,714</b>	<b>977,477</b>	<b>938,017</b>
<b>Non-financial assets</b>					
Land and buildings	376,469	338,194	317,439	298,694	274,796
Property, plant and equipment	195,925	154,803	96,875	88,247	76,277
Heritage and cultural assets	93	93	93	93	93
Intangibles	367,628	359,420	307,940	269,496	223,756
Other Non-financial Assets	71,583	73,239	74,944	74,944	74,944
<b>Total non-financial assets</b>	<b>1,011,698</b>	<b>925,749</b>	<b>797,291</b>	<b>731,474</b>	<b>649,866</b>
<b>Total assets</b>	<b>1,911,785</b>	<b>1,822,035</b>	<b>1,718,005</b>	<b>1,708,951</b>	<b>1,587,883</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	196,908	196,027	192,038	206,241	205,610
Other	206,175	192,831	197,501	199,202	143,426
<b>Total payables</b>	<b>403,083</b>	<b>388,858</b>	<b>389,539</b>	<b>405,443</b>	<b>349,036</b>
<b>Interest bearing liabilities</b>					
Leases	881	881	881	881	881
<b>Total Interest Bearing Liabilities</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>881</b>	<b>881</b>
<b>Provisions</b>					
Employees	802,533	812,808	833,465	862,283	863,855
Other Provisions	54,938	49,440	44,597	40,473	40,473
<b>Total provisions</b>	<b>857,471</b>	<b>862,248</b>	<b>878,062</b>	<b>902,756</b>	<b>904,328</b>
<b>Total liabilities</b>	<b>1,261,435</b>	<b>1,251,987</b>	<b>1,268,482</b>	<b>1,309,080</b>	<b>1,254,245</b>
<b>Net assets</b>	<b>650,350</b>	<b>570,048</b>	<b>449,523</b>	<b>399,871</b>	<b>333,638</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed Equity	905,577	1,070,825	1,185,996	1,378,262	1,571,449
Total Reserves	15,758	15,760	15,760	15,760	15,760
Retained Surplus (accumulated deficit)	(270,985)	(516,537)	(752,233)	(994,151)	(1,253,571)
<b>Total parent entity interest</b>	<b>650,350</b>	<b>570,048</b>	<b>449,523</b>	<b>399,871</b>	<b>333,638</b>
<b>Total equity</b>	<b>650,350</b>	<b>570,048</b>	<b>449,523</b>	<b>399,871</b>	<b>333,638</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2012-13)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2012</b>				
Balance carried forward from previous period <sup>1</sup>	(270,985)	15,758	905,577	650,350
<b>Adjusted opening balance</b>	<b>(270,985)</b>	<b>15,758</b>	<b>905,577</b>	<b>650,350</b>
<b>Comprehensive income</b>				
Gain/loss on revaluation of property	-	2	-	2
Surplus (deficit) for the period	(245,552)			(245,552)
<b>Total comprehensive income</b>	<b>(245,552)</b>	<b>2</b>	<b>-</b>	<b>(245,550)</b>
<b>Transactions with owners</b>				
<i>Contribution by owners</i>				
Appropriation (equity injection)			38,573	38,573
Departmental Capital Budget (DCB)			126,675	126,675
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>165,248</b>	<b>165,248</b>
<b>Estimated closing balance as at 30 June 2013</b>	<b>(516,537)</b>	<b>15,760</b>	<b>1,070,825</b>	<b>570,048</b>

Prepared on Australian Accounting Standards basis.

1. The opening balance of contributed equity/capital carried forward includes an amount of \$2.498 million to be provided in Appropriation Bill (No. 2) 2012-13 in respect of capital expenditure being incurred by the department in 2011-12. Refer Table 3.2.5 for further details.

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	379,955	332,100	329,102	275,596	266,468
Appropriations	4,196,173	4,202,367	4,111,107	3,891,530	3,933,941
Net GST received	123,829	116,785	112,217	114,202	114,602
Other	1,000	1,000	1,000	1,000	1,000
<b>Total cash received</b>	<b>4,700,957</b>	<b>4,652,252</b>	<b>4,553,426</b>	<b>4,282,328</b>	<b>4,316,011</b>
<b>Cash used</b>					
Employees	2,800,555	2,784,955	2,719,800	2,595,511	2,644,420
Suppliers	1,498,879	1,523,105	1,490,073	1,403,452	1,397,583
Cash to the Official Public Account	380,955	333,100	330,102	276,596	267,468
Other	219	219	219	219	219
<b>Total cash used</b>	<b>4,680,608</b>	<b>4,641,379</b>	<b>4,540,194</b>	<b>4,275,778</b>	<b>4,309,690</b>
<b>Net cash from (used by)   operating activities</b>	<b>20,349</b>	<b>10,873</b>	<b>13,232</b>	<b>6,550</b>	<b>6,321</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	376,422	181,577	128,581	198,572	199,493
<b>Total cash used</b>	<b>376,422</b>	<b>181,577</b>	<b>128,581</b>	<b>198,572</b>	<b>199,493</b>
<b>Net cash from or (used by)   investing activities</b>	<b>(376,422)</b>	<b>(181,577)</b>	<b>(128,581)</b>	<b>(198,572)</b>	<b>(199,493)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	349,982	170,982	115,671	192,266	193,187
<b>Total cash received</b>	<b>349,982</b>	<b>170,982</b>	<b>115,671</b>	<b>192,266</b>	<b>193,187</b>
<b>Net cash from or (used by)   financing activities</b>	<b>349,982</b>	<b>170,982</b>	<b>115,671</b>	<b>192,266</b>	<b>193,187</b>
<b>Net increase or (decrease)   in cash held</b>	<b>(6,091)</b>	<b>278</b>	<b>322</b>	<b>244</b>	<b>15</b>
Cash and cash equivalents at the beginning of the reporting period	11,700	25,790	26,068	26,390	26,634
Asset/Liability Transfers	20,181	-	-	-	-
<b>Adjusted opening Cash</b>	<b>31,881</b>	<b>25,790</b>	<b>26,068</b>	<b>26,390</b>	<b>26,634</b>
<b>Cash and cash equivalents at the   end of the reporting period</b>	<b>25,790</b>	<b>26,068</b>	<b>26,390</b>	<b>26,634</b>	<b>26,649</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	285,001	126,675	100,341	191,499	193,187
Equity injections - Bill 2 <sup>1</sup>	31,994	41,071	14,830	767	-
<b>Total capital appropriations</b>	<b>316,995</b>	<b>167,746</b>	<b>115,171</b>	<b>192,266</b>	<b>193,187</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	316,995	165,248	115,171	192,266	193,187
Other Items	-	2,498	-	-	-
<b>Total Items</b>	<b>316,995</b>	<b>167,746</b>	<b>115,171</b>	<b>192,266</b>	<b>193,187</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>2</sup>	64,537	39,307	14,830	767	-
Funded by capital appropriation - DCB <sup>3</sup>	285,445	131,675	100,841	191,499	193,187
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources <sup>4</sup>	26,440	10,595	12,910	6,306	6,306
<b>TOTAL</b>	<b>376,422</b>	<b>181,577</b>	<b>128,581</b>	<b>198,572</b>	<b>199,493</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	376,422	181,577	128,581	198,572	199,493
plus payables	-	-	-	-	-
less gifted assets	-	-	-	-	-
less make good	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>376,422</b>	<b>181,577</b>	<b>128,581</b>	<b>198,572</b>	<b>199,493</b>

Prepared on Australian Accounting Standards basis.

1. Appropriation Bill (No. 2) 2012-13 Equity Injection includes an amount of \$2.498 million in respect of capital expenditure incurred in 2011-12 and agreed by the government after the 2011-12 Additional Estimates.
2. Includes both current and prior Bill 2/4/6 appropriations.
3. Includes purchases from current and previous years DCB.
4. Includes the following source of funding:
  - s31 relevant agency receipts (for FMA agencies only).

**Table 3.2.6: Statement of Asset Movements (Budget year 2012-13)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2012</b>						
Gross book value	6,439	510,316	293,330	93	898,004	1,708,182
Accumulated depreciation/amortisation and impairment	-	(140,286)	(97,405)	-	(530,376)	(768,067)
<b>Opening net book balance</b>	<b>6,439</b>	<b>370,030</b>	<b>195,925</b>	<b>93</b>	<b>367,628</b>	<b>940,115</b>
<b>CAPITAL ASSET ADDITIONS</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation equity <sup>1</sup>	-	-	2,559	-	36,748	39,307
By purchase - appropriation ordinary annual services <sup>2</sup>	-	55,243	28,610	-	47,822	131,675
By purchase - other	-	3,475	1,773	-	5,347	10,595
<b>Total additions</b>	<b>-</b>	<b>58,718</b>	<b>32,942</b>	<b>-</b>	<b>89,917</b>	<b>181,577</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(95,408)	(68,485)	-	(92,268)	(256,161)
Other	-	(1,585)	(5,579)	-	(5,857)	(13,021)
<b>As at 30 June 2013</b>						
Gross book value	6,439	567,449	320,693	93	982,064	1,876,738
Accumulated depreciation/amortisation and impairment	-	(235,694)	(165,890)	-	(622,644)	(1,024,228)
<b>Closing net book balance</b>	<b>6,439</b>	<b>331,755</b>	<b>154,803</b>	<b>93</b>	<b>359,420</b>	<b>852,510</b>

Prepared on Australian Accounting Standards basis.

1. "Appropriation equity" refers to equity injections appropriations provided through current and prior year Bill 2/4/6 appropriations.
2. "Appropriation ordinary annual services" refers to funding provided through current and prior year Bill 1/3/5 appropriations.

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation revenue</b>					
Fees and fines	52,563	55,096	60,997	62,522	64,085
Dividends	3,615	642	-	-	-
Competitive Neutrality Revenue	6,455	4,320	3,575	3,727	3,930
Other <sup>1</sup>	1,251,492	1,311,826	1,355,486	1,389,373	1,424,107
<b>Total non-taxation revenue</b>	<b>1,314,125</b>	<b>1,371,884</b>	<b>1,420,058</b>	<b>1,455,622</b>	<b>1,492,122</b>
<b>Total revenues administered on behalf of government</b>	<b>1,314,125</b>	<b>1,371,884</b>	<b>1,420,058</b>	<b>1,455,622</b>	<b>1,492,122</b>
<b>Total income administered on behalf of government</b>	<b>1,314,125</b>	<b>1,371,884</b>	<b>1,420,058</b>	<b>1,455,622</b>	<b>1,492,122</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Supplier expenses	5,925	6,794	6,827	4,851	-
Grants	1,841	9,000	8,000	7,000	-
Depreciation and amortisation	36	36	36	35	-
Write-down and impairment of assets	61,199	82,562	101,177	103,251	105,376
Other <sup>2</sup>	1,233,634	1,274,716	1,304,610	1,337,676	1,371,570
<b>Total expenses administered on behalf of government</b>	<b>1,302,635</b>	<b>1,373,108</b>	<b>1,420,650</b>	<b>1,452,813</b>	<b>1,476,946</b>

Prepared on Australian Accounting Standards basis.

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

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	15	15	15	15	15
Receivables	591,440	591,682	608,664	626,775	645,795
Other investments	34,585	34,585	34,585	34,585	34,585
<b>Total financial assets</b>	<b>626,040</b>	<b>626,282</b>	<b>643,264</b>	<b>661,375</b>	<b>680,395</b>
<b>Non-financial assets</b>					
Property, plant and equipment	107	71	35	-	-
<b>Total non-financial assets</b>	<b>107</b>	<b>71</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of government</b>	<b>626,147</b>	<b>626,353</b>	<b>643,299</b>	<b>661,375</b>	<b>680,395</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers <sup>1</sup>	29,073	29,073	29,073	29,073	29,073
Other	15,886	15,886	15,886	15,886	15,886
<b>Total payables</b>	<b>44,959</b>	<b>44,959</b>	<b>44,959</b>	<b>44,959</b>	<b>44,959</b>
<b>Provisions</b>					
Other	575,851	578,096	594,994	612,766	631,434
<b>Total provisions</b>	<b>575,851</b>	<b>578,096</b>	<b>594,994</b>	<b>612,766</b>	<b>631,434</b>
<b>Total liabilities administered on behalf of Government</b>	<b>620,810</b>	<b>623,055</b>	<b>639,953</b>	<b>657,725</b>	<b>676,393</b>

Prepared on Australian Accounting Standards basis.

1. Includes Child Support and Income Management Card payables.

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Dividends	4,622	2,140	243	-	-
Competitive Neutrality	7,775	5,104	3,575	3,727	3,930
Net GST received	777	1,580	1,483	1,185	-
Other	1,241,656	1,281,836	1,298,081	1,330,533	1,363,796
<b>Total cash received</b>	<b>1,254,830</b>	<b>1,290,660</b>	<b>1,303,382</b>	<b>1,335,445</b>	<b>1,367,726</b>
<b>Cash used</b>					
Grant payments	2,025	9,900	8,800	7,700	-
Suppliers	6,518	7,474	7,510	5,336	-
Other	1,232,720	1,272,471	1,287,712	1,319,904	1,352,902
<b>Total cash used</b>	<b>1,241,263</b>	<b>1,289,845</b>	<b>1,304,022</b>	<b>1,332,940</b>	<b>1,352,902</b>
<b>Net cash from (used by) operating activities</b>	<b>13,567</b>	<b>815</b>	<b>(640)</b>	<b>2,505</b>	<b>14,824</b>
<b>Net increase (decrease) in cash held</b>	<b>13,567</b>	<b>815</b>	<b>(640)</b>	<b>2,505</b>	<b>14,824</b>
Cash and cash equivalents at beginning of reporting period	15	15	15	15	15
Cash from Official Public Account for:					
- Appropriations					
- Operating	103,918	107,157	107,285	106,619	97,138
- Non-Operating	-	-	-	-	-
- Special Accounts	1,136,568	1,181,108	1,195,254	1,225,136	1,255,764
- s30A draw down s	777	1,580	1,483	1,185	-
	<b>1,241,263</b>	<b>1,289,845</b>	<b>1,304,022</b>	<b>1,332,940</b>	<b>1,352,902</b>
Cash to Official Public Account for:					
- Appropriations	96,152	91,363	92,458	94,769	97,138
- Administered Revenue	21,333	16,609	14,187	14,356	14,824
- Special Accounts	1,136,568	1,181,108	1,195,254	1,225,135	1,255,764
- s30A repayment	777	1,580	1,483	1,185	-
	<b>1,254,830</b>	<b>1,290,660</b>	<b>1,303,382</b>	<b>1,335,445</b>	<b>1,367,726</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget**

The Department of Human Services does not have an Administered Capital Budget for 2012-13

**Table 3.2.11: Schedule of Asset Movements — Administered (Budget year 2012-13)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2012</b>						
<b>Gross book value:</b>						
Gross book value	-	-	161	-	-	161
Accumulated depreciation/amortisation and impairment	-	-	(54)	-	-	(54)
<b>Opening net book balance</b>	-	-	<b>107</b>	-	-	<b>107</b>
<b>CAPITAL ASSET ADDITIONS</b>						
<b>Total additions</b>	-	-	-	-	-	-
<b>Other movements</b>						
Depreciation/amortisation expense	-	-	(36)	-	-	(36)
Other	-	-	-	-	-	-
<b>As at 30 June 2013</b>						
Gross book value		-	161	-	-	161
Accumulated depreciation/amortisation and impairment		-	(90)	-	-	(90)
<b>Closing net book balance</b>		-	<b>71</b>	-	-	<b>71</b>

Prepared on Australian Accounting Standards basis.

### **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 Act 2011* was enacted on 1 July 2011 to support the Government's agenda for service delivery reform. The Act integrates 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 Centrelink have been transferred to and reflected in the 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
- revenue from appropriations or independent sources in payment for outputs
- employee, supplier and depreciation expenses incurred in providing departmental outputs

Administered items are those items controlled by the Government and managed, or oversights, 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 2011-12 as at the 2012-13 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.

## *Glossary*

<b>Term</b>	<b>Meaning</b>
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories.
Budget Paper 4 (BP4)	Agency Resourcing. Details total resourcing available to agencies.
Commonwealth Authorities and Companies Act 1997 (CAC Act)	The <i>CAC Act</i> sets out the financial management, accountability and audit obligations on Commonwealth statutory authorities and companies in which the Commonwealth has at least a direct controlling interest.
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administered by the Department of Finance and Deregulation. It contains the Commonwealth program list and produces the Annual Appropriation Bills.
Clear Read Principle	Under the Outcomes arrangements there is an essential clear link between the Appropriation Bills, the Portfolio Budget Statements (PBS), the Portfolio Additional Estimates Statements (PAES), and annual reports of agencies. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PBS should be avoided. This is called the "clear read" between the different documents. Under this Principle the planned performance in PBS 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 Capital Budget (DCB)	Funds provided in Appropriation Bill 1/3/5 for the ongoing replacement of minor assets.

Term	Meaning
Departmental Item	Resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental 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. Appropriation funding is not provided in respect of depreciation expense. Also no funding is required for goods or services received free of charge that are then expensed: e.g. ANAO audit services – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating 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).
Forward Estimates Period	The three years following the budget year. For example if 2012-13 is the budget year, 2013-14 is forward year 1, 2014-15 is forward year 2 and 2015-16 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.

## *Glossary*

<b>Term</b>	<b>Meaning</b>
Intended Result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.
Measure	A new policy or savings decision of the government with financial impacts on the governments: 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 (PBS)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.

Term	Meaning
Portfolio Additional Estimates Statements (PAES)	Budget related paper detailing the changes in resourcing by outcome(s) since the Budget which provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.
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 1997</i> .
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.